



City of Florence
A City in Motion

City of Florence Public Arts Committee Regular Session

Florence City Hall
Florence, OR 97439
541-997-3437
www.ci.florence.or.us

- Meeting materials including information on each agenda item are published at least 24 hours prior to the meeting and can be found on the City of Florence website at www.ci.florence.or.us.
- Items distributed during the meeting, meeting minutes, and a link to the meeting audio are posted to the City's website at www.ci.florence.or.us as soon as practicable after the meeting.
- To be notified of Public Art Committee meetings via email, please visit the City's website at <http://www.ci.florence.or.us/newsletter/subscriptions>.

May 10, 2021

AGENDA

2:00 p.m.

Members:

Maggie Bagon, Chairperson

Jo Beaudreau, Vice-Chairperson

Peggy Meyer

Karl Engel

Kathleen Wenzel

Patti Williams

Serena Appel

Christine Santiago

Dayle Murphy

Maggie Wisniewski, Council Ex-Officio

Kelli Weese, Staff Ex-Officio

With 48-hour prior notice, an interpreter and/or TDY: 541-997-3437, can be provided for the hearing impaired.
Meeting is wheelchair accessible.

COVID-19 UPDATE

Due to federal and state restrictions on public gatherings, the Florence Public Arts Committee meetings shall be held via videoconference. Members of the public can listen and view the meeting through the 'GoToWebinar' platform at the following link:

<https://attendee.gotowebinar.com/register/5269169097810612492>

In person attendance is not allowed at Public Arts Committee meetings.

In accordance with Oregon Governor's Office Executive Order No. 20-16, to protect safety and ensure social distancing, members of the public will not be allowed to attend the Public Arts Committee meeting.

Citizens wishing to express their views may submit comments in writing or verbally. For more information, please see the end of this agenda or visit the City of Florence website at <https://www.ci.florence.or.us/bc-pac/public-art-committee-speakers-card-0>.

1. CALL TO ORDER – ROLL CALL 2:00 p.m.

2. PUBLIC COMMENTS – *Items Not on the Agenda*

This is an opportunity for members of the audience to bring to the committee's attention any item not otherwise listed on the Agenda. Comments will be limited to three (3) minutes per person, with a maximum time of 15 minutes for all items. Please sign-in, then state your name for the audio record when called upon.

3. CONTINUING EDUCATION – Christine Santiago

4. CITY COUNCIL WORK PLAN REVIEW

Review direction by City Council in 2021-2022 City of Florence Work Plan, discuss next steps for Public Arts Committee work plan, and decide on priority projects for PAC

*Approx.
2:15 p.m.*

5. REPORT ITEMS

- Public Art Quest Subcommittee
- City of Florence COVID Policies & Procedures
- Continuing Education Planning
- Arts and Economic Prosperity Study

*Approx.
2:45 p.m.*

ACTION PLAN, NEXT MEETING DATES & FUTURE AGENDA TOPICS

*Approx.
4:00 p.m.*

TENATIVE MEETING CALENDAR

All meetings will be held *virtually* unless otherwise indicated

Date	Time	Description
June 14, 2021	2:00 p.m.	Public Art Committee Meeting
July 12, 2021	2:00 p.m.	Public Art Committee Meeting
August 9, 2021	2:00 p.m.	Public Art Committee Meeting
September 13, 2021	2:00 p.m.	Public Art Committee Meeting
October 4, 2021	2:00 p.m.	Public Art Committee Meeting
November 8, 2021	2:00 p.m.	Public Art Committee Meeting
December 6, 2021	2:00 p.m.	Public Art Committee Meeting

UPDATED PUBLIC MEETINGS PROCEDURES – COVID-19

Given executive orders from Governor Brown concerning COVID-19 and social distancing requirements, the City of Florence has established temporary procedures for public meetings to protect our volunteers, public and staff.

In person attendance is not allowed at Public Arts Committee (PAC) meetings.

Expressing Views to the Public Arts Committee: Citizens wishing to express their views to the PAC may do so in both written and verbal formats.

1. Written Testimony: Citizens wishing to express their views to the PAC are encouraged to submit written testimony in one of the following ways:

- a. Submit written comments via email to Economic Development Catalyst: Sarah.Moehrke@ci.florence.or.us
- b. Mail written comments to Florence City Hall, Attn: Public Arts Committee, 250 Hwy 101, Florence, OR 97439
- c. Drop off written comments to the City of Florence drop box located at Florence City Hall (250 Hwy 101) to the right of the main entrance.

**** Note:** Written comments received at least 2 hours prior to the meeting (May 10, 2021 at 12:00 p.m.) will be distributed to the PAC, posted to the City of Florence website, and made part of the record.

2. Verbal Testimony: Citizens wishing to express their views to the PAC may participate in the meeting via GotoWebinar. To do so, please complete a speaker's card online at <https://www.ci.florence.or.us/bc-pac/public-art-committee-speakers-card-0> at least 1 hour prior to the meeting (May 10, 2021 at 1:00 p.m.) City staff will then contact the speaker to let them know the process to participate in the meeting.

- a. Public Comments on items not on the agenda: General public comments (on items not on the PAC agenda) will be allowed at each PAC meeting during the public comment agenda item. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all items. In practicality, this means no more than five individuals will be allowed to comment verbally. There is no limit on written public comments.
- b. Public Comments on Action Items: Public Comments will be allowed on each action item on the PAC agenda. Verbal comments will be allowed on action items after staff has given their report and have allowed time for initial Committee questions. Comments will be limited to three (3) minutes per person, with a maximum of 15 minutes for all comments on each action item. In practicality, this means no more than five (5) individuals will be allowed to comment verbally. There is no limit on written public comments.

For more information on the City of Florence's Temporary Public Meeting Policies, visit the City of Florence website at <https://www.ci.florence.or.us/em/public-meeting-during-covid-19>.

Public Art Presentation Project & Schedule

In an effort to continue inspiring and educating each other and our community, the PAC Leadership Team invites you to share Public Art that excites you!

Presentations will be short and sweet, about 10 minutes long. You are welcome to create or bring visuals to the presentation. You are welcome to share about another location's public art program, a work of public art or something that relates to Public Art that enriches our knowledge.

These presentations are to help enrich our understanding, encourage participation and engagement as well as further our communities' understanding of Public Art.

Date	Person
June 2021	Maggie Bagon
July 2021	Kathleen Wenzel
August 2021	Serena Appel
September 2021	Patti Williams
October 2021	Karl Engel
November 2021	Peggy Meyer
December 2021	Christine Santiago
January 2022	Jo Beaudreau
February 2022	TBA
March 2022	TBA
April 2022	TBA
May 2022	TBA
June 2022	TBA

2021-2023 WORK PLAN ITEMS

COMMUNITY BEAUTIFICATION & AESTHETICS

Community Gateway Signage

Objective Develop welcoming gateway signage (N,S,E).

Landscaping & Lighting

Objective Improve Curb Appeal and protect natural areas from weed encroachment.

Task Support the Environmental Management Advisory Committee to update vegetation preservation city code to eliminate inconsistencies and reflect current community quality of life goals.

Task Create and implement a noxious weed control program to educate the public, eradicate problem areas and recognize business, group and individual positive efforts.

Objective Research industry standard parking lot lighting level standards and revise lighting code to ensure safety and improve quality of life.

Public Art Program

Objective Discuss and consider amendments to the process for acquisition of public art and the role & responsibilities of the Public Arts Committee through review of the Public Art Guidelines (Resolution No. 4, Series 2016) and the Public Arts Committee duties per FCC 2-4.

Objective Art Exposed Program, including rotating art, marketing pieces for sale, and identifying additional locations.

Objective Public/Private Partnership Program - Determine viability of the development of a private property art program and match program.

Objective Public Outreach and Marketing of Public Art Program.

Objective Prepare for next public art projects and long-term objectives/strategies.

Task Perform public outreach on interest in public art program and art types.

Task Master Plan – Prepare comprehensive, long-term plan for the City’s Public Art program and sustainable funding avenues for Council consideration.

Objective Determine viability of the development of a private property mural program/match program.

Objective Consider opportunities for sustainable funding as led by PAC volunteers.

Objective Installation of purchased art pieces currently in storage.

Objective Art Quest – Prepare and market a quest (scavenger hunt) for the Oregon Sea Quest program through Oregon State University.

Objective Art Inventory and Maintenance Planning.

Objective Featured Pieces – Determine funding strategy, timeline, and installation of sculptures within the ReVision Florence streetscape project and larger Florence area.

Objective Mural Code Updates – Work with City Council and legal counsel to make the mural code easier, cheaper, and more accessible to the community.

Objective Indoor Public Spaces Program – research and create program to install art inside local public buildings.

Objective Support of community art programs, including community events, local Florence arts programs, and other programs.

CITY OF FLORENCE PUBLIC ART COMMITTEE

Recommendation to the City Council to Approve the 2019-2020 Public Art Committee Work Plan & 2018 Activities Report

1. The Florence City Council adopted the City of Florence Committee & Commission Policy Manual (Manual) on November 5, 2018 via Resolution No. 21, Series 2018.
2. Chapter 7 of the Manual sets the Committee's role in goal setting and work plan creation, including requirements that all permanent standing commissions and committees, except for the Budget Committee, are charged with developing:
 - a. An annual work plan for their committee for the upcoming year, and
 - b. A report on the activities of the committee over the prior service year
3. In addition, Chapter 7 of the Manual indicates the following:
 - a. Committee / Commission work plans must be consistent, relevant, and supportive to the Council's goals.
 - b. Committee / Commission work plans shall be presented to the City Manager and City Council for approval at a Council meeting in the Spring of each year. This action will generally occur on a Council meeting consent agenda.
4. On April 1, 2019, the Florence City Council adopted Resolution No. 6, Series 2019, a resolution reaffirming the City of Florence's Council Goals and adopting the July 1, 2019 – June 30, 2021 City of Florence work plan.
5. The Public Art Committee has reviewed the adopted City Council goals and work plan and have prepared a prior year's activities report and an annual work plan, which it believes is consistent, relevant and supportive of the Council's adopted goals / work plan.

