

## External Frequently Asked Questions

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### What is the significance of the AEP6 study?

Americans for the Arts provides the trusted knowledge and information tools that leaders need to advocate for increased funding for arts and culture, inclusive equitable policies and programs, and a thriving local arts agency field.

Building on its 30-year legacy as the largest and most inclusive study of its kind, Arts & Economic Prosperity 6 (AEP6) is an economic and social impact study of the nation's nonprofit arts and culture industry. The study provides detailed findings on 373 regions from across all 50 states and Puerto Rico—ranging in population from 4,000 to 4 million—and represents rural, suburban, and large urban communities.

AEP6 uses a rigorous methodology to document the economic and social contributions of the arts and culture industry, demonstrating locally as well as nationally, arts and culture are a critical economic driver of vibrant communities.

Americans for the Arts partnered with 297 local, regional, and statewide organizations that represent the 373 study regions in AEP6. This study absolutely could not have been completed without them. This collective effort across the country fosters diverse and inclusive collaborations that can influence sustainable policy change and more arts funding.

AEP6 is released with important national partners—organizations of public and private sector leaders that steer billions of dollars in public and private sector arts and culture funding and create arts-friendly policies. These include:

- Actors' Equity Association
- African Diaspora Consortium
- Arts & Planning Division (American Planning Association)
- Black Legislative Leaders Network
- Department for Professional Employees, AFL-CIO (American Federation of Labor and Congress of Industrial Organizations)
- Destinations International
- International City/County Management Association
- Independent Sector
- National Association of Counties
- National Conference of State Legislatures
- National Alliance of Community Economic Development Associations
- National Independent Venue Association



- National Organization of Black Elected Legislative Women
- Recording Industry Association of America
- Race Forward
- The Conference Board
- US Conference of Mayors

### **What are the key findings from AEP6?**

AEP6 uses a highly regarded, conservative approach to analyze the economic impact of the nonprofit arts and culture industry, which generates a significant amount of economic activity by its organizations and event-related spending by its audiences.

The message is clear: a vibrant nonprofit arts and culture community not only keeps residents and their discretionary spending close to home, it also attracts visitors who spend money and help local businesses thrive.

Highlights of the study include:

- In 2022, arts and culture generated \$151.7 billion in economic activity
- Total spend by arts and culture organizations: \$73.3 billion
- Event related spending by arts and culture audiences: \$78.4 billion
- Jobs supported: 2.6 million jobs
- Personal income to residents: \$101 billion
- Government tax revenue: \$29.1 billion

### **Local Impact**

What continues to set AEP6 apart from other national studies is exactly why it is so useful. It is local. Every study region uses the same rigorous methodology and each receives its own customized report. Surveys from 16,399 nonprofit arts and culture organizations and 224,677 of their attendees were collected by local and statewide research partners, and customized economic input-output models were built for every study region.

### **Arts and Culture Audience Impact**

AEP6 is also the only national study that incorporates the event-related spending by arts and culture audiences. When attendees go to an arts and culture event, they may also pay for parking, eat dinner at a restaurant, enjoy dessert after the show, and return home to pay child or pet care. The typical attendee spends \$38.46 per person per event, not including the cost of admission.

### **Visitor Impact**

Vibrant arts and culture communities attract visitors who spend money and help local businesses thrive. The study found that one-third of attendees (30.1%) were from outside the county in which the arts event took place. They spent an average of \$60.57, twice that of their local counterparts (\$29.77). All vital income for local merchants.



For 77% of nonlocal respondents, the primary purpose of their visit was to attend that cultural event. When we asked local arts and culture event attendees what they would have done if the event where they were surveyed had not been available, 51% said they would have “traveled to a different community to attend a similar arts or cultural activity”—and 64% of nonlocal visitors would have selected another community to visit as well.

