

**AN ECONOMIC IMPACT STUDY  
OF ARTS AND CULTURAL  
ORGANIZATIONS  
IN PIERCE COUNTY: 2003**

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It has been a great pleasure to undertake this study of the economic impact of arts and cultural organizations in Pierce County for the second time. The first study was conducted for the Corporate Council for the Arts, the predecessor to ArtsFund.

ArtsFund has played a critical role in the conduct of this study. Besides obtaining the primary funding for the study from The Paul Allen Foundation, this organization has taken the leadership in seeing that the project was executed through the two surveys that are at its heart—of patrons, and arts and cultural organizations. Dwight Gee has been the mastermind of this effort at ArtsFund, while Peter Donnelly has provided the basic support needed for the project. This project would never have been completed without Dwight's brilliant efforts in data gathering, recruitment of responses, and overall organizational effort. Jane Gibson was helpful in logistics with the project.

The real heroes of this research project are the hundreds of patrons and the dozens of arts and cultural organizations that contributed to this report. We were ultimately dependent upon these people to make this report possible. Their help is a symbol of why this region is regarded as one of the centers of creativity and innovative economic development in the United States and globally today.

We thank the Paul Allen Foundation for providing the primary support to us for this research effort. We hope that this report will help stimulate the growth and development of arts and cultural organizations in Pierce County in the years to come. The quality of life in our community rests very much on the enterprises and their patrons that we have studied in this report.



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## Sponsors Acknowledgements

The recent growth of the arts in the Puget Sound region is unparalleled in this country. Together King and Pierce Counties have added a remarkable number of first-rank concert halls, theaters and museums that have redefined our cities.

Since 1992, ArtsFund has been putting a yardstick to arts and heritage activity, with comprehensive economic impact studies conducted about every five years. We have been very careful to ensure that the methodology of the studies remains as consistent as possible to allow meaningful comparisons of where the arts are now and how much they have grown.

The current study, based on activity which for most arts and heritage groups fell in fiscal year 2003, shows how significantly arts activity has increased since 1997. It also points to noteworthy shifts in things like sources of contributed support, employment structure and trends in subscription and single-ticket purchase. The study also shows that aggregate arts and heritage organizations' income still narrowly exceeds expenses.

Taken together, the arts and heritage activities in King and Pierce Counties generate more than one-billion dollars in our state's economy and create 3,500 jobs. While this does not make cultural activity one of the region's largest industries, it is significant and is growing quickly. These are the things we can measure about the arts. The ones we can't measure – how much meaning the arts add to our lives, how much they help educate our children, how much more attractive they make this region to highly educated and creative employee talent – are far more important.

First thanks for making this study possible go to The Paul G. Allen Family Foundation for providing primary project funding. The Allen Foundation also funded our previous economic impact study in 1997. Additional funding was provided by public arts agencies listed below, for which we are very grateful.

We also thank the steering committee whose hard work helped identify and secure information from the scores of arts and heritage organizations we surveyed. It is because of their dedication and deep knowledge of the field that this study rests on an unshakable foundation. We also thank Dick Anderson and GMA Research of Bellevue, Washington, which has been our survey partner since our first such study a dozen years ago.

The study would simply not have been possible without the extraordinary dedication, countless hours and remarkable professionalism of Professor William Beyers, the main author of this survey. His intellectual and analytical abilities are a marvel to witness in crafting this report from vast forests of data. A professional colleague of his from a Midwestern university recently and accurately described Professor Beyers as the best in the country in such studies as this.

The greatest credit for this monumental study, however, has to be given to Dwight Gee, ArtsFund's longtime Vice President of Community Affairs, whose intelligence and tenacity have guided this from inception to completion. He has been the person who has cajoled, bargained, begged and bludgeoned the hundreds of overworked arts administrators, upon which the success of such a study falls, to complete the complicated survey. This is his third tour of duty with this rigorous task and as a result, we have some of the most comprehensive data available in the country for our region. A byproduct is that Dwight has become one of the most knowledgeable people in the region as it relates to the trends in the arts industry during the past decade.

While the most important contributions of the arts to our community cannot be expressed in numbers, we believe this study will help reveal another layer of importance of arts and heritage organizations to our region and our economy.



Peter F. Donnelly  
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## Executive Summary

Arts and heritage organizations make significant contributions to the quality of life of people living in Pierce County, as well as to people living elsewhere in Washington State. They also act as a magnet, drawing people to this community as tourists. Patrons described these quality of life considerations this way:

*“Civility is at an all time low. The arts provide a soft and forgiving side of our nature. Our cultural presence open doors to humanity.”*

*“Our family has always enjoyed attending theatrical functions, benefiting by the experience and enjoying lively conversations afterwards.”*

Source: Patron Survey

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

*“Cultural organizations are an important part of our civilization. It gives individuals avenues of expressions.”*

Source: Patron Survey

This study measures the economic impact of 50 non-profit cultural organizations, and the expenditures of their patrons, on the Washington State and Pierce County economies. It includes groups with budgets over \$26,000 in dance, theater, music, visual arts, and heritage organizations, as well as public and private sector non-profit organizations supporting the delivery of cultural services.

## Aggregate Impact

The aggregate economic impact of arts and heritage organizations on the Pierce County economy stem from the spending of patrons attending performances and exhibitions presented by these organizations, and from the expenditures made by these organizations to present their programs. In 2003 \$72 million in business activity was generated in Pierce County by the spending of these patrons and cultural organizations. In addition some 3,492 jobs and \$31.9 million in labor income was generated due to these activities. State and local governments collected over \$2.6 million in sales and business & occupation taxes due to this business activity. These impacts are significantly higher than measured in the 1997 economic impact study sponsored by ArtsFund; business sales impacts are estimated to be 83% higher than found in the 1997 study.

Spending by cultural organization patrons totaled \$20 million, with tickets and admissions accounting for \$5.8 million of these expenditures. Budgets of cultural organizations were \$25.5 million in 2003.

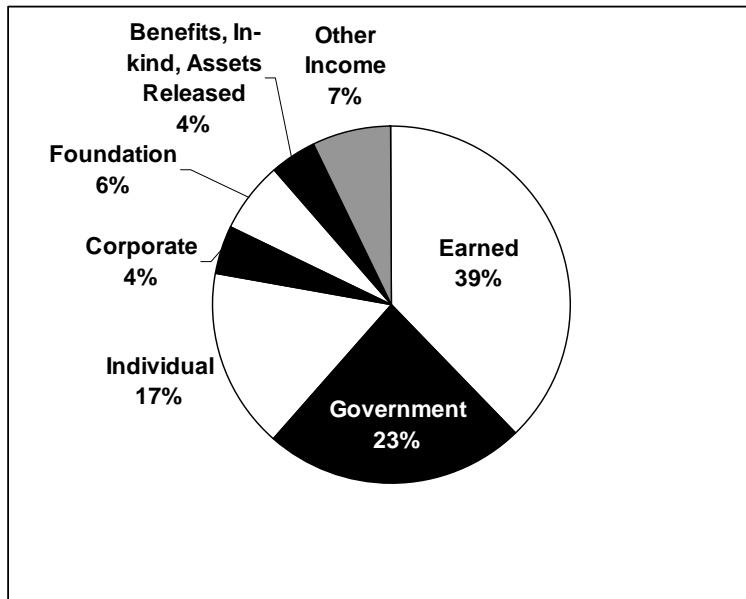
## New Money

Most of the aggregate economic impacts are due to the spending by residents of this community of their discretionary income on exhibitions and performances by arts and heritage organizations. However, a portion of the economic impacts are due to the 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 not here, these funds would not have flowed into the Pierce County economy. New money provides about 35% of the income of cultural organizations, and accounted for 60% of total patron outlays. New money impacts in 2003 include \$30 million in business sales, 1,300 jobs, \$13 million in labor income, and \$1.5 million in tax revenues. New money impacts have increased significantly since the 1997 ArtsFund economic impact study; sales or output impacts have doubled in five years.

## Income

Earned income from tickets, admissions, tuition, retail sales, and other sources accounted for 39% of total income of Pierce County arts and heritage organizations. The other 61% was generated through contributions, which included 23% from government, 17% from individuals, 6% from foundations, 4% from benefits/in-kind/assets released, 4% from corporate sources, and 7% from other sources.

### Percentage of Total Income by Source

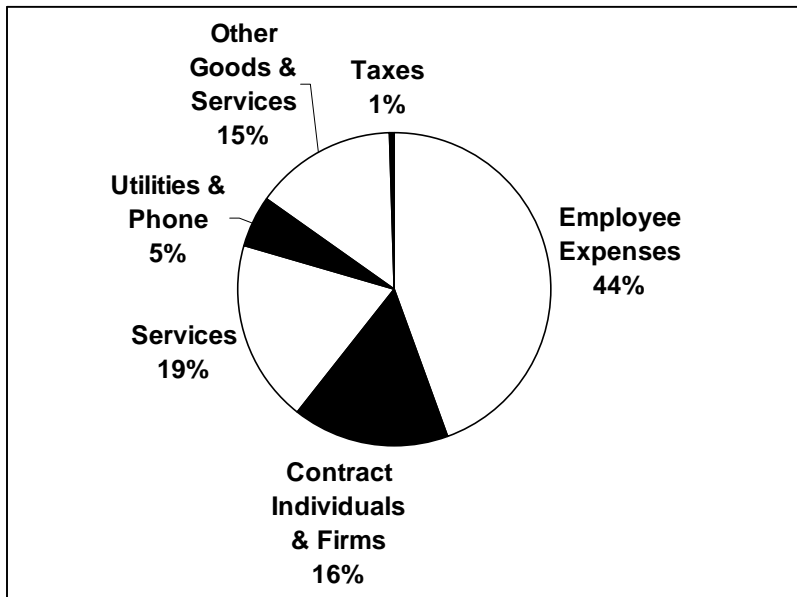


## Expenditures

Expenses are divided between employee expenses (44%) and operating expenses (56%). Most employee expenses (88%) and operating expenses (91%) are incurred in Pierce County. A major component of operating costs are contract individuals and firms (29%), including visiting artists. Almost half of these expenditures were made outside Pierce County. Services account for the

largest share of operating expenses (34%), and 74% of these were made in Pierce County. These costs include services such as accounting, legal, printing, transportation, marketing, royalties, consulting, and professional services. Arts and heritage organizations also makes sales of books, souvenirs, and replicas purchased through wholesale distributors, and buy materials for exhibits/sets and productions. These costs amounted to 26% of operating expenses, while utility and postage accounted for 10% of operating expenses.

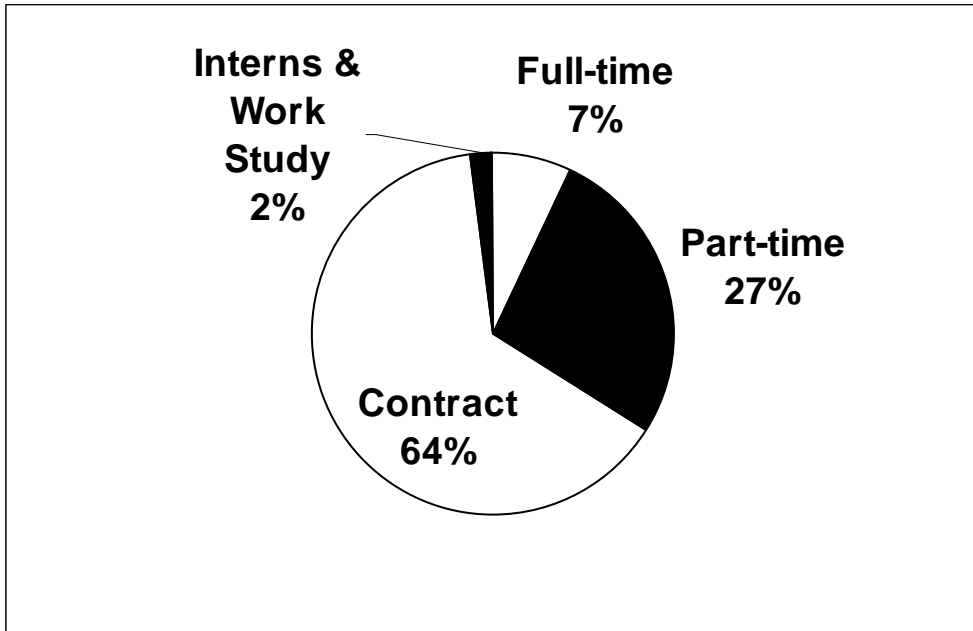
**Aggregate Expenditures of Pierce County Cultural Organizations**



**Employment**

An estimated 3,492 jobs in Pierce County were related to arts and heritage organizations in 2003. Of these 2,808 were directly tied to local arts and heritage organizations. Most of these direct jobs were part time or contractual (91%). Part-time employment is predominantly in the dance, theater, and music disciplines. People employed by Pierce County arts and heritage organizations were paid \$11.3 million in labor income in 2003, while contract individuals and firms received an additional \$4.1 million.

## Employment Status



## Attendance

There were 793 thousand admissions to events sponsored by arts and heritage organizations covered in this study in Pierce County in 2003. About half of these were season ticket / membership or single ticket visits (49%), while 16% (128 thousand) were free admissions, and the balance (35%) were discounted admissions (277 thousand). K-12 students accounted for 134 thousand of the free or discounted admissions; about 60% of these students were Caucasian, while about 40% were minority students.

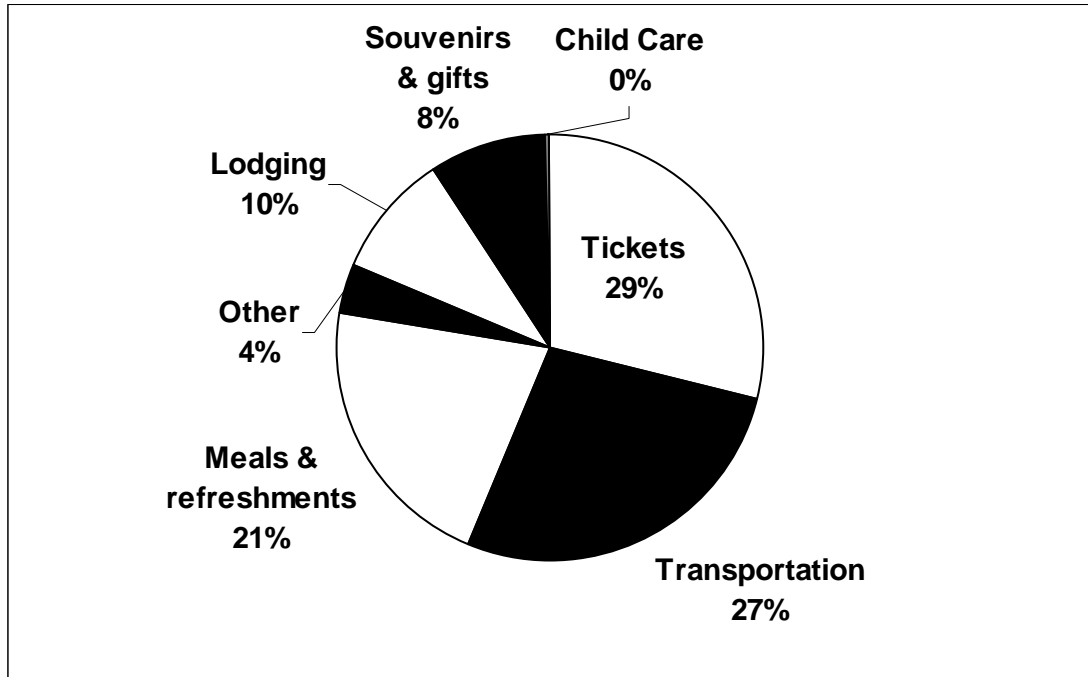
## Percentage Distribution of Attendance by Category



## Patron Spending

Patrons spent an average of \$31 on their visits to Pierce County cultural organizations in 2003. Washington residents spent less (\$27) per trip than those coming from out of state (\$56). The largest share of expenditures was for tickets/admissions (29%). Significant outlays also occur for transportation (27%), meals and refreshments (21%), with smaller outlays on lodging, souvenirs and gifts, child care, entertainment, and other expenditures. 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.

## Patron Expenditures by Category



## Volunteers

Volunteers play an important role in the activities of arts and heritage organizations. They provide assistance with administrative and artistic/professional/technical work. Cultural organizations estimate almost 2,000 people provided 139,000 hours of volunteer service in 2003. The patron survey found that 39% of respondents reported volunteering, with the typical volunteer working for 50 hours annually.

## Values Regarding Cultural Activity

Most patrons were introduced to the arts while young, either in school or through family and friends. Most attend a performance or exhibition at least monthly, and feel as though the value of the arts has increased to them in the last few years. Over half of the patrons regularly make cash contributions to arts and cultural organizations, and over 60% use attendance at arts and cultural organization events to meet with family and friends. Over 60% of patrons with children have them participate in arts activity outside of school.

## 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, the community supports these arts and heritage organizations not primarily because they create jobs, business activity, taxes, and labor income. They support these organizations because they help create the high quality of life that characterizes our community, as documented in the following quotes from the survey of patrons.



## I. Introduction

*“The arts provide a heartbeat to an otherwise arrhythmic life. They provide a soul. A yin to the yang of work. One cannot live without them.”*

Source: Patron Survey

### Goals and Objectives of this Study

Arts and cultural organizations occupy a central role in the set of organizations, institutions, and environmental attributes that makes for the high quality of life in Pierce County. In addition to the services provided by these organizations to the community, they are also businesses that contribute to the local economy. Patrons of these organizations also contribute to the economy, as in the process of attending performances or exhibitions, they incur costs that also have local economic impacts. The operations of the arts and cultural organizations also lead to economic impacts, through the spending they make in the process of mounting performances and exhibitions. This report documents these economic impacts, and other aspects of arts and cultural organizations and their patrons in Pierce County.

The population of arts and cultural organizations located in Pierce County includes both large and small organizations, and a combination of for-profit and non-profit establishments. Large non-profit organizations include the Museum of Glass, Washington State Historical Society, Tacoma Art Museum, and the Broadway Center for the Performing Arts. There are also many small, community-oriented organizations with small budgets and a strong reliance on volunteers. In addition, there are many individual artists and performers selling their products and services in a for-profit environment, such as in commercial art galleries. This study focuses only on non-profit arts and heritage organizations (e.g. 501(c)(3) organizations) located in Pierce County with annual operating expense budgets of at least \$26,000<sup>1</sup>. This definition therefore excludes a large proportion of the commercial art and cultural business activity located in Pierce County, including festivals, commercial art dealers, individual artists, and establishments supplying these individuals and organizations with the materials and services needed to produce their products.

This report is organized as follows. This section discusses the research approach taken to this study. Section II reports on the economic impacts of arts and cultural organizations in Pierce County. Section III presents detailed information on patrons interviewed at cultural organizations in Pierce County. Section IV presents some comparisons between the current study and research undertaken by others similar to this project. Section V makes some concluding remarks. There are six appendices. Appendix 1 identifies the arts and cultural organizations included in this study. Appendix 2 describes the input-output modeling methodology. Appendix 3 and 4 include the survey documents used by arts organizations and patrons. Appendix 5 is a summary of economic impact measures. Finally, Appendix 6 documents the ArtsFund Board of Trustees and Staff, who played an instrumental role in the execution of this study.

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<sup>1</sup> This figure was arrived at after taking into account inflation since a similar study was conducted that was benchmarked against the year 1997 (GMA Research and Beyers, 1997). That study used \$23,000 as the lowest level of operating expense budget for inclusion in the study.

## Research Approach: Designing This Study

One of the primary goals of this study was to develop measures that would allow an assessment of changes in the role of arts and cultural organizations in the Pierce County economy over the past five years. The 1997 study provided a first comprehensive look at the economic impact of arts and heritage organizations on the Pierce County economy. In approaching the current study, care was taken to utilize a similar methodology to that employed in the 1997 study, which was sponsored by the Corporate Council for the Arts (now ArtsFund). The current study was undertaken in parallel with an identical study in King County, which has a similar format and text. We have tried to improve upon some of the questions that produced ambiguous responses in the 1997 study. We have based both studies on surveys of patrons and arts organizations in the region, developing primary data used in the impact studies and analyses. We have done this because information is not available from secondary sources that would permit the completion of a study of this type. There are no survey data gathered on patron expenditures similar to those used in this study by other organizations. Data on arts and cultural organizations are not reported separately in economic models with sufficient detail to identify the 501 (c)(3) organizations.

Arts and cultural organizations included in this study are included in statistical reports by agencies such as the Washington State Department of Employment Security (ESD) or the Washington State Department of Revenue (DOR) with other establishments. Neither ESD or DOR distinguish between 501(c)(3) establishments and for-profit establishments, and they do not break out information on a “discipline” basis. In this report we have chosen to provide information built around six categories of arts and cultural organizations, which we refer to as disciplines in this report: (1) dance, (2) theater, (3) music, (4) visual arts, (5) heritage, and (6) arts service organizations (ASO). Moreover, these agencies do not report within their databases information on the establishments with at least \$26,000 in expenditures in the year 2003. In approaching this project, we developed budget information on each establishment included through collaboration with ArtsFund, and ASO’s. Appendix 1 shows the names of the organizations that we have included in this study.

## Arts & Heritage Organization Survey

ArtsFund and ASOs developed lists of names of organizations included in this study located in Pierce County. There were 50 organizations that met this budget test in 2003, compared with 42 in the 1997 study. Clearly, there has been substantial growth in the number of organizations meeting the threshold of \$23,000 used in the 1997 study. Table I-1 describes the number of organizations included in the current study by discipline. The number of organizations returning questionnaires in the current study compared to the 1997 study was the same (18), but more other organizations are included in the current study (32 versus 24). There has been strong growth in heritage organizations included in the current study, compared to the 1997 study.

**Table I-1 Cultural Organizations Included in this Study**

<b>Discipline:</b>	<b># of Questionnaires Returned</b>	<b># of Other Organizations Included</b>
Performing Arts -Dance	1	3
Performing Arts - Theater	4	2
Performing Arts -Music	6	9
Visual Arts	4	0
Heritage	1	12
Art Service Organizations (ASO)	2	6
<b>Total</b>	<b>18</b>	<b>32</b>

Each organization asked to participate in this study was sent a digital copy of the questionnaire found in Appendix 3. Those that responded sent their data to ArtsFund. ArtsFund had staff make efforts to get responses from as many organizations as possible, including many that do not receive funding from ArtsFund. Organizations were asked to provide information for their most recent budget year, benchmarked against the year 2003. As indicated in Table I-1, we received information from 18 organizations, the same number as in the 1997 study. Each organization was asked to provide information on their (1) general activity and attendance, (2) detailed activity on income, (3) detailed activity on employee expenses including administrative as well as artistic, technical, and professional employees, (4) disaggregate operating expense data including expenses for contract employees, services, taxes, and other costs, (5) capital projects and assets, (6) and free or reduced admissions of K-12 students.