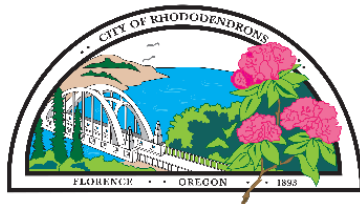
THE PUBLIC ART COMMITTEE RECOMMENDS THE CITY COUNCIL APPROVE THE FOLLOWING:

1. The 2019-2020 Public Art Committee Work Plan, Exhibit A.
2. The 2018 Public Art Committee Activities Report, Exhibit B.

COMMITTEE APPROVAL:

This Recommendation is passed by Public Art Committee vote on the 21st day of October, 2019.


Harlen Springer
Public Art Committee Chairperson



City of Florence
A City in Motion

City of Florence
 Public Arts Committee Work Plan
 October 2019 – July 2020

Public Arts Committee (PAC) Overview:

The City of Florence Public Art Committee was established in July 2015 in order to serve as the City's volunteer committee tasked with actively developing a Public Art Program for the City of Florence. PAC's mission is to integrate art into the daily life of our community and inspire extraordinary creative expression that will enrich public awareness, enhancing the vitality, economy and diversity of Florence through the arts. The committee strives to bring art to the Florence area that is diverse, exciting and engaging

The committee's duties as established by City of Florence Resolution No. 4, Series 2016 include...

- Establish and maintain a city art collection
- Develop a map and list of desired locations and projects for future accessions
- Prepare for and secure funding for additional art works
- Consider projects by private developers and citizens that would be result in public art

Public Art Committee Members		
Harlen Springer, Chairperson	Jo Beaudreau, Vice-Chairperson	Denise Tarvin
Jennifer French	Peggy Meyer	Vacant; To Be Filled January 2020
Vacant; To Be Filled January 2020	Vacant; To Be Filled January 2020	Ex Officio Member- CEDC
Woody Woodbury; Ex-Officio Member- City Council		Kelli Weese; Ex-Officio Member- City Staff

Work Plan Objective:

The objective of this document is to create priorities for the 2020 fiscal year. The main tasks of the Public Art Committee are to implement public art projects with the focus being completing the Central Lincoln PUD Mural and the Siuslaw Bridge Steps project installation and establish a long-term public art strategy which includes a proposed long-term program structure and funding strategy.

Top Four Committee Priorities:

Central Lincoln PUD Mural - *Stitching Time, Weaving Cultures* by Marino-Heidel Studios:

The mural subcommittee made some large strides in completing this project during the 2017-2018 biannual. PAC chose an artist, finalized the contract, received a mural permit through the City of Florence City Council, and hosted a Public Paint event that allowed members of the community to participate in painting the mural. The mural was completed in August 2019 with a dedication ceremony held on August 7, 2019.



Next steps for PAC regarding Highway 101 & 126 Mural:

- Install lighting and landscaping

Siuslaw Bridge Steps- Installation by Jessilyn Brinkerhoff:

The Siuslaw Bridge Steps has a planned installation date of Fall 2019. The subcommittee and a selection committee have selected an artist - Jessilyn Brinkerhoff from Eugene. Since signing the contract with the artist, City staff have been coordinating the project with ODOT, since the Bridge Steps are currently in the ODOT right-of-way.



Next steps for PAC regarding the Siuslaw Bridge Steps Beautification:

- Continue coordination with ODOT to finalize Intergovernmental Agreement
- Coordinate the installation of art with artist
- Continue marketing and advertising of project in community
- Coordinate and promote opening event with artist

Public Art Master Plan and Long-Term Structure & Funding Strategy:

The Public Arts Committee is dedicated to creating a master plan for the Public Art program in Florence. A master plan will provide a long-term sense of direction for the program including proposed projects, structure for the program (including review of non-profit and government-based options), and long-term funding strategies. This process will be important especially for gaining community input for future public art installations and laying the groundwork for long-term success in Florence. The end result of the master plan and long-term structure & funding strategy shall be a document to be approved by the City Council delineating proposed projects for the program in the near, mid, and long-term future, and recommendations on proposed amendments to the program structure and potential funding alternatives.

Next steps for the Master Plan subcommittee:

- Consider and perform community outreach methods for development of master plan including but not limited to focus groups, one-on-one stakeholder interviews, community forums, and / or surveys, to determine interest level for art in the community and types of art desired.



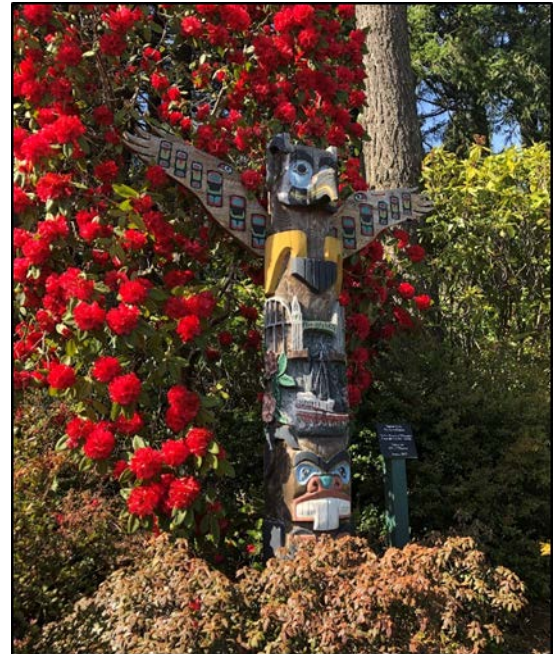
- Research other communities Public Art plans, programs (501c3 vs. government) and funding strategies to determine viable options, as well as their pros / cons for implementation in Florence.
- Hold joint work session with City Council on results of public outreach / program structure research and determine next steps.
- Develop draft Public Art Master Plan & Long-Term Structure / Funding Strategy and host public outreach on proposed plan including but not limited to a public open house and/or forum.
- Review results of public outreach and amend plan as necessary.
- Hold joint work session with City Council on proposed draft Master Plan and public outreach results,
- Update plan with input from City Council and prepare for final City Council approval.

Art Exposed Outdoor Gallery:

The Art Exposed Outdoor Gallery is a rotating art gallery of four to five pieces of art that will be interchanged every two years. The pieces, while on display, are for sale to the general public. If a piece is sold, a portion of the proceeds will benefit Florence's Public Art Program. The Art Exposed subcommittee installed four pieces of art on Bay St. in Florence Old Town during 2018. These pieces will be on a rotating schedule, set to be replaced in 2020.

Next steps for PAC regarding the Art Exposed Outdoor Gallery:

- Release Call-to-Artist for 2020 installation
- Market call-to-artists through social media, traditional media, regional art organizations, and other avenues
- Market the sale of current and future sculptures
- Install 4-5 pieces to replace current pieces in the Art Exposed Gallery
- Research Business Sponsorship opportunities
- Create a standard call to artists and a standard artist contract
- Create a timeline and flow process for accession



Other Committee Projects:

Featured Pieces:

The Featured Pieces subcommittee is a newly formed subcommittee, formed to oversee the accession process of ReVision Florence's public art pieces. Because of budget constraints, this project subcommittee will be working closely with the Grant Management subcommittee to acquire funding for the featured pieces.

Next steps for PAC regarding the Featured Pieces subcommittee:

- Decide what process the committee should use to select the featured pieces artists
- Create accession process checklist
- Draft standard call to artists for long-term featured pieces

Fundraising:

Due to the changes in PAC's funding, the Fundraising Subcommittee is going to play a vital role in the 2020 work plan. The subcommittee's main objectives are to create a long-term fundraising plan and begin to fundraise for projects designated in the Public Arts Committee's work plan. This is an ongoing project that will last throughout the year.

Next steps for PAC regarding the Fundraising subcommittee:

- Research & create a long-term fundraising plan
- Research and develop PAC community partners and patron program
- Research and develop a legacy donation program
- Research and develop an engraved brick fundraiser program
- Research and develop other community fundraiser options

Grant Management:

The Public Arts Committee has been working on a plan to seek out funding sources outside of the city of Florence, as well to manage that process. Grants can be a valuable source of funding, but due to the sheer number of grants available and the complicated requirements for each grant, they are usually very difficult to access. In 2018, the Public Arts Committee decided that they needed to create a 12-month calendar that would organize all the appropriate grants that are available to Florence. This calendar includes information about 45+ grants. The grant calendar was completed in Fall 2018.



Next steps for PAC regarding Grant Writing subcommittee:

- Apply for at least two grants, as outlined in the PAC grant calendar, per fiscal quarter
- Work with City Staff to receive approval from City Council for all grants in an orderly timeline
- Work with City Staff to compile all necessary information for grants in an orderly timeline
- Investigate community partnerships within Lane County and the region to broaden the scope of applicable grants
- Complete reporting for awarded grants in timely fashion

Marketing and Public Outreach:

The Public Arts Committee has always been dedicated to including the public in their work. This has included monthly articles in the Siuslaw News and recruiting citizens-at-large to take part in our art selection process. However, in 2019, the committee received some feedback from community members expressing that they did not feel included in the process. After learning of the extensive outreach process that was followed, community members acknowledged that there were opportunities to be involved in the process. So, the Committee is committed to increasing the public outreach to ensure community members feel more involved in the selection process.

Next steps for the Marketing and Public Outreach subcommittee:

- Continue to update the public art pages on the City of Florence website
- Create marketing materials for current and future projects

- Continue to market Art Exposed pieces for sale
- Continue monthly updates to the Siuslaw News and other media outlets
- Present to local community groups including but not limited to: HOA's, service clubs, and professional organizations
- Maintain relationships with area organizations to ensure coordination of future projects
- Participate in current and future art marketing programs throughout the city, region and state.

Art Inventory and Maintenance Planning:

Especially with the installation of two large-scale pieces of public art in 2019, the Public Art Committee must create a maintenance plan that ensures that the Siuslaw Bridge Steps and Highway 101 & 126 Mural will be maintained for years to come.