## **Social Impact**

For the first time, organizations and audiences were asked social impact questions. Beyond its economic and financial impacts, arts and culture provide social contributions that benefit the wider community such as neighborhood pride and cultural identity. Surveys completed by 214,048 individual attendees demonstrate a deep appreciation for how arts and culture impact the development and well-being of communities and their residents. It found:

- 89% of respondents agreed that the activity or venue they were attending was “a source of neighborhood pride for the community.”
- 86% said they would “feel a sense of loss if that activity or venue was no longer available.”
- 86% felt it important that future generations also be able to have that cultural experience.

This high level of appreciation is found across all socioeconomic groupings.

## **Equity and Inclusion**

AEP6 also included an expectation—for the first time—that our research partners would collect a portion of audience surveys from attendees to events that were presented, produced, or hosted by BIPOC and ALAANA organizations. Nationally, 37,805 of the 224,677 audience-intercept surveys (17%) were collected from attendees to BIPOC and ALAANA organizations. The study found:

- Spending by attendees at BIPOC and ALAANA organizations was nearly identical to the overall national average (\$38.29 and \$38.46 per person, respectively).
- Social impact survey results were also nearly identical. For example, 81.2% of attendees at BIPOC and ALAANA organizations agreed, “This venue or facility is an important pillar for me within my community.” The figure for all attendees was 81.4%.

With the research showing proportional economic and community impacts, these findings should initiate new, and escalate existing, critical funding conversations about BIPOC and ALAANA organizations receiving fair and proportional financial support.

- A 2019 report by Americans for the Arts, for example, found that among local arts agency grantmaking organizations, the largest 16% of grant recipients (by budget) received 73% of the dollars awarded.
- The 2022 survey found that the pandemic’s impact was not felt equally. Organizations serving and representing BIPOC communities were more likely to report that they lacked the financial resources needed to return to in-person programming than non-BIPOC organizations (55% vs. 38%).



Ensuring equitable funding for arts and culture organizations is a vital step in creating an inclusive, balanced, and vibrant cultural landscape.

## **What are the problems or challenges that AEP6 helps to address?**

Like all nonprofits, arts and culture organizations have a public purpose: to make their cultural product broadly accessible so everyone can share in its benefits. And, like all nonprofits, they depend on financial support from the government and the private sector to deliver on that promise. We are in a time, however, when many leaders feel challenged to fund the arts. Shrinking budgets, mandates to prioritize jobs and economic growth, and pressing community development issues make for difficult decision making.

AEP6 brings a welcome message: when we invest in the arts, we are investing in an industry that strengthens the economy and builds more livable communities.

Past AEP studies have focused primarily on the financial, economic, and tourism contributions of the nonprofit arts and culture industry. A result of this has been an underrepresentation and under recognition of arts and culture organizations that primarily serve communities of color and their audiences.

For the first time, AEP6 expands beyond the economic and financial data to learn about the arts' social impact on the overall well-being of communities and the importance of affirming spaces in BIPOC- and ALAANA-identifying communities.

With the goal of making AEP6 more inclusive and reducing systemic bias, Americans for the Arts transformed its approach and expanded the inclusion and participation of organizations serving or representing communities of color by:

- Hiring an AEP6 community engagement and equity research director
- Adding an equity consultant to the research team
- Establishing an AEP6 Equity Task Force composed of leaders from all segments of the industry
- Completing a full review and restructure of the methodology
- Ensuring publishing accessibility guidelines were met and providing inclusive language offerings (e.g., the audience survey was available in 25 languages)
- Creating a series of community engagement tools to help our research partners identify, approach, and establish new and strengthen existing relationships with organizations representing BIPOC- and ALAANA-identifying communities

## **Why did AEP6 do a focused analysis of the BIPOC and ALAANA organizations and their audiences?**

There are many identities and communities that are marginalized, persecuted, and discriminated against across the nation. For the purposes of AEP6, we identified BIPOC and



ALAANA organizations as a starting place, as the social construct of race has been historically pervasive and at the bedrock of prejudice since well before the 1700s. We also acknowledge that there are intersectionalities within BIPOC and ALAANA people that span many other marginalized groups. AEP6 provides a baseline for future studies to explore and potentially expand.

