

The Economic Footprint of the Arts in Vermont

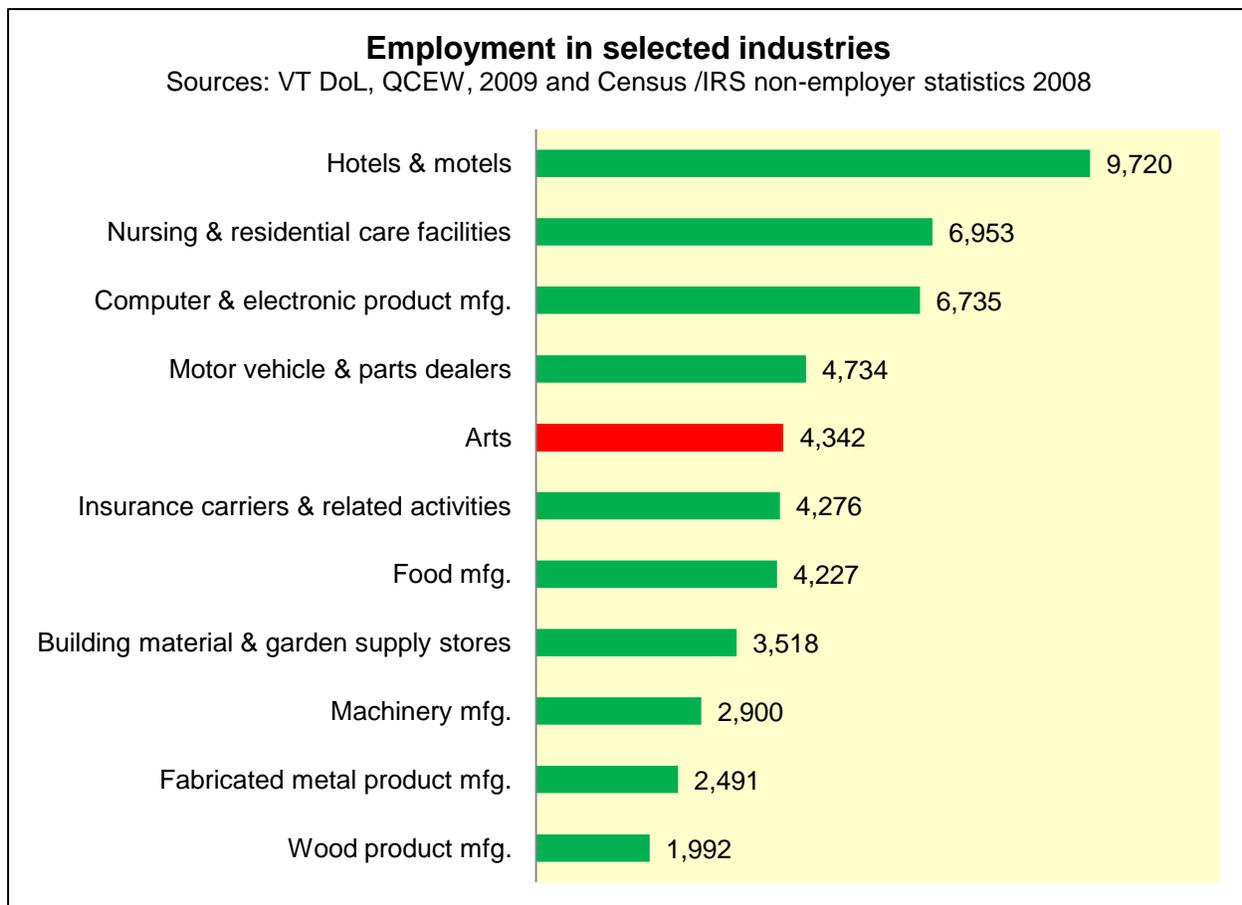
Taken together, the Arts in Vermont is big business, employs a lot of Vermonters, and generates a significant amount of tax revenue.