Next steps for PAC regarding the Art Inventory and Maintenance Planning Subcommittee:

- Create a succinct list of public art in Florence for visitors and interested parties
- Research the maintenance plans of other communities' public art collections
- Review, update and maintain maintenance plans for all public art in collection
- Create a 'Best Practices' guide for Public Art Collection Maintenance
- Coordinate with the Public Works department on a long-term plan to maintain the collection
- Maintain and expand list of potential art locations around Florence



Potential Future Public Art Committee Projects:

Mural Code:

Florence City Code currently requires people to go through a land use process in front of the Florence City Council to determine if a mural could be installed, no matter if the mural is publicly or privately funded. The Public Arts Committee would like to work with Florence City Council to amend the code to allow for more murals throughout our city.

Next steps for Mural Code Subcommittee:

- Research mural codes in other municipalities across the state and nation
- Prepare proposed amendments to the Mural Code and review with City Attorney
- Hold joint work session with Florence City Council & Planning Commission
- Present at Planning Commission and City Council code amendment hearings
- Prepare informational brochure/ application about potential code changes
- Begin outreach with various private entities about changes to the mural code

Future Public Art Locations:

The following public art projects have been considered by the Public Art Committee and will continue to be evaluated as potential future projects as funding becomes available. This is not a complete list. Projects could be added or removed as necessary.

Murals:

- Trash cans, electrical boxes, and transit – particularly north of Hwy 126 and 101 intersection
- Eastern Façade of BJ's on Bay Street
- Second Story of Lovejoy's in Old Town
- Fire Station in Old Town
- 2nd Floor of Antique Row on Hwy 101
- Side of Pirate's Popcorn in Old Town
- Side of Mason Building in Old Town
- Side of Old Rite Aid Building on Hwy 101

- Eastern Side of Grocery Outlet and City Lights Cinemas Building
- Water Tower
- North Side of 7-11 Building

Sculptures:

- Hwy 101 & 126 Intersection
- Underneath Siuslaw River Bridge
- Miller Park
- Veteran's Memorial Park
- Laurel Crossing

Other Regional Art Related Economic Development Initiatives:

The Public Art Committee acknowledges that economic development in Florence is a priority and supporting and growing the current arts economy will take more effort than just the Public Arts Committee. Public Art Committee members may choose to participate at many different levels in the following economic development related initiatives:

Florence Regional Arts Alliance

Florence's local non-profit art alliance whose mission is to unify and support all of the arts, enrich cultural life, and stimulate the economic vitality in Florence through the arts.

Siuslaw Vision

Siuslaw Vision is a diverse group that includes local business professionals, non-profit leaders and volunteers, and governmental representatives, along with people from around the Siuslaw region.

Florence Area Chamber of Commerce Beautification for Florence (BFF)

The Florence Area Chamber of Commerce Beautification for Florence (BFF) Team members work to support efforts that promote economic vitality for the Florence area through beautification projects such as street banners, flower baskets, street furniture, parks, and art. They are the group currently managing Florence's participation in the Oregon Main Street program.



City of Florence A City in Motion

City of Florence
Public Art Committee
Previous Year Activities
January 2018- July 2019

As required by the Committees and Commissions Handbook, adopted on November 5, 2018 via Resolution No. 21, Series 2018, this is a brief report on the activities of the committee over the prior service year, from January 2018 to July 2019.

Committee Growth: During the December 2018 committee recruitment period, the Public Art Committee grew from seven members to eleven members, showing the commitment of the Florence community in Public Art's vision.

Donated Art Sculpture Installed: The Public Art Committee graciously accepted *Running Horse*, a sculpture created by Kabiria Metal Works in Kenya, from community members Sam Spayd & Ron Green which was installed at the Florence Senior Center. This piece was installed in May of 2018.

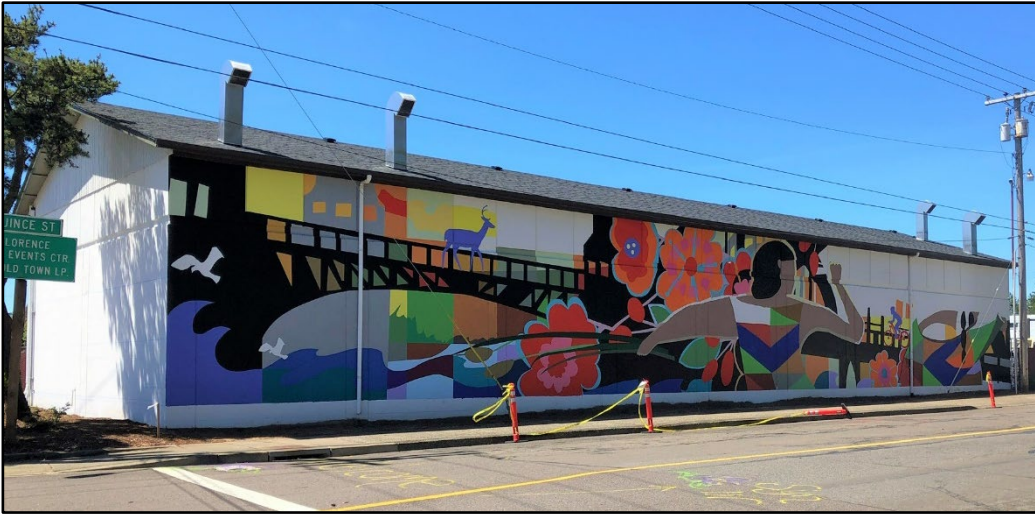


Art Exposed Program Launched: The Public Art Committee created the Art Exposed program – a rotating outdoors art gallery. These pieces are located in Florence's historic Old Town on Bay Street and are available for purchase. With the assistance of the City of Florence's Public Works department, in May 2018, local artist Pancho Clark's *Copper Leaf Tree* was installed at the corner of Bay Street and Laurel Street. In June 2018, Paul Reimer's *Transformation* and Jesse Swickard's *West Coast Overlook* and *Sitting Wave Part II* were installed at the Siuslaw Interpretive Center.

Received the Siuslaw Award for Innovation in Business: The Public Art Committee was nominated for the Innovation in Business award and was presented at the January 2019 awards ceremony.

Received Oregon Community Foundation Grant: The City of Florence, on behalf of the Public Art Committee, received a grant from the Irene Gerlinger Swindells Fund of the Oregon Community Foundation in the amount of \$20,000 to assist with portion of the artist stipend for the mural. This application was completed through the assistance of PAC's comprehensive grant plan that designates over 40 grants PAC can apply for more funding.





In Progress: *Stitching Time, Weaving Cultures* by Marino-Heidel Studios:

PAC Members released international call-for-artists resulting in over 100 submissions from 25 different states and four different countries. Marino-Heidel Studios was chosen after a five-step process. Contract was finalized and signed in late December by

the Florence Urban Renewal Agency. After receiving a mural permit by the Florence City Council in April 2019, the artists started working on the mural in mid-May 2019.

Public Paint Event: Over 150 community members have participated in painting the new mural on the Central Lincoln PUD Building since May 2019. In a little over an hour, over 135 people helped paint the mural, and since then over fifty more have helped the artists and become part of history.



In Progress: Siuslaw Bridge Steps Beautification Project: After a competitive application process, the Public Art Committee chose Jessilyn Brinkerhoff from Eugene to complete the Bridge Steps beautification project. The contract was finalized and signed by the Florence Urban Renewal Agency in November 2018. Since then, City Staff have been working with ODOT to come to an agreement regarding the usage of the ODOT right-of-way

Join the *Arts & Economic Prosperity 6* Study!

Americans for the Arts is preparing to launch its sixth national study of the economic impact of the nonprofit arts and cultural industry. This study will document the key role-played by nonprofit arts and cultural organizations and their audiences in strengthening our economy.

We are pleased to announce that the Oregon Arts Commission has once again joined the study as an official statewide partner. The statewide findings will serve as a critical advocacy and branding tool for the State of Oregon arts and cultural industry.

Due to the Oregon Arts Commission's status as a statewide partner, all of Oregon's local communities are eligible to receive a significant discount on the local study cost-sharing fee. We are excited that our partnership offers this valuable benefit to our local constituents! In addition, this is subsidized in part by the Ruth Lilly Fund for Americans for the Arts, with the goal of making participation affordable in all U.S. communities

The Discounted Study Participation Fees for Oregon Local Partners:

- Only **\$4,500** for communities with a population of 100,000 or more (instead of \$9,000)
- Only **\$3,000** for communities with a population of fewer than 100,000 (instead of \$6,000)

Local partners typically include private arts councils; city or county cultural agencies, divisions, departments, or facilities; community foundations; economic development agencies; chambers of commerce, and more.

Each local partner will receive a customized report economic impact of spending by their community's nonprofit arts and cultural organizations and their audiences. These impacts include the number of full-time equivalent jobs supported by the industry, the amount of resident household income generated by the industry, and the amount of government revenue generated by the industry. [Click here](#) to view an example of the report from the previous study.

Below are the preliminary deadlines—it's important to note that *the Arts & Economic Prosperity 6 study has been postponed 12 months as a result of the coronavirus*:

- ✓ Sept. 30, 2021: Local partner contract is due to Americans for the Arts
- ✓ Oct. 31, 2021: Initial payment of at least one-third of the local fee is due
- ✓ Dec. 15, 2021: Partners receive Study Welcome Packet with surveys & instructions

Are you interested in joining the AEP6 study as a local partner representing the State of Oregon? **To request a project contract**, please contact Ben Davidson, Senior Director of Research Services at Americans for the Arts, by email at bdavidson@artsusa.org. **Questions about Oregon's participation in the study** can be directed to Brian Rogers, Executive Director of the Oregon Arts Commission, at Brian.Rogers@oregon.gov.