The organizations covered in this survey constituted the bulk of the economic activity within each discipline, except dance and ASO. Table I-2 reports the estimates in column (1) of the expense budgets of organizations returning a survey, reports estimates in column (2) of all organizations expense budgets included in this study, and then reports the ratio of covered to total estimated expense budgets<sup>2</sup>. We had coverage of \$20.7 million of the estimated \$24.3 million expense budgets of organizations included in this study, 85% of the total estimated expense budget level. The last column in Table I-2 was used to extrapolate the reported values by the coverage factor. Thus, we increased reported results from the organization survey (except in a few selected questions, as noted in the tables below) by the factor included in Table I-2. For example, in the case of theater, the reported data came within 3% of our estimated overall activity in this discipline. As with the preceding ArtsFund study, we have a good level of coverage in this survey of organizations. Budgets were up in every discipline, when compared to the 1997 study.

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<sup>2</sup> ArtsFund staff developed expense budget data for all organizations included in this study from Information provided from its own sources and from other ASOs which receive application for funds from many of the arts and heritage groups that detail operating budgets in their grant applications. These budget estimates are not equivalent to income, which is reported in section 2 of this report.

**Table I-2 Pierce County Cultural Organizations Budget Coverage**

<b>Discipline</b>	<b>(1) Covered Expenditures of Organizations Returning Surveys</b>	<b>(2) Estimated Total Expenditures</b>	<b>(2)/(1) Coverage Factor</b>	<b>Share of the Budget Due to Newly Included Organizations</b>
Dance	\$153,789	\$592,083	3.850	41.4%
Theater	4,325,563	4,467,470	1.033	1.6%
Music	2,670,893	3,339,811	1.250	5.1%
Visual	8,517,260	8,517,260	1.000	3.8%
Heritage	4,350,753	5,484,796	1.261	7.7%
ASO	676,895	1,888,674	2.790	33.2%
<b>Total</b>	<b>\$20,695,153</b>	<b>\$24,290,094</b>	<b>1.174</b>	<b>7.7%</b>

(1) Covered Expenditures = Budgets Reported to Arts Service Organizations and ArtsFund of Organizations Returning Surveys

(2) Estimated Total Expenditures – Budgets of organizations in (1) and other organizations budgets estimated by Arts Service Organizations and ArtsFund.

This study includes a number of organizations not included in the 1997 study. Some of these did not exist in 1997, and some had budgets that fell below the threshold for inclusion in that study (\$23,000). Budgets of organizations included in the 1997 study increased from \$13 million to \$20.7 million, an increase of 59%. The last column of Table I-2 reports the share of the total expense budgets associated with organizations included in the current study that were not part of the 1997 study. In the aggregate, they account for 7.7% of the expense budgets. Theater, music, heritage, and visual arts show little increase in overall expense budgets due to new organizations, while growth was relatively strong in dance, and ASO's. It is not possible to report the relative importance of new organizations versus those with budgets that fell below the 1997 study threshold. Of the roughly \$11 million gain in expense budgets between the 1997 and the current study about 83% is gains in budgets of organizations included in the 1997 study, and 17% comes from newly included organizations.

*Notes and Dance and ASO for comparisons to the 1997 Study*

The 1997 study had no returned questionnaires from dance organizations, and no survey work was done at ASO's. The current project did have coverage from a dance organization and some ASO's, but the coverage was poor, as indicated in Table I-1. In the 1997 report data were developed for dance based on survey data for King County. In the current report, they are based on returns from Pierce County dance organizations. In the 1997 report, data for ASO's were based on a composite of expenditures to dance, music, theater, heritage, and visual arts organizations. In the current report, we used data returned from ASO's for organization statistics, and the only patrons included in the study attending ASO's were school children for whom there were no spending estimates.

## Patron Survey

The patron survey was conducted by the intercept method in venues for each discipline. People were approached by staff and volunteers of the arts and cultural organizations and asked to take a few minutes to complete the patron survey found in Appendix 4. The surveys were undertaken at 18 different arts organizations on weekdays and weekends, and during the day as well as the evening. The surveys were conducted between August and December 2003. A total of 429 surveys were obtained from patrons of Pierce County arts and cultural organizations, and 398 of these were considered to contain valid information for the development of the patron expenditure estimates (they contained “reasonable” spending entries and reported the number of patrons). The questionnaire was not pre-tested, but it did go through a careful review process by a committee convened by ArtsFund to oversee the development of this project. Many of the questions are the same as used in the two prior ArtsFund economic impact studies. Ex-post analysis of the responses did not reveal design problems which should have been dealt with prior to the administration of the survey.

The questionnaire was designed to obtain data on (1) expenditures attributable to their visit to the arts or cultural organization by each group of patrons, (2) the number of patrons in the group and the primary reason for their trip, (3) open-ended responses regarding the importance of the arts to the patron personally and with regard to the importance of the arts to the community, (4) a series of questions regarding the development of their interest in the arts, their volunteer activity, their children’s arts participation, (5) the level of their attendance at different disciplines as either a season ticket/membership or single ticket holder in Tacoma, elsewhere in Pierce County, and in King County, and some basic demographic information. These responses were aggregated by discipline, and were used along with the data on attendance to estimate total spending for use in the economic impact analysis. The many tables in Sections II and III of this report were developed using data from this patron survey.

## Economic Impact Model

The data developed in the survey of arts and cultural organizations and of patrons were used with the 1997 Washington State input-output model to obtain economic impact estimates reported in section II of this report (Conway 2004). The 1997 Washington State input-output model is an updated version of the 1987 Washington State input-output model. The update is not based on new survey data on input-output relationships, but rather uses a bi-proportional matrix adjustment technique to develop transaction relationships that are benchmarked against total sales and purchases estimates for the year 1997 (Conway 2004). The interindustry multiplier structure of this model does not differ dramatically from the models used in the previous ArtsFund economic impact studies. This model provides estimates of levels of business activity, labor income, employment, and selected taxes.

The economic impact model uses estimates of the portion of organizational outlays and patron expenditures that are made in Washington state to calculate multiplier effects. Some expenditures are on goods or services produced in other states, and should not be counted in an impact analysis of the regional economy. Expenditures were reclassified from the consumer expenditure accounts and from the organizations budget information into the input-output

sectors, using standard procedures to yield input-output model final demands and direct requirements expressed in producers prices. Patron spending on tickets/admissions were not “double counted,” as they were a part of the revenue stream to the arts and cultural organizations included in this study. The economic impacts have been calculated for two geographic regions, Washington State and Pierce County. There are some minor differences in methodology and model specification in the current impact study, compared to the 1992 and 1997 studies. However, the goal was to try to have the procedures as comparable as possible.

## II. Economic Impact of Cultural Organizations in Pierce County

*“When we first moved to Tacoma, one had to go to Seattle for most cultural events. Now, however, it is great to have such a variety of activities here.”*

Source: Patron Survey

This chapter provides estimates of the economic impact of arts and cultural organizations and their patrons. The first two sections of this chapter document the levels and nature of the income to arts and cultural organizations in Pierce County, and their expenditures on goods and services. Then the expenditures of patrons are reported, in relation to their attendance at events sponsored by the organizations covered in this study. This section is followed by estimates of economic impacts resulting from the combination of organizational and patron spending. The chapter also includes information on capital activity (both income and expense-related) and volunteer activity in arts and cultural organizations in Pierce County.

### Income of Pierce County Cultural Organizations

Cultural organizations in Pierce County obtain their income from a combination of earned and contributed sources. The overall structure of income by discipline is documented in the next section of this report. Then the structure of earned, contributed, government, and other income is documented

#### (1) Total Income

Total income to arts and cultural organizations in Pierce County is reported in Table II-1, and Figures II-1, II-2, and II-3 contain graphic representations of the income profile of Pierce County arts and cultural organizations. These organizations are estimated to have had income of \$27.1 million in the year 2003 (this estimate is based on the latest budget year for the organizations included, and this may not be the same as the calendar year 2003). Figure II-2 depicts the same information as in the last row of Table II-1, showing the share of total income by discipline. Figure II-1 represents in graphic form the composition of income, whose absolute magnitude is contained in the last column of Table II-1, and is the same as the last column of percentages in Table II-2.

**Table II-1 Total Income to Pierce County Cultural Organizations (\$ in millions)**

<b>Income Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Earned	\$0.53	\$2.96	\$1.57	\$4.08	\$0.94	\$0.18	\$10.25
Government	0.01	0.39	0.14	0.17	4.37	1.29	6.36
Individual	0.04	0.28	0.43	3.50	0.26	0.00	4.51
Corporate	0.01	0.33	0.30	0.43	0.01	0.12	1.21
Foundation	0.02	0.30	0.35	0.59	0.20	0.24	1.69
Benefits	0.30	0.30	0.28	0.24	0.00	0.00	1.12
Other Income	0.00	0.04	0.25	1.66	0.00	0.03	1.98
<b>Total</b>	<b>\$0.89</b>	<b>\$4.60</b>	<b>\$3.31</b>	<b>\$10.68</b>	<b>\$5.78</b>	<b>\$1.86</b>	<b>\$27.12</b>
Discipline income as a % of total income	3%	17%	12%	39%	21%	7%	100%

The relative size of the disciplines has changed since the 1997 study, with visual now being the discipline with the largest budget share, followed by heritage, and theater. The development of the Glass Museum and the new Tacoma Art Museum has fueled attendance at visual arts organizations in Pierce County, and has helped swell their income. Budgets of Pierce County visual arts organizations were 3.7 times the size reported in the 1997 study. In the 1997 study, heritage accounted for 29% of income, theater for 25%, music for 17%, visual for 16%, ASO for 10%, and Dance for 3%.

Table II-2 and Figure II-3 show that the composition of income varies significantly across the disciplines included in this study. Earned income accounts for the largest share of income in all disciplines except for heritage and ASO's, that depend most strongly on government for their income. The share of earned income in this study is similar to that reported in the 1997 study, when it averaged 40%. Figure II-4 provides a comparison of the level of earned and contributed income in the 1997 and the current study. In the current study government income is a somewhat smaller share of total income compared to the 1997 study (28% vs. 23%), while individual and miscellaneous income have increased sharply. Corporate, Foundation, and Benefits, In-kind, and Assets Released account for a somewhat smaller share of total income.

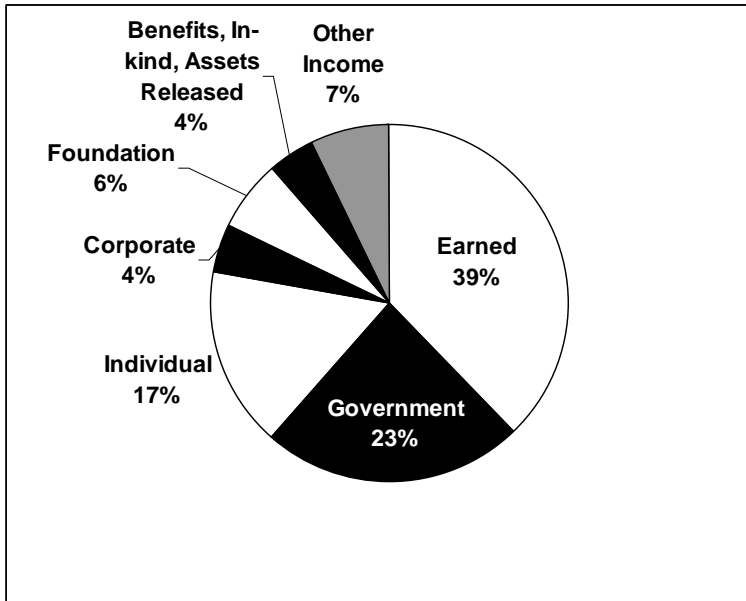
**Table II-2 Percentage of Total Income by Discipline and Total**

<b>Income Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Earned	59%	64%	47%	38%	16%	10%	39%
Government	1%	9%	4%	2%	76%	69%	23%
Individual	4%	6%	13%	33%	4%	0%	17%
Corporate	1%	7%	9%	4%	0%	7%	4%
Foundation	2%	6%	11%	6%	3%	13%	6%
Benefits, In Kind, Assets Released	34%	7%	8%	2%	0%	0%	4%
Other Income	0%	1%	7%	16%	0%	2%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

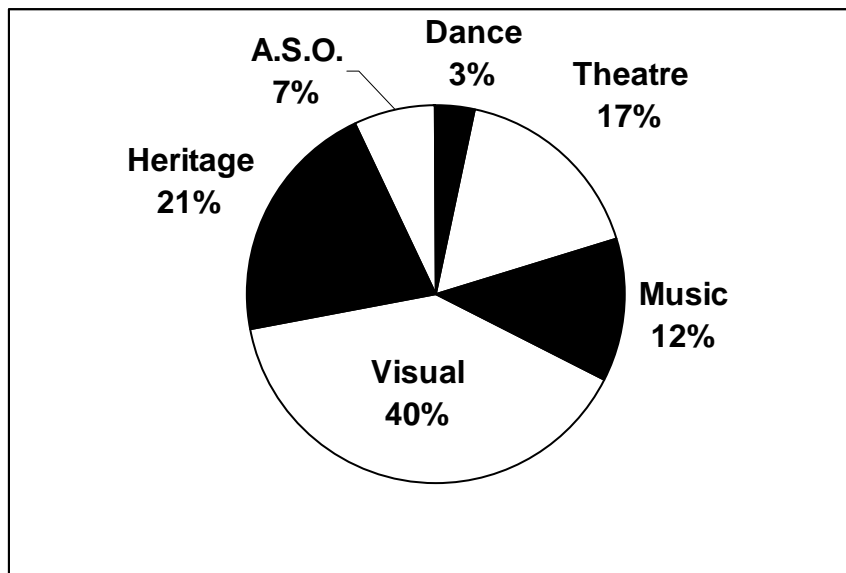
Tables II-1 and II-2, and Figure II-2 indicate that private sector income provides the largest share of income beyond earned income. Individual, corporate, and foundation income provided 27% of total income in the current study, up from 21% in the 1997 study. Government income accounted for 23% of total income in the current study, down from 28% in the 1997 study. Benefits, in-kind, and assets released provided considerably less income in the current study (4%) compared to the 1997 study (10%).



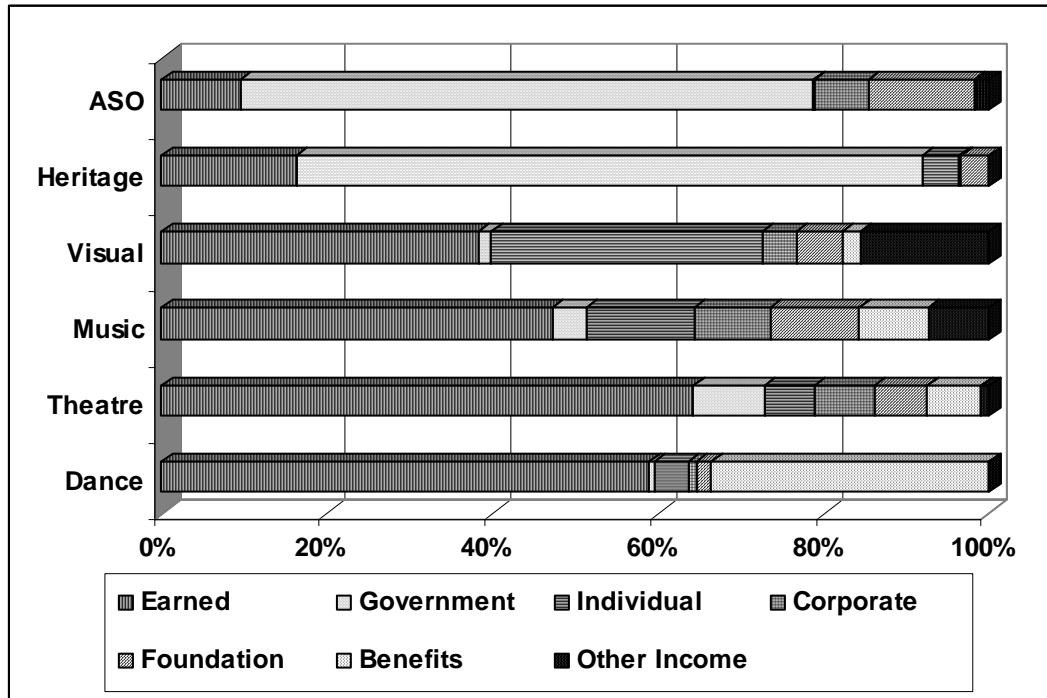
**Figure II-1 Percentage of Total Income by Source**



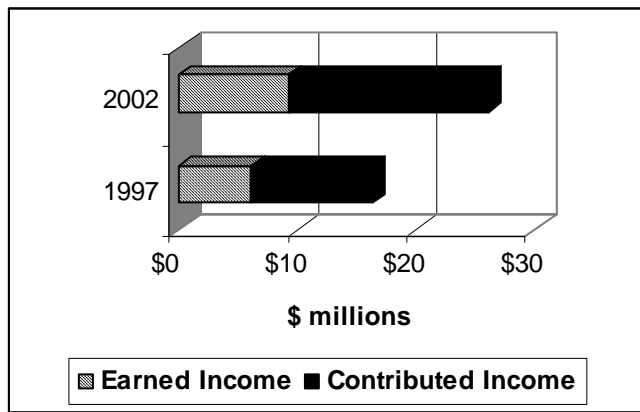
**Figure II-2 Percentage of Total Income by Discipline**



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



**Figure II-4 Earned and Contributed Income, 1997 and 2003**



(2) *Earned Income*

Table II-3 presents detail with regard to the composition of earned income, and this table indicates that there are major differences in the importance of different earned income categories among the disciplines. Season Tickets or Memberships and single admissions are relatively important for theater and visual arts organizations. Tuition and workshops are relatively important for dance and music. The sale of goods was relatively important for visual arts organizations. Other earned income provided a relatively large share of heritage organization earned income.



**Table II-3 Percentage Composition of Earned Income**

<b>Income Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Box Office/Admissions	21.8%	55.4%	40.9%	43.3%	40.6%	0.0%	44.3%
Tuition/Workshops	65.1%	4.9%	52.6%	5.3%	4.6%	0.0%	15.3%
Retail/Wholesale Sales	0.0%	2.6%	0.8%	38.0%	3.0%	0.0%	16.3%
Other Earned Income	13.1%	36.8%	3.0%	12.1%	51.4%	97.5%	22.9%
Interest	0.0%	0.3%	2.7%	1.2%	0.4%	2.5%	1.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**(3) Contributed Income**

Contributed income is derived from many sources, including individuals, corporations, foundations, benefits, and in-kind sources. Table II-4 presents detail with regard to the importance of these various sources of contributed income by discipline. Individuals were the largest source of contributed income (50%), and this share was up sharply from the 1997 study (22%). Foundations were the second largest source (19%), and this was down slightly from the 1997 study (24%). Other categories of contributed income accounted for a smaller share of contributed income in the current study, when compared to the 1997 study. Corporate contributions declined from 13% to 10%, ArtsFund declined from 6% to 3% largely because of the growth of organizational budgets, and benefits from 13% to 5%. It should be noted that in-kind contributions 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)**

<b>Income Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Individuals	10%	22%	31%	69%	55%	1%	50%
ArtsFund	0%	9%	9%	1%	0%	0%	3%
Other Corporations	3%	17%	13%	7%	3%	31%	10%
Foundations	4%	24%	26%	12%	42%	60%	19%
Benefits/Galas/Guilds	0%	9%	14%	2%	0%	0%	5%
In-Kind	83%	15%	6%	3%	0%	0%	8%
Other	0%	3%	1%	6%	0%	8%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

There are major differences in the composition of contributed income across the disciplines, but income from individuals are important in most disciplines. ArtsFund giving is spread across theater, music, and the visual arts, and was not distributed to dance, heritage or ASO's in this study. In-kind income is very important for dance organization. Foundation income was relatively important to music, heritage, ASO's and theater organizations. Visual and heritage organizations show a very strong reliance on contributed income from individuals.

Arts and cultural organizations obtained donations from over 6,800 individual contributors, as indicated in Table II-5. This number is roughly down from the number of individual contributors documented in the 1997 study (8,144). The average donation was also up sharply, up from \$131 in the 1997 study to \$663 in the current study. In absolute dollars, the

funds raised from individual contributors were over four times the level reported in the 1997 study (\$1.1 million). The share of contributions from outside Pierce County rose by one –Half, from 12% to 18.5%.

**Table II-5 Individual Contributions to Pierce County Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Individual Contributions (\$ in thousands)	\$36.2	\$280.3	\$433.6	\$3,499.1	\$258.2	\$2.2	\$4,509.5
Number of Contributors	NA	2,840	959	3,002	NA	NA	6,801
\$/Contributor	NA	\$99	\$452	\$1,166	NA	NA	\$663
% Outside Pierce County	NA	10.1%	5.6%	22.4%	NA	NA	18.5%

NA – Survey did not provide data to calculate these values.

Corporate contributions totaled \$0.9 million in 2003, as reported in Table II-6. The average level of corporate giving was much higher than for individuals (\$4,182 versus \$663). Corporate support declined slightly between 1997 and 2003. The number of donors grew, expanding 28% over the number of contributors in the 1997 study. An estimated 38% of corporate contributions came from outside King County, up from 12% in the 1997 study. The average corporate contribution was down from the 1997 study, decreasing from \$6,992 to \$4,182.

**Table II-6 Corporate Contributions to Pierce County Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Corporate Contributions (\$ in thousands)	\$9.6	\$215.1	\$182.4	\$363.3	\$12.5	\$121.4	\$904.2
Number of Contributors	4	36	65	100	NA	11	216
\$/Contributors	\$2,500	\$5,947	\$2,806	\$3,633	NA	\$10,875	\$4,182
% Outside Pierce County	NA	34%	19%	38%	NA	80%	38%

Excludes ArtsFund. NA – Survey did not provide data to calculate these values.

