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Measuring the Impact of Cultural Organizations in Eastside King County ArtsFund's Research Report Released

Seattle, WA – According to a new research study conducted by ArtsFund, the activity of nonprofit cultural organizations and their patrons in King County's Eastside generated \$123 million in business activity and supported 2,623 jobs in the Washington State economy in 2014. Labor income impacts—or spending on wages, salaries and benefits—were \$53 million, and cultural activity resulted in \$5 million in taxes.

ArtsFund's **2014 Economic Impact Study of Nonprofit Arts, Cultural, and Scientific Organizations in Eastside King County** measures and documents the direct and indirect economic impacts made by cultural nonprofits and their patrons in Eastside King County, defined for the purposes of this report as the area east of Lake Washington to Snoqualmie including Mercer Island, and from Renton North to Bothell.

The Eastside King County Report is a breakout analysis of data collected for ArtsFund's 2014 Central Puget Sound Region and King County analyses, both released on November 18, 2015. These three studies document the ripple effects of cultural organizations in supporting a thriving economy as well as building more connected communities, elevating quality of life, and defining regional and civic identity.

ArtsFund's **2014 Eastside King County Report**, as well as the **Regional Report** (inclusive of King, Kitsap, Pierce, and Snohomish Counties), **King County Report**, and executive summaries are available at www.artsfund.org/eis.

Scope of the Study

ArtsFund compiled 2014 fiscal year data from 44 cultural nonprofits with budgets of \$35,000 or more in Eastside King County, and collected patron data from 265 Eastside King County cultural patrons over the first half of 2015. Disciplines of organizations included are: Arts Service Organizations, Dance, Festival and Interdisciplinary, Heritage, Music, Science, Theatre, and Visual Arts (collectively referenced as "cultural organizations" hereafter). This analysis is in complement to a prior ArtsFund Eastside report benchmarked against the year 2003. The number of organizations included in the study increased by 25% since 2003.

Income and Expenses

In fiscal year 2014, the total income of nonprofit cultural organizations in Eastside King County was \$30.6 million, while total aggregate expenditures by Eastside cultural organizations were \$30.1 million. This delicate balance of income and expenses shows that continued support from all sectors of the community remains critical.

Earned income from ticket sales, tuitions and workshops, retail sales, and other sources accounted for 63% of total organizational revenue, with contributed income making up 37%. Box office/admissions accounted for 64% of total earned income, and tuition/workshops accounted for an additional 21%. Sources of contributed income included government sources, as well as over 300 corporations, 8,000+ individuals, 79 private foundations, and in-kind donations from 658 contributors.

Expenses are divided between employee expenses (56%) and operating expenses (44%), with 93% of organizational expenses spent in the local economy.

Attendance

The net attendance to arts and cultural organizations in the current study rose approximately 50% over the level reported in the 2003 ArtsFund Economic Impact Study. Annual admissions to Eastside King County cultural organizations in 2014 totaled 1.1 million visits. Season ticket/membership or single ticket visits accounted for 52% of total attendance, with 48% of admissions being free (33%) or discounted (15%). Of these admissions, 107,000 were visits by K-12 students receiving free or discounted admission.

Most patrons coming to Eastside King County cultural organizations live in the local area, with approximately 69% from the Eastside and another 20.6% coming from elsewhere in King County. Overall, 93% of patrons surveyed stated the primary reason for their trip/outing was to attend the cultural organization at which they were interviewed.

Employment

An estimated 2,623 jobs in the Washington State economy were related to Eastside King County arts, cultural and scientific organizations in 2014. Of these, 1,769 were directly tied to the cultural organizations. Eighty-three percent of these jobs are part-time or contractual, and were held by individuals working for more than one arts, cultural or scientific organization in the region.

Eastside cultural organization reported the use of over 2,500 volunteers, providing 106,000 hours of volunteer activity, an average of 31 hours per volunteer.

Attracting Patrons and Funds from Outside the Region

While the majority of the economic impacts are related to spending by local patrons and contributors, approximately 10% of the economic impacts of Eastside King County cultural organizations came from funding sources and patrons outside King County. These impacts are considered “new money” – funds that come here only due to the activities of Eastside King County cultural organizations.

Patron Spending

Patron expenditures totaled \$33.5 million, 53% of which was spent on tickets. Restaurants, transportation, hotels, retail shops, and child care services account for the remaining 47% of the spending related to attendance at cultural activities. The average patron visiting an Eastside King County arts, cultural or scientific organization spent \$34.

Values Regarding Cultural Activity

Approximately 90% of patrons surveyed at Eastside cultural organizations identified cultural activity as highly important to the Central Puget Sound region's identity and quality of life. As one patron expressed, "(Cultural activity) makes life more interesting, provides relaxation and the opportunity for social interaction, and helps us look at different aspects of ideas and issues." Another patron stated, "The Pacific Northwest's lively cultural mixture is what particularly defines and drives this region and its people."

In addition, survey responses indicate patrons place high value on cultural activity as a means of creating a more connected community. One Eastside patron reported, "There are few things more valuable than cultural enrichment. It's one of the primary ways in which I feel engaged and connected with the world at large." Another echoed, "Cultural activities are very important to a community because (they) create more connection between people in the community."

Tracking Trends

When compared against the 2003 ArtsFund study, the 2014 study tracks growth in the aggregate business activity in Washington State supported by the spending of Eastside cultural organizations and their patrons. Increases are also evident in aggregate budgets, patron numbers, patron spending, and the number of productions and exhibits presented by Eastside King County cultural organizations.

Study Partners

The 2014 Eastside King County breakout report is funded by: Bellevue Arts Commission, Redmond Arts and Culture Commission, City of Kirkland, and City of Issaquah Arts Commission. Funding support for the 2014 Regional and King County Economic Impact Studies was provided by: The Seattle Foundation, King County, 4Culture, Bank of America, Safeco Insurance, Visit Seattle, the Nesholm Family Foundation, Seattle Office of Arts & Culture, and Amazon.

The study is authored by Professor William Beyers of the University of Washington with research collaboration with GMA Research Corporation.

Full downloads of all ArtsFund's 2014 Economic Impact Study reports and their executive summaries are available at www.artsfund.org/eis

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ArtsFund's Mission: ArtsFund strengthens the community by supporting the arts through leadership, advocacy and grant making.

ArtsFund's Vision: A community with a dynamic and world-class arts and cultural sector where the arts are accessible to all and valued as a central and critical component to a healthy society.