ADDITIONAL DETAILS

Americans for the Arts seeks at least 250 partners to participate in *Arts and Economic Prosperity 6*, our sixth national economic impact study of America's nonprofit arts and cultural industry. This study will once again be the largest and most comprehensive of its kind ever conducted. The participating communities will represent a broad geographic diversity, range in size from small rural to large urban, and include emerging as well as established arts communities. Previous partners have included local arts agencies, community foundations, economic development agencies, chambers of commerce, and more. **Don't miss your chance to be a part of the next one!**

WHAT IS THE COST-SHARING STUDY PARTICIPATION FEE?

Thanks to the Oregon Arts Commission's statewide partnership, the study fee is only

- **\$4,500 for communities with a population of 100,000 or more** (instead of \$9,000).
- **\$3,000 for communities with a population of fewer than 100,000** (instead of \$6,000).
- This national study is also being subsidized in part by the Ruth Lilly Fund for Americans for the Arts, with the goal of making participation affordable in all U.S. communities.
- It's important to note that a for-profit consultancy will typically charge three to four times more for a study that utilizes a similar customized methodology.

WHEN WILL THE PAYMENTS BE DUE?

The fee can be payable in three equal installments spread over three calendar years. One third of the participation fee is due in 2020 or 2021. Additional equal payments will be due in 2022 and 2023.

WHAT ARE THE FIVE REQUIREMENTS OF EACH STUDY PARTNER?

- 1) Appoint a primary contact person for the data collection effort in your community.
- 2) Provide a comprehensive list of the eligible nonprofit arts and cultural organizations that are located in your community.
- 3) Follow-up with organizations that do not complete the organizational survey. Americans for the Arts will conduct a simple web-based survey to collect FY2022 budget and attendance information from the eligible organizations identified on your list. Once that process is complete, we will need your help to follow-up with non-participating organizations via phone and email.
- 4) Collect a minimum of 800 audience-intercept surveys from people attending performances, events, and exhibits that take place in your community during calendar year 2022. Americans for the Arts will provide the survey and instructions.
- 5) Pay the significantly discounted cost-sharing participation fee.

WHAT WILL EACH LOCAL PARTNER RECEIVE?

- Proprietary survey instruments as well as detailed instructions and technical assistance.
- An economic input-output model that is customized for your community.
- Detailed, easy-to-understand reports and resources customized for your community.
- A significant national and local visibility opportunity for your arts community.

ARTS & ECONOMIC PROSPERITY 6—PROJECT SCHEDULE (REVISED)

DUE DATE	RESPONSIBLE PARTY	TASK REQUIRED
09-30-2021	Study Partners	Partner contract is due to Americans for the Arts. The initial payment of one third of the cost-sharing partner fee is due to Americans for the Arts upon approval of the signed contract (partners may pay the entire fee up front if they choose). Contracts are available now.
12-15-2021	Americans for the Arts	Study Welcome Packets are distributed to the study partners. They include the survey instruments, detailed instructions for the data collection effort, and background information about the study.
01-01-2022	Study Partners	Surveying begins at cultural events taking place in each of the participating communities using the audience-expenditure survey.
04-15-2022	Study Partners	First quarterly batch of audience-intercept surveys is due to Americans for the Arts.
06-30-2022	Study Partners	Comprehensive list of eligible nonprofit arts and cultural organizations located is due to Americans for the Arts.
07-15-2022	Study Partners	Second quarterly batch of audience-intercept surveys is due to Americans for the Arts.
07-31-2022	Study Partners	Second payment of one third of the cost-sharing participation fee is due to Americans for the Arts.
09-15-2022	Americans for the Arts	The web-based organizational expenditure survey is disseminated to all eligible nonprofit arts and cultural organizations in each participating study region via the proprietary organizational expenditure survey.
09-30-2022	Study Partners	Final deadline for completion of the data collection effort from eligible nonprofit arts and cultural organizations located in each study region.
10-15-2022	Study Partners	Third quarterly batch of audience-intercept surveys is due to Americans for the Arts.
10-30-2022	Americans for the Arts	Initial deadline for the organizational expenditure survey to be submitted to Americans for the Arts by all eligible nonprofit arts and cultural organizations. The abbreviated version of the survey is distributed to organizations that did not respond.
11-30-2022	Study Partners	Deadline for the abbreviated version of the organizational expenditure survey to be submitted by eligible nonprofit arts and cultural organizations. The study partners begin their targeted follow-up efforts with the major and mid-sized non-responding organizations.
01-15-2023	Study Partners	Final quarterly batch of audience-intercept surveys is due to Americans for the Arts.
1-31-2022	Study Partners	Final deadline for completion of the data collection effort from eligible nonprofit arts and cultural organizations located in each study region.
02-15-2023	Americans for the Arts	Data entry and data cleaning of all survey data is completed. Data analysis and economic modeling commences.
05-31-2023	Americans for the Arts	The study partners each receive a private URL from which to download their customized final reports and other project materials.
June 2023	Americans for the Arts	Findings from <i>Arts and Economic Prosperity 6</i> are released by Americans for the Arts in collaboration with all of the study partners.
July 2023	Study Partners	Final payment of one third of the cost-sharing participation fee is due to Americans for the Arts.

The Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences in Lincoln County, OR (Fiscal Year 2015)

Direct Economic Activity	Arts and Cultural Organizations	+	Arts and Cultural Audiences	=	Total Industry Expenditures
Total Industry Expenditures	\$1,595,530		\$8,828,455		\$10,423,985

Economic Impact of Spending by Arts and Cultural Organizations and Their Audiences

Total Economic Impact of Expenditures	Economic Impact of Organizations	+	Economic Impact of Audiences	=	Total Economic Impact
Full-Time Equivalent (FTE) Jobs Supported	44		228		272
Household Income Paid to Residents	\$894,000		\$4,162,000		\$5,056,000
Revenue Generated to <u>Local</u> Government	\$38,000		\$491,000		\$529,000
Revenue Generated to <u>State</u> Government	\$29,000		\$486,000		\$515,000

Event-Related Spending by Arts and Cultural Audiences Totaled \$8.8 million (excluding the cost of admission)

Attendance to Arts and Culture Events	Resident ¹ Attendees	+	Nonresident ¹ Attendees	=	All Cultural Audiences
Total Attendance to Arts and Culture Events	146,798		65,032		211,830
Percentage of Total Attendance	69.3%		30.7%		100.0%
Average Event-Related Spending Per Person	\$18.52		\$93.95		\$41.67
Total Event-Related Expenditures	\$2,718,699		\$6,109,756		\$8,828,455

Nonprofit Arts and Cultural Event Attendees Spend an Average of \$41.67 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident ¹ Attendees	Nonresident ¹ Attendees	All Cultural Audiences
Meals and Refreshments	\$13.18	\$36.02	\$20.19
Souvenirs and Gifts	\$1.24	\$6.71	\$2.92
Ground Transportation	\$1.56	\$7.20	\$3.29
Overnight Lodging (one night only)	\$0.75	\$40.25	\$12.87
Other/Miscellaneous	\$1.79	\$3.77	\$2.40
Average Event-Related Spending Per Person	\$18.52	\$93.95	\$41.67

Source: *Arts & Economic Prosperity 5: The Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences in Lincoln County*. For more information about this study or about other cultural initiatives in Lincoln County, visit the Oregon Coast Council on the Arts's web site at www.coastarts.org.

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About This Study

This Arts & Economic Prosperity 5 study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 341 communities and regions (113 cities, 115 counties, 81 multicounty or multicounty regions, 10 states, and 12 individual arts districts)—representing all 50 U.S. states and the District of Columbia. The diverse communities range in population (1,500 to more than 4 million) and type (small rural to large urban). Project economists from the Georgia Institute of Technology customized an input-output analysis model for each participating region to provide specific and localized data on four measures of economic impact: full-time equivalent jobs, household income, and local and state government revenue. These localized models allow for the uniqueness of each local economy to be reflected in the findings.

Americans for the Arts partnered with 250 local, regional, and statewide organizations that represent the 341 study regions (30 partners included multiple study regions as part of their participation). **To complete this customized analysis for Lincoln County, the Oregon Coast Council on the Arts joined the study as one of the 250 partners.**

Surveys of Nonprofit Arts and Cultural ORGANIZATIONS

Each of the 250 partner organizations identified the universe of nonprofit arts and cultural organizations that are located in its region(s) 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 literary 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, programs, and facilities; and arts programs that are embedded under the umbrella of a nonarts organization or facility (such as a hospital or church). In short, if it displays the characteristics of a nonprofit arts and cultural organization, it is included. *For-profit businesses (e.g., Broadway, motion picture theaters) and individual artists were excluded from this study.*

Nationally, data was collected from a total of 14,439 organizations for this study. Response rates among all eligible organizations located in the 341 study regions was 54.0 percent, and ranged from 9.5 percent to 100 percent. Responding organizations had budgets ranging from \$0 to \$785 million (Smithsonian Institution). It is important to note that each study region's results are based solely on the actual survey data collected. There are no estimates made to account for nonresponding organizations. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

In Lincoln County, 10 of the 52 eligible nonprofit arts and cultural organizations participated in this study—an overall participation rate of 19.2 percent. A list of the participating organizations can be obtained from the Oregon Coast Council on the Arts.

Surveys of Nonprofit Arts and Cultural AUDIENCES

Audience-intercept surveying, a common and accepted research method, was completed in all 341 study regions to capture information about spending by audiences at nonprofit arts and culture events. Patrons were selected randomly and asked to complete a short survey while attending an event. A total of 212,691 attendees completed the survey. The respondents provided itemized travel party expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging. Data was collected throughout the year to guard against seasonal spikes or drop-offs in attendance, and at a broad range of events (because a night at the opera will typically yield more spending than a Saturday children's theater production). Using total attendance data for 2015 (collected from the participating organizations), standard statistical methods were then used to derive a reliable estimate of total arts event-related expenditures by attendees in each study region.

In Lincoln County, a total of 1,463 valid audience-intercept surveys were collected from attendees to nonprofit arts and cultural performances, events, and exhibitions during 2016.