At the request of Main Street Landing, we examined the Vermont Arts “industry” to get a sense of its size and importance to the state’s economy. We looked specifically at artists, museums and historic sites, arts promoters and agents, and performing arts companies. We collected information about the number of people working in those fields (including the self-employed¹) and ran the numbers through IMPLAN, a commonly used input-output software program. The model calculates the multiplier effects of direct economic activity, including the indirect and induced effects.²

The magnitude of the combined effects is substantial. For example

- \$443,576,128 Total output
- 6,361 Total jobs
- \$197,319,554 Total labor compensation (including benefits)
- \$19,438,480 State & Local tax impacts

Direct employment is estimated to be 4,342, which is larger than a number of well known Vermont industries.



¹ Bureau of Labor Statistics Quarterly Census of Employment and Wages (2009 annual) and the Census Bureau’s Non-Employer Statistics, which is based on IRS data (2008, latest available).

² Indirect is the impact of local industries buying goods and services from other local industries. Induced is (mostly) labor income re-circulated through household spending patterns causing further local economic activity.

Detailed findings from the IMPLAN analysis.

Activity	Output		Employment ³		Compensation ⁴		State & Local Tax Impacts ⁵	Federal Tax Impacts ⁶
	Direct	Indirect & Induced	Direct	Indirect & Induced	Direct	Indirect & Induced		
Independent artists, writers & performers [NAICS 7115]	\$147,562,352	\$113,074,484	2,946	1,269	\$86,311,232	\$35,280,423	\$10,192,461	\$20,983,995
Museums & historical sites [NAICS 712]	\$81,254,872	\$64,507,566	678	545	\$45,220,080	\$20,091,672	\$7,729,312	\$11,602,853
Promoters of performing arts, sports & similar events (and agents) [NAICS 7113 & 7114]	\$12,524,745	\$13,411,259	398	148	\$2,216,415	\$4,267,660	\$968,491	\$1,251,497
Performing arts companies [NAICS 7111]	\$5,793,475	\$5,447,376	320	57	\$2,074,591	\$1,857,482	\$548,216	\$718,379
Sub-total	\$247,135,444	\$196,440,685	4,342	2,019	\$135,822,318	\$61,497,237	\$19,438,480	\$34,556,724
Totals	\$443,576,128		6,361		\$197,319,554		\$53,995,204	

Notes:

1. We were not able to estimate the additional economic activity that results from arts patrons' spending before or after performances. For example, when people attend events at the Flynn Theatre in Burlington, many also visit downtown restaurants and cafes. Unfortunately, meals, rooms, alcohol, and sales taxes are only reported monthly so it's not possible to analyze food and beverage sales on days with and without performing arts events. However, it is obvious that food and beverage sales increase significantly on nights with arts events.
2. We do not have information about the extent of arts expenditures by Vermonters versus tourists. The former represents a choice as to how income is spent within the community, while the latter is new income for the community.
3. We did not attempt to determine if the density of arts organizations and the prevalence of arts events attract residents and businesses, and investment. However, Burlington, Vergennes, and Bellows Falls are just a few examples of communities where it appears the answer is yes.
4. Finally, we did not examine the non-economic effects of the arts but there is considerable evidence in the literature (see table on page 4).⁷

"There is no better indicator of [a community's] spiritual health...than the state of the arts. The arts deepen our understanding of the human spirit, extend our capacity to comprehend the lives of others, allow us to imagine a more just and humane world. Through their diversity of feeling, their variety of form, their multiplicity of inspiration, the arts make our culture richer and more reflective."

Jonathon Fanton, President, MacArthur Foundation⁸

³ Employment includes self-employment.

⁴ Compensation includes wages, self-employment income, and benefits.

⁵ Includes income, sales, property, excise and other taxes.