### **What impact did the COVID-19 pandemic have on AEP6?**

AEP6 was postponed for 16 months due to the pandemic. Data collection for AEP6 was originally scheduled to be completed by December 2021 and based on budget and attendance information for the 2020 fiscal year. The study now focuses on fiscal year 2022. The pandemic had a devastating impact on the arts sector. According to national survey work by Americans for the Arts, 99% of producing and presenting arts and culture organizations canceled events during the pandemic—representing the loss of an estimated 557 million ticketed admissions. A secondary impact of the pandemic is the continued stress faced by the arts and culture industry. This includes continued reduced staffing levels needed to complete the organizational survey as well as fewer volunteers and staff to conduct the audience surveys.

### **What trends do you see between the last AEP5 study (2017) and this current AEP6 study (2023)?**

Because the COVID-19 pandemic (which had a devastating impact on the arts and culture industry in the U.S.) occurred in the time between the release of the 2017 and 2023 economic impact studies (AEP5 and AEP6, respectively) as well as the more inclusive methodology used in AEP6, study-to-study comparisons of AEP findings are not recommended.

Because of the robust samples of audience surveys that were collected for each study (212,671 for AEP5 and 224,677 for AEP6), it is appropriate to make comparisons with some of the audience data. Nationally, the average per person event-related expenditure increased from \$31.47 in AEP5 to \$38.44 in AEP6 (+22%), a change that keeps pace with inflation. Conversely, the percentage of nonlocal attendees (visitors from outside the county in which the event took place) decreased from 34% in AEP5 to 30% in AEP6 (-11.5%).

### **What is new in 2022 versus previous years?**

The prioritization of financial and economic analyses in past AEP studies typically resulted in high rates of inclusion by large-budget organizations (often focused on Eurocentric culture) and an under-representation of smaller organizations and those that primarily serve communities of color. Two changes were made to the AEP6 methodology with the goal of mitigating this imbalance.



1. The first was building a larger and more inclusive universe of organizations eligible to be surveyed in AEP6. Local and statewide research partners used new protocols to help them make contact with organizations that they may have had no previous relationship with as well as identify new ones they were unaware of. They also sought to identify arts and culture programs embedded under the umbrella of a non-arts organization or facility (e.g., social service agency, faith-based institution, or library). Expanding the terminology to “arts and culture” was also a deliberate equity strategy. This is because in some communities of color, “arts” organizations often identify as “culture” organizations.
2. AEP6 included an expectation—for the first time—that our local and statewide research partners would collect a portion of audience surveys at events that were presented, produced, or hosted by BIPOC or ALAANA organizations. A requested sample size was determined for each community based on the U.S. Census Bureau’s percentage of the population that identifies as “White only, not Hispanic or Latino.” For example, if the census estimates that 20% of a community’s population identifies as something other than “White only, not Hispanic or Latino,” the research partner representing that community was asked to collect at least 20% of their total sample of audience surveys from attendees to BIPOC and ALAANA organizations. The requested minimum sample was “at least 25%” for nearly two-thirds of the 373 participating communities. While just 141 of the 373 study regions were able to meet the data collection goal (38%), it yielded a robust national sample of 37,805 respondents.

### **Who conducted this research?**

Americans for the Arts led the research with its local and statewide research partners. There are a total of 297 research partners representing the 373 participating communities (41 research partners represented multiple communities such as both a city and a county).

The participating communities range in population from 4,000 to 4 million and represent rural, suburban, and urban areas (130 cities, and 126 counties, 78 multi-city or multi-county regions, 18 arts districts, and 21 state/territories).

### **Who is the sample group for the research?**

In 2021, Americans for the Arts published a call for communities interested in participating in the AEP6 study. Study partners agreed to complete the study’s four participation criteria. Some partners requested that multiple study regions be included in their study (e.g., a county as well as a specific city within the county). As a result, 297 study partners represent a total of 373 participating study regions.