Studying Economic Impact Using Input-Output Analysis

To derive the most reliable economic impact data, input-output analysis was used to measure the impact of expenditures by nonprofit arts and cultural organizations and their audiences. This highly-regarded type of economic analysis has been the basis for two Nobel Prizes in economics. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. The analysis traces how many times a dollar is respent within the local economy before it leaves the community, and it quantifies the economic impact of each of those rounds of spending. Project economists customized an input-output model for each of the 341 participating study regions based on the local dollar flow among 533 finely detailed industries within its economy. 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), state and local tax data (e.g., sales taxes, lodging tax, property taxes, income tax, and miscellaneous local option taxes), and the survey data collected from the responding arts and cultural organizations and their audiences.

¹ For the purpose of this study, residents are attendees who live within Lincoln County; nonresidents live elsewhere.



ARTS &

ECONOMIC PROSPERITY 5

THE ECONOMIC IMPACT OF NONPROFIT ARTS & CULTURAL ORGANIZATIONS & THEIR AUDIENCES



in Lincoln County, OR

Arts and Economic Prosperity® 5 was conducted by Americans for the Arts, the nation's nonprofit organization for advancing the arts in America. Established in 1960, we are dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts.

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"Understanding and acknowledging the incredible economic impact of the nonprofit arts and culture, we must always remember their fundamental value. They foster beauty, creativity, originality, and vitality. The arts inspire us, sooth us, provoke us, involve us, and connect us. But they also create jobs and contribute to the economy."

— Robert L. Lynch
President and CEO
Americans for the Arts

The Arts Mean Business

By Robert L. Lynch, President and CEO, Americans for the Arts

In my travels, I meet business and government leaders who speak passionately about the value the arts bring to their communities—fueling creativity, beautifying downtowns, and providing joy. Many also share with me the challenge of balancing arts funding with the demands to support jobs and grow their economy. To these community leaders, **Arts & Economic Prosperity 5** offers a clear and welcome message: the arts are an investment that delivers both community well-being and economic vitality.

Arts & Economic Prosperity 5 (AEP5) is Americans for the Arts' fifth economic impact study of the nation's nonprofit arts and cultural organizations and their audiences. By every measure, the results are impressive. Nationally, the nonprofit arts industry generated \$166.3 billion of economic activity in 2015—\$63.8 billion in spending by arts and cultural organizations and an additional \$102.5 billion in event-related expenditures by their audiences. This activity supported 4.6 million jobs and generated \$27.5 billion in revenue to local, state, and federal governments (a yield well beyond their collective \$5 billion in arts allocations). AEP5 is the most comprehensive study of its kind ever conducted. It provides detailed economic impact findings on 341 study regions representing all 50 states and the District of Columbia. Data was gathered from 14,439 organizations and 212,691 arts event attendees, and our project economists customized input-output models for each and every study region to ensure reliable and actionable localized results.

When Americans for the Arts published its first economic impact study in 1994, it worked with 33 local communities. As evidence of the value of these studies, AEP5 has grown this local participation ten-fold. We also have witnessed a corresponding growth in the understanding of the economic value of the arts. The U.S. Bureau of Economic Analysis, for example, now publishes an annual *Arts & Cultural Production Satellite Account*, which extends beyond the nonprofit sector to include the full breadth of commercial and for-profit arts, education, and individual artists, and lists the sector as a \$730 billion industry (4.2 percent of the nation's GDP—a larger share of the economy than

transportation, tourism, agriculture, and construction). As another example, many state and local governments have established agencies to track and grow their creative economy.

What continues to set AEP5 apart from other studies is exactly why it is so useful: it uses localized research that not only focuses on arts organizations—but also incorporates the event-related spending by their audiences. When patrons attend an arts event, they may pay for parking, eat dinner at a restaurant, enjoy dessert after the show, and return home to pay the babysitter. The study found that the typical attendee spends \$31.47 per person, per event beyond the cost of admission. AEP5 also shows that one-third of attendees (34 percent) traveled from outside the county in which the arts event took place. Their event-related spending was more than twice that of their local counterparts (\$47.57 vs. \$23.44). What brought those visitors to town? Two-thirds (69 percent) indicated that the primary purpose for their visit was to attend that arts event. The message is clear: a vibrant arts community not only keeps residents and their discretionary spending close to home, it also attracts visitors who spend money and help local businesses thrive.

AEP5 demonstrates that the arts provide both cultural and economic benefits. No longer do community leaders need to feel that a choice must be made between arts funding and economic development. **Arts & Economic Prosperity 5** proves that they can choose both. Nationally as well as locally, the arts mean business.

“Even in a strong economy, some may perceive the arts as an unaffordable luxury. Fortunately, this rigorous report offers evidence that the nonprofit arts industry provides not just cultural benefits to our communities, but also makes significant positive economic contributions to the nation’s financial well-being regardless of the overall state of the economy. The arts as a driver of employment, vibrancy, tourism, and building a creative workforce is certainly something to applaud.”

— Jonathan Spector
President & CEO
The Conference Board

The Economic Impact of the Nonprofit Arts and Culture Industry in Lincoln County

Arts & Economic Prosperity 5 provides evidence that the nonprofit arts and culture sector is a significant industry in Lincoln County—one that generates \$10.4 million in total economic activity. This spending—\$1.6 million by nonprofit arts and cultural organizations and an additional \$8.8 million in event-related spending by their audiences—supports 272 full-time equivalent jobs, generates \$5.1 million in household income to local residents, and delivers \$1 million in local and state government revenue. This economic impact study sends a strong signal that when we support the arts, we not only enhance our quality of life, but we also invest in Lincoln County’s economic well-being.

This Arts & Economic Prosperity 5 study documents the economic impact of the nonprofit arts and culture sector in 341 study regions—113 cities, 115 counties, 81 multicounty or multicounty regions, 20 states, and 12 arts districts—representing all 50 U.S. states and the District of Columbia. The diverse study regions range in population (1,500 to four million) and type (rural to large urban). Economists customized input-output models to calculate specific and reliable findings for each study region. This study focuses solely on the economic impact of nonprofit arts and cultural organizations and event-related spending by their audiences. Spending by individual artists and the for-profit arts and culture sector (e.g., Broadway or the motion picture industry) are excluded from this study.

The geographic area analyzed in this unique report is defined as **Lincoln County, Oregon**.

Defining Economic Impact

This proprietary study methodology uses four economic measures to define economic impact: full-time equivalent jobs, resident household income, and local and state government revenues.

Full-Time Equivalent (FTE) Jobs describes the total amount of labor employed. An FTE job can be one full-time employee, two half-time employees, etc. Economists measure FTE jobs, not the total number of employees, because it is a more accurate measure that accounts for part-time employment.

Resident Household Income (often called Personal Income) includes salaries, wages, and entrepreneurial income paid to residents. It is the money residents earn and use to pay for food, shelter, utilities, and other living expenses.

Revenue to Local and State Government includes revenue from local and state taxes (e.g., income, sales, lodging, real estate, personal property, and other local option taxes) as well as funds from license fees, utility fees, filing fees, and other similar sources. Local government revenue includes funds to governmental units such as city, county, township, and school districts, and other special districts.

Economic Impact of Spending by the Nonprofit Arts and Culture Industry (Combined Spending by Both Organizations and Their Audiences) in Lincoln County

In communities coast-to-coast, from our smallest towns to our largest cities, America's 100,000 nonprofit arts and cultural organizations make their communities more desirable places to live and work every day of the year.

The arts and culture provide inspiration and joy to residents, beautify public spaces, and strengthen the social fabric of our communities. Nonprofit arts and cultural organizations are also businesses. They employ people locally, purchase goods and services from other local businesses, and attract tourists. Event-related spending by arts audiences generates valuable revenue for local merchants such as restaurants, retail stores, parking garages, and hotels.

During fiscal year 2015, spending by both Lincoln County's nonprofit arts and cultural organizations and their audiences totaled **\$10.4 million**. The table below demonstrates the total economic impact of these expenditures.

TABLE 1: Total Economic Impact of the Nonprofit Arts and Culture Industry in Lincoln County (Combined Spending by Nonprofit Arts and Cultural Organizations <u>and</u> Their Audiences)			
	Lincoln County	Median of Similar Study Regions <i>Pop. = Fewer than 50,000</i>	National Median
Total Industry Expenditures	\$10,423,985	\$5,334,433	\$35,750,645
Full-Time Equivalent Jobs	272	147	1,131
Resident Household Income	\$5,056,000	\$3,111,500	\$23,154,000
Local Government Revenue	\$529,000	\$238,000	\$1,407,000
State Government Revenue	\$515,000	\$347,500	\$1,961,000

The Arts Improve the Economy ... and the Quality of our Personal Lives

- ✓ **82 percent** of Americans believe the arts & culture are important to local businesses and the economy
- ✓ **87 percent** of Americans believe the arts & culture are important to quality of life

Source: Americans for the Arts' 2016 survey of 3,020 adults by Ipsos Public Affairs

“The success of my family’s business depends on finding and cultivating a creative and innovative workforce. I have witnessed firsthand the power of the arts in building these business skills. When we participate personally in the arts, we strengthen our ‘creativity muscles,’ which makes us not just a better ceramicist or chorus member, but a more creative worker—better able to identify challenges and innovative business solutions.”

— Christopher Forbes, Vice Chairman, Forbes, Inc.

Economic Impact: Total, Direct, Indirect, and Induced

How can a dollar be *respent*? Consider the example of a theater company that purchases a five-gallon bucket of paint from its local hardware store for \$100—a very simple transaction at the outset, but one that initiates a complex sequence of income and spending by both individuals and other businesses.

Following the paint purchase, the hardware store may use a portion of the \$100 to pay the sales clerk who sold the bucket of paint. The sales clerk then respends some of the money for groceries; the grocery store uses some of the money to pay its cashier; the cashier then spends some of the money for rent; and so on.

The hardware store also uses some of the \$100 to purchase goods and services from other businesses, such as the local utility company, and then to buy a new bucket of paint from the paint factory to restock its shelf. Those businesses, in turn, respend the money they earned from the hardware store to buy goods and services from still other local businesses, and so on.

Eventually, the last of the \$100 is spent outside of the community and no longer has a local economic impact. It is considered to have leaked out of the community.