Table II-7 reports contributions from private foundations. This source provided \$1.7 million to Pierce County arts and cultural organizations in 2003, a sizeable increase over the \$1.2 million in private foundation contributions reported in the 1997 study (an increase of 43%). The average size of private foundation donations is much larger than individual and corporate contributions, but was much smaller on average than reported in the 1997 study. The share of private foundation contributions to Pierce County cultural organizations from outside the local area was much larger in the current study than in the 1997 study (31% versus 12%).



**Table II-7 Private Foundation Contributions to Pierce County Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Private Foundation Contributions (\$ in thousands)	\$15.4	\$295.1	\$354.4	\$590.1	\$196.5	\$238.6	\$1,690.2
Number of Contributors	8	34	36	41	NA	14	133
\$/Contributor	\$2,000	\$8,656	\$9,773	\$14,394	NA	\$17,100	\$12,707
% Outside Pierce County	0.0%	13.8%	7.1%	31.4%	100.0%	29.0%	30.6%

NA – Survey did not provide data to calculate these values.

In-kind contributions provided \$0.7 million to arts and cultural organizations in Pierce County in 2003, somewhat below the \$0.9 million reported in the 1997 study. A much larger share of these in-kind contributions came from sources outside Pierce County in the current study, compared to the 1997 study (8% vs. 29%). The number of contributors rose from 130 documented in the 1997 study, but the contribution per contributor fell from \$6,834 to \$2,628 (note this calculation excludes dance, where data were not available on the number of contributors).

**Table II-8 In-Kind Contributions to Pierce County Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
In-kind Contributions (\$ in thousands)	\$300.3	\$184.6	\$82.4	\$127.4	\$0.0	\$0.0	\$694.7
Number of Contributors	NA	95	30	25	0	0	150
\$/Contributor	NA	\$1,942	\$2,744	\$5,097	*	*	\$2,628
% Outside Pierce County	NA	26.3%	29.1%	33.9%	*	*	29.3%

Note: Overall \$ per contributor and % outside Pierce County based on data for theater, music, and visual. NA – Survey did not provide data to calculate these values. \* - computation not relevant as these disciplines did not have in-kind contributions.

(4) *Government Income*

Government income levels were \$6.4 million in 2003, representing 23% of the income of arts and cultural organizations in Pierce County. Table II-9 documents the sources of government income by discipline, and it can be seen that there are major differences in the composition of government income across the disciplines. Government income as a share of total income fell from 28% in the 1997 study. Across all disciplines, federal funds increased from 1% in the 1997 study to 13% in the current study. State funds remained the most important source of government funds, accounting for 62% in the 1997 study. City and county governments accounted for 23% of total government funds in the current study, down from 37% in the 1997 study. City and county governments provide funds to help ensure access to high quality arts experiences for large numbers of people, and also help support a wide range of arts education and other activities.

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

<b>Income Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Federal	0%	0%	0%	47%	13%	13%	13%
State	0%	8%	41%	11%	87%	13%	64%
County	100%	6%	19%	1%	0%	42%	16%
Cities	0%	86%	40%	41%	0%	32%	7%
Total	100%	100%	100%	100%	100%	100%	100%

Note: transferred \$400K from County to City in ASO, which is the budget of the Tacoma Arts Commission which was not directly reported.

(5) *Other Income*

Table II-10 reports the value of assets released from restricted, unrestricted, and other special funds by arts and cultural organizations in Pierce County in 2003. This income accounted for 5.3% of total income, up from 2.9% reported in the 1997 study. There are clear differences across the disciplines in the relative importance of assets released. Music and visual arts show relative dependence on this source of income, while there were no reports of this type of income in dance, theater, heritage, or ASO's.

**Table II-10 Other Income**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Net Assets Released (\$ thousands)	\$0	\$0	\$231.0	\$1,346.2	\$0.0	\$0.0	\$1,577.2
% of Total Income	0.0%	0.0%	7.0%	12.6%	0.0%	0.0%	5.8%

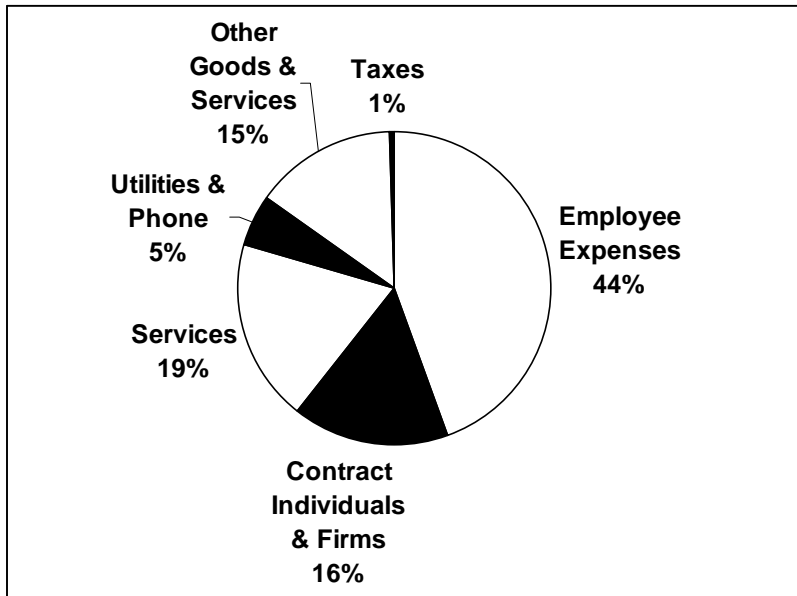
### Expenditures of Pierce County Cultural Organizations

As reported in Table II-1, arts and cultural organizations in Pierce County had income of \$27.1 million in 2003. We now focus on how these organizations spent this income. Table II-11 provides an overview of these expenditures, which totaled \$25.5 million, leaving a modest surplus of income over expenses across all of the organizations included in this study. Expenses in Table II-11 have been divided into two categories, employee expenses (44%) and operating expenses (56%). Figure II-5 provides a more detailed perspective on the composition of expenses. It can be seen in Table II-11 that most of the employee expenses were incurred in Pierce County (88%), as was also the case for operating expenses (only 8% outside Pierce County). In the aggregate, 90% of total expenditures were made locally. The split between employee and operating expenses in the current study is similar to the 1997 study, that found employee expenses accounted for 47% of total expenses, and operating expenses accounted for 53% of total expenses.

**Table II-11 Aggregate Expenditures of Pierce County Cultural Organizations**

	<b>Total</b>	<b>Pierce County</b>
Employee Expenses	\$11,321,079	\$9,980,615
Operating Expenses	\$14,136,175	\$12,945,475
Total	\$25,457,254	\$22,926,090

**Figure II-5 Aggregate Expenditures of Pierce County Cultural Organizations**



The composition of expenses by discipline varies, as is reported in Table II-12. In music, heritage, and visual arts the share of employee expenses was above the average for all organizations. Dance reported no employee expenses; all labor was contract labor which is included in operating expenses. The composition of income by discipline differs from the 1997 study. Dance was simulated in that study using data for King County organizations, as there was no survey data, so a comparison is not possible. Theater, music, heritage have similar expense compositions to those measured in the 1997 study. ASO's have a much lower reported employee expense percentage than estimated in the 1997 study (43%). Visual arts report a higher percentage of employee expenses in the current study, compared to the 1997 study (39%).

**Table II-12 Employee and Operating Expenses by Discipline**

	<b>Employee Expenses</b>	<b>Operating Expenses</b>	<b>Total</b>
Dance	0%	100%	100%
Theater	43%	57%	100%
Music	46%	54%	100%
Visual	49%	51%	100%
Heritage	50%	50%	100%
ASO	18%	82%	100%
Total	44%	56%	100%

(1) *Composition of Employee Expenses*

Employee expenses are divided into two broad categories of employment: administrative and artistic/professional/technical employees. Within the administrative category there are executive, clerical marketing/promotion/publicity, fundraising and other administrative occupations. The artistic/professional/technical classification includes those who 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 reports the percentage of employees in these two broad categories for each discipline and in total. In the aggregate, 61% of total employment is related to administrative employees, while 39% is related to artistic/professional/technical employees. Administrative employees dominate in theater, music, and visual disciplines, while ASO's employment is entirely administrative occupations. These results differ from the 1997 study, which found 47% to be administrative employees, and 53% to be artistic/professional/technical employees.

**Table II-13 Composition of Employee Expenses**

<b>Expense Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Administrative Salaries, Wages & Benefits	NA	51%	51%	83%	32%	100%	61%
Artistic/Professional/Technical Salaries, Wages & Benefits	NA	49%	49%	17%	68%	0%	39%
Total Salaries, Wages & Benefits	NA	100%	100%	100%	100%	100%	100%

Dance – No reported administrative or A/P/T expenses

(2) *Operating Expenses*

Operating expenses are divided into five broad categories: (1) contract individuals and firms, (2) services, (3) utilities and postage, (4) taxes, and (5) “other goods and services.” Table II-14 presents an overview of the structure of operating expenses, while Table II-15 breaks down the five broad categories into detailed expense categories.

Services account for the largest share of operating expenses across all disciplines (34%), followed by other goods and services and contract individuals (26% and 29% respectively). Utilities and postage accounted for 10% and taxes for 1% of operating expenses. There are significant differences in the composition of these expense categories across disciplines. Music, dance, and ASO's have relatively high proportions of their expense budgets going to contract individuals and firms, while visual arts organizations report very little spending for this category. Dance, visual, and theater have relatively high service expenses, and the other three disciplines have lower than average service costs. Visual and heritage organizations report relatively high other goods and services costs, in part that would be related to the purchase of the products that they sell in their retail shops. The composition of expenses documented in Table II-14 is similar to that reported in the 1997 study. In that study services accounted for 44% of total expenses, compared to 34% in the current study. Spending on contract individuals was reported to be 21% in the 1997 study compared to 29% in the current study. Other goods and services were reported to be 23% in the 1997 study, compared to 26% in the current study. Utility, postage, and taxes accounted for almost the same shares in the two studies.



**Table II-14 Operating Expenses by Broad Category**

<b>Expense Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Contract Individuals & Firms	39%	21%	48%	8%	28%	82%	29%
Services	47%	43%	32%	45%	17%	14%	34%
Utilities & Phone	3%	7%	4%	14%	15%	1%	10%
Other Goods & Services	12%	28%	16%	33%	38%	3%	26%
Taxes	0%	1%	0%	1%	3%	0%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

A much more detailed picture of operating expenses is reported in Table II-15. Within the contract individuals and firms category, dance and ASO's had the largest share of their expenses for educational/instructional activity, while in music artistic/performing it was the largest component of expense. The relatively high "other services" expense in theater is related to the cost of events or productions; about a quarter of these costs are for events or productions from outside the region. Dance organizations report relatively high office space/space rental costs, while theater and music reported relatively high marketing expenses. The other goods and services category within the broader group Other Goods and Services is high for visual and heritage organizations, reflecting their purchase of goods sold in their retail shops.

**Table II-15 Operating Expenses by Detailed Categories (% of Total Operating Expenses)**

<b>Expense Category</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
<b>Contract Individuals or Firms</b>							
Artistic/performing	7.6%	12.1%	32.6%	1.5%	0.0%	15.7%	9.0%
Guest artists/lecturers	3.3%	0.0%	5.8%	2.9%	0.0%	0.0%	1.9%
Director/design	0.0%	3.6%	0.6%	0.0%	0.0%	0.0%	0.7%
Production/technical	0.1%	1.7%	6.4%	0.0%	24.8%	31.5%	9.6%
Educational/instructional	18.4%	3.5%	3.0%	0.7%	1.2%	27.9%	5.3%
Other personnel	9.6%	0.4%	0.1%	2.6%	1.8%	6.4%	2.4%
<b>Subtotal Contract Personnel</b>	<b>39.0%</b>	<b>21.3%</b>	<b>48.4%</b>	<b>7.7%</b>	<b>27.7%</b>	<b>81.6%</b>	<b>29.0%</b>
<b>Services</b>							
Marketing expenses	2.7%	11.1%	10.7%	6.9%	6.9%	2.6%	7.5%
Press and public relations	0.0%	0.6%	1.2%	0.6%	0.0%	0.0%	0.5%
Photographic/art services	0.2%	0.1%	0.1%	7.1%	0.0%	0.0%	2.4%
Banking	0.3%	5.1%	0.9%	1.3%	0.1%	0.0%	1.5%
Insurance	0.7%	1.8%	0.7%	3.2%	1.2%	0.3%	1.8%
Professional services	0.9%	2.0%	2.0%	8.0%	2.3%	0.1%	3.8%
Janitorial/protective	0.0%	1.2%	0.1%	1.0%	2.4%	0.0%	1.0%
Transportation	0.4%	3.6%	2.0%	2.3%	0.6%	2.6%	2.1%
Lodging	0.0%	1.8%	1.4%	0.1%	0.5%	0.7%	0.7%
Food/beverage services	0.7%	3.2%	0.9%	0.7%	0.6%	0.6%	1.1%
Set/costume/exhibit rental	7.6%	0.5%	1.1%	2.6%	1.6%	0.0%	1.8%

Equipment rental	1.4%	0.8%	1.8%	1.4%	0.5%	0.1%	1.0%
Hall rental	0.0%	1.6%	5.8%	0.0%	0.0%	0.0%	1.0%
Office and work space rental	31.9%	2.0%	2.8%	0.7%	0.0%	2.0%	2.5%
Royalties	0.0%	3.7%	0.2%	0.0%	0.0%	0.0%	0.7%
Other	0.0%	4.2%	0.6%	8.7%	0.0%	4.5%	4.2%
Subtotal services	46.7%	43.2%	32.4%	44.6%	16.9%	13.6%	33.8%
<u>Utilities &amp; Phone</u>							
Telephone	0.6%	0.8%	1.5%	2.7%	2.5%	0.7%	1.8%
Postage	0.5%	1.6%	1.8%	5.6%	0.9%	0.7%	2.7%
Other utilities	1.5%	4.6%	0.3%	5.5%	11.2%	0.0%	5.0%
Subtotal utilities	2.6%	7.0%	3.5%	13.7%	14.6%	1.4%	9.5%
<u>Other Goods &amp; Services</u>							
Printing of programs etc.	2.5%	5.4%	1.7%	0.1%	2.3%	0.8%	1.9%
Exhibit/set materials	0.0%	0.4%	0.2%	3.9%	5.4%	0.6%	2.6%
Production materials	1.6%	12.3%	1.7%	0.9%	0.0%	0.0%	2.8%
Supplies	0.0%	2.1%	2.1%	7.0%	1.5%	0.7%	3.4%
Maintenance	0.9%	1.5%	0.4%	2.1%	10.8%	0.1%	3.3%
Other goods & services	6.6%	6.0%	9.6%	18.7%	17.5%	0.8%	12.5%
Subtotal other goods & services	11.6%	27.6%	15.7%	32.9%	37.5%	3.1%	26.4%
<u>Taxes</u>							
Sales tax	0.0%	0.2%	0.1%	0.0%	3.3%	0.3%	0.7%
B&O tax	0.0%	0.0%	**	**	0.0%	0.0%	**
Property tax	0.0%	0.5%	0.0%	0.1%	0.0%	0.0%	0.1%
Other Taxes	0.0%	0.3%	**	0.9%	0.0%	0.0%	0.4%
Subtotal taxes	0.0%	0.9%	0.1%	1.0%	3.3%	0.3%	1.2%
<b>Total Operating Expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*\* - Less than .05%

(3) *Endowments and Capital Expenditures*

**Table II-16 Endowments, Interest Income, Assets Released (\$ millions)**

Arts and cultural organizations in Pierce County have various funds that can be used under differing restrictions. Table II-17 reports the levels of these funds at the beginning of the reporting period used by organizations participating in the survey, the additions to these funds and transfers out of them, and their ending balance. The table is divided into funds that are unrestricted, temporarily restricted, and permanently restricted. In total, the beginning and ending balance for all three funds were almost identical. Unrestricted funds had a gain in balances of about \$6 million, while temporarily restricted funds went down by \$5 million, and permanently restricted funds gained \$0.5 million.

**Table II-17 Funds – in and out**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO.</b>	<b>Total</b>
<b>Unrestricted Funds</b>							
Beginning Balances	0	106,434	1,204,481	49,834,081	0	285,911	51,430,907
Additions	0	12,911	348,363	6,175,822	0	0	6,537,096
Transfers	0	33,582	174,180	0	0	36,383	244,145
Ending Balances	0	85,763	1,378,664	56,009,903	0	249,528	57,723,858
<b>Temporary Funds</b>							
Beginning Balances	0	34,829	206,155	9,973,463	0	246,721	10,461,168
Additions	0	10,070	150,192	2,996,644	0	55,000	3,211,906
Transfers	0	33,582	96,800	7,880,070	0	66,120	8,076,572
Ending Balances	0	11,317	259,547	5,090,037	0	235,601	5,596,502
<b>Permanent Funds</b>							
Beginning Balances	0	9,130	335,598	2,516,082	0	0	2,860,810
Additions	0	70	241,293	245,754	0	0	487,117
Transfers	0	0	100	0	0	0	100
Ending Balances	0	9,200	576,791	2,761,836	0	0	3,347,827
<b>All Funds</b>							
Beginning Balances	0	150,393	1,746,234	62,323,626	0	532,632	64,752,885
Additions	0	23,051	739,848	9,418,220	0	55,000	10,236,119
Transfers	0	67,164	271,080	7,880,070	0	102,503	8,320,817
Ending Balances	0	106,280	2,215,002	63,861,776	0	485,129	66,668,187

Note: Not extrapolated

Arts and cultural organizations in Pierce County report having received income of \$65.4 million in relation to capital or building activity since fiscal year 1997, as reported in Table II-18. Individuals accounted for the largest share of income for capital projects, about 72%. Foundations and governments accounted for 12% and 10% respectively. The bulk of the income for capital activity was generated by visual and heritage organizations. Visual arts organizations obtained a relatively large share of their capital activity income from foundations, while heritage organizations had relatively strong government support.

**Table II-18 Pierce County Capital Expenditures by Discipline (\$ thousands)**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
<b>Income</b>							
Corporate	\$0	\$0	\$16	\$2,908	\$136	\$0	\$3,060
Foundation	0	17	166	6,926	880	0	7,989
Individual	0	5	203	46,457	434	0	47,099
Government	0	0	0	2,861	3,071	624	6,556
Other	0	0	0	250	427	0	677
Total	\$0	\$22	\$385	\$59,402	\$4,947	\$624	\$65,380
<b>Expenses</b>							
Campaign	\$0	\$118	\$10	\$1,300	\$239	\$0	\$1,667

Design	0	0	0	2,721	724	30	3,475
Construction	0	0	0	54,650	3,756	266	58,671
Other	0	0	0	5,902	228	127	6,257
Total	\$0	\$118	\$10	\$64,573	\$4,947	\$423	\$70,070

Note: Not extrapolated

Expenditures related to capital and building activity since fiscal 1997 were estimated to be \$70 million, concentrated in the visual and heritage disciplines, as reported in Table II-18. In these disciplines most of the funds went for construction, 84%. Campaign costs were relatively low in all disciplines, averaging only 2.4%. Design and other costs accounted for the balance of the expenses related to capital and building activity.

### Employment in Arts and Cultural Organizations

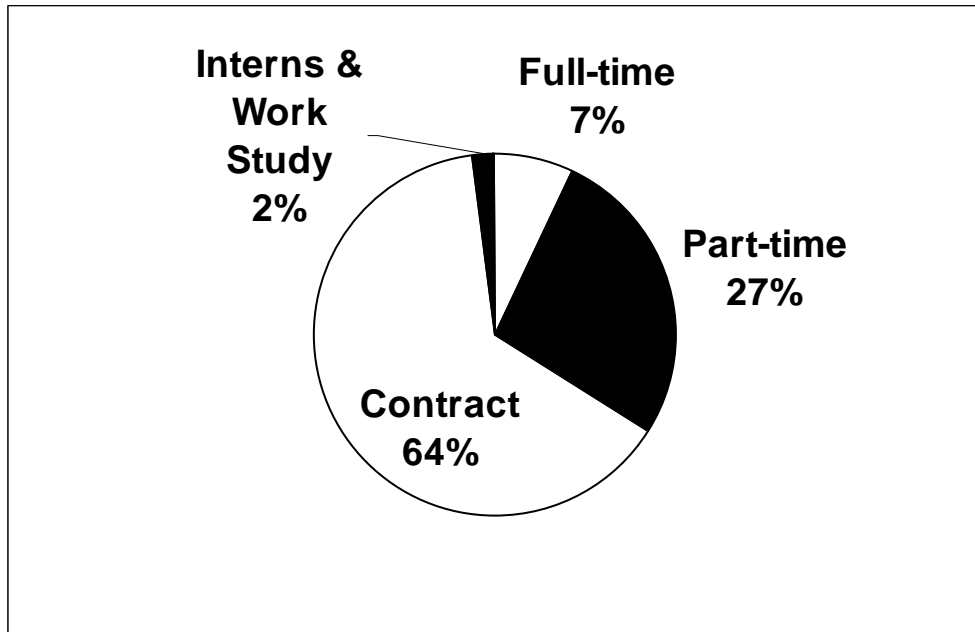
Pierce County arts and cultural organizations employ a combination of full-time, part-time, contractual, and intern & work study employees. They also have a considerable number of volunteers. Tables II-19 through II-24 present detailed information on the structure of employment in these organizations.

Table II-19 and Figure II-5 present an overview of the structure of employment of Pierce County arts and cultural organizations. A headcount estimate indicates 2,808 people had some form of employment in these organizations, with the largest number of people being employed as part-time or contractual workers. The largest number of people are employed in theater and music, followed by visual arts, dance, and heritage. The composition of employment as shown in Figure II-5 is very similar to the 1997 study. That study found 5% of employment full-time, 23% part-time, 71% contractual, and 1% interns and work study. The major shift in the current study is a somewhat decreased fraction of the work force to be contractual, and a somewhat larger fraction of the work force on a part-time basis. The number of people employed in these organizations is lower than reported in the 1997 study, which reported 2,923 people. However, there is a major difference between reports of employment in ASO's in these two studies. The 1997 study estimated 957 contractual workers paid by ASO's, compared to 36 in the current study. Staff at Pierce County ASO's indicate that some employment related to festivals was probably counted erroneously in the 1997 study. Excepting this discipline, there was employment growth in all of the other disciplines in Pierce County.

