



THE ECONOMIC IMPACT OF THE ARTS ON TENNESSEE'S ECONOMY

	Jobs Dependent on Arts	Income Generated
Direct Effect of Reported FTEs* and Payroll	2,115	\$71,809,519
Effects of Employee Spending	998	\$30,110,385
Effects of Non-payroll Expenditures	888	\$32,285,463
TOTAL EFFECTS	4,001	\$134,205,367

*Full-time equivalents

Figures represent estimated short-run effects of nonprofit arts activities in the state during fiscal year 2001-2002.

ABOUT THE STUDY

The Economic Impact of Nonprofit Arts on the Tennessee Economy was a joint effort by the Tennessee Arts Commission and Middle Tennessee State University. Two hundred twenty-five nonprofit arts organizations and educational institutions responded to survey questions, yielding data on reported expenses, revenue, and other characteristics of their activities in the state during fiscal year 2001-2002. Total impacts include those data as well as multiplier impacts estimated by MTSU.

For additional information contact:

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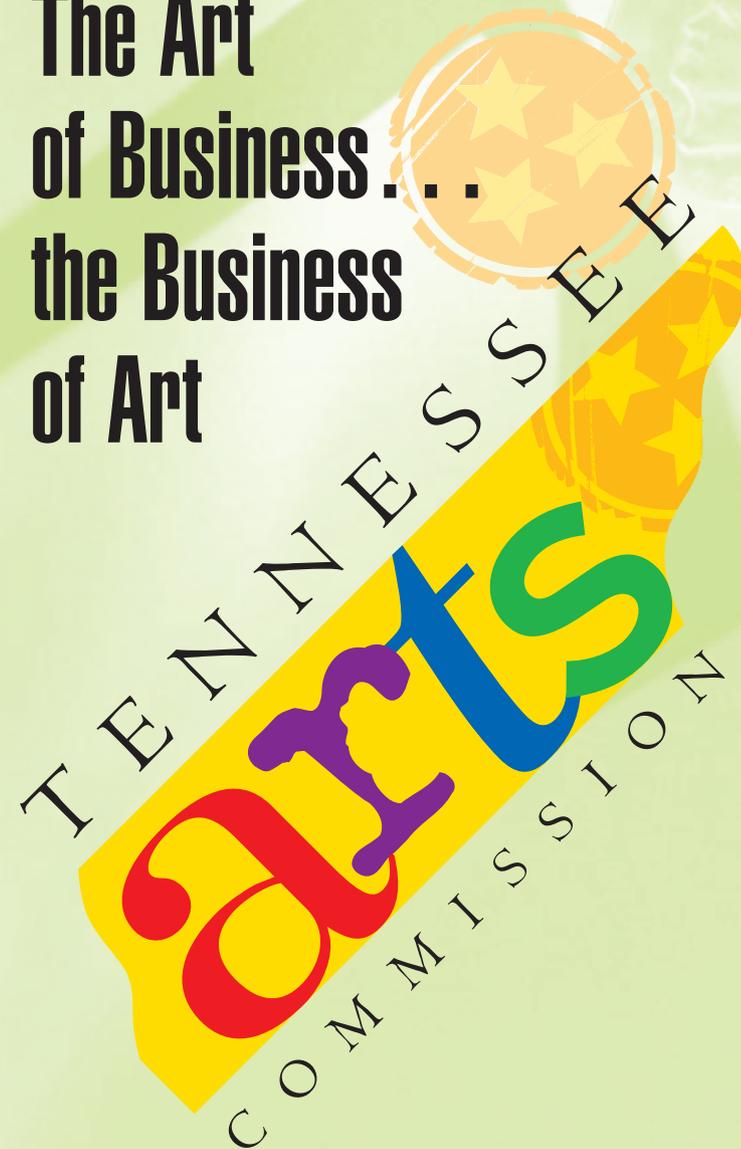


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The Art of Business... the Business of Art





Change the way you think about the arts. The arts are also a business ... and supporting the arts is just good business!

We know the arts enrich our lives, but their impact on our economy is just as significant. The art of business—the creation of dollars—is just as crucial to this industry as the creation of art. Dollars dedicated to arts activities translate directly into jobs and income, and this impact is extensive. But each funded art project in the state also has a ripple effect on the economy through additional operational purchases from other industries. Arts-related employee wages and salaries in turn are re-spent on basic goods and services—spending that ultimately generates tax dollars for the state.

The enhanced quality of life provided by the presence of arts sets the stage for business location in the state and attracts tourist dollars as well. As a resource, the arts improve the livability of communities, revitalizing economies by drawing people to arts activities in redeveloped neighborhoods, downtowns, and rural areas.

Dollars spent on the arts are a wise investment. Community and state leaders are finding that the arts are a solution to a variety of economic, educational, and social challenges. They act as a development tool in training a qualified workforce. Students exposed to the arts as part of a core curriculum test higher in every other subject and develop superior problem-solving skills. The arts have the potential of touching every citizen of Tennessee.

ARTS BRING JOBS, INCOME, AND OTHER DOLLARS TO TENNESSEE'S ECONOMY

The nonprofit arts industry not only entertains, instructs, and enriches us, but also plays an important role in the Tennessee economy. For 225 arts organizations in fiscal year 2001-2002:

- **Four thousand jobs** were generated by spending related to arts activities in the state.
- Arts organizations spent **\$143.8 million** in the state's economy, including payroll.
- In-house staff payroll was **\$63.4 million**, while contracted services of local individual artists totaled **\$8.4 million**.
- Total income generated by arts organizations, firms supplying the arts, and other income related to employee spending was over **\$134 million**.
- Total revenue earned by arts organizations through admission fees, sales of services and memberships, and other activities totaled nearly **\$72 million**.
- Capital expenditures on arts facilities of **\$20.8 million** were undertaken during the survey period.

ARTS ARE AN ECONOMIC DEVELOPMENT TOOL

By improving the state's quality of life, the arts serve as a recruiting tool to attract businesses. They also spark revitalization, contribute to cultural tourism, and improve the workforce. Study results show:

- **Seventy-five percent** of the organizations surveyed have educated K-12 students through arts programs.
- Arts organizations reported that over **900,000 out-of-state tourists** attended their events.

ARTS SERVE THE COMMUNITY

The arts give a community an identity:

- Over **2 million people** enjoyed free admittance to arts events.
- A majority of arts organizations—**sixty-five percent**—served all age groups, from children to senior citizens.
- Almost **one-third** of arts organizations served rural and isolated settings.

PUBLIC FUNDING LEVERAGES PRIVATE SUPPORT

For every dollar of public funding in the nonprofit arts industry, **\$4.57** is generated in earned income. Both the Tennessee business sector and the community have generously supported the arts:

- Corporations and businesses contributed **\$9.7 million** to the arts.
- Foundations, guilds, auxiliaries, councils, and other private entities contributed **\$19.1 million** to the arts.
- Individuals donated an additional **\$12.6 million** to arts organizations.

TENNESSEANS VALUE THEIR CULTURAL LIFE

The public's desire to keep the arts alive in Tennessee has been demonstrated by their active participation:

- Approximately **5.2 million** Tennesseans and tourists attended arts events and activities in 2001-2002. These attendees spent additional dollars in the local economy that were not measured in this study.
- Over **17,000 volunteers** lent their time and energy to make arts events happen.
- In-kind contributions to arts organizations totaled **\$9.5 million**.