The **total** economic impact describes this full economic effect, starting with the theater’s initial paint purchase and ending when the last of the \$100 leaks out of the community. It is composed of the **direct** economic impact (the effect of the initial expenditure by the theater), as well as the **indirect** and **induced** economic impacts, which are the effects of the subsequent rounds of spending by businesses and individuals, respectively.

Interestingly, a dollar ripples very differently through each community, which is why an input-output model was customized for the unique economy of Lincoln County.

Economic Impact of Spending by Nonprofit Arts and Cultural ORGANIZATIONS in Lincoln County

Nonprofit arts and culture organizations are active contributors to their business community. They are employers, producers, and consumers. They are members of the Chamber of Commerce as well as key partners in the marketing and promotion of their cities, regions, and states. **Spending by nonprofit arts and cultural organizations totaled \$1.6 million in Lincoln County during fiscal year 2015.** This spending is far-reaching: organizations pay employees, purchase supplies, contract for services, and acquire assets within their community. These actions, in turn, support jobs, generate household income, and generate revenue to local and state governments.

Lincoln County's nonprofit arts and cultural organizations provide rewarding employment for more than just administrators, artists, curators, choreographers, and musicians. They also employ financial staff, facility managers, and salespeople. In addition, the spending by these organizations directly supports a wide array of other occupations spanning many industries that provide their goods and services (e.g., accounting, construction, event planning, legal, logistics, printing, and technology).

Data were collected from 10 eligible nonprofit arts and cultural organizations that are located in Lincoln County. Each provided detailed budget information for fiscal year 2015 (e.g., labor, payments to local and nonlocal artists, operations, administration, programming, facilities, and capital expenditures/asset acquisition). The following table demonstrates the total economic impact of their aggregate spending.

TABLE 2: Total Economic Impact of Spending by Nonprofit Arts and Cultural ORGANIZATIONS in Lincoln County			
	Lincoln County	Median of Similar Study Regions <i>Pop. = Fewer than 50,000</i>	National Median
Total Organizational Expenditures	\$1,595,530	\$2,607,677	\$15,727,535
Full-Time Equivalent Jobs	44	75	608
Resident Household Income	\$894,000	\$1,609,000	\$11,441,500
Local Government Revenue	\$38,000	\$52,500	\$592,000
State Government Revenue	\$29,000	\$89,500	\$840,500

Economic Impact Beyond Dollars: Volunteerism

While arts volunteers may not have an economic impact as defined in this study, they clearly have an enormous impact by helping nonprofit arts and cultural organizations function as a viable industry. Arts & Economic Prosperity 5 reveals a significant contribution to nonprofit arts and cultural organizations as a result of volunteerism. **During 2015, a total of 1,253 volunteers donated a total of 42,605 hours to Lincoln County's participating nonprofit arts and cultural organizations. This represents a donation of time with an estimated aggregate value of \$1,003,774** (Independent Sector estimates the dollar value of the average 2015 volunteer hour to be \$23.56). Volunteers can include unpaid professional staff (e.g., executive and program staff, board/commission members), artistic volunteers (e.g., artists, choreographers, designers), clerical volunteers, and service volunteers (e.g., ticket takers, docents, ushers, gift shop volunteers).

The 10 participating organizations reported an average of 125.3 volunteers who volunteered an average of 34.0 hours during 2015, for a total of 4,260.5 hours per organization.

The Value of In-Kind Contributions to Arts Organizations

The organizations were asked about the sources and value of their in-kind support. In-kind contributions are non-cash donations such as materials (e.g., office supplies from a local retailer), facilities (e.g., office or performance space), and services (e.g., printing from a local printer). **The 10 participating nonprofit arts and cultural organizations in Lincoln County reported that they received in-kind contributions with an aggregate value of \$329,535 during fiscal year 2015.** These contributions can be received from a variety of sources including corporations, individuals, local and state arts agencies, and government agencies.

"Investments in arts and culture enhance the quality of life, the third-highest measurement businesses use when gauging development trends—behind skilled labor and highway accessibility but ahead of other factors such as corporate tax rates and incentives. These investments are breathing new life into our downtown areas, creating educational opportunities, and attracting businesses and highly skilled workers to Iowa. Today, nearly 6,000 arts organizations employ 23,000 people in Iowa, and that number jumps to 73,000 when all creative fields are counted. In all, that's about four percent of our workforce."

— Governor Kim Reynolds, Iowa

Economic Impact of Spending by Nonprofit Arts and Cultural AUDIENCES in Lincoln County

The nonprofit arts and culture industry, unlike most industries, leverages a significant amount of event-related spending by its audiences. For example, when patrons attend a cultural event, they may pay to park their car, purchase dinner at a restaurant, shop in nearby stores, eat dessert after the show, and pay a babysitter upon their return home. Attendees from out of town often spend the night in a hotel. This spending generates related commerce for local businesses such as restaurants, parking garages, retail stores, and hotels. Local businesses that cater to arts and culture audiences reap the rewards of this economic activity.

To measure the impact of spending by cultural audiences in Lincoln County, data were collected from 1,463 event attendees during 2016. Researchers used an audience-intercept methodology, a standard technique in which patrons are asked to complete a short survey about their event-related spending (while they are attending the event). In Lincoln County, cultural attendees spent an average of \$41.67 per person, per event as a direct result of their attendance at the event.

The 10 participating nonprofit arts and cultural organizations reported that the aggregate attendance to their events was 211,830 during 2015. **Event-related spending by these attendees totaled \$8.8 million in Lincoln County during fiscal year 2015**, excluding the cost of event admission. The following table demonstrates the total economic impact of this spending.

TABLE 3: Total Economic Impact of Spending by Nonprofit Arts and Cultural AUDIENCES in Lincoln County (excluding the cost of event admission¹)			
	Lincoln County	Median of Similar Study Regions <i>Pop. Fewer than 50,000</i>	National Median
Total Audience Expenditures	\$8,828,455	\$3,011,967	\$18,871,511
Full-Time Equivalent Jobs	228	64	430
Resident Household Income	\$4,162,000	\$1,344,000	\$8,402,500
Local Government Revenue	\$491,000	\$134,500	\$898,000
State Government Revenue	\$486,000	\$165,000	\$1,007,500

¹ Why exclude the cost of admission? The admissions paid by attendees are excluded from the audience analysis because those dollars are captured in the operating budgets of the participating nonprofit arts and cultural organizations and, in turn, are spent by the organizations. This methodology avoids “double-counting” those dollars in the study analysis.

Cultural Tourists Spend More

The 1,463 audience survey respondents were asked to provide the ZIP code of their primary residence, enabling researchers to determine which attendees were local residents (live within Lincoln County) and which were nonresidents (live outside Lincoln County). In Lincoln County, researchers estimate that 69.3 percent of the 211,830 nonprofit arts attendees were residents; 30.7 percent were nonresidents.

Nonresident attendees spent an average of 407 percent more per person than local attendees (\$93.95 vs. \$18.52) as a result of their attendance to cultural events. As would be expected from a traveler, higher spending was typically found in the categories of lodging, meals, and transportation. When a community attracts cultural tourists, it harnesses significant economic rewards.

TABLE 4: Event-Related Spending by Arts and Culture Event Attendees Totaled \$8.8 million in Lincoln County (excluding the cost of event admission)

	Residents	Nonresidents	All Lincoln County Event Attendees
Total Attendance	146,798	65,032	211,830
Percent of Attendees	69.3%	30.7%	100%
Average Dollars Spent Per Attendee	\$18.52	\$93.95	\$41.67
Total Event-Related Expenditures	\$2,718,699	\$6,109,756	\$8,828,455

TABLE 5: Nonprofit Arts and Culture Event Attendees Spend an Average of \$41.67 Per Person in Lincoln County (excluding the cost of event admission)

	Residents	Nonresidents	All Lincoln County Event Attendees
Refreshments/Snacks During Event	\$2.71	\$4.85	\$3.37
Meals Before/After Event	\$10.47	\$31.17	\$16.82
Souvenirs and Gifts	\$1.24	\$6.71	\$2.92
Clothing and Accessories	\$1.25	\$2.79	\$1.73
Ground Transportation	\$1.56	\$7.20	\$3.29
Event-Related Child Care	\$0.18	\$0.07	\$0.15
Overnight Lodging (<i>one night only</i>)	\$0.75	\$40.25	\$12.87
Other	\$0.36	\$0.91	\$0.53
Total Per Person Spending	\$18.52	\$93.95	\$41.67

The Arts Drive Tourism

Each of the nonresident survey respondents (i.e., those who live outside Lincoln County) were asked about the purpose of their trip: **61.7 percent indicated that the primary purpose of their visit to Lincoln County was “specifically to attend this arts/cultural event.”** This finding demonstrates the power of the arts to attract visitors to the community.

The audience-intercept survey also asked nonresident attendees if they would have traveled somewhere else (instead of to Lincoln County) if the event where they were surveyed had not occurred: **40.5 percent of nonresident attendees would have “traveled to a different community to attend a similar cultural event.”**

Of the 30.7 percent of arts attendees who are nonresidents, 43.9 percent reported an overnight lodging expense. Not surprisingly, nonresident attendees with overnight expenses spent considerably more money per person during their visit to Lincoln County than did nonresident attendees without overnight lodging expenses (\$174.10 and \$31.27, respectively). For this analysis, only one night of lodging expenses is counted toward the audience expenditure, regardless of how many nights these cultural tourists actually stayed in the community. This conservative approach ensures that the audience-spending figures are not inflated by non-arts-related spending.

The Arts Retain Local Dollars

The survey also asked local resident attendees about what they would have done if the arts event that they were attending was not taking place: **39.8 percent of resident attendees said they would have “traveled to a different community to attend a similar cultural event.”**

The cultural tourism findings on this page demonstrate the economic impact of the nonprofit arts and culture industry in its truest sense. If a community fails to provide a variety of artistic and cultural experiences, not only will it fail to attract new dollars from cultural tourists, it will also lose the discretionary spending of its own residents who will travel elsewhere for a similar experience.