**Table II-19 Employment Status**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Full-time	0	48	24	79	47	3	200
Part-time	0	528	69	84	37	31	748
Contractual	235	732	693	84	28	36	1,808
Interns & Work Study	0	12	4	18	18	0	52
Total	235	1,320	789	265	129	70	2,808

**Figure II-6 Employment Status**



Tables II-20 through II-24 contain details on the occupational composition of the work force described in a summary manner in Table II-19. These tables report administrative and artistic/professional/technical employment separately. Table II-20 describes the composition of full-time employment. Within the administrative occupations, most of the employment is in executive and “other” positions. Within the artistic/professional/technical occupations, education and production occupations are the largest in numbers, with these concentrated in theater and heritage disciplines. Overall employment in the full time administrative and artistic/professional/technical occupations grew between 1997 and 2003, from 151 to 200 individuals.

**Table II-20 Full-Time Employment in Cultural Organizations**

	Dance	Theater	Music	Visual	Heritage	ASO	Total
<b>Administrative</b>							
Executive	0	4	13	14	4	3	37
Clerical	0	4	3	4	3	0	13
Marketing/Promotion/ Publicity	0	4	0	6	1	0	11
Fundraising	0	6	1	11	3	0	21
Other Administrative	0	4	0	27	5	0	36
<b>Total Administrative</b>	<b>0</b>	<b>23</b>	<b>16</b>	<b>62</b>	<b>15</b>	<b>3</b>	<b>119</b>
<b>Artistic/Professional/ Technical</b>							
Artistic / Performing	0	1	4	8	0	0	13
Guest Artists/Lecturers	0	0	0	0	0	0	0
Director / Design	0	1	1	0	0	0	2
Production / Technical	0	17	0	4	18	0	38

Education / Instructional	0	2	3	5	10	0	20
Other Personnel	0	4	0	0	4	0	8
Total A/P/T	0	25	8	17	32	0	81
Total Jobs	0	48	24	79	47	3	200

Part-time employment occupations are reported in Table II-21. This table indicates that the majority of this employment is in artistic/professional/technical occupations. Only 17% of part-time employment is in administrative categories, and nearly half of this is executive position in heritage organizations. Seventy percent of the part time employment was in theater. Most of the artistic/professional/technical employment is in production/technical and education/instructional occupations.

**Table II-21 Part-Time Employment in Cultural Organizations**

	Dance	Theater	Music	Visual	Heritage	ASO	Total
<u>Administrative</u>							
Executive	0	0	0	52	0	3	55
Clerical	0	2	5	16	4	6	32
Marketing / Promotion/ Publicity	0	2	1	1	8	0	12
Fundraising	0	0	0	0	3	0	3
Other Administrative	0	3	1	9	9	6	28
Total Administrative	0	7	8	78	23	14	129
<u>Artistic/Professional/ Technical</u>							
Artistic / Performing	0	0	4	6	0	0	10
Guest Artists / Lecturers	0	0	0	0	0	0	0
Director / Design	0	0	0	0	0	0	0
Production / Technical	0	513	3	0	4	0	520
Education /Instructional	0	1	53	0	8	17	78
Other Personnel	0	6	3	0	3	0	11
Total A/P/T	0	521	61	6	14	17	619
Total Jobs	0	528	69	84	37	31	748

The composition of contract employment is presented in Table II-22. This category of employment constitutes the largest number of workers, as measured by a headcount. Employment in this category is largely in theater, music, and dance. The bulk of the people employed on a contract basis are in artistic/performing occupations. The number of people working in this category declined from the 1997 study, due to the much lower number of artistic/performing contract employees reported by ASO's in the current study. Most other contractual occupations had an increase in employment.

**Table II-22 Contract Employment – Headcount**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Artistic / Performing	62	542	536	8	0	3	1151
Guest Artists / Lecturers	96	2	18	24	0	0	140
Director / Design	0	64	10	0	0	0	74
Production / Technical	38	32	64	0	14	0	148
Education / Instructional	31	92	64	40	9	22	258
Other Personnel	8	0	1	12	5	11	37
<b>Total</b>	<b>235</b>	<b>732</b>	<b>693</b>	<b>84</b>	<b>28</b>	<b>36</b>	<b>1,808</b>

The total number of people employed in Pierce County arts and cultural organizations is given in Table II-23. This table adds together the full-time, part-time, and contract employee estimates, as well as those working as interns or in work-study positions. The total number of jobs documented in Table II-23 is the same as in Table II-19. Across all the disciplines, some 90% of employment in Pierce County arts and cultural organizations are in artistic/professional/technical occupations, while 10% are in administrative occupations. The administrative share is slightly higher than in the 1997 study, which estimated administrative employment to be 5% of total employment.

There are different employment structures across the disciplines reported in Table II-23. Within dance, there are relatively large numbers of guest artists and lecturers. Theater has a relatively large number of people working in marketing/promotion/publicity. Artistic/performing and production/technical jobs dominate employment in dance, theater, and music. Music, heritage, visual, and ASO organizations report relatively large numbers of educational/instructional employees.

**Table II-23 Total Employment Including Full and Part-Time, Contractual, and Interns/Work-Study Employees**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
<b>Administrative</b>							
Executive	0	4	13	66	4	6	92
Clerical	0	12	8	20	6	6	52
Marketing / Promotion / Publicity	0	8	4	10	10	0	32
Fundraising	0	6	3	14	6	0	29
Other Administrative	0	8	1	36	14	6	65
<b>Total Administrative</b>	<b>0</b>	<b>39</b>	<b>28</b>	<b>146</b>	<b>40</b>	<b>17</b>	<b>270</b>
<b>Artistic / Professional / Technical</b>							
Artistic / Performing	62	543	544	24	0	3	1,176
Guest Artists / Lecturers	96	2	18	24	0	0	140
Director / Design	0	65	11	0	0	0	76
Production / Technical	38	565	66	8	39	0	717
Education / Instructional	31	95	119	51	38	39	373

Other Personnel	8	10	4	12	11	11	56
Total A / P / T	235	1,281	762	119	88	53	2,538
Total Jobs	235	1,320	789	265	129	70	2,808

Organizations participating in this study were asked to convert their part-time employment into a full-time equivalent, both for their employees and for contract employees. Responses were not complete with regard to this question. Table II-24 presents results of estimates of full-time equivalent based on responses provided. The overall structure of the employment estimate differs somewhat from the headcount measures presented in Tables II-19 through II-23: most of the employment is in artistic/professional/technical occupations, and within that group in artistic/performing/technical the largest share of employment. However, the share of administrative employees in Table II-24 is larger than in Table II-23, implying that many of those employed on a part-time basis in artistic/professional/technical occupations are employed for relatively few hours. The full-time equivalent number of part-time jobs in the present study is well above the 61 jobs of this type estimated in the 1997 study.

**Table II-24 Full-Time Equivalent Number of Part-Time Employees**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
<b>Administrative</b>							
Executive	0	0	0	5	*	0	5
Clerical	0	2	2	15	2	2	24
Marketing / Promotion/ Publicity	0	0	1	1	4	0	5
Fundraising	0	0	0	0	1	0	1
Other Administrative	0	1	1	7	3	1	13
Total Administrative	0	4	4	28	9	3	48
<b>Artistic / Professional/ Technical</b>							
Artistic / Performing	ND	11	13	8	0	2	33
Guest Artists / Lecturers	ND	0	0	1	0	0	2
Director / Design	ND	3	0	0	0	0	3
Production / Technical	ND	3	2	0	3	0	7
Education / Instructional	ND	2	5	1	4	3	15
Other Personnel	ND	1	1	1	2	0	5
Total A / P / T	ND	19	21	11	9	6	66
Total Jobs	ND	23	24	39	18	9	114

\* - Less than 0.5 FTE. Note that rounding makes totals not equal to totals

ND – Data not provided on hours of contract employees.

## Expenditures of Patrons

Patrons visiting arts and cultural organizations incur costs over and above their ticket or admission costs in relation to their trips. They incur travel costs, costs for food and beverages, lodging, and other outlays associated with their trips. Table II-25 documents the average per capita patron expenditure based on a survey of patrons conducted as a part of this study. There



are some differences in the average overall spending across the disciplines. The relatively high expenditures by visual and heritage patrons are largely related to the relatively high cost of air travel, accommodations, and auto travel. ASO's did not have a large enough sample size of patrons to allow calculation of average patron spending.

**Table II-25 Per-Capita Patron Spending**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Tickets / Admissions	\$7.50	\$15.11	\$12.62	\$7.06	\$8.90	N/A	\$11.85
Parking Fees	0.12	0.27	0.41	0.97	1.76	N/A	0.60
Bus/Ferry/Taxi Costs	0.15	0.03	0.01	0.08	0.14	N/A	0.06
Auto Travel Costs	0.71	0.89	1.25	2.67	3.20	N/A	1.62
Food / Beverages Before Or After Event	4.48	9.79	8.24	4.82	5.39	N/A	7.16
Food / Beverages at Event	0.99	1.45	0.51	0.79	0.65	N/A	1.16
Entertainment	0.15	0.18	0.29	1.13	0.73	N/A	0.48
Souvenirs & Gifts	2.97	0.28	1.24	3.51	3.37	N/A	2.33
Lodging / Accommodation	0.00	0.34	0.00	4.42	4.52	N/A	1.76
Air Travel	0.00	0.00	0.00	9.39	4.32	N/A	2.86
Child Care	0.00	0.52	0.38	0.00	0.00	N/A	0.25
Other	0.81	0.13	1.76	0.00	0.85	N/A	0.46
<b>Total</b>	<b>\$17.87</b>	<b>\$28.99</b>	<b>\$26.70</b>	<b>\$34.83</b>	<b>\$33.83</b>	<b>N/A</b>	<b>\$30.62</b>
N (#patrons)	130	528	105	319	139	N/A	1,256

N/A = sample size too small

There are major differences in patron spending related to the region of origin of the patrons. These differences are discussed in Chapter III, which also reports on a number of other characteristics of patrons.

The per capita spending of patrons in the current study is above the spending reported in the 1997 study. There are several reasons for this difference. The visual arts patrons were a much larger share of the total than was the case in the 1997 study, and a larger share came from outside Pierce County, which in turn was associated with higher spending. Heritage patrons constituted a smaller share of total patrons than were measured in the 1997 study, and they were more localized in their origin. However, their spending was still strong compared to the overall sample.

The per capita patron expenditures estimated in Table II-25 were used with the estimate of the total number of patrons found in Table II-26 to estimate total patron spending, which is reported in Table II-27. The levels of attendance were estimated from the survey of organizations. Discounted and free student tickets were not considered as subject to the same expenditure patterns as other admissions. It is likely that these students did in fact have expenses in relation to their visits, but they have not been included in the survey of patrons, so there is no basis for determining their expenditures. The net attendance figure in Table II-26 was used to calculate the total patron expenditures reported in Table II-27. It should be noted that the 1997 study did not exclude free student tickets because we did not have statistical estimates of the number of these tickets.

**Table II-26 Number of Patrons**

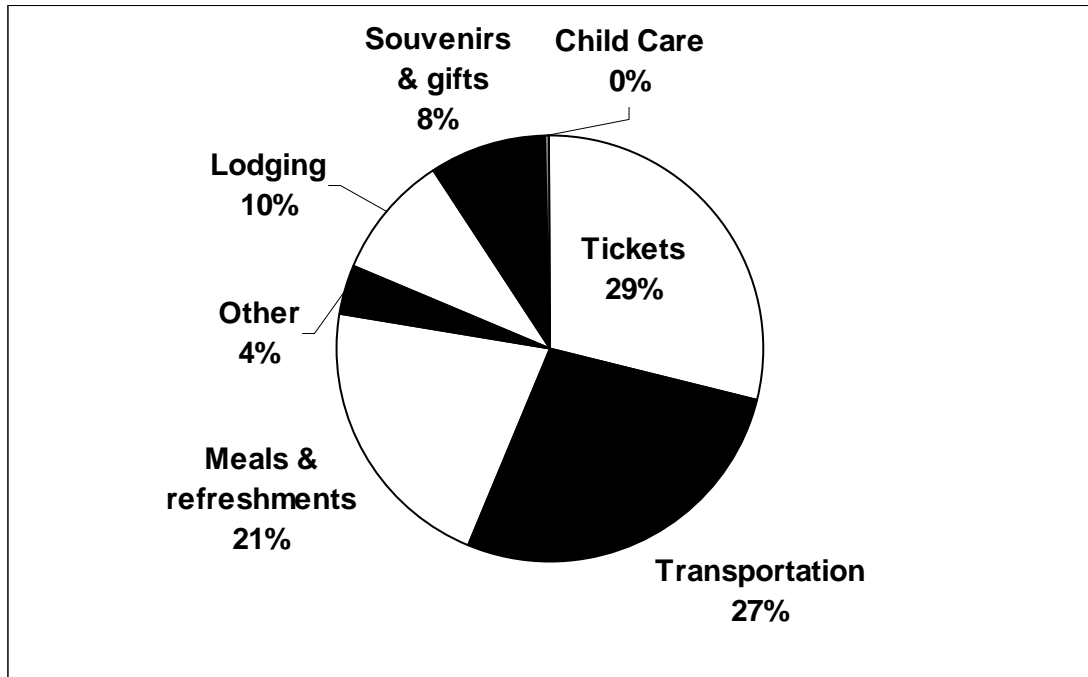
	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Total Attendance	57,942	104,527	93,335	368,269	145,984	22,735	792,791
Discounted student tickets	6,064	7,874	2,231	42,424	31,980	19,152	109,724
Free student tickets	3,080	3,909	30,655	10,000	0	3,583	51,227
Net attendance	48,798	92,744	60,449	315,845	114,004	0	631,840

The .63 million patrons of arts and cultural organizations located in Pierce County were estimated to have spent over \$20 million in relation to their visits, with the largest share of these costs being for tickets/admissions. Figure II-7 graphically presents the composition of patron expenditures. Other major outlays include food and beverages (\$5.2 million), lodging (\$1.9 million), and transportation (\$4.9 million). In constant dollars, this spending level is 10% above that estimated in the 1997 study. Although net attendance was 12% lower than in the 1997 study, the higher average spending per patron resulted in modest growth in aggregate patron expenditures.

**Table II-27 Estimated Total Patron Expenditures (\$ thousands)**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Tickets / Admissions	\$366	\$1,402	\$763	\$2,230	\$1,015	\$0	\$5,775
Parking Fees	6	25	25	306	201	0	562
Bus / Ferry / Taxi Costs	7	3	1	26	16	0	52
Auto Travel Costs	35	83	75	843	365	0	1,400
Food / Beverages Before or After Event	218	908	498	1,522	614	0	3,761
Food / Beverages At Event	48	134	31	250	75	0	539
Entertainment	8	17	17	356	83	0	481
Souvenirs & Gifts	145	26	75	1,108	384	0	1,737
Lodging / Accommodation	0	31	0	1,395	515	0	1,942
Air Travel Costs	0	0	0	2,966	493	0	3,459
Child Care	0	49	23	0	0	0	72
Other	39	12	106	0	97	0	255
Total	\$872	\$2,689	\$1,614	\$11,002	\$3,857	\$0	\$20,034

**Figure II-7 Patron Expenditures by Category**



### **Economic Impact of Cultural Organizations and Their Patrons**

The expenditures of arts and heritage organizations and their patrons were used with the economic impact model described briefly in Chapter 1 to estimate direct, indirect, and induced economic impacts in Washington State and Pierce County. Appendix II discusses in greater detail technical aspects of this model. The model utilizes expenditure data presented in this chapter for arts and heritage organizations employee expenses and operating expenses, as well as patron outlays to develop the impact estimates. The values of the consumer expenditure categories used in the patron survey and the classification of expenses used in the organization survey were reclassified into the sectoring plan used in the input-output model (the sectors are identified in Table II-29 according to conventions used in input-output models). These models operate in producer prices and separate margins from consumer prices. For example, a purchase of a souvenir at a retail store is composed of state and local sales taxes, margins of the retailer, transportation costs associated with the distribution of the souvenir, and the manufacturer's value of the product. Estimates of the magnitude of margins were obtained from the U.S. Bureau of Economic Analysis decomposition of personal consumption expenditures into producer prices and margins, developed as a part of the benchmark U.S. input-output models. Only expenses incurred in Washington State or Pierce County were included in this analysis; expenses made outside the region were not considered to be part of the regional economic impacts.

Two versions of the Washington State input-output model were used to estimate economic impacts. One version estimated statewide impacts of spending in Pierce County by arts and cultural organizations and their patrons. The other version utilized a multiplier structure specific to Pierce County, to estimate impacts in the Pierce County region. The state model has

stronger interindustry linkages than the Pierce County model. Some industries that are present in the state economy and that are impacted by spending of Pierce County arts and cultural organizations and their patrons are not found in the local economy to the same extent as they are in the state economy. A good example of an industry with these characteristics is petroleum refining. The expenditures of arts and cultural organization patrons on automobile operations includes the purchase of petroleum products, which in Washington State are refined primarily in the north part of Puget Sound, and not refined in Pierce County. The modeling system used here is similar to that used in the 1997 study.

Two estimates of economic impacts have been developed. The first is an aggregate estimate based upon the overall spending of arts organizations and their patrons. This first measure captures the spending of local patrons as well as patrons traveling to Pierce County from elsewhere, and includes the impacts of the spending by arts and cultural organizations of locally derived and externally derived earned and contributed income. The second estimate is referred to as “new money” impacts; this estimate is based on the export income of arts and cultural organizations, and the spending of patrons who travel into the local area from elsewhere. This second estimate can be interpreted as a measure of the contribution of arts and cultural organizations to the economic base of Pierce County.

*(1) Aggregate Impacts*

The aggregate economic impacts of Pierce County cultural organizations are summarized in Table II-28. Four measures of impact are provided: output or sales of industries, employment, labor income, and selected taxes. Output impacts in the Washington economy are estimated to be \$90.5 million, labor income impacts are estimated to be \$39.2 million, with 3,701 jobs supported by arts and heritage organizations and their patrons. The majority of these impacts are felt locally. The level of output in Pierce County is estimated to be \$72 million, with \$32 million in labor income linked to 3,492 jobs.

Arts and cultural organizations pay taxes to the federal, state, and local governments, with the largest payments (\$1 million) being related to employment costs. They pay modest sales and business and occupation taxes (about \$0.1 million). However, patron spending generates sales taxes on some categories of outlays (such as souvenirs or food), and both organization spending and patron spending generates tax revenues to state and local governments through multiplier relationships. The output of industries stimulated by patron and cultural organization spending is subject to state and local B&O tax, and the labor income generated leads to consumer spending that yields state and local sales tax revenues. Table II-28 indicates tax revenue to Washington State included about \$1.9 million in sales taxes, and \$0.4 million in B&O taxes. Local governments in Washington State received an estimated \$0.8 million in sales taxes, and \$0.2 million in B&O taxes. There are other types of tax impacts that were not estimated in this study, including property taxes, hotel-motel taxes, motor vehicle excise taxes, and gasoline taxes.

**Table II-28 Summary of Washington and Pierce County Impacts**

	<b>Washington</b>	<b>Pierce County</b>
<u>Output (\$ millions)</u>	90.465	72.074
Manufacturing	5.415	2.781
Nonmanufacturing	85.050	69.293
Wholesale & Retail Trade	15.137	13.053
Services	67.367	54.673
Other	2.546	1.566
<u>Employment</u>	3701	3492
Manufacturing	21	14
Nonmanufacturing	3679	3479
Wholesale & Retail Trade	293	260
Services	3357	3203
Other	28	16
<u>Labor Income (\$ millions)</u>	39.163	31.941
Manufacturing	0.827	0.514
Nonmanufacturing	38.337	31.427
Wholesale & Retail Trade	5.555	4.772
Services	31.796	26.017
Other	0.986	0.638
<u>Taxes (\$ millions)</u>		
State Sales Tax	1.867	1.600
Local Sales Tax	0.793	0.566
B&O Tax - state	0.439	0.297
B&O Tax - local	0.219	0.148

**Table II-29 Detailed Pierce County Impacts**

	<b>Output (\$mils)</b>	<b>Employment</b>	<b>Labor Income(\$mils.)</b>
1 Field crops, fruits, and vegetables	\$0.033	1	\$0.010
2 Livestock and products	0.025	0	0.007
3 Fishing and forestry	0.066	1	0.025
4 Mining	0.019	0	0.008
5 Food products	0.714	3	0.100
6 Textiles and apparel	0.050	1	0.017
7 Lumber and wood products	0.166	1	0.037
8 Furniture and fixtures	0.036	0	0.014
9 Pulp and paper products	0.187	1	0.038
10 Printing and publishing	0.675	6	0.212
11 Chemicals and products	0.017	0	0.004
12 Petroleum and products	0.662	0	0.012
13 Stone, clay, and glass products	0.110	1	0.029
14 Primary metals)	0.011	0	0.002
15 Fabricated metal	0.043	0	0.012
16 Industrial machinery and equipment	0.002	0	0.001

17 Electrical machinery	0.001	0	0.000
18 Aerospace	0.003	0	0.001
19 Ship and boat building and repair	0.012	0	0.005
20 Other transportation equipment	0.002	0	0.000
21 Instruments	0.005	0	0.002
22 Other manufacturing	0.085	1	0.027
23 Construction	1.424	15	0.588
24 Transportation services	4.133	27	1.166
25 Electric utilities	0.831	2	0.134
26 Gas utilities	0.509	0	0.030
27 Other utilities	0.470	2	0.155
28 Communications	1.023	5	0.372
29 Wholesale trade	0.937	8	0.374
30 Eating and drinking places	5.889	147	2.085
31 Other retail trade	6.228	104	2.313
32 Finance and insurance	2.874	21	0.886
33 Real estate	3.351	18	0.395
34 Hotels and lodging	2.020	35	0.761
35 Computer and data processing services	0.014	0	0.008
36 Business and professional services	6.166	94	3.110
37 Health services	1.266	16	0.686
38 Other services	32.017	2910	15.509
40 State & Local Government	0	71	2.806
Total	72.074	3492	31.941

A more detailed tally of Pierce County economic impacts is presented in Table II-29. This table decomposes the summary measures presented in Table II-28 into the individual sectoral impact measures tracked by the input-output model. The largest impacts are estimated to occur in various services, which reflects patterns of spending of labor income by consumers. In the other services sector, \$20 million of the total impact is the direct impact of arts and cultural organizations, which are classified in this sector.

