

The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Greater Houston Area, TX (Fiscal Year 2010)

Direct Economic Activity	Arts and Culture Organizations	+	Arts and Culture Audiences	=	Total Industry Expenditures
Total Industry Expenditures	\$414,564,022		\$563,107,041		\$977,671,063

Spending by Arts and Culture Organizations and Their Audiences Supports Jobs and Generates Government Revenue

Total Economic Impact of Expenditures (Direct & Indirect Impacts Combined)	Economic Impact of Organizations	+	Economic Impact of Audiences	=	Total Economic Impact
Full-Time Equivalent (FTE) Jobs Supported	16,019		13,099		29,118
Household Income Paid to Residents	\$378,050,000		\$324,892,000		\$702,942,000
Revenue Generated to <u>Local</u> Government	\$23,136,000		\$34,978,000		\$58,114,000
Revenue Generated to <u>State</u> Government	\$29,777,000		\$42,484,000		\$72,261,000

Event-Related Spending by Arts and Culture Audiences Totaled \$563.1 million (excluding the cost of admission)

Attendance to Arts and Culture Events	Resident* Attendees	+	Non-Resident* Attendees	=	All Cultural Audiences
Total Attendance to Arts and Culture Events	13,981,585		2,200,805		16,182,390
Percentage of Total Attendance	86.4%		13.6%		100%
Average Event-Related Spending Per Person	\$31.49		\$55.81		\$34.81
Total Event-Related Expenditures	\$440,280,113		\$122,826,928		\$563,107,041

Nonprofit Arts and Culture Event Attendees Spend an Average of \$34.81 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident* Attendees	Non-Resident* Attendees	All Cultural Audiences
Meals and Refreshments	\$17.32	\$21.99	\$17.96
Souvenirs and Gifts	\$4.49	\$5.90	\$4.68
Ground Transportation	\$3.02	\$6.42	\$3.48
Overnight Lodging (one night only)	\$2.81	\$13.96	\$4.33
Other/Miscellaneous	\$3.85	\$7.54	\$4.36
Average Event-Related Spending Per Person	\$31.49	\$55.81	\$34.81

* For the purpose of this study, residents are attendees who live within the 10-county Greater Houston Area; non-residents live outside that area.

Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Greater Houston Area*. For more information about this study or about other cultural initiatives in the Greater Houston Area, visit the Houston Arts Alliance's web site at www.haatx.com.

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About This Study

The *Arts & Economic Prosperity IV* study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 182 communities and regions (139 cities and counties, 31 multi-city or multi-county regions, and ten states, and two individual arts districts)—representing all 50 U.S. states and the District of Columbia. The diverse communities range in population (1,600 to more than 3 million) and type (rural to urban). The project economists, from the Georgia Institute of Technology, customized input-output analysis models for each participating study region to provide specific and reliable economic impact data about their nonprofit arts and culture industry—specifically (1) full-time equivalent jobs, (2) household income, and (3) local and (4) state government revenue.

Surveys of Nonprofit Arts and Culture ORGANIZATIONS

Each of the 182 study regions attempted to identify its comprehensive universe of nonprofit arts and culture organizations using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) coding system, a definitive classification system for nonprofit organizations recognized as tax exempt by the Internal Revenue Code. In addition, the study partners were encouraged to include other types of eligible organizations if they play a substantial role in the cultural life of the community or if their primary purpose is to promote participation in, appreciation for, and understanding of the visual, performing, folk, and media arts. These include government-owned or government-operated cultural facilities and institutions, municipal arts agencies and councils, private community arts organizations, unincorporated arts groups, living collections (such as zoos, aquariums, and botanical gardens), university presenters, and arts programs that are embedded under the umbrella of a non-arts organization or facility (such as a community center or church). In short, if it displays the characteristics of a nonprofit arts and culture organization, it is included. *For-profit businesses (e.g., Broadway and motion picture theaters) and individual artists were excluded from this study.*