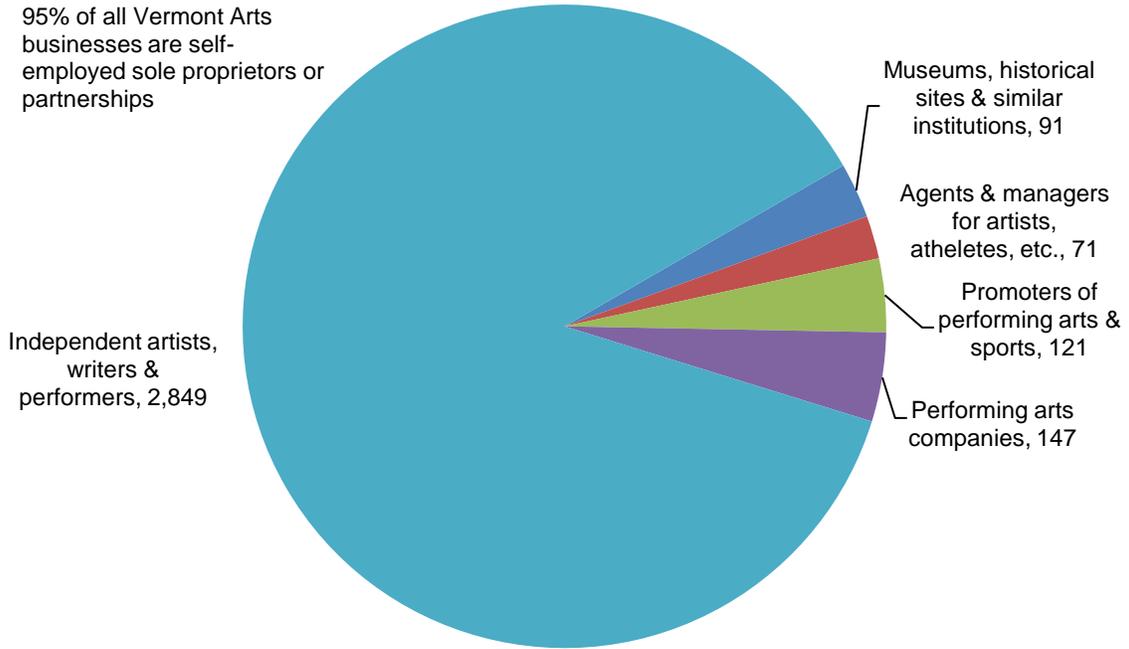
⁶ Includes payroll taxes (employee & employer), income (personal & business), excise, etc.

⁷ Guetzkow, Joshua, *How the Arts Impact Communities: An introduction to the literature on arts impact studies*, Princeton University, Center for Arts & Cultural Studies.

⁸ Arts & Economic Prosperity III, *The Economic Impact of Nonprofit Arts Culture Organizations and Their Audience in the State of Florida*, P.34.