Growth in the aggregate impacts of arts and heritage organizations in Washington State and Pierce County has been significant since the 1997 study, as documented in Table II-30 and Figure II-8. Output and labor income were measured in constant \$2003 in Table II-32. At the Washington State level the measures of changes in output and labor income impacts are relatively similar. The larger measures of these impacts for Pierce County is the result of several factors. The number of organizations included in this study has risen, providing a larger direct basis for impacts. The budgets of organizations included in the 1997 study have also risen, at a rate well above their inflation-adjusted 1997 budgets. As noted earlier, per capita patron spending did not rise significantly, possibly reflecting the relatively depressed state of the regional economy in 2003. The low level of change in the employment impacts is largely a byproduct of differences in reporting by ASO's in the 1997 study and in the current study. One way of providing context for these changes is presented in Table II-30, which has as background measures changes in population and total employment in Washington State and Pierce County

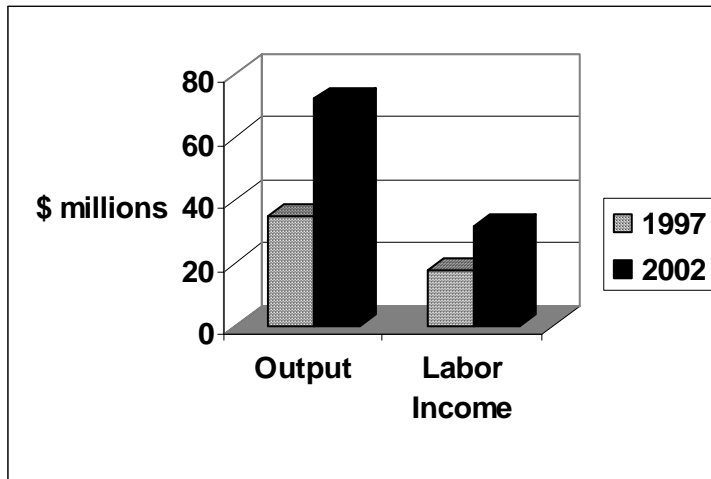
between 1997 and 2003. Measures of activity in arts and cultural organizations outstripped these background measures by a considerable margin.

**Table II-30 Change in Impact Measures, 1997-2003**

	<b>Washington State</b>	<b>Pierce County</b>
Output (constant \$)	55%	83%
Employment	7%	8%
Labor Income (constant \$)	47%	62%
<b>Background Measures:</b>		
Population	7%	10%
Employment	7%	8%

Source for background measures: U.S. Bureau of Economic Analysis

**Figure II-8 Pierce County Economic Impacts, 1997 and 2003**



(2) *New Money Impacts*

A second perspective on the economic impact of arts and heritage organizations is the “new money” perspective, that considers only the funds that came into Pierce County from outside sources. These funds include income to arts and cultural organizations, as well as patron spending by people coming from outside Pierce County, as reported in Table II-31. Pierce County arts and cultural organizations received about 35% of their income from outside sources, up from 28% in the 1997 study. About 60% of patron spending is estimated to be new money.

**Table II-31 New Money Sources**

<b>Cultural Organization Income</b>	<b>Outside Pierce County</b>
Dance	24.3%
Theater	21.4%
Music	15.0%
Visual	24.2%
Heritage	80.4%
ASO	27.0%
Total	34.8%
<u>Income Category</u>	<u>(\$ Millions)</u>
Earned Income	\$2.15
Government Income	4.90
Contributed Income	0.00
Corporate	0.65
Other	1.51
Total Organization Income	\$9.20
Patron Expenditures (total)	\$12.05
Except Tickets	8.93
<b>Total Gross New Money</b>	<b>\$18.13</b>

(Ticket income included with earned income).

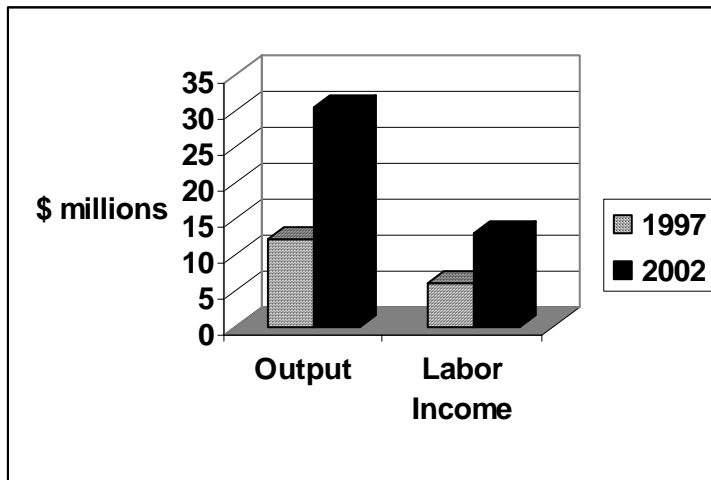
There are clear differences in the share of new money accruing to the various disciplines identified in Table II-31. Most of this is estimated to be earned income, primarily tickets/admissions purchased by people coming from outside the local area. Patron new money spending was estimated to be \$12 million, with \$9 million of that for goods and services other than tickets/admissions. The economic impact of new money spending is presented in Table II-32 for Pierce County. We did not have data that would have allowed a new money estimate for Washington State, but it would be smaller than the Pierce County estimate because a substantial share of the new money outlays are made by people coming to Pierce County from elsewhere in Washington state. New money impacts are about 40% of the aggregate impacts documented in Table II-30, a larger share than in the 1997 study (30%-35%). Figure II-9 indicates strong growth in the absolute levels of new money impacts between 1997 and 2003.



**Table II-32 New Money Impacts, Pierce County**

<u>Output (\$ millions)</u>	\$30.455
Manufacturing	1.321
Nonmanufacturing	29.134
Wholesale & Retail Trade	6.178
Services	22.246
Other	0.710
<u>Employment</u>	1299
Manufacturing	6
Nonmanufacturing	1294
Wholesale & Retail Trade	125
Services	1161
Other	7
<u>Labor Income (\$ millions)</u>	\$13.163
Manufacturing	0.222
Nonmanufacturing	12.941
Wholesale & Retail Trade	2.253
Services	10.398
Other	0.289
<u>Taxes</u>	
State Sales Tax	\$0.682
Local Sales Tax	0.241
B&O Tax - State	0.134
B&O Tax - Local	0.067

**Figure II-9 Pierce County New Money Economic Impacts, 1997 and 2003**



## Volunteers in Cultural Organizations

Arts and cultural organizations in Pierce County have thousands of volunteers, as documented in Table II-33, in addition to their paid employees and contract employees. Table II-33 reports the number of volunteers within each discipline by the type of occupation in which they are volunteering. The mix of administrative versus artistic/professional/technical volunteers is quite different than the mix for employees. About 10% of employees or contract workers were in administrative occupations, but 38% of the volunteers are reported in this category, with the largest share associated with “other” types of administrative volunteers. Artistic, professional, and technical employees account for 90% of total employees in Pierce County, while 62% of the volunteers are in these occupations. The number of volunteers is similar to the number estimated in the 1997 study, but the hours reported for volunteers in the current study is more than triple that reported in the 1997 study. Average hours per volunteer are 114 in the current study, versus 23 in the 1997 study, and average hours per volunteer are higher in most disciplines in the current study compared to the 1997 study.

**Table II-33 Volunteers in Cultural Organizations in Pierce County (# of Volunteers)**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
<b>Administrative</b>							
Executive	0	0	0	75	0	6	81
Clerical	0	12	31	0	1	0	45
Marketing / Promotion/ Publicity	0	14	25	0	3	0	42
Fundraising	0	3	106	0	0	0	109
Other Administrative	0	159	38	266	0	20	482
Total Administrative	0	189	200	341	4	25	759
							0
<b>Artistic / Professional/ Technical</b>							
Artistic	0	313	40	0	0	0	353
Guest	0	0	5	0	0	0	5
Director	0	6	0	0	0	0	6
Production	0	74	10	0	13	0	97
Education	0	54	28	35	190	0	307
Other	0	439	13	0	1	0	453
Total	0	886	95	35	204	0	1221
							0
Total	0	1076	295	376	208	25	1980
Volunteer Hours	0	28979	3701	19847	86531	0	139,058
Hours/Volunteer	0	33	39	567	424	0	114

### III. Cultural Organization Patron Characteristics

*“People often do not grow and enrich certain aspects of their lives unless art is put in front of them. They have no idea and therefore no desire. Cultural organizations bring this to create a more well balanced community.”*

Source: Patron Survey

This chapter presents information on the patrons attending cultural organization performances, exhibitions, and programs in Pierce County. It describes the categories of patrons by discipline, and reports on a number of characteristics of patrons, such as group size, trip reasons, frequency of participation in arts and cultural activities, and a set of behavioral questions regarding patron and patron family involvement with the arts.

#### Number of Patrons

Arts and cultural organizations reported information on the number of patrons and other selected statistical information on their cultural services in the survey of arts and cultural organizations. These data are summarized by discipline 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 season ticket or membership visits. This is not an estimate of how many memberships or season tickets were sold, but rather the number of occasions members or season ticket holders are estimated to have attended. The number of season ticket holders and memberships is reported in Table III-4. Line (2) reports the number of single tickets or admissions. These two categories provide the majority of the box office/admission income to arts and cultural organizations. In addition, discounted student tickets are reported in line 3, discounted senior tickets are reported in line 4, other discounted tickets are reported in line 5, and free tickets are reported in line 6. The sum of these six categories is reported as total attendance. In the calculation of the economic impacts, the total attendance figures were reduced by the number of free and discounted student tickets. The number of patrons in the last line of Table III-1 were used with the patron expenditures shown in Table II-25 to derive the patron spending estimates shown in Table II-27.

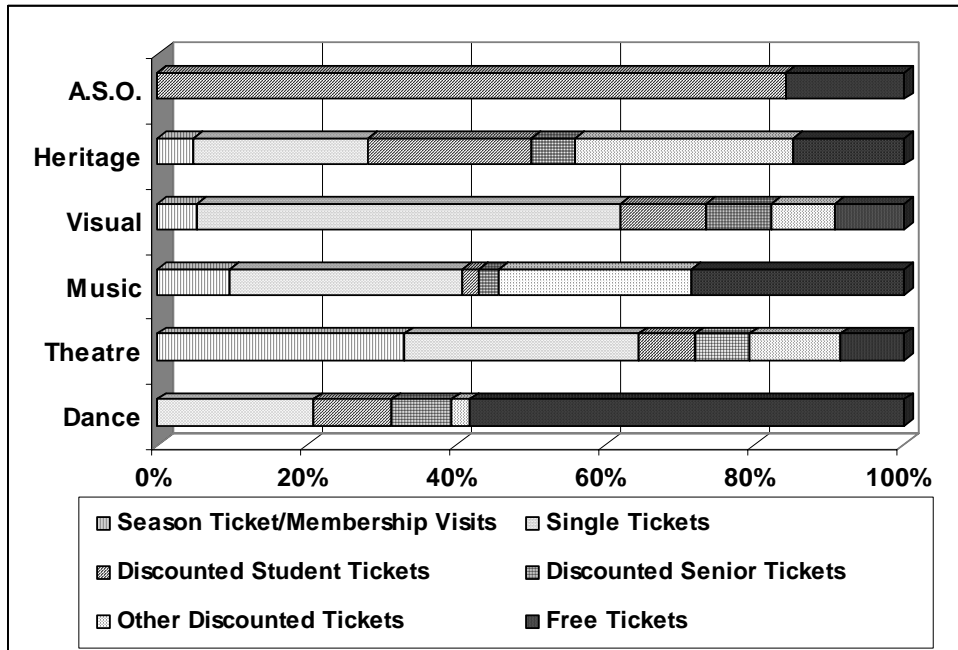
**Table III-1 Estimated Number of Patrons by Discipline**

	Dance	Theater	Music	Visual	Heritage	ASO	Total
1. Season Ticket/ Membership Visits	0	34,534	8,994	19,710	6,906	0	70,144
2. Single Tickets	12,127	32,865	29,065	208,453	34,355	0	316,866
3. Discounted Student Tickets	6,064	7,874	2,231	42,424	31,980	19,152	109,724
4. Discounted Senior Tickets	4,620	7,546	2,315	32,089	8,335	0	54,905
5. Other Discounted Tickets	1,444	12,733	24,155	31,789	42,682	0	112,803
6. Free Tickets	33,687	8,975	26,575	33,804	21,725	3,583	128,348
Total Attendance	57,942	104,527	93,335	368,269	145,984	22,735	792,791
Total Attendance, Net of Free and discounted Students	48,798	92,744	60,449	315,845	114,004	0	631,840

Figure III-1 and Table III-2 indicate the percentage composition of patron types by discipline, while Figures III-2 and III-3 show the percentage distribution of attendance by category and by discipline, respectively. Season ticket/membership visits are much more important for theater, music, and visual arts than is the case for heritage and dance. ASO’s

attendance was reported to be entirely students, either free or with discounted tickets.. Dance and music have a relatively large fraction of free entrances. The composition of types of attendance are quite different than documented in the 1997 study, in large measure due to differences in reporting by A.S.O's. The 1997 study had a very large number of free tickets reported by ASO's (188 thousand). However, the mix of overall attendance has changed, mirroring budget and employment data presented in Chapter 2, and shows that visual accounted for a much larger share of attendance in the current study compared to the 1997 study (47% in the current study vs. 15% in the 1997 study). The shares of total attendance in dance, theater, and music did not change dramatically from the 1997 study, but the share of attendance at heritage organizations dropped significantly, from 35% in the 1997 study to 18% in the current study. The share of attendance at ASO's dropped from 25% in the 1997 study to 3% in the current study.

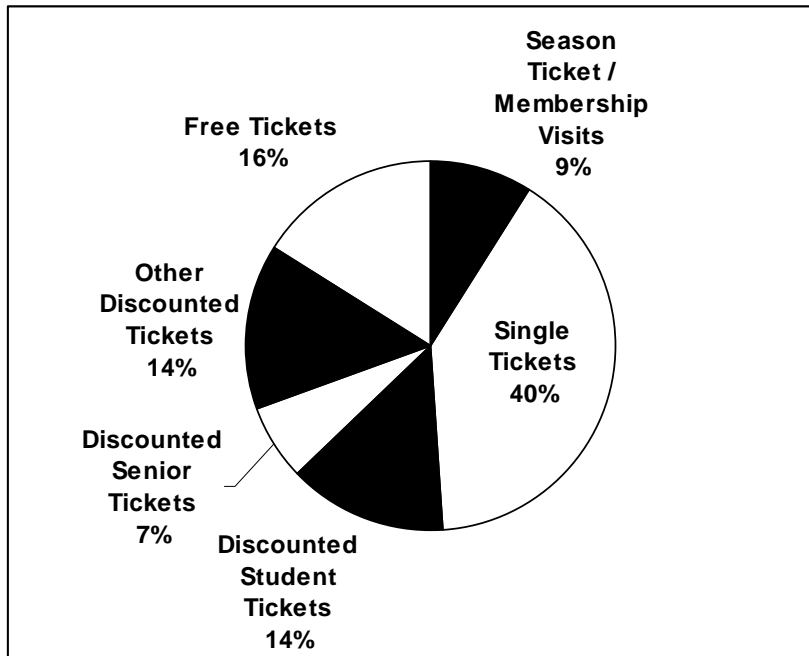
**Figure III-1 Percentage of Patrons by Discipline**



**Table III-2 Percentage Distribution of Attendance**

	Dance	Theater	Music	Visual	Heritage	ASO	Total
Season Ticket/Membership Visits	0%	33%	10%	5%	5%	0%	9%
Single Tickets	21%	31%	31%	57%	24%	0%	40%
Discounted Student Tickets	10%	8%	2%	12%	22%	84%	14%
Discounted Senior Tickets	8%	7%	2%	9%	6%	0%	7%
Other Discounted Tickets	2%	12%	26%	9%	29%	0%	14%
Free Tickets	58%	9%	28%	9%	15%	16%	16%
Total Attendance	100%	100%	100%	100%	100%	100%	100%

**Figure III-2 Percentage Distribution of Attendance by Category**



**Figure III-3 Percentage Distribution of Attendance by Discipline**

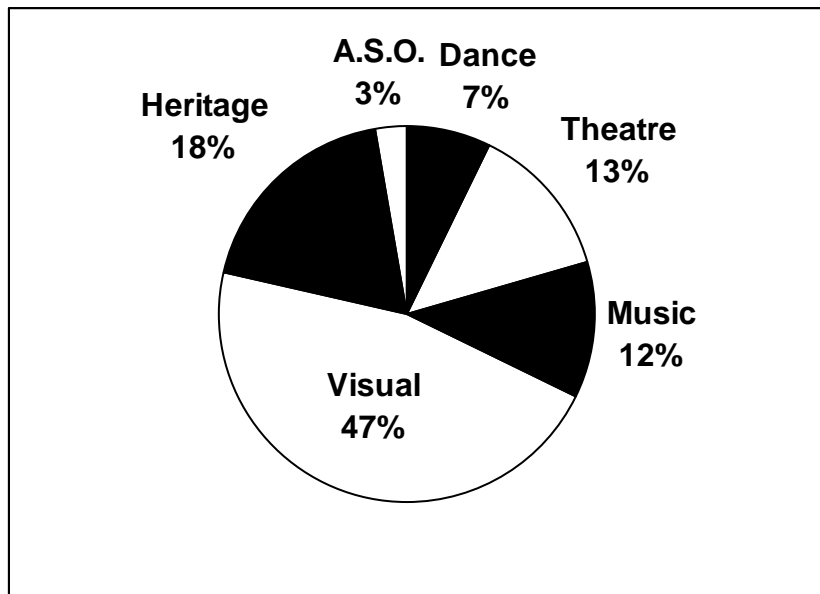


Table III-3 provides a comparison of the number of patrons in the 1997 and current study, the percentage change in patron numbers, and the shares of total visits accounted by different types of visits. The overall growth of 10% was led by strong growth in the number of discounted tickets. Large decreases occurred in free tickets, related to differences in reporting by ASO's, as discussed above. The last two columns of Table III-3 describe the composition of admissions in 1997 and 2003, with the drop in free tickets creating most of the changes in shares of admissions between 1997 and 2003.

**Table III-3 Comparison of Patronage Levels and Composition**

	<b>1997</b>	<b>2003</b>	<b>% Change</b>	<b>1997 % of total</b>	<b>2003 % of total</b>
Season Ticket/Membership Visits	86840	70144	-19.2%	12.1%	8.8%
Single Tickets	229019	316866	38.4%	32.0%	40.0%
Discounted Student Tickets	71822	109724	52.8%	10.0%	13.8%
Discounted Senior Tickets	40612	54905	35.2%	5.7%	6.9%
Other Discounted Tickets	63883	112803	76.6%	8.9%	14.2%
Free Tickets	295623	128348	-56.6%	41.3%	16.2%
Total Attendance	715977	792791	10.7%	100.0%	100.0%

### Patrons with disabilities

Table III-4 indicates that arts and cultural organizations in Pierce County served almost 24,000 patrons with disabilities in the year 2003. Dance and music organizations reported the largest number of patrons with disabilities. A number of organizations did not report any patrons with disabilities served, and it is likely that many did not keep statistics on this class of patrons.

### Cultural Organization Performance and Exhibition Statistics

The survey of arts and cultural organizations documented measures of performance frequency, utilization of facilities, and subscriptions sold for the presenting disciplines of dance, theater, and music, as reported in Table III-4. Over 9,000 full and partial subscriptions were sold in 2003, resulting in over 70,000 season ticket visits (see Table III-1). These disciplines played in venues with 74% to 89% of capacity. Over 13,000 memberships sold by visual and heritage organizations are estimated to have led to almost 27,000 membership visits, or about two visits per annum by those holding memberships in these organizations. Over 4,000 different productions or exhibitions were mounted in Pierce County in 2003, up from 545 in 1997. Music and visual arts reported strong increases in the number of performances or exhibitions compared to levels reported in the 1997 study (in visual due to the Grand Cinema).

**Table III-4 Cultural Organization Performance & Exhibition Statistics**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
# of Productions/Exhibits	166	126	233	3,619	6	39	4,189
# of Memberships Sold	0	0	0	9,731	3,530	0	13,261
# of Full or Partial Subscriptions Sold	0	7,513	2,094	NA	NA	NA	9,608
% of Capacity	89.0%	73.5%	77.1%	NA	NA	NA	13
# of Patrons Served With Disabilities	16,844	1,122	3,252	2,500	0	0	23,718

NA – Data not available

## Patron Trip Reasons

Patrons were asked whether the primary reason for their trip was to attend the performance or exhibition at which they were interviewed. Table III-5 indicates that a weighted average of 80% went primarily to attend the arts or cultural organization event at which they were interviewed. Almost all dance, theater, and music patrons made their trips primarily to attend performances in these venues. A much larger share of visual and heritage patrons were involved with multiple purpose trips. There were a wide variety of reasons expressed by those who attended an arts or cultural organization on a trip not primarily to come to one of these organizations. Typical responses include the following: “funeral,” “visiting Glass Museum and your museum,” “out of town guests, we’ve never been here,” “visiting family in Tacoma,” “curiosity—heard so many good comments,” “entertainment,” “to see activities at first night,” “to attend the big top attraction being held at the Sheraton,” “Greater Tacoma Community Foundation Award Ceremony.” It is interesting to note that business-related reasons did not appear to be primary triggers for trips, but rather they tended to revolve around family activities or personal activities. Some patrons indicated that they did not regard the venue in which they were interviewed to be the primary reason for their trip, and that another venue was the primary reason for the trip. Thus, it is likely that a higher figure than 80% made their trip to be involved with some type of cultural activity in Pierce County as the primary reason for their trip.

**Table III-5 Reasons for Patron Trips**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Went Primarily to Attend	82%	92%	100%	56%	65%	NA	80%
Did Not Go Primarily to Attend	18%	8%	0%	44%	35%	NA	20%

NA – Data not available, sample size too small.

## Patron Origins

Patrons attending Pierce County arts and cultural organization exhibitions and performances are a mix of local residents and people from outside Pierce County, as reported in Table III-6. This table indicates that an estimated 47% of the patrons are from Pierce County. This table reports the share of patrons by geographic region of origin from the survey of patrons. Thus, 81% of patrons interviewed at dance events were from Pierce County. The weighted average was calculated by estimating the share of overall patronage associated with each discipline, and weighting the individual discipline patron origins shares to obtain the weighted average shown in Table III-6. This table indicates that visual arts organizations draw a relatively large share of their patrons from outside of Pierce County. Visual arts patrons accounted for near half of the total admissions, and strongly influenced the calculation of the weighted average of patron origins. Nearly 27% of the patrons came from outside Pierce County. The number of patrons from outside the local area is larger in the current study than documented in the 1997 study. That study found 51.6% Pierce County patrons, 31.2% from elsewhere in Washington State, and 17.2% from out of state.