Nationally, detailed information was collected from 9,721 eligible organizations about their fiscal year 2010 expenditures in more than 40 expenditure categories (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as about their event attendance. Response rates for the 182 communities averaged 43.2 percent and ranged from 5.3 percent to 100 percent. It is important to note that each study region's results are based solely on the actual survey data collected. No estimates have been made to account for non-respondents. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

In the Greater Houston Area, 171 of the approximately 1,488 total eligible nonprofit arts and culture organizations identified by the Houston Arts Alliance participated in this study—an overall participation rate of 11 percent. The organizations that participated are listed below:

1894 Inc.; Ahiara Development Union USA Inc; Alienation Co; Alley Theatre; Ambassadors International Ballet Folklorico; American Festival for the Arts; American Turkish Association of Houston (ATA); Apero, Music of the Americas; Applause Theatre Company; Arts Lyrica Houston; Art Cars of Houston Inc; Art Colony Association Inc.; Arts Alliance Center at Clear Lake; Asia Society Texas Center; Athena Art Project; Aurora Picture Show; Ballet Theatre Houston; Bay Area Chorus; Bay Area Houston Ballet & Theatre; Bayou City Bells; Bayou City Concert Musicals; Bayou City Performing Arts; Bharathi Kalai Manram; Box 13 Artspace; Brazilian Arts Foundation; Brazosport Symphony Orchestra Inc; Brilliant Lecture Series, Inc.; Byzantine Fresco Foundation; Center for African American Military History/Buffalo Soldiers Museum; CG Jung Educational Center of Houston Texas; Children's Museum of Houston; Children's Prison Arts Project; Chinese Community Center; City Ballet of Houston; Class Act Productions; Classical Theatre Company; College of the Mainland Community Theatre; Community Artists' Collective; Community Design Resource Center; Conrad O Johnson Music & Fine Arts Foundation; Conroe Jazz and More Society; Conroe Live Inc; Conroe Symphony Orchestra; Contemporary Arts Museum Houston; Creative Alternatives DBA City ArtWorks; Crighton Players, Inc.; Cypress Creek Fdn. for the Arts and Comm. Enrich; Czech Cultural and Community Center; Da Camera of Houston; Daughters of the Republic of Texas (Local Chapter); Discovery Green Conservancy; Diverse Works Inc; Dominic Walsh Dance Theater; Et Voila Theatre; Exclamation Dance Company; Express Children's Theatre; Fort Bend Boys Choir of Texas, Inc.; Fort Bend County Museum Association; Fort Bend Symphony Orchestra; Fort Bend Theatre; Fotofest Inc.; Foundation for Modern Music, Inc.; FrenetiCore; Fresh Arts Coalition; Galveston Arts Center Inc.; Galveston Historical Foundation, Inc.; Greater Houston Preservation Alliance; Gulf Coast Community Concerts Inc.; Gulf Coast Drum Corps Associates; Gulf Coast: A Journal of Literature and Fine Arts; Hits Theatre; Holocaust Museum Houston; Houston Accueil; Houston Arts Alliance; Houston Ballet; Houston Boychoir; Houston Bronze Ensemble Inc; Houston Center for Contemporary Craft; Houston Center for Photography; Houston Chamber Choir; Houston Children's Chorus Inc; Houston Cinema Arts Society; Houston Civic Symphony Orchestra Inc; Houston Early Music; Houston Folklore and Music Society; Houston Friends of Chamber Music, Inc.; Houston Grand Opera Association Inc; Houston Great Books Council; Houston Horizon Chorus; Houston International Dance Coalition; Houston International Film Festival, Inc.; Houston Masterworks Chorus; Houston Metropolitan Dance Center, Inc.; Houston Museum District Association; Houston Museum of Natural Science; Houston Repertoire Ballet; Houston Songwriters Association; Houston Symphony Society; Houston Youth Symphony & Ballet; Houston Zoo; Inprint, Inc.; InterActive Theater Company, Inc.; Island Etc.; James E. Taylor Theater Arts Booster Club; Jazz Education Inc.; John C. Freeman Weather Museum at Weather Research Center; John P. McGovern Museum of Health & Medical Science; Katy Area Artists; Kingwood Dance Theatre; Kingwood Musical Arts Society, Inc; Kingwood Pops Orchestra; La Porte Bay Area Heritage Society; Lakeview Quilters Guild; Lawndale Art and Performance Center; League City Ballet; Main Street Theatre; Michele Brangwen Dance Ensemble; Mildred's Umbrella Theater Company; Miller Theatre Advisory Board Inc; Montgomery County Performing Arts Society; Mosaic Theatre Company; Music Bus Tour; Musiq Inc; Nameless Sound; NTD Public TV Houston Inc.; Opera in the Heights; Orange Show Foundation; Pasadena Philharmonic Society; Pearland Arts League; Revels Houston Inc; Rice Gallery; Rice University Dance Program; River Oaks Chamber Orchestra; Royal Scottish Country Dance Society, Houston & District Branch; Russian Cultural Center-Our Texas; Several Dancers Core; Society for the Performing Arts; Southwest Alternate Media Project; SPEBSQSA (Local Chapter); Stafford Centre; Stages Repertory Theatre; Sugar Land Heritage Foundation; Texan-French Alliance for the Arts; Texas Accountants and Lawyers for the Arts; Texas Foundation for the Arts; Texas Medical Center Orchestra; The Catastrophic Theatre; The Center for the Performing Arts at The Woodlands; The Ensemble Theatre; The Fort Bend Boys Choir of Texas Inc.; The Heritage Society; The Hungarian American Cultural Assoc. of Houston; The Menil Collection; The Mercury Baroque Ensemble; The Museum of Fine Arts Houston; The Museum of Printing History; The Orange Show Center for Visionary Art; The Rothko Chapel; Theatre Southwest Inc; Theatre Under the Stars; Travis Theatrical Booster Club; United Nations Association International Choir; United Russian American Association (URAA); University of Houston - Blaffer Art Museum; Uptown Dance Company; Virtuosi of Houston; Women in the Visual and Literary Arts; Woodlands Children's Museum; Writers in the Schools; Young Audiences of Houston; and Young Harmonies of Houston Inc.