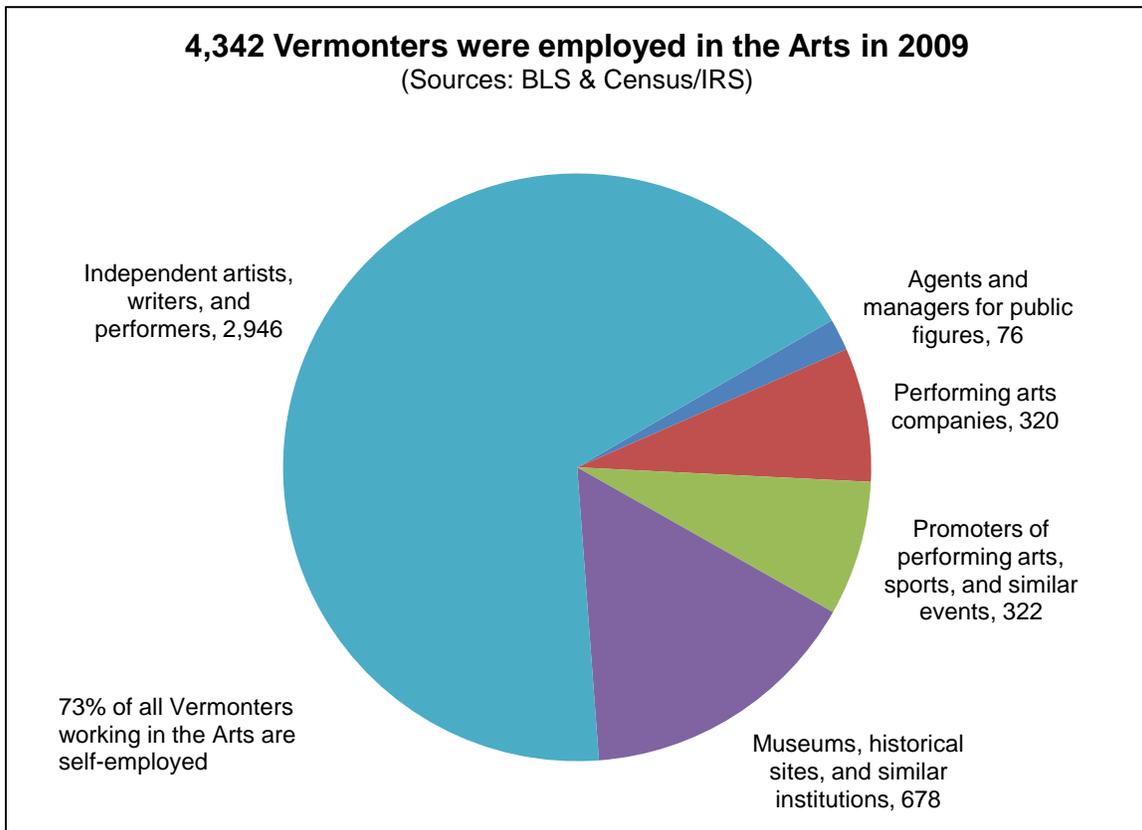
Vermont had 3,279 businesses in the Arts in 2009

(Sources: BLS / QCEW and Census/IRS)



4,342 Vermonters were employed in the Arts in 2009

(Sources: BLS & Census/IRS)



Mechanisms of Arts Impacts ⁹						
	Individual			Community		
	Material / Health	Cognitive / Psych.	Interpersonal	Economic	Cultural	Social
Direct involvement	Builds interpersonal ties and promotes volunteering, which improves health Increases opportunities for self-expression and enjoyment Reduces delinquency in high-risk youth	Increases sense of individual efficacy and self-esteem Improves individuals' sense of belonging or attachment to a community Improves human capital: skills and creative abilities	Builds individual social networks Enhances ability to work with others and communicate ideas	Wages to paid employees	Increases sense of collective identity and efficacy	Builds social capital by getting people involved, by connecting organizations to each other and by giving participants experience in organizing and working with local government and nonprofits
Audience participation	Increases opportunities for enjoyment Relieves Stress	Increases cultural capital Enhances visuo-spatial reasoning Improves school performance	Increases tolerance of others	People (esp. tourists/visitors) spend money on attending the arts and on local businesses. Local spending by arts venues and patronized businesses has multiplier effects	Builds community identity and pride Leads to positive community norms, such as diversity, tolerance and free expression.	People come together who might not otherwise come into contact with each other
Presence of Arts Organizations and Institutions	Increases individual opportunity and propensity to be involved in the arts			Promotes neighborhood cultural diversity Reduces neighborhood crime and delinquency	Increases individual opportunity and propensity to be involved in the arts	Increases propensity of community members to participate in the arts Increases attractiveness of area to tourists, businesses, people and investments Fosters a "creative milieu" that spurs economic growth in creative industries.

⁹ Guetzkow, Joshua, *How the Arts Impact Communities: An introduction to the literature on arts impact studies*, Princeton University, Center for Arts & Cultural Studies, p.3.