**Table III-6 Geographic Origin of Patrons (%)**

	<b>Local</b>	<b>Other Washington</b>	<b>Out of State</b>	<b>Total</b>
Dance	81.1	18.9	0.0	100
Theater	78.2	20.7	1.1	100
Music	79.4	20.6	0.0	100
Visual	20.6	49.0	30.4	100
Heritage	60.8	35.3	3.9	100
ASO	85.7	14.3	0.0	100
Total unweighted	62.2	29.3	8.5	100
Weighted Average	46.6	37.3	16.1	100.0

A cross-tabulation of patron origins and the percentage of patrons who indicated that their primary reason for a trip was to attend an exhibition or performance is presented in Table III-7. This table indicates that there is a geographic bias in the reasons for trips, as 89% of Pierce County patrons came primarily to see the exhibition or performance, compared to 80% for the entire sample. As distance from Pierce County increases, the share of patrons with other primary trip reasons increases. But it should be noted that almost half of patrons coming from out of state claimed that their primary reason for making a trip was to visit a Pierce County arts or cultural organization.

**Table III-7 Patron Origins and Percentage Making Trip Primarily to Attend a Pierce County Cultural Organization Event/Presentation**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Local	90%	92%	100%	60%	77%	NA	89%
Other WA	43%	97%	100%	59%	44%	NA	70%
Out of State	None	50%	None	45%	50%	NA	46%

Another perspective on the origin of patrons is presented in Table III-8. This table documents the share of patrons interviewed by geographic region of origin and discipline. For example, overall 25% of patrons were interviewed in a visual arts organization, but 8% of patrons originating in Pierce County were interviewed at a visual arts organization. This table clearly indicates the strong draw of visual arts organizations to people from outside Pierce County. The percentages of patrons from Washington State outside Pierce County and from out of state interviewed at a visual arts organization were far higher than the overall share of interviews undertaken in visual arts organizations.

**Table III-8 Origin of Patron Sample**

	<b>Local</b>	<b>Other Washington</b>	<b>Out of State</b>	<b>Total</b>
Dance	12%	6%	0%	9%
Theater	56%	31%	6%	44%
Music	11%	6%	0%	8%
Visual	8%	42%	89%	25%
Heritage	12%	15%	6%	13%
ASO	NA	NA	NA	NA
Total	100%	100%	100%	100%
# patrons	N=814	N=431	N=120	N=1365



## Patron Expenditures

Patron spending by discipline was reported in Chapter II. The average spending reported in that chapter was based on a weighted average of spending by patrons coming from different geographic origins. Analyses of patron spending documented significant differences across all disciplines based on the distance traveled. Table III-9 summarizes these differences in expenditures by three patron origin regions: local patrons from Pierce County, those coming from elsewhere in Washington State, and those coming from out of state. The out of state patrons show much higher average costs. The primary bases for these cost increases are higher travel and lodging / accommodations costs. Patrons from Washington State outside Pierce County report costs very similar to Pierce County residents, with only a slightly higher travel cost, and some reported lodging expenses.

**Table III-9 Patron Expenditures**

	<b>Local</b>	<b>Other Washington</b>	<b>Out of State</b>	<b>Total</b>
Tickets / Admissions	\$13.53	\$9.81	\$7.92	\$11.81
Parking Fees	0.31	0.83	0.85	0.53
Bus/Ferry/Taxi Costs	0.07	0.05	0.14	0.07
Auto Travel Costs	1.01	1.86	4.30	1.60
Food / Beverages Before Or After Event	7.60	6.25	5.86	7.01
Food / Beverages at Event	1.40	0.93	0.71	1.19
Entertainment	0.15	1.08	0.00	0.43
Souvenirs & Gifts	2.36	2.15	3.09	2.36
Lodging / Accommodation Costs	0.00	2.28	11.09	1.81
Air Travel Costs	0.85	0.93	22.42	3.01
Child Care	0.31	0.27	0.00	0.26
Other	0.62	0.39	0.00	0.49
<b>Total</b>	<b>\$28.20</b>	<b>\$26.82</b>	<b>\$56.38</b>	<b>\$30.55</b>

## Patron Group Sizes

The size distribution of groups attending Pierce County arts and cultural organizations is presented in Table III-10. While the median group size was two persons, mean group sizes are higher than this figure due to the share of the sample in groups with three or more persons. The mean group size varied somewhat across the disciplines, with dance organizations having considerably larger groups than the other disciplines. Group sizes in the current study are uniformly larger across the disciplines than documented in the 1997 study. That study found the mean group size to be 2.6 persons, compared to 3.4 persons in the current study. The median group size was two persons, the same as in the 1997 study.

**Table III-10 Group Sizes Attending Cultural Organizations (% of Total)**

<b># of persons</b>	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
1	16%	10%	3%	8%	21%	NA	11%
2	26%	52%	43%	38%	33%	NA	43%
3 or 4	39%	27%	41%	34%	31%	NA	32%
5+	18%	11%	14%	20%	15%	NA	15%
Total	100%	100%	100%	100%	100%	NA	100%
Average Size (#)	5.1	2.9	3.3	3.6	3.0	NA	3.4

**Patron Participation in Cultural Organization Activities**

Patrons were asked to indicate if they had a season ticket or membership in arts and heritage organizations in Tacoma, in Pierce County outside Tacoma, or in King County. They were also asked if they attended arts and heritage organizations through the purchase of single tickets or admissions. If they made such purchases, they were asked to enter the number of years that they had made them. Tables III-11 and III-12 report results of responses to this question. These tables are based on responses that made at least one entry into this part of the patron questionnaire. The responses to this question make it quite clear that arts and cultural organization patrons interviewed in all disciplines participate in multiple in arts and heritage organization activities. The typical patron held 1.22 season tickets or memberships, and bought 2.96 categories of single tickets or admissions. Patrons indicating that they made single ticket or admissions purchases could have made multiple purchases within a particular category; we have no data on the frequency of such purchases. Heritage patrons exhibited a high tendency to hold season tickets or memberships, while visual arts and music patrons were less likely to hold season tickets or memberships. The low frequency for visual patrons is likely related to the large proportion of them originating outside Pierce County. It is clear that the majority of the participation was with organizations located in Tacoma. The fractions of patrons indicating that they made purchases elsewhere in Pierce County was not large, but there is a strong level of participation in King County arts and heritage organizations. The 1997 study did not gather data on participation levels in the same way as done in the current study, so it is not possible to draw conclusions regarding changes in participation rates.

**Table III-11 Season Ticket/Membership & Single Ticket Purchase Percentages**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>Total</b>
<b>Percent of Sample Holding Season Tickets or Memberships:</b>						
<b>In Tacoma</b>						
Music	7.7%	14.3%	34.4%	4.2%	17.1%	14.6%
Theater	30.8%	47.6%	15.6%	8.3%	22.9%	33.7%
Dance	15.4%	4.8%	6.3%	0.0%	8.6%	5.4%
Heritage	3.8%	4.8%	6.3%	0.0%	20.0%	5.4%
Visual	11.5%	10.1%	6.3%	8.3%	22.9%	11.7%
<b>Elsewhere in Pierce County</b>						
Music	3.8%	3.0%	9.4%	2.1%	2.9%	3.5%
Theater	3.8%	6.0%	0.0%	0.0%	2.9%	3.8%
Dance	0.0%	1.2%	0.0%	0.0%	2.9%	1.0%

Heritage	0.0%	1.8%	3.1%	0.0%	2.9%	1.6%
Visual	42.3%	1.8%	3.1%	4.2%	31.4%	2.5%
<b>In King County</b>						
Music	7.7%	8.9%	12.5%	14.6%	11.4%	10.2%
Theater	15.4%	18.5%	6.3%	16.7%	17.1%	17.1%
Dance	0.0%	3.6%	6.3%	2.1%	2.9%	3.8%
Heritage	0.0%	0.6%	0.0%	4.2%	2.9%	1.3%
Visual	3.8%	4.2%	0.0%	12.5%	11.4%	6.0%
Total	146.2%	131.0%	109.4%	77.1%	180.0%	121.6%
<b>Percent of Sample Buying Single Tickets:</b>						
<b>In Tacoma</b>						
Music	42.3%	36.3%	59.4%	20.8%	37.1%	37.5%
Theater	57.7%	46.4%	46.9%	16.7%	31.4%	41.6%
Dance	42.3%	20.8%	15.6%	4.2%	17.1%	19.4%
Heritage	15.4%	14.3%	15.6%	8.3%	25.7%	15.9%
Visual	34.6%	27.4%	21.9%	22.9%	42.9%	29.2%
<b>Elsewhere in Pierce County</b>						
Music	7.7%	9.5%	12.5%	4.2%	11.4%	9.2%
Theater	19.2%	13.1%	15.6%	6.3%	5.7%	12.1%
Dance	11.5%	5.4%	9.4%	2.1%	5.7%	6.0%
Heritage	11.5%	7.7%	3.1%	2.1%	5.7%	6.7%
Visual	11.5%	8.3%	9.4%	6.3%	2.9%	8.3%
<b>In King County</b>						
Music	7.7%	25.0%	34.4%	60.4%	28.6%	31.4%
Theater	19.2%	27.4%	28.1%	43.8%	31.4%	30.5%
Dance	7.7%	16.7%	25.0%	25.0%	20.0%	18.7%
Heritage	3.8%	8.9%	6.3%	16.7%	8.6%	9.8%
Visual	7.7%	17.9%	12.5%	35.4%	20.0%	20.3%
Total	300.0%	285.1%	315.6%	275.0%	294.3%	296.5%

The duration of purchases of season tickets or memberships, and for the purchase of single tickets is reported in Table III-12. This table reports the mean length of purchase for those responding to this question. The mean appears to be about 6-10 years for most of the categories, with small sample sizes in some cases likely yielding responses that are of questionable accuracy. The mean length of time for purchasing season tickets or memberships and single tickets does not appear to be very different.

**Table III-12 Average Duration of Holding Season Tickets/Memberships or Buying Single Tickets**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>Total</u>
<b>Season Tickets or Memberships</b>						
<b>In Tacoma</b>						
Music	8	9	7	22	4	8
Theater	6	10	5	11	5	9
Dance	3	15	6	None	6	9
Heritage	1	6	5	None	7	6
Visual	5	11	6	11	3	8
<b>Elsewhere in Pierce County</b>						

Music	4	6	4	45	1	5
Theater	4	6	None	None	1	6
Dance	None	47	None	None	2	32
Heritage	None	9	35	None	1	13
Visual	**	35	4	23	**	15
<b>In King County</b>						
Music	4	12	2	6	6	7
Theater	2	10	12	5	8	8
Dance	None	10	2	44	3	6
Heritage	None	1	None	22	1	1
Visual	1	9	None	7	15	8
<b>Single Tickets</b>						
<b>In Tacoma</b>						
Music	8	8	5	4	6	7
Theater	8	9	3	5	9	8
Dance	8	8	2	23	7	8
Heritage	12	11	7	11	8	9
Visual	9	10	3	3	8	8
<b>Elsewhere in Pierce County</b>						
Music	13	9	6	23	5	7
Theater	13	9	4	15	7	8
Dance	17	12	1	47	8	9
Heritage	14	13	5	47	4	11
Visual	30	11	2	15	12	11
<b>In King County</b>						
Music	2	9	5	1	8	8
Theater	11	9	4	1	9	8
Dance	27	8	4	3	8	8
Heritage	39	12	2	5	12	10
Visual	35	10	3	2	11	9

\*\* - less than 0.5

## Patron Arts Experience, Participation and Spending, Volunteer Activity, and Children's Arts Education

In this study a number of questions were included in the patron survey that were new and intended to shed light on a variety of issues related to patron participation in activities of arts and cultural organizations. This section reports results of these questions.

Patrons were asked to identify how they were first exposed to the arts. Table III-13 presents results of this question. In almost every discipline, family and friends were the key to first becoming exposed to the arts, and even in heritage family and friends were important, if but slightly overshadowed by school. This table also makes it clear that school has been a very important place for exposure to the arts. A very consistent undercurrent of responses indicate self-discovery of the arts.

**Table III-13 How Patrons were First Exposed To The Arts**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Through School	34%	38%	32%	30%	47%	NA	37%
Through Family and Friends	52%	46%	47%	55%	29%	NA	47%
On My Own	14%	15%	21%	15%	24%	NA	17%
Total	100%	100%	100%	100%	100%	NA	100%

Patrons were asked when they were first exposed to the arts. Table III-14 reports that almost three-quarters were first exposed when they were young. The responses for all disciplines except ASO are quite similar. ASO patrons were more likely to be exposed as an adult, in college or in high school that was the case for patrons interviewed in the other disciplines.

**Table III-14 When Patrons were First Exposed To The Arts**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Grade School Age	67%	65%	58%	72%	65%	NA	67%
Middle School Age	14%	7%	13%	6%	15%	NA	9%
High School Age	11%	12%	11%	15%	11%	NA	12%
College Age	3%	5%	11%	5%	7%	NA	6%
As An Adult	6%	10%	8%	3%	2%	NA	6%
Total	100%	100%	100%	100%	100%	NA	100%

A cross-tabulation of how patrons were first exposed to the arts and at what point in their life they were exposed yielded a highly significant pattern of responses to these two questions. Patrons first exposed through family and friends were much more likely than expected to have this exposure when they were young (grade school age). Patrons first exposed at school when they were young were represented in the sample in numbers about as expected, but had much higher than expected citations for first exposure at middle and high school years. Thus, many patrons not exposed when they were at grade school age with family and friends became first exposed while in middle or high school. Those first exposed on their own were much more likely than expected to have had their first exposure as an adult, or in college, or in high school. There is a clear relationship found here—early first exposure tends to be strongly with family and friends, first exposure in school has its most powerful influence in middle and high schools, and first exposure by patrons themselves comes at a later stage in life.

Patrons were asked to classify how frequently they attended performances/exhibitions of arts and cultural organizations in Pierce County. Table III-15 presents responses to this question, and it indicates that the typical patron goes monthly to some event. The overwhelming number of patrons go to events either monthly or several times a year. About 7% go to events on a weekly basis, and a similar percentage annually.

**Table III-15 How Frequently Patrons Attend Arts/Heritage Performances/Exhibitions**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Weekly	13%	5%	11%	6%	7%	NA	7%
Once a month	32%	59%	57%	34%	28%	NA	47%
3 or 4 times a year	47%	32%	30%	46%	52%	NA	39%
Once a year	8%	4%	3%	14%	13%	NA	8%
Total	100%	100%	100%	100%	100%	NA	100%

Patrons were asked several questions regarding changes in their regard for the arts and spending on the arts. Table III-16 reports responses to a question asking patrons to indicate how the value of the arts had change for them over the past few years. There is a uniform pattern of responses indicating an increase in the value of the arts to about three quarters of the patrons—and a decrease in the value of the arts for about one-quarter of patrons. Across the disciplines there are only are minor differences in the responses to this question.

**Table III-16 How the Value of the Arts Changed for Patrons Over the Last Few Years**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Increased	68%	72%	84%	79%	78%	NA	76%
Decreased	26%	27%	13%	20%	20%	NA	23%
No Change	5%	1%	3%	1%	2%	NA	1%
Total	100%	100%	100%	100%	100%	NA	100%

Patrons were also asked whether their spending had changed since the 9/11 attacks and through the recent recession. Table III-17 indicates that for most patrons these events have not affected their participation in arts and cultural activities. However, there are more people indicating an increase in spending than citing a decrease. Visual arts patrons were the only discipline to show more patrons indicating a decrease in spending than an increase in spending.

**Table III-17 How Patron Spending Has Changed Since 9/11 and Through the Recent Recession**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Increase	18%	22%	26%	14%	21%	NA	20%
Decrease	16%	9%	5%	16%	8%	NA	11%
No Change	66%	69%	68%	70%	72%	NA	69%
Total	100%	100%	100%	100%	100%	NA	100%

Patrons were asked to explain in open-ended text why their spending had increased or decreased. There were about 85 cases of text regarding increases, and about 45 cases of text regarding decreases. Tables III-18 and III-19 present a sampling of answers to this question. The reasons cited were quite diverse, and the text in Tables III-18 and III-19 should not be regarded as representative, but rather a sampling of responses designed to convey the flavor of patron responses. Two statements were selected for each of the disciplines. The texts of those increasing spending tend to emphasize an improved economic position, a change in status, or a shift in values. In contrast, most of the statements related to decreases speak about decreased

income, and they do not convey a decision to shift spending away from the arts towards other goods or services because of dissatisfaction with their experiences.

**Table III-18 Why Spending Has Increased**

<b>Discipline</b>	<b>Patron Comment</b>
Dance	<i>Salary increase made it more possible.</i>
Dance	<i>We attend more productions to expose our children to the arts.</i>
Theater	<i>I have more money</i>
Theater	<i>So many arts opportunities exist in Tacoma than ever before; the glass museum, the new art museum, the revitalized theater district. It makes living in Tacoma right now rather exciting.</i>
Music	<i>Retired and felt an increased need of the arts.</i>
Music	<i>Quality of private lessons improved. More attendance in arts related activities.</i>
Visual	<i>The boys have gotten older and their needs are greater. I wouldn't miss a concert.</i>
Visual	<i>More discretionary spending.</i>
Heritage	<i>We are approaching retirement and finally have time to attend concerts, etc.</i>
Heritage	<i>More important to fill out my life</i>

**Table III-19 Why Spending Has Decreased**

<b>Discipline</b>	<b>Patron Comment</b>
Dance	<i>Personal economics through job loss.</i>
Dance	<i>Less money</i>
Theater	<i>Watching budget to save for the shaky future.</i>
Theater	<i>Too many scheduling conflicts as our kids have entered high school.</i>
Music	<i>No reason</i>
Theater	<i>Everything costs so much more in a depressed economy.</i>
Visual	<i>Down economy</i>
Visual	<i>Rates for admission.</i>
Heritage	<i>Less income</i>
Heritage	<i>Personal financial situation.</i>

A cross tabulation of responses to the questions about changes in the value of the arts and spending showed a highly significant relationship. Considering those that said the value of the arts had increased, many more people than would be expected also said that they had increased their spending on the arts. For the large proportion of respondents indicating no change in spending, a slightly smaller number than expected said that the value of the arts to them had increased, and a slightly larger number than expected said that the value of the arts to them had decreased.

Patrons were also asked if they made cash contributions to one or more arts or heritage organizations. Table III-20 indicates that over half of those interviewed do make such contributions, but with some variation by discipline. Patrons interviewed at visual arts were less likely than the overall sample to make such contributions, while those attending dance, theater, heritage, and music were more likely than the overall sample to make cash contributions. There was also a statistically significant relationship between patron income and the likelihood of making cash contributions. Those in the upper income categories were more likely than expected

to make such contributions, and those in the lower income categories were less likely than expected to make cash contributions.

**Table III-20 Patron’s Frequency of Making Cash Contributions to Arts and Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Yes	62%	61%	62%	45%	67%	NA	58%
No	38%	39%	38%	55%	33%	NA	42%
Total	100%	100%	100%	100%	100%	NA	100%

The patron survey also asked if specified arts/heritage events were used on a regular basis to meet with families or friends. Table III-21 indicates that most patrons do use these events to socialize with family and friends. There was not much variation in the response to this question across the disciplines.

**Table III-21 Patron’s Tendency to Use Attendance at Arts And Cultural Organization Events to Meet Regularly with Family and Friends**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Yes	68%	64%	73%	54%	52%	NA	62%
No	32%	36%	27%	46%	48%	NA	38%
Total	100%	100%	100%	100%	100%	NA	100%

Patrons were also asked about the participation of their children in arts activity outside of school. Table III-22 reports that about half of the sample did not have children, and that the question did not apply to them. Of the respondents with children, many more indicated that their children participated in arts activity outside of school than did not participate in such activity. Differences are apparent among the disciplines, with patrons interviewed at dance and music events much more likely to have their children involved with arts activity outside of school. Visual arts patrons percentages appear low, and that is because a relatively high percentage of these patrons did not have children. A majority of the visual arts patrons with children participated in arts activity outside of school. Patrons were asked to describe the nature of this arts activity outside of school. Over 100 comments were provided on this question. Table III-22 reports a selection of responses by discipline. There was a strong tendency for dance, theater and music comments to involve those disciplines, while there were less focused comments in the other disciplines.

**Table III-22 Patron’s Likelihood of Having Children Participate in Arts Activity Outside of School**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Yes	37%	27%	51%	21%	26%	NA	29%
No	16%	19%	3%	17%	25%	NA	18%
No Children	47%	54%	46%	63%	49%	NA	54%
Total	100%	100%	100%	100%	100%	NA	100%



**Table III-23 Typical Statements About Children’s Outside Arts Activity**

<b>Discipline</b>	<b>Patron Comment</b>
Dance	<i>Music classes, art classes.</i>
Dance	<i>Dance and violin lessons.</i>
Theater	<i>Music lessons, concerts, cultural arts exhibitions plays.</i>
Theater	<i>Music, plays, journalism, dance</i>
Music	<i>Tacoma youth symphony \Tacoma all city jazz</i>
Music	<i>Youth symphony flutist, ballet, WCB</i>
Visual	<i>Museums, theater, concerts</i>
Visual	<i>Drama, orchestra, vocal music</i>
Heritage	<i>My son works for a movie maker as a concept artist, my daughter takes art classes regularly.</i>
Heritage	<i>My son enjoys glass blowing and continues to after his high school graduation.</i>

Patrons were asked if they volunteered to work for arts and heritage organizations. Table III-24 reports that 39% of those interviewed said they did engage in volunteer activity. Considering all non-discounted student attendance reported in Table III-1, if 39% of these patrons engaged in volunteer activity, that would imply 250,000 volunteers, vastly higher than the number estimated by the patron survey (see Table II-33). However, many of these patrons participate in multiple arts and heritage organizations, as discussed in the next section of this report. Table III-25 presents estimates of the number of hours spent volunteering annually. The mean is well above the median because of a cohort of volunteers that spend large amounts of time volunteering. The mean figure of 101 hours corresponds reasonably well to the average of 114 hours reported by the arts and heritage organizations (see Table II-33).