"As a banker, I have visited businesses in almost every city and town in my state. There is a visible difference in places with a vibrant arts community. I see people looking for places to park, stores staying open late, and restaurants packed with diners. The business day is extended and the cash registers are ringing!"

— Ken Fergeson, Chairman, NBC Oklahoma
Past President, American Bankers Association

Travel Party and Demographic Characteristics of Arts Attendees

The tables below list the audience-intercept survey findings related to travel party size as well as the age, educational attainment, and household income reported by the survey respondents.

TABLE 6: Travel Party and Demographic Characteristics of Arts Audiences in Lincoln County

	Residents	Nonresidents
Travel Party Size		
Average number of adults (18 years or older)	2.1	2.2
Average number of children (younger than 18)	0.2	0.1
Average travel party size	2.3	2.3
Trip Characteristics		
Average number of nights spent away from home as a result of arts event	0.1	1.7
Percentage with any nights spent away from home as a result of arts event	3.2%	69.5%
Percentage attending the arts event or facility (where they were surveyed) for the first time	6.6%	41.8%
Age of Cultural Attendees		
18-34	4.1%	6.4%
35-44	7.6%	6.4%
45-54	10.9%	9.3%
55-64	26.5%	28.7%
65 or Older	50.8%	49.2%
Educational Attainment of Cultural Attendees		
Less than high school	0.4%	0.0%
High school	8.8%	6.5%
2-year college/technical/associates degree	21.9%	14.6%
4-year college/bachelors degree	30.7%	31.3%
Masters degree	28.7%	36.1%
Doctoral degree	9.6%	11.6%
Annual Household Income of Cultural Attendees		
Less than \$40,000	21.8%	13.5%
\$40,000 to \$59,999	20.5%	13.5%
\$60,000 to \$79,999	20.0%	18.6%
\$80,000 to \$99,999	15.3%	17.2%
\$100,000 to \$119,999	9.4%	15.2%
\$120,000 or More	13.0%	22.1%
Civic Engagement of Cultural Attendees		
Percentage that voted in 2016 U.S. presidential election	94.2%	94.7%

“Mayors understand the connection between the arts industry and city revenues. Arts activity creates thousands of direct and indirect jobs and generates billions in government and business revenues. The arts also make our cities destinations for tourists, help attract and retain businesses, and play an important role in the economic revitalization of cities and the vibrancy of our neighborhoods.”

— Oklahoma City Mayor Mick Cornett
President, The United States Conference of Mayors

Conclusion

The nonprofit arts and culture sector is a \$10.4 million industry in Lincoln County—one that supports 272 full-time equivalent jobs and generates \$1 million in local and state government revenue.

Nonprofit arts and cultural organizations are businesses in their own right. They spent \$1.6 million during fiscal year 2015 to employ people locally, purchase goods and services from local establishments, and attract tourists. They also leveraged a remarkable \$8.8 million in additional spending by cultural audiences—spending that pumps vital revenue into restaurants, hotels, retail stores, parking garages, and other local businesses.

This study puts to rest a misconception that communities support arts and culture at the expense of local economic development. In fact, communities that support the arts and culture are investing in an industry that supports jobs, generates government revenue, and is the cornerstone of tourism. This Arts & Economic Prosperity 5 study shows conclusively that **the arts mean business in Lincoln County!**

“A vital component to generating economic growth in our communities can be attributed to supporting and funding the arts. It is apparent that decreased support of the arts has negatively impacted some areas of our country. To compete and thrive in today’s workforce environment it is apparent that supporting the arts helps foster a more creative and innovative workforce that strengthens our economy.”

— Nevada Assemblywoman Maggie Carlton
Co-Chair, National Conference of State Legislatures
Labor & Economic Development Committee

The Arts & Economic Prosperity 5 Calculator

To make it easier to compare the economic impacts of different organizations within Lincoln County (or to calculate updated estimates in the immediate years ahead), the project researchers calculated the economic impact per \$100,000 of direct spending by nonprofit arts and cultural organizations and their audiences.

Economic Impact Per \$100,000 of Direct Spending by ORGANIZATIONS

For every \$100,000 in direct spending by a nonprofit arts and cultural organization in Lincoln County, there was the following total economic impact.

TABLE 7: Ratios of Economic Impact Per \$100,000 of Direct Spending by Nonprofit Arts and Cultural Organizations in Lincoln County			
	Lincoln County	Median of Similar Study Regions <i>Pop. = Fewer than 50,000</i>	National Median
Full-Time Equivalent Jobs	2.76	3.25	3.52
Resident Household Income	\$56,032	\$63,198	\$74,554
Local Government Revenue	\$2,382	\$2,605	\$3,563
State Government Revenue	\$1,818	\$4,887	\$4,891

An Example of How to Use the Organizational Spending Calculator Table (above):

An administrator from a nonprofit arts and cultural organization that has total expenditures of \$250,000 wants to determine the organization's total economic impact on full-time equivalent (FTE) employment in Lincoln County. The administrator would:

1. Determine the amount spent by the nonprofit arts and cultural organization;
2. Divide the total expenditure by 100,000; and
3. Multiply that figure by the FTE employment ratio per \$100,000 for Lincoln County.

Thus, \$250,000 divided by 100,000 equals 2.5; 2.5 times 2.76 (from the top row of data on Table 1 above) equals a total of 6.9 full-time equivalent jobs supported (both directly and indirectly) within Lincoln County by that nonprofit arts and cultural organization. Using the same procedure, the estimate can be calculated for resident household income as well as for local and state government revenue.

Economic Impact Per \$100,000 of Direct Spending by AUDIENCES

The economic impact of event-related spending by arts audiences can also be derived for an individual organization or groups of organizations in Lincoln County.

The first step is to determine the total estimated event-related spending by attendees who are residents of Lincoln County. To derive this figure, first multiply the total attendance by the percentage of attendees that are residents. Then, multiply the result by the average per person event-related expenditure by resident attendees. The result is the total estimated event-related spending by resident attendees.

The second step is to do the same for nonresidents of Lincoln County. To derive this figure, first multiply the total attendance by the percentage of attendees that are nonresidents. Then, multiply the result by the average per person event-related expenditure by nonresident attendees. The result is the total estimated event-related spending by nonresident attendees.

Then, add the results from the first two steps together to calculate the total estimated event-related audience spending. Finally, the ratios of economic impact per \$100,000 in direct spending can then be used to determine the total economic impact of the total estimated audience spending.

TABLE 8: Audience Spending Ratios for the Arts & Economic Prosperity 5 Calculator in Lincoln County (excluding the cost of event admission)

	Residents	Nonresidents
Percent of Attendees	69.3%	30.7%
Average Per Person Event-Related Expenditures	\$18.52	\$93.95

TABLE 9: Ratios of Economic Impact Per \$100,000 of Direct Spending by Nonprofit Arts and Culture Audiences in Lincoln County

	Lincoln County	Median of Similar Study Regions <i>Pop. = Fewer than 50,000</i>	National Median
Full-Time Equivalent Jobs	2.58	2.11	2.46
Resident Household Income	\$47,143	\$45,365	\$52,101
Local Government Revenue	\$5,562	\$4,128	\$4,449
State Government Revenue	\$5,505	\$5,714	\$5,692

An Example of How to Use the Audience Spending Calculator Tables (on the preceding page):

An administrator wants to determine the total economic impact of the 25,000 total attendees to his/her organization's nonprofit arts and cultural events on full-time equivalent (FTE) employment in Lincoln County. The administrator would:

1. Multiply the total attendance by the percentage of attendees that are residents;
2. Multiply the result of step 1 by the average per person event-related expenditure for residents;
3. Multiply the total attendance by the percentage of attendees that are nonresidents;
4. Multiply the result of step 3 by the average per person event-related expenditure for nonresidents;
5. Sum the results of steps 2 and 4 to calculate the total estimated event-related audience spending;
6. Divide the resulting total estimated audience spending by 100,000; and
7. Multiply that figure by the FTE employment ratio per \$100,000 for Lincoln County.

Thus, 25,000 times 69.3% (from Table 8 on the preceding page) equals 17,325; 17,325 times \$18.52 (from Table 8) equals \$320,859; 25,000 times 30.7% (from Table 8) equals 7,675; 7,675 times \$93.95 equals \$721,066; \$320,859 plus \$721,066 equals \$1,041,925, \$1,041,925 divided by 100,000 equals 10.42; 10.42 times 2.58 (from the top row of data on Table 9 on the preceding page) equals a total of 26.9 full-time equivalent jobs supported (both directly and indirectly) within Lincoln County by that nonprofit arts and cultural organization. Using the same procedure, the estimate can be calculated for resident household income as well as for local and state government revenue.

Making Comparisons with Similar Study Regions

For the purpose of this analysis and unique report, **the geographic region being studied is defined as Lincoln County, Oregon.** According to the most recent data available from the U.S. Census Bureau, the population of Lincoln County was estimated to be 46,406 during 2015. For comparison purposes, 458 pages of detailed data tables containing the study results for all 341 participating study regions are located in Appendix B of the National Statistical Report. The data tables are stratified by population, making it easy to compare the findings for Lincoln County to the findings for similarly populated study regions (as well as any other participating study regions that are considered valid comparison cohorts).

The National Summary Report and National Brochure are available both by download (free) and hardcopy (for purchase). The National Statistical Report (more than 500 pages in length) is available by download only. All documents and resources can be found at www.AmericansForTheArts.org/EconomicImpact.

“In Rhode Island, we know cultural excellence is crucial to economic development and the success of businesses large and small. Arts-related industries create jobs, attract investments, and enhance tourism—the economic impact of arts organizations is significant. The arts also play a role in promoting the health and welfare of our military members which makes our communities and our state stronger.”

— Rhode Island Lieutenant Governor Dan McKee
Chair, National Lt. Governors Association

About This Study

This Arts & Economic Prosperity 5 study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 341 communities and regions (113 cities, 115 counties, 81 multi-city or multi-county regions, 20 states, and 12 individual arts districts)—representing all 50 U.S. states and the District of Columbia.