## **How were the eligible arts organizations in each community selected?**

Each of the 297 study partners identified the universe of nonprofit arts and culture organizations located in their region(s). Eligibility was determined using the Urban Institute's National Taxonomy of Exempt Entities (NTEE) coding system as a guideline. Communities 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, literary, and media arts. These include government-owned or operated cultural facilities and institutions, municipal arts agencies or councils, living collections (such as zoos and botanical gardens), university museums and presenters, and arts programs that are embedded under the umbrella of a non-arts organization or facility. For-profit businesses and individual artists were excluded from this study. In short, if it displays the characteristics of a nonprofit arts and culture organization, it was included.

To assist the 297 study partners, Americans for the Arts provided a sample list of the eligible organizations that are located in each of the 373 participating communities using secondary source data. For communities in the six New England states (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), a list of eligible organizations was provided by our research partner the New England Foundation for the Arts via its CreativeGround database, a dynamic regional directory that celebrates and reflects the vital work of New England's artists, creatives, culture bearers, and creative organizations and businesses. For communities in all other states, a list of eligible organizations was licensed from Candid's GuideStar database of 1.8 million IRS-recognized tax-exempt organizations. Each study partner reviewed, cleaned, and supplemented the list for their community using their own data sources, then returned a final list of eligible organizations to Americans for the Arts.

## **What is the study methodology? What type of economic analysis was done to determine the study results?**

AEP6 uses a highly regarded, conservative approach to analyze the economic impact of the arts and culture industry, which generates a significant amount of event-related spending and tax revenue.

Researchers—together with local and statewide AEP6 study partners—collected expenditure and attendance data from 16,399 arts and culture organizations and 224,677 of their attendees to measure total industry spending. Using the IMPLAN economic modeling platform, input-output analysis models were customized for each study region. These quantitative models measure the economic relationships between hundreds of different industries in each geographic area. This, in turn, enables localizable economic impact results to be derived.

Why this level of rigor? Quite simply, \$50 spent in two different cities, even if in the same state, may have two very different sets of economic impact outcomes. It takes more than 1 million



calculations to derive the economic impact data for each community. IMPLAN's methodology utilizes a highly regarded method of economic analysis that ensures reliable and actionable localized results.

### **Will elected officials, economists, and other community decision-makers trust the validity and rigor of the AEP6 study?**

Yes, the Arts & Economic Prosperity 6 study makes a strong argument to legislators, but you may need to provide them with some extra help. It will be up to the user of this report to educate the public about economic impact studies in general and the results of this study.

- The user may need to explain the study methodology used and the IMPLAN system that provides a customized input-output model for each of the 373 study regions. You can be confident that the input-output analysis used in this study is a highly regarded model in the field of economics.
- It is also valuable to mention the conservative approach used by AEP6. For example, organizational expenditures are based only on the data collected. No estimates are made for nonresponding organizations. The audience surveys are conducted at a broad range of cultural events to ensure a representative sample, and not just at the highest priced venues, which would inflate the audience spending averages.
- The AEP6 National Partners are organizations of public and private sector leaders that steer billions of dollars in arts funding and create arts-friendly policies. They are partners because (1) they too believe the arts are a fundamental component of a healthy community, and (2) they view the methodology and study findings worthy of their members' attention. Partners are listed on the back cover of every AEP6 report.
- **The AEP6 methodology was developed and vetted by economists.** As in any professional field, however, there are differing opinions about procedures, jargon, and the best way to determine results. Ask ten artists to define art, and you can expect ten different answers. Ask ten economists the best way to measure the economic impact of arts and culture, and you can expect a similar range of responses. Some economists, for example, prefer to exclude spending by residents in the economic analysis and only track the impact of spending by visitors (often considered the purest form of economic development). Others, however, include resident spending because it plays a significant role in understanding the industry's overall economic contributions to local businesses and the community. In AEP6, both local and nonlocal impacts are counted in the analysis. The data tables in the report appendix provide details about both local and nonlocal economic impacts. This provides full transparency of the work and offers the opportunity for others to find additional insights from the study.





## Who funds this research?

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