**Table III-24 Patron’s Tendency to Volunteer to work for Arts and Cultural Organizations**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Yes	37%	38%	49%	28%	50%	NA	39%
No	63%	62%	51%	72%	50%	NA	61%
Total	100%	100%	100%	100%	100%	NA	100%

**Table III-25 Estimated Hours Annually Volunteering and Percentage Distribution of Hours Volunteering**

	<b>Dance</b>	<b>Theater</b>	<b>Music</b>	<b>Visual</b>	<b>Heritage</b>	<b>ASO</b>	<b>Total</b>
Up to 20	43%	29%	50%	57%	23%	NA	35%
21-40	0%	14%	14%	17%	8%	NA	11%
41-100	36%	34%	7%	13%	38%	NA	30%
101-500	7%	22%	29%	13%	23%	NA	20%
Over 500	14%	2%	0%	0%	8%	NA	3%
Total	100%	100%	100%	100%	100%	NA	100%
Mean	222	80	68	51	153	NA	101
Median	50	50	30	20	78	NA	50

## Characteristics of K-12 Student Attendance

Arts and heritage organizations were asked to estimate some characteristics of the K-12 students that attend their exhibitions and performances. This section summarizes results of this part of the organizational survey.

Table III-26 contains estimates of free and discounted student admissions. The number of discounted admissions is somewhat lower than reported in Table III-1 (109,724), with the difference presumably being students outside the K-12 system (such as preschool and college students). Discounted tickets accounted for about 62% of these admissions. Most dance, music, and visual admissions were free, while all heritage admissions were discounted. About two-thirds of dance admissions were free, and about one-third discounted.

**Table III-26 K-12 Student Attendance Statistics**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Free	3,080	3,909	30,655	10,000	0	3,583	51,227
Discounted	1,540	22,521	2,713	5,250	31,674	19,152	82,851
Total	4,620	26,431	33,368	15,250	31,674	22,735	134,078

Arts and heritage organizations were asked to indicate the family income status of these students, by indicating if they were on a free lunch program, a reduced-cost lunch program, or not on a free lunch. Tables III-27 and III-28 report the results of this question for free admissions and discounted admissions. In the case of free admissions, visual and ASO's did not know the status of their lunch program. The other disciplines show a variety of orientations, with overall there being about the same number on a free or discounted lunch program as not on a lunch program. In the case of discounted admissions, 42% of the student's lunch program status was not known. In the cases where it was possible to estimate the lunch program status, about half were on a free or reduced-cost lunch program. Thus, a substantial proportion of the K-12 students participating in arts and heritage organization programs come from families with limited income.

**Table III-27 Student's Family Income Indicators – Free Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
On Free Lunch Program	80%	30%	29%	0%	None	0%	25%
On reduced-cost lunch program	0%	43%	15%	0%	None	0%	12%
Not on lunch program	0%	25%	53%	0%	None	0%	34%
Don't Know	20%	2%	3%	100%	None	100%	29%
Total	100%	100%	100%	100%	None	100%	100%

**Table III-28 Student's Family Income Indicators – Discounted Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
On Free Lunch Program	75%	26%	16%	31%	0%	0%	11%
On reduced-cost lunch program	0%	35%	5%	0%	0%	35%	18%
Not on lunch program	0%	37%	43%	45%	0%	65%	29%
Don't Know	25%	2%	37%	24%	100%	0%	42%
Total	100%	100%	100%	100%	100%	100%	100%

The arts and heritage organizations were also asked to identify the ethnicity of students getting free or discounted admissions. The results of this question are presented in Tables III-29 and III-30. In discounted admission cases, organizations did not know the ethnicity of 43% of these students. In the case of both free and discounted admissions, Caucasian students accounted for the majority of admissions, but about 45% of free admissions were from minority students, and about 35% of discounted admissions were from minority students.

**Table III-29 Ethnicity of Students with Free Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Caucasian	50%	54%	63%	32%	None	0%	51%
African American	20%	31%	11%	20%	None	0%	14%
Asian / Pacific Islander	10%	8%	16%	5%	None	0%	12%
Hispanic / Latin	10%	5%	7%	35%	None	0%	12%
Native American	10%	1%	2%	5%	None	0%	3%
Other	0%	1%	0%	3%	None	0%	1%
Don't Know	0%	0%	0%	0%	None	100%	7%
Total	100%	100%	100%	100%	None	100%	100%

**Table III-30 Ethnicity of Students with Discounted Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Caucasian	0%	55%	42%	51%	0%	75%	37%
African American	0%	29%	5%	10%	0%	10%	11%
Asian / Pacific Islander	0%	8%	17%	7%	0%	8%	5%
Hispanic / Latin	0%	5%	4%	6%	0%	6%	3%
Native American	0%	2%	1%	2%	0%	2%	1%
Other	0%	1%	0%	0%	0%	0%	0%
Don't Know	100%	0%	31%	24%	100%	0%	43%
Total	100%	100%	100%	100%	100%	100%	100%

The geographic origin of K-12 students with free or discounted admissions was also sought from the arts and heritage organizations, as reported in Tables III-31 and III-32. These tables indicate that the majority of students came from the local area—either the city in which the arts or heritage organization was located or in Pierce County. A modest share of these students come from elsewhere in Washington State, while no students were estimated to come from outside Washington State.

**Table III-31 Geographic Origin of Students with Free Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Your City	25%	54%	48%	75%	None	0%	49%
Your County	50%	42%	32%	20%	None	0%	29%
Other WA	25%	5%	19%	5%	None	0%	14%
Outside WA	0%	0%	0%	0%	None	0%	0%
Don't Know	0%	0%	0%	0%	None	100%	7%
Total	100%	100%	100%	100%	None	100%	100%

**Table III-32 Geographic Origin of Students with Discounted Admissions**

	<u>Dance</u>	<u>Theater</u>	<u>Music</u>	<u>Visual</u>	<u>Heritage</u>	<u>ASO</u>	<u>Total</u>
Your City	0%	46%	50%	32%	0%	7%	18%
Your County	0%	43%	26%	28%	0%	93%	36%
Other WA	0%	10%	20%	16%	0%	0%	5%
Outside WA	0%	0%	0%	0%	0%	0%	0%
Don't Know	100%	0%	3%	24%	100%	0%	42%
Total	100%	100%	100%	100%	100%	100%	100%

## IV. Comparison to Other Studies



*“...in Tacoma, where we are always being compared to Seattle, our cultural organizations bring us on par and in my opinion often surpass what you get in Seattle and can be a source of great community pride”*

Source: Patron Survey

There are a number of studies that have been undertaken in recent years that provide data similar to that reported in this study. Some of these are studies of a particular community, while others are national studies that draw on information from arts and cultural organizations in a sample of communities. This section of this report reviews selected aspects from a sample of these studies. Two recent studies provide a relative wealth of information on many dimensions reported in Chapters II and III: the 2002 PARC household and organization surveys, and the 2003 Americans for the Arts study entitled Arts & Economic Prosperity (Kopczynski & Hager, 2003; Americans for the Arts, 2003). These studies, and a selection of other studies will be reviewed briefly in this section of this study to provide some comparisons on many but not all topics reported upon in this study. Comparisons between results obtained in the current study and earlier studies funded by ArtsFund have already been presented in Chapters II and III. They will not be repeated in this chapter. There are undoubtedly many excellent studies not reviewed in this chapter. In Chapter V some comments are offered with regard to selected studies of a different nature that are in some ways related to the purposes of this study.

The PARC study, undertaken by the Performing Arts Research Coalition (a collaborative project of the Association of Performing Arts Presenters, American Symphony Orchestra League, Dance/USA, OPERA America, and the Theatre Communications Group), was supported by The Pew Charitable Trusts. This project involved household surveys in a number of regions, including Alaska, Cincinnati, Denver, Pittsburgh, and Seattle, as well as surveys of nonprofit performing arts organizations in these regions. It should be noted that the PARC survey did not cover visual, heritage, or ASO organizations, and the surveys of the public did not address these organizations. Arts & Economic Prosperity relied on household surveys undertaken in 91 communities in the United States, ranging in size from small populations to large metropolitan areas. This project was funded by the American Express Company and the National Endowment for the Arts.

### Income

The current study estimates that earned income is 39% of total income, while contributed income accounts for 61% of total income. These percentages differ somewhat from the shares of income documented in the PARC study. The PARC study found box office and related income plus investment and other earned income accounted for 50% of the income of the sample of 378 organizations included in that study (Kushnar & Pollack, 2003, p.5). The PARC study found individual contributions accounted for 45% of private contributed income, foundations accounted for 18%, business contributions were 16%, and other contributions amounted to 21% of total contributed income. The current study found broadly similar shares, with 50% in individual contributions, 19% foundation contributions, 13% business contributions, and 18% other contributions. The PARC study found that government contributions were 4% of total income, compared to 23% in the current study. The current study

finds a lower share of government income coming from local governments than the PARC study (23% versus 44%), and a higher share from state governments (64% versus 42%). The federal government share was similar to that documented in the PARC study (13% versus 16%) (Kushner & Pollak, 2003, p.5). A study in Tucson found a higher share of earned income (75%) than in the current study and in the PARC study. A recent study in Oregon found earned income to be 49% of total income (WESTAF, 2001, pp. 18-19). A study undertaken by the RAND corporation relied on data from the 1997 Economic Census, IRS Form 990's, and the National Endowment for the Arts to summarize income to non-profit arts and cultural organizations. This study found earned income in the 1997 Census to be 59% of total income (RAND, p. 84), and noted the changing composition of contributed income. The RAND study found decreasing federal support, and fluctuating non-federal government support. It also found that private contributions had grown as a share of contributed income, a trend consistent with the findings reported in Chapter II of this study (RAND, pp. 84-85). A Princeton University study recently reported on shifting patterns of foundation funding, and noted that this source had declined somewhat from a peak in the year 2001 (Princeton, 2004). This study presented results that differed somewhat from the RAND study with regard to government arts support; it found rising support from state and local governments as measured in current dollars.

Pierce County arts and heritage organizations have an income structure that differs somewhat from that reported in these various studies, with regard to the split between earned and contributed income. This difference is primarily related to the strong government income received by Pierce County heritage organizations.

## Expenditures

The current study estimated that 44% of the expenditures of Pierce County cultural organizations were employee expenses, and 56% of expenditures were operating expenses (including payments to contract individuals and firms). The Americans for the Arts study found that personnel expenses were 41% of total operating expenses (Americans for the Arts, pp. A53-A54, group V data). This study found payments to artists to be 13% of total expenses, compared to 16% to contract individuals and organizations in the current study. The Americans for the Arts study found overhead, administrative, and facility expenses were 46% of total expenses, similar to the 40% estimated in the current study. A recent study in Tucson reported employee expenses to be 56% of total expenditures, contract and artist payments to be 13%, and operating expenses to be 30% of total expenditures (Pavlovich-Kochi and Charney, 2001, pp. 14-15). The PARC study reported expenditures in a different manner, finding artistic and production costs to be 59%, and marketing, development, education, and administrative costs to be 31%, and "other" costs to be 10% (Kushner & Pollak, 2003, p. 4).

## Employment

This study found 7% of employees to be full-time, 27% to be part-time, 64% to be contract employees, and 2% to be work-study or interns. The Tucson study found 25% of employees to be full time, 72% to be part-time, and 3% to be contractual (Pavlovich-Kochi and Charney, 2001, pp. 10).

## Economic Impacts

The Americans for the Arts and Tucson studies provide estimates of economic impacts associated with cultural organization and patron expenditures. Given differences in methods of constructing the models used to calculate economic impacts between these studies and the current study, and differences in the size and economic structure of the different communities covered by these studies, it is unlikely that multiplier effects would be identical. The current study estimates that 23 jobs are created in the local economy per million dollars of combined organization and patron spending<sup>3</sup>. The Americans for the Arts study finds 32 jobs per million of organization and patron spending, while the Tucson study finds 46 jobs per million of organization and patron spending (calculated from Americans for the Arts, 2003, p. A16; and Pavlakovich-Kochi and Charney, 2001, pp. 19). The current study finds \$0.74 million in labor income created in the local economy per million of combined organization and patron spending, while the Americans for the Arts study estimates \$0.71 million, and the Tucson study \$0.65 million (*ibid*). The current study estimates tax revenue impacts of \$0.06 million per million dollars of combined organization and patron spending compared to \$0.097 million and \$0.075 million in the Americans for the Arts and Tucson studies, respectively (*ibid*). Thus, the current study has economic impacts results that are reasonably similar to those reported in other studies with regard to labor income and taxes. The lower job impact figure is related to the relatively low share of employee expenses, providing a relatively modest stimulus through the induced effects multiplier system in the input-output model.

## Capacity Utilization

Chapter III reports that Pierce County dance, theater, and music organizations reported 89%, 74% and 77% utilization of capacity, respectively. The PARC study reported a slightly higher overall utilization of capacity, 81% overall. This study found that smaller organizations had lower sales percentages, and organizations with budgets of \$1 or more typically selling at least 75% of their seats (Kushner & Pollak, 2003, p. 9).

## Patron Geographic Origins

Chapter III reported that 47% of patrons came from Pierce County. This figure much lower than the Tucson study, which found 76% of patrons were local (Pavlakovich-Kochi & Charney, p.16). The Americans for the Arts study found that 76% of attendees were local in metropolitan regions with 500,000-999,999 persons population (Americans for the Arts, 2003, p. A68). Thus, Pierce County has a much higher proportion of non-local patrons than documented in these other studies.

## Patron Spending Per Capita

Chapter II documented patron spending per capita to be \$30.62, of which tickets and admissions were estimated to be about \$12. Non-ticket/admission expenditures were estimated to be about \$18. This compares with the Americans for the Arts survey for regions with 500,000-999,999

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<sup>3</sup> This figure was estimated by using full-time equivalent direct employment, plus indirect and induced employment calculated through use of the input-output model.

persons population estimate of a non-ticket/admission expenditure of \$24, and overall non-ticket/admission expenditures across all size classes of regions of \$23 (Americans for the Arts, 2003, Table A-20). The Tucson study found a somewhat higher figure, of \$54 for non-ticket outlays, likely a reflection of the tourist and seasonal visitors to that community (Pavlovich-Kochi & Charney, p.16).

## Volunteers

Two perspectives on volunteers were documented in this study. The first was the estimate of volunteer activity reported by arts and cultural organizations, and the second was the level of volunteer activity documented in the survey of patrons. The organization survey found an average level of 114 volunteer hours, while the patron survey documented a median level of volunteer hours to be 50. The Americans for the Arts study found that the average hours per volunteer were 30.1 (Americans for the Arts, 2003, p. A58). The Tucson study found that the average hours per volunteer to be about 68 (Pavlovich-Kochi and Charney, 2001, p. 20). The current study found that 39% of those interviewed in arts and cultural organization venues indicated that they volunteered for arts and cultural organizations. The PARC study also documented volunteer activity, but the survey was of the general population (not just patrons interviewed in arts and cultural organization venues), and it simply documented the overall incidence of volunteering in the community. This study found between 71% and 77% of respondents indicating that they volunteer (Kopczynski and Hager, 2003a, p. 47). A Princeton presentation reported a smaller percentage of the general adult population volunteering, 44% (Center for Arts and Cultural Policy Studies, slide 63).

## Contributions

The current study found that 58% of the patrons interviewed said that they regularly made cash contributions to arts and cultural organizations. The PARC study found a lower estimate for the Seattle area (27%) in their sample of the general population (Kopczynski and Hager, 2003b, p. 43. Considering only those who were attenders or frequent attenders, this percentage may be calculated to be 36%, still below the level measured in the current study.

## Attendance Frequency

This study documented the frequency of patrons holding season tickets/memberships, and their purchases of single tickets/admissions. We found that the typical patron held 1.2 season tickets/memberships, and 3.0 types of single tickets or admissions. The questionnaire did not ask how many times they bought each type of single ticket or admission, while organizations provided estimates of the number of visits associated with season tickets or memberships. However, given the multiple visits associated with season ticket holders / memberships (estimated to be 3.0 per season ticket / membership), this would imply at least 3.6 visits (1.2 x 3), plus the 3.0 single tickets / admissions, for a minimum of 6.6 trips on average per annum. Undoubtedly the actual number of trips is higher, as it is likely that patrons bought multiple single tickets or admissions. The Seattle PARC study found that out of the general population, those who attended at least one live performing arts event in the last year, attended an average of



9.4 such events (Kopczynski and Hager, 2003b, p.18). (Note that the PARC study did not include visual arts, heritage, or ASO's in their survey). The RAND study reported the average frequency per year of attendance at live arts-related performances to be 5.4, and visits to art museums to average 3.3 per attendee (RAND, 2001, p. 21). Thus, these various studies suggest that the typical patron to arts and cultural organizations attends at least 10 times annually, with the likely actual average level of attendance well above this figure. The 2002 Survey of Public Participation in the Arts published by the National Endowment for the Arts found that the typical person attending a classical music performance in 2002 went to 3.1 such performances (NEA 2004, p. 13). Data from the same survey find the average opera attendee going to 2.0 performances, the typical play attendee going 2.3 times, the typical ballet attendee going 1.7 times, and the typical art museum or gallery attendee going 3.5 times. These participation figures are not additive, as they are not based on a typical individual's participation in all of the categories of performing and visual arts included in this survey.

### **Social Purposes of Attendance**

The current study found that 62% of the patrons interviewed said that they used attendance at arts and cultural organization events to meet regularly with family and friends. The PARC study included a similar question, and it found that 56% of the Seattle sample strongly agreed that performing arts provided opportunities to socialize with other people. This percentage was higher for attenders (58%) or frequent attenders (61%) than nonattenders (49%) (Kopczynski and Hager, 2003a, p. 41). The Princeton presentation reported a Kansas City study that indicated over 60% said that it “mattered a lot to them” to participate in arts and cultural events so as to be able to gather with family and friends (Princeton presentation, slide 42).

### **Summary**

This section of this report has presented comparisons of selected findings from this study with results from other recent studies of arts and cultural organizations. In general, the results reported here are consistent with findings documented in other communities. The exact approach to particular topics varies among these studies, contributing to the differences in results reported. However, differences are also likely associated with different attributes of the communities involved, such as their level of income, size, and mix of cultural activities.

## V. Concluding Remarks

*“A community needs beauty and art of all kinds. Young artists need to be inspired to grow and create.”*

Source: Patron Survey

In this second report on the economic impact of arts and cultural organizations in Pierce County we have improved our measurement efforts. This study has documented a vibrant arts community in Pierce County, which has expanded dramatically since the last study benchmarked against the year 1997. The Executive Summary provides an overview of results of this study, but we feel that it is important to address several issues that are related to how the results of this project could be improved. We also wish to touch upon some other approaches to viewing arts and heritage organizations as industries contributing to the regional economy.

### Possible Areas For Improvement

#### *(1) Organization Survey*

The use of spreadsheets to gather the organization data has minimized arithmetic errors, and has facilitated aggregation and analysis of the data provided by organizations. The two areas where the organization survey could be improved have to do with Net Assets or “Funds,” and the data gathered on free and discounted student attendance. It appears as though different organizations have defined their assets in differing ways, some including estimates of the value of buildings/structures as assets, and others not including these facilities. Clearer definitions of what is to be considered in this part of the survey would be helpful. Many respondents were not able to provide much information about their student attendees. This area of questioning was new in this study, and it is possible that respondents did not have in place mechanisms for monitoring the characteristics of free or discounted student attendees. If this type of question is to be included in future studies, it would be helpful if the organizations with such attendance could be assisted to put in place accounting frameworks to better measure student attendees.

Coverage of organizations in dance and ASO’s was not as complete as in the other disciplines. Efforts could be undertaken to obtain greater cooperation from organizations in these disciplines.

#### *(2) Patron Survey*



The patron survey included a number of questions not used previously (questions 6 through 16). The questions designed to gather attitudinal information (questions 6 through 15) generally worked well. The questions that could be sharpened include question 8 and 16, questions asking about the frequency of attendance at arts and cultural organization events. Question 8 is very general, and does not lend itself to quantifying actual frequency of participation. Question 16 provided considerable information on the incidence of the purchase of season tickets/memberships and single tickets, but it did not allow quantification of how frequently individual patrons participated across the various disciplines. The question provided useful information on the geography of participation, but the data on the duration of purchases may be less useful than phrasing this question to get at the annual frequency of attendance to different disciplines.

A relatively small number of questionnaires were obtained from ASO venues. This study surveyed patrons in these venues for the first time, but the sample size was not large enough to be statistically valid. Thought should be given to how to improve coverage of patrons attending ASO events.

## Some Other Approaches

The current study has at its heart two surveys that feed into the estimation of economic impacts through the use of the input-output model. These two surveys also gather a wealth of other information that has value to ArtsFund and the arts and heritage organizational community. However, other approaches have emerged, that provide alternative perspectives on arts and cultural organizations in communities such as this one.

Various studies have relied on occupational statistics to characterize work that includes people in arts and heritage organizations. Richard Florida and Ann Markusen are two scholars that have advocated this approach to the identification of the “creative class” or artists. Florida defines the creative class as having two components, the super creative class and creative professionals (Florida, 2002, p. 328). The super creative class includes computer and mathematical occupations; architecture and engineering occupations; life, physical, and social science occupations; education, training and library occupations; and arts, design, entertainment, sports, and media occupations (*ibid*). Florida observes the rapid growth of the creative and super creative class, and generally makes the argument that communities which foster development of this class have been rewarded by relatively rapid economic growth (Florida, pp. 72-77). He observes that the income level of people working in the creative class is well above that in other segments of the economy (defined as working class, service class, and agriculture) (Florida p. 77). Much of Florida’s work is focused on defining correlates associated with the development of the creative class. He argues that places that are successful in developing a strong economy built around the creative class need several attributes: (1) a strong “people climate,” (2) strong research universities, (3) social structures that bridge class divides, (4) institutions that foster social cohesion, and (5) visions of where communities intend to go in the development process (Florida, Part Four, Community).

Markusen and colleagues have also used occupational statistics to characterize the distribution of artistic activity in metropolitan areas in the United States (Markusen, Schrock, and Cameron, 2004). Their focus is on a subset of Florida’s creative class, including performing and visual artists, authors, musicians, designers, and architects. Using the public use microsample (PUMS) from the 2000 Census, they have documented the concentration of people in these occupations in the largest 29 metropolitan areas in the U.S. It should be noted that this approach identifies both people working for an organization such as one of the cultural organizations included in this study, as well as self-employed individuals. Markusen et.al. find that in 2002 some 38% of people employed in arts-related occupations were self-employed, compared to only 8% economy-wide (Markusen et.al., p. 16). Markusen uses index numbers to identify the concentration of artistic workers within metropolitan areas, and Seattle fares quite well, with 33% above the national average working in artistic occupations (Markusen et.al. p. 4).