The diverse local communities range in population (1,500 to four million) and type (rural to urban). The study focuses solely on nonprofit arts and cultural organizations and their audiences. The study excludes spending by individual artists and the for-profit arts and entertainment sector (e.g., Broadway or the motion picture industry). Detailed expenditure data were collected from 14,439 arts and culture organizations and 212,691 of their attendees. The project economists, from the Georgia Institute of Technology, customized input-output economic models for each participating study region to provide specific and reliable economic impact data about their nonprofit arts and culture industry: full-time equivalent jobs, household income, and local and state government revenue.

The 250 Local, Regional, and Statewide Study Partners

Americans for the Arts published a Call for Participants in 2015 seeking communities interested in participating in the Arts & Economic Prosperity 5 study. Of the more than 300 potential partners that expressed interest, 250 local, regional, and statewide organizations agreed to participate and complete four participation criteria: identify and code the universe of nonprofit arts and cultural organizations in their study region; assist researchers with the collection of detailed financial and attendance data from those organizations; conduct audience-intercept surveys at cultural events; and pay a modest cost-sharing fee (no community was refused participation for an

inability to pay). Thirty of the 250 partners included multiple study regions as part of their AEP5 participation (e.g., a county as well as a specific city located within the county). As a result, the 250 local, regional, and statewide organizations represent a total of 341 participating study regions.

The Oregon Coast Council on the Arts responded to the 2015 Call for Participants, and agreed to complete the required participation criteria.

Surveys of Nonprofit Arts and Cultural ORGANIZATIONS

Each of the 250 study partners identified the universe of nonprofit arts and cultural organizations that are located in their region(s) using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) coding system as a guideline. The NTEE system—developed by the National Center for Charitable Statistics at the Urban Institute—is a definitive classification system for nonprofit organizations recognized as tax exempt by the Internal Revenue Code. This system divides the entire universe of nonprofit organizations into 10 Major categories, including “Arts, Culture, and Humanities.” The Urban Institute reports that approximately 100,000 nonprofit arts and cultural organizations were registered with the IRS in 2015.

The following NTEE “Arts, Culture, and Humanities” subcategories were included in this study:

- A01 – Alliances and Advocacy
- A02 – Management and Technical Assistance
- A03 – Professional Societies and Associations
- A05 – Research Institutes and Public Policy Analysis
- A11 – Single Organization Support
- A12 – Fund Raising and Fund Distribution
- A19 – Support (not elsewhere classified)
- A20 – Arts and Culture (general)
- A23 – Cultural and Ethnic Awareness
- A24 – Folk Arts
- A25 – Arts Education
- A26 – Arts and Humanities Councils and Agencies
- A27 – Community Celebrations
- A30 – Media and Communications (general)
- A31 – Film and Video
- A32 – Television
- A33 – Printing and Publishing
- A34 – Radio
- A40 – Visual Arts (general)
- A50 – Museums (general)
- A51 – Art Museums
- A52 – Children’s Museums
- A53 – Folk Arts Museums
- A54 – History Museums
- A56 – Natural History and Natural Science Museums
- A57 – Science and Technology Museums
- A60 – Performing Arts (general)
- A61 – Performing Arts Centers
- A62 – Dance
- A63 – Ballet
- A65 – Theatre
- A68 – Music
- A69 – Symphony Orchestras
- A6A – Opera
- A6B – Singing and Choral Groups
- A6C – Bands and Ensembles
- A6E – Performing Arts Schools
- A70 – Humanities (general)
- A80 – Historical Organizations (general)
- A82 – Historical Societies and Historic Preservation
- A84 – Commemorative Events
- A90 – Arts Services (general)
- A99 – Arts, Culture, and Humanities (miscellaneous)

In addition to the organization types listed above, 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, literary arts, and/or media arts. These include government-owned and 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 cultural facilities, and arts programs that are embedded under the umbrella of a nonarts organization or facility (such as a community center or church). In short, if it displays the characteristics of a nonprofit arts and cultural organization, it is included. With rare exception, *for-profit businesses and individual artists are excluded from this study.*

To collect the required financial and attendance information from eligible organizations, researchers implemented a multipronged data collection process. Americans for the Arts partnered with DataArts to collect detailed budget and attendance information about each organization’s fiscal year that ended in 2015. DataArts’ Cultural Data Profile (CDP) is a unique system that enables arts and cultural organizations to enter financial, programmatic, and operational data into a standardized online form. To reduce the survey response burden on participating organizations, and because the CDP collects the detailed information required for this economic impact analysis, researchers used confidential CDP data as the primary organizational data collection mechanism for the Arts & Economic Prosperity 5 study. This primary data collection effort was supplemented with an abbreviated one-page paper version of the survey that was administered to organizations that did not respond to the CDP survey.

Nationally, information was collected from 14,439 eligible organizations about their fiscal year 2015 expenditures, event attendance, in-kind contributions, and volunteerism. Responding organizations had

budgets ranging from \$0 to \$785 million (Smithsonian Institution). Response rates for the 341 communities ranged from 9.5 percent to 100 percent and averaged 54.0 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 nonparticipating eligible organizations. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

In Lincoln County, 10 of the 52 eligible nonprofit arts and cultural organizations identified by the Oregon Coast Council on the Arts participated in this study—a participation rate of 19.2 percent

Surveys of Nonprofit Arts and Cultural AUDIENCES

Audience-intercept surveying, a common and accepted research method, was conducted in all 341 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 212,691 attendees completed a valid survey. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, retail shopping (e.g., gifts and souvenirs), local transportation, and lodging. Data were collected throughout 2016 (to account for seasonality) as well as at a broad range of both paid and free events (a night at the opera will typically yield more audience 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 2.56 people, these data actually represent the spending patterns of more than 544,489 cultural attendees.

In Lincoln County, a total of 1,463 valid audience-intercept surveys were collected from attendees to arts and cultural performances, events, and exhibits during 2016.

Economic Analysis

A common theory of community growth is that an area must export goods and services if it is to prosper economically. This theory is called economic-base theory, and it depends on dividing the economy into two sectors: the export sector and the local sector. Exporters, such as automobile manufacturers, hotels, and department stores, obtain income from customers outside of the community. This "export income" then enters the local economy in the form of salaries, purchases of materials, dividends, and so forth, and becomes income to residents. Much of it is respent locally; some, however, is spent for goods imported from outside of the community. The dollars respent locally have an economic impact as they continue to circulate through the local economy. This theory applies to arts organizations as well as to other producers.

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 cultural 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 respent 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 Lincoln County, project economists customized an input-output

model based on the local dollar flow among 533 finely detailed industries within the unique economy of Lincoln County. 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 cultural organizations and their audiences.

The Input-Output Process

The input-output model is based on a table of 533 finely detailed industries showing local sales and purchases. The local and state economy of each community is researched so the table can be customized for each community. The basic purchase patterns for local industries are derived from a similar table for the U.S. economy for 2012 (the latest detailed data available from the U.S. Department of Commerce). The table is first reduced to reflect the unique size and industry mix of the local economy, based on data from County Business Patterns and the Regional Economic Information System of the U.S. Department of Commerce. It is then adjusted so that only transactions with local businesses are recorded in the inter-industry part of the table. This technique compares supply and demand and estimates the additional imports or exports required to make total supply equal total demand. The resulting table shows the detailed sales and purchase patterns of the local industries. The 533-industry table is then aggregated to reflect the general activities of 32 industries plus local households, creating a total of 33 industries. To trace changes in the economy, each column is converted to show the direct requirements per dollar of gross output for each sector. This direct-requirements table represents the “recipe” for producing the output of each industry.

The economic impact figures for Arts & Economic Prosperity 5 were computed using what is called an “iterative” procedure. This process uses the sum of a power series to approximate the solution to the economic model. This is what the process looks like in matrix algebra:

$$T = IX + AX + A^2X + A^3X + \dots + A^nX.$$

T is the solution, a column vector of changes in each industry’s outputs caused by the changes represented in the column vector X. A is the 33 by 33 direct-requirements matrix. This equation is used to trace the direct expenditures attributable to nonprofit arts organizations and their audiences. A multiplier effect table is produced that displays the results of this equation. The total column is T. The initial expenditure to be traced is IX (I is the identity matrix, which is operationally equivalent to the number 1 in ordinary algebra). Round 1 is AX, the result of multiplying the matrix A by the vector X (the outputs required of each supplier to produce the goods and services purchased in the initial change under study). Round 2 is A²X, which is the result of multiplying the matrix A by Round 1 (it answers the same question applied to Round 1: “What are the outputs required of each supplier to produce the goods and services purchased in Round 1 of this chain of events?”). Each of columns 1 through 12 in the multiplier effects table represents one of the elements in the continuing but diminishing chain of expenditures on the right side of the equation. Their sum, T, represents the total production required in the local economy in response to arts activities.

Calculation of the total impact of the nonprofit arts on the outputs of other industries (T) can now be converted to impacts on the final incomes to residents by multiplying the outputs produced by the ratios of household income to output and employment to output. Thus, the employment impact of changes in outputs due to arts expenditures is calculated by multiplying elements in the column of total outputs

by the ratio of employment to output for the 32 industries in the region. Changes in household incomes, local government revenues, and state government revenues due to nonprofit arts expenditures are similarly transformed. The same process is also used to show the direct impact on incomes and revenues associated with the column of direct local expenditures.

A comprehensive description of the methodology used to complete the national study is available at www.AmericansForTheArts.org/EconomicImpact.

"Americans for the Arts' Arts and Economic Prosperity 5 study is an invaluable tool for Guilford County and counties across the nation. The data it has collected and analyzed provide an unparalleled understanding of the influence of the arts on the economy, locally and nationally. It is vital that we continue to measure the impact of the arts on our economy to show our constituents and the nation its value. We are grateful for the work Americans for the Arts does to help us show what an important asset the arts are in the areas of education and health, both physical and mental, and as an economic driver."

— Kay Cashion, Commissioner, Guilford County, N.C.
Chair, National Association of Counties Arts & Culture Commission

Frequently Used Terms