Surveys of Nonprofit Arts and Culture AUDIENCES

Audience-intercept surveying, a common and accepted research method, was conducted in all 182 of the study regions to measure event-related spending by nonprofit arts and culture audiences. Patrons were asked to complete a short survey while attending an event. Nationally, a total of 151,802 valid and usable attendees completed the survey for an average of 834 surveys per study region. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging. Data were collected throughout 2011 (to guard against seasonal spikes or drop-offs in attendance) as well as at a broad range of both paid and free events (a night at the opera will typically yield more spending than a weekend children's theater production or a free community music festival, for example). The survey respondents provided information about the entire party with whom they were attending the event. With an overall average travel party size of 2.69 people, these data actually represent the spending patterns of more than 408,000 attendees, significantly increasing the reliability of the data.

In the Greater Houston Area, a total of 1,284 valid and usable audience-intercept surveys were collected from attendees to nonprofit arts and culture performances, events, and exhibitions during 2011.

Studying Economic Impact Using Input-Output Analysis

To derive the most reliable economic impact data, input-output analysis is used to measure the impact of expenditures by nonprofit arts and culture organizations and their audiences. This is a highly regarded type of economic analysis that has been the basis for two Nobel Prizes. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. They trace how many times a dollar is re-spent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for this study because it can be customized specifically to each study region. To complete the analysis for the Greater Houston Area, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties. This was accomplished by using detailed data on employment, incomes, and government revenues provided by the U.S. Department of Commerce (County Business Patterns, the Regional Economic Information System, and the Survey of State and Local Finance), local tax data (sales taxes, property taxes, and miscellaneous local option taxes), as well as the survey data from the responding nonprofit arts and culture organizations and their audiences.