A similar approach was used by Beyers et.al. in a recent study of the Seattle music industry (Beyers, Bonds, Wenzl, and Sommers, 2004). This study used the PUMS data to identify

people working in music-related activities in the Seattle area, as well as industry-based employment statistics to help define the music “cluster” in Seattle. This project was undertaken as a part of a series of cluster studies of industries in which Seattle was thought to have some comparative advantage. The notion of industry clusters is currently quite fashionable in the regional development literature, strongly influenced by the research of Michael Porter (Porter 2003). The general argument of this line of research is that a concentration of businesses that may be economically interdependent in a given community could generate competitive advantage for the region, and that public policy and private organizations need to be organized to facilitate the development of such clusters. Through interviews with cluster members suggestions for the types of development policy were articulated in the music study; similar approaches were taken with other clusters in the maritime, film, and health services industries. A similar approach was taken in Santa Fe to promote the vitality of traditional arts as an element of commerce in that community (Walker, Jackson, and Rosenstein, 2003). Regional Technology Strategies recently identified what it called The Creative Enterprise Cluster in Montana, which includes artists, crafters, entertainers, writers, and performers. It also is flanked by creative services that help facilitate development of the cluster (Regional Technology Strategies, 2003). Americans for the Arts has recently launched a new program entitled Creative Industries, that is tracking in the 20 largest metropolitan statistical areas both nonprofit and for-profit arts industry establishments; this project includes a geographical information system (GIS) to display the geographic location of establishments included in this system, which is based on Dun & Bradstreet data files (Americans for the Arts, 2004). Seattle-Tacoma was found to have the strongest concentration of art-related businesses in these 20 metropolitan areas.


Other communities have been characterizing their creative industry complexes, and their role in the economic vitality of their community. The Silicon Valley Creative Community Index developed a set of indicators, based on a survey of residents of Silicon Valley, as well as local arts and cultural organizations (Rawson, 2002). This project identified values of residents regarding creativity and social connectedness, and found that (1) creativity was highly valued in the Silicon Valley economy, (2) creative industries are becoming increasingly important as a part of the region’s ‘innovation habitat,’ (3) cultural participation plays a major role in connecting divergent groups and in connecting individuals to their community, and (4) new creative approaches were needed to address the civic and social challenges facing the region (Rawson, 2002), p. 3). In New York the City government has examined the role of arts and cultural activity in the various boroughs. It found that not only was art and culture a major jobs engine, but that it is growing rapidly outside Manhattan, that there are a complex set of policy needs to facilitate development (space problems, gentrification and displacement, the need for connections between institutions, and a greater need for local organizations to see the development opportunities tied to cultural activities) (Center for an Urban Future, 2002).

This section has sampled some other approaches to arts and cultural organizations in relation to local economic development. Florida’s work has considerable emphasis on the types of policies that foster the development of the creative class. Various cluster studies have also articulated the need for and the nature of such policies in localities, largely articulated through survey work with local residents and businesses. Other research, such as the work of Markusen et.al., and The Americans for the Arts, is more descriptive. There are undoubtedly many other

studies that could have been reviewed in this section, including a more comprehensive description of the PARC study, Americans for the Arts Arts & Economic Prosperity study, and the RAND study. However, this overview gives a flavor of types of studies that have been undertaken that differ in their emphasis from the current study.

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## Appendices

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

#### Dance – Organization Surveyed

Dance Theatre Northwest

#### Dance – Other Organizations Included

Washington Contemporary Ballet  
Tacoma Performing Dance  
Tacoma City Ballet - includes Dance Net

#### Theater – Organizations Surveyed

Tacoma Musical Playhouse  
Broadway Center for the Performing Arts  
Tacoma Actors Guild  
Tacoma Little Theater

#### Theater – Other Organizations Included

Lakewood Players  
Encore Theater

#### Music – Organizations Surveyed

University of Puget Sound Community  
Music Department  
Northwest Sinfonietta  
Tacoma Opera Association  
Tacoma Philharmonic  
Tacoma Symphony Orchestra

#### Music – Other Organizations Included

Tacoma Master Chorale  
Victory Music  
Tacoma Youth Chorus  
Peninsula Youth Orchestra  
Second City Chamber Series  
Wintergrass  
Tacoma Concert Band  
Puget Sound Music Society

#### Visual Arts Surveyed

MetroParks, Tacoma  
Museum of Glass  
The Grand Cinema  
Tacoma Art Museum

#### Heritage – Organization Surveyed

Washington State History Museum

#### Heritage – Other Organizations Included

Karpeles Manuscript Museum  
Steilacoom Tribal Museum and Cultural  
Center  
African American Museum  
Asia Pacific Cultural Center  
Fife Historical Museum  
Ft. Lewis Military Museum  
Pierce County Landmarks Commission  
Karshner Museum  
McChord Air Museum  
Steilacoom Historical Museum  
Children's Museum of Tacoma  
Ezra Meeker Mansion

#### Arts Service Organizations Surveyed

Cultural Council of Greater Tacoma  
Pierce County Arts Commission

#### Arts Service Organizations Also Included

Valley Arts United  
Gig Harbor Key Peninsula Cultural Arts  
Commission  
Community Art School of Tacoma  
Tacoma Arts Commission  
Hilltop Artists in Residence  
New DAY: Diaz Art for Youth



## 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 \$2003 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 \$2003 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 1997 Washington State input-output model developed by Conway and staff of State of Washington Agencies (Office of Financial Management, 2004). 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 six input-output models. Beginning with the model developed for the year 1963, and continuing through the 1997 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 1963-1997 time period, there has been relatively modest changes in the multiplier structure contained in this model (Beyers in Dietzenbaker & Lahr). A complete description of the 1997 Washington input-output model may be found at <http://www.ofm.wa.gov/economy/io/default.htm>.

The 1997 update of the Washington input-output model did not involve survey research on the state's interindustry structure. It was an update using a biproportional matrix adjustment approach with sales and purchases estimates for the various sectors benchmarked against economic census data for the year 1997. There was some modest redefinition of sectors in this

update. An analysis of changes in multipliers undertaken by this author shows that there were only modest changes in their values from the 1987 model, the latest previous model.

## Updating and Augmenting the Input-Output Model

The 1997 Washington transactions matrix was used to develop estimates of multipliers used in this study. A direct, indirect, and induced requirements matrix was estimated by closing the model with regard to personal consumption expenditures and state and local government. Personal consumption expenditures were considered to be a function of labor income. State and local government demands were considered to be a function of other value added.

The current model 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.

## County Level Impacts

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

## Impact Estimation Procedure

The estimation of total and “new money” economic impacts involves two steps: (1) the estimation of direct economic impacts, and (2) the use of the input-output model to estimate indirect and induced economic impacts. Information was requested from 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 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 measures presented in this report should be considered as estimates. They are subject to measurement error from a variety of sources: incomplete coverage of the income of arts 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. The digital approach to gathering cultural organization budgets yielded surveys with few arithmetic errors.

#### *Direct Economic Impacts: Patrons*

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

# Appendix 3: Survey Form for Arts Organizations

**ORGANIZATION INFORMATION**

County:

Name of Organization:

Individ. completing this form:

Address:

City:  State:  Zip+4:

Telephone:  E-Mail:

Fax:  Website:

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

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

**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      3. Performing Arts - Music      5. Heritage
- 2. Performing Arts - Theatre    4. Visual Arts                      6. Arts Service Organization

GENERAL INFORMATION	For FY ending:
	MM/DD/YY
Number of productions/exhibits (1)	<input type="text"/>
Number of memberships sold	<input type="text"/>
Number of full and/or partial subscriptions sold	<input type="text"/>
Average percentage of capacity	<input type="text"/>
<b>Attendance</b>	
1 - Season ticket/membership visits (2)	<input type="text"/>
2 - Single tickets or admissions sold (other than member tickets/admissions)	<input type="text"/>
3 - Discounted student tickets (other than season tickets)	<input type="text"/>
4 - Discounted senior tickets (other than season tickets)	<input type="text"/>
5 - Other discounted tickets (rush etc.)	<input type="text"/>
6 - Free tickets	<input type="text"/>
<b>TOTAL ATTENDANCE</b> (add lines 1-6)	0
Number of patrons with disabilities served	<input type="text"/>

**Footnotes for Page 1**

- 1 Performance groups should enter number of individual self-produced productions; visual arts/heritage/etc. groups should enter number of individual exhibits.
- 2 Season/subscription ticket visits equals the number of subscriptions sold times the number of productions or exhibits available to each subscriber for that subscription.

Name of Organization:

**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.

	For FY ending: MM/DD/YY	% Outside Pierce County
Box Office/Admissions		
Tuition/Workshops		
Retail/Wholesale Sales		
Other earned income (touring, rents, royalties, etc.)		
Interest		
<b>Total Earned Income</b>	0	#DIV/0!

**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.

	For FY ending: MM/DD/YY	% Outside Pierce County	Number of Contributors
ArtsFund			
Other corporations			
Foundations			
PONCHO			
Federal Government (NEA/NEH/IMS)			
State Government			
County Government			
City Government			
Individuals			
Benefits / Galas / Guilds			
In-Kind contributions (exclude non-prof. vols.) (2)			
Misc. contributions			
<b>Total Contributed Income</b>	0	#DIV/0!	
<b>Total Earned &amp; contributed Income</b>	0	#DIV/0!	

**Asset Releases ("Fund Transfers") (3)**

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 Exclude value of time contributed by volunteers except professionals donating professional services in their field.
- 3 Report net assets released from restriction (i.e. "fund transfers") such as earnings from endowments or administrative expenses from a building campaign.

2003 ArtsFund Economic Impact Study

Name of Organization: 0 Fiscal year ends: MM/DD/YY

For the purposes of this economic impact study, general operating expenses are measured in two categories: 1) Labor-related expenses for your employees (or non-contract personnel entered on this page), and 2) other operating expenses (which include contract personnel -entered on page 4 of 6).

**EMPLOYEE EXPENSES (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 for the reported FY. Include employee compensation which you consider to be to direct employees only; report payments to individuals and firms you contract with on page 4. In column C, report amounts you pay in employment taxes.
- In column D enter the number of people you consider to be full-time employees. For the purposes of this survey, we consider a full-time employee to be an individual employed approximately 40 hours per week year-round.
- In column E report how many people you consider to be part-time employees. This includes all employees not meeting the above definition of full-time employees. Enter head count only, no decimals or fractions please.
- In column F please enter the total number of hours you estimate are worked by all part-time employees in your organization for the reported FY.

	A	B	C	D	E	F	G	H
	Salaries, Wages & Benefits for FY	% of \$'s spent on employees residing outside Pierce County	Employment Taxes (2)	Number of Full Time Employees	Number of Part Time Employees (Headcount)	Total estimated hours worked by all part-time employees for FY	Number of Work Study/ Interns	Number of Volunteers
<b>Administrative Employees</b>								
1 - Executive								
2 - Clerical								
3 - Marketing/promotion/publicity								
4 - Fundraising								
5 - Other								
<b>Subtotal Administrative Employees</b>	0	#DIV/0!	0	0	0	0.00	0	0
<b>Artistic/Professional/Technical Employees</b>								
1 - Artistic/performing								
2 - Guest artists/lecturers								
3 - Director/design								
4 - Production/technical								
5 - Educational/instructional								
6 - Other personnel								
<b>Subtotal Art/Prof/Tech Employees</b>	0	#DIV/0!	0	0	0	0.00	0	0

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**

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



Name of Organization:

For the purposes of this economic impact study, general operating expenses are measured in two categories: 1) labor-related expenses for your employees (or non-contract personnel - enter on page 3 of 6), and 2) other operating expenses (which include contract personnel - enter on this page).

**OPERATING EXPENSES (1)**

Contract Personnel (not employees)	\$ for FY ending:	% Outside Pierce County	Number of contract personnel	Total estimated hours worked by all contract personnel for FY
	MM/DD/YY			
1 - Artistic/performing				
2 - Guest artists/lecturers				
3 - Director/design				
4 - Production/technical				
5 - Educational/instructional				
6 - Other personnel				
<b>Subtotal Contract Personnel</b>	0	#DIV/0!	0	0.00

**Services**

Marketing expenses				
Press and public relations				
Photographic/art services				
Banking				
Insurance				
Professional services				
Janitorial/protective				
Transportation				
Lodging				
Food/beverage services				
Set/costume/exhibit rental				
Equipment rental				
Hall rental				
Office and work space rental				
Royalties				
Other services: <input type="text"/>				
(please specify) <input type="text"/>				
<b>Subtotal Services</b>	0	#DIV/0!		

**Utilities & Phone**

Telephone				
Postage				
Other utilities				
<b>Subtotal Utilities &amp; Phone</b>	0	#DIV/0!		

**Other Goods & Services**

Printing of programs etc.				
Exhibit/set materials				
Production materials				
Supplies				
Maintenance				
Other goods & services				
<b>Subtotal Other Goods &amp; Services</b>	0	#DIV/0!		

**Taxes (2)**

Sales tax				
B&O tax				
Property tax				
Other taxes: <input type="text"/>				
(please specify) <input type="text"/>				
<b>Subtotal Taxes</b>	0	#DIV/0!		

<b>Total Operating (except labor - page 3)</b>	0	#DIV/0!		
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**Footnotes for Page 4**

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

Name of Organization:

CAPITAL BUILDING ACTIVITY (1) Income:	Total Capital/Building Activity Since Fiscal 1999
Corporate	<input type="text"/>
Foundation	<input type="text"/>
Individual	<input type="text"/>
Government:	<input type="text"/>
Other: <input type="text"/>	<input type="text"/>
<b>TOTAL INCOME AND SUPPORT</b>	0

Expenses Related to Capital/Building Activity:	
Campaign	<input type="text"/>
Design (i.e. architect fees, etc.)	<input type="text"/>
Construction	<input type="text"/>
Other	<input type="text"/>
<b>TOTAL EXPENSES</b>	0

Capital (2)	1 -	Start date	MM/DD/YY	End date	MM/DD/YY
Projects:	2 -	Start date	MM/DD/YY	End date	MM/DD/YY
	3 -	Start date	MM/DD/YY	End date	MM/DD/YY
	4 -	Start date	MM/DD/YY	End date	MM/DD/YY

	NET ASSETS ("FUNDS") (3)			
	Beginning Fund	Additions to	Transfers out	Ending Fund
	Balance on	Fund for FY	of fund for FY	Balance on
	End of Previous	MM/DD/YY	MM/DD/YY	MM/DD/YY
	FY			
<b>Unrestricted Net Assets ("Funds"): (4)</b>				
(1) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(2) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(3) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Temp. Restricted Net Assets: (5)</b>				
(1) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(2) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(3) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Perm. Restricted Net Assets: (6)</b>				
(1) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(2) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(3) _____	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>TOTAL NET ASSETS ("FUNDS")</b>	0	0	0	0

**Footnotes for Page 5**

- 1 Please include totals of all capital/building campaigns since fiscal year 1999. 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 1999.
- 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 2003).
- 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.



Name of Organization:

**Student demographics**

Please report below the **number** of free and discounted admissions for K-12 students whom your organization serves either at your facility or at programs your organization takes into the schools or other spaces. For demographics, please refer to information provided by school districts. That is, if you have a class of students from XYZ middle school, refer to demographics reported by XYZ middle school for the class - **assuming that substantially all of the class are served**. Please compile such information for as many classes served as possible. If you don't know what classes attend - **or if only part of a class attends**, just enter attendance percentage in the "don't know" block. Links to student demographics for two schools are given below. Please have your education director help guide you to information for other schools.

Bellevue School District <http://www.bsd405.org/demographics.pdf>  
 Seattle School District <http://www.seattleschools.org/area/siso/disprof/2002/DP02indsch.pdf>  
 For FY ending:

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

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

## Appendix 4: Survey Form for Patrons



ARTSFUND

Dear Arts Patron,

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

**Douglas Williams**  
Chair

**Peter Donnelly**  
President

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

### Economic Impact Study of Cultural Activity in the Puget Sound Region

**Major funding:** The Allen Foundation for the Arts

**Study conducted by:** GMA Research, Bellevue Washington &  
Dr. William B. Beyers, University of Washington

**Commissioned by:** ArtsFund

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Bellevue Arts Commission  
Office of Arts & Cultural Affairs, City of Seattle  
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4Culture  
Cultural Council of Greater Tacoma  
Eastside Arts Coalition  
Washington State Arts Alliance  
Washington State Arts Commission

PATRON SURVEY

This questionnaire will provide very important information about arts and heritage patrons in King County. Please take a few minutes to fill out all three pages of this brief questionnaire!

- 1) Including yourself, how many people are in your party? \_\_\_\_\_
- 2) Was the primary reason for your trip today/tonight to attend this performance/exhibition?  Yes  No

If no, what was the primary reason for your trip?

\_\_\_\_\_  
\_\_\_\_\_

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

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_

*Please go to the next page of this questionnaire*



16) In the following table please indicate your participation in arts and heritage organizations by inserting the number of years in the proper box.

	I have held a season ticket/membership for (enter number of years including current year):			I have gone as a single ticket holder to (enter number of years including current year):		
	In Seattle	King County outside Seattle	In Pierce County	In Seattle	King County outside Seattle	In Pierce County
Music/Opera						
Theatre						
Dance						
Heritage						
Visual Arts						

17) Are you:  Male  Female

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

19) Please indicate years of school completed:

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

20) Please indicate your household income:

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

21) What is your zip code? \_\_\_\_\_

22) How many people are currently living in your household, including yourself? \_\_\_\_\_

23) Please indicate your ethnic origin:

Caucasian  Asian/Pacific Islander  
 Native American  Hispanic/Latin  
 African American  Other

*Thank you very much for participating in our survey!*

## Appendix 5: 2003 ArtsFund Economic Impact Study Measures Summarized

### Appendix 5 Summary of Principal Measures from ArtsFund Economic Impact Studies

	Eastside		King			Pierce		King and Pierce Combined	
	1999	2003	1992	1997	2003	1997	2003	1997	2003
<b>Vital Stats</b>									
# Cultural Orgs. Included	33	35	142	160	219	40	50	200	269
Org. Income – Aggregate (\$millions)	14.8	18.5	85.9	143.6	248.2	15.5	27.1	159.1	275.3
Org. Expenditures - Aggregate (\$millions)	13.6	18.0	85.0	141.9	244.2	16.0	25.5	157.9	269.7
Volunteers	643	2,149	14,000	18,848	16,789	1,900	1,980	20,748	18,769
<b>Aggregate Impacts</b>									
Aggregate Sales Impacts (\$millions)	39.93	60.58	182.68	338.22	844.43	35.08	72.07	373.30	916.50
Total Jobs Created (full & part time)	2,451	3,406	8,853	12,839	23,166	3,228	3,492	16,067	26,658
Labor Income Impacts (\$millions)	18.88	29.21	96.90	170.78	386.94	17.61	31.94	188.37	418.88
Tax Impacts - Aggregate (\$millions)	0.18	2.45	12.90	24.00	31.28	2.60	2.61	26.60	33.89
Patron Spending- Aggregate (\$millions)	15.2	16.0	91.0	203.8	246.8	16.2	20.0	220.0	266.8
Direct Jobs Created	2,059	2,035	6,629	9,587	14,228	2,923	2,808	12,510	17,036
<b>New Money Impacts</b>									
New Money Sales Impacts (\$millions)	4.1	7.9	41.3	99.8	212.5	12.2	30.5	102.8	242.9
New Money Total Jobs Created	238	421	1,790	3,172	4,822	950	1299	3,740	6,121
New Money Labor Income Impacts (\$millions)	1.9	3.7	21.5	51.1	92.8	6.0	13.2	52.5	106.0
Patron Spending- New Money (\$millions)	1.3	2.1	22.4	88.7	104.8	8.6	12.1	84.8	116.9
<b>Expenditures</b>									
% Budget Spent on Employee Expenses	50%	51%	48%	44%	47%	47%	44%	44%	46%
% Budget Spent on Operating Expenses	50%	49%	52%	56%	53%	53%	56%	56%	54%
<b>Income</b>									
Earned Income	59%	57%	48%	62%	49%	40%	39%	60%	48%
Contributed-Government	5%	9%	15%	7%	6%	28%	23%	9%	8%
Contributed-Individual	7%	13%	11%	9%	17%	7%	17%	9%	17%
Contributed-Corporate	5%	7%	8%	5%	5%	6%	4%	5%	5%
Contributed-Foundation	4%	2%	4%	3%	4%	8%	6%	3%	4%
Contributed-Other	20%	12%	14%	14%	18%	12%	11%	12%	18%
<b>Attendance</b>									
total Attendance (millions)	742,558	717,077	3,925,750	5,146,395	6,790,357	787,798	792,791	5,934,193	7,583,148
# of Memberships Sold	2,679	4,601	na	99,479	111,988	12,336	13,261	111,815	125,249
# of Full or Partial Subscriptions Sold	18,598	26,235	na	195,674	207,666	10,517	9,608	206,191	217,274
Season Ticket Visits / Membership Visits	100,967	187,200	968,209	1,343,885	1,632,795	86,840	70,144	1,430,725	1,702,939
Single Ticket / Admission Visits	222,309	226,014	1,884,197	2,097,139	2,714,206	229,019	316,866	2,326,158	3,031,072

**Appendix 5  
Summary of Principal Measures from ArtsFund Economic Impact Studies**

	Eastside		King			Pierce		King and Pierce Combined	
	1999	2003	1992	1997	2003	1997	2003	1997	2003
Student Admissions*	40,580	43,207	295,000	394,196	715,418	71,822	160,951	466,018	876,369
<i>Student Ethnicity (where known)</i>									
Caucasian		90%			60%		60%		60
Of Color		10%			40%		40%		40
Discounted Senior Admissions	12,481	25,315	110,000	67,451	166,175	40,612	54,905	108,063	221,080
Patrons Served with Disabilities	3,759	13,316	30,924	67,404	80,089	23,000	23,718	90,404	103,807

\*Note that measures of student admissions in 2003 include free and discounted admissions. In earlier studies, it included only free admissions. This accounts for some of the sharp increase in 2003.

	2003 Impacts on Entire State's Economy			
	King	Pierce	King & Pierce Combined	Eastside
Aggregate Sales Impacts (\$millions)	956.34	90.47	1046.81	68.80
Total Jobs Created (full & part time)	24,421	3,701	28,626	3,500
Labor Income Impacts (\$millions)	426.00	39.16	465.16	32.12
Tax Impacts - Aggregate (\$millions)	35.79	3.32	39.11	1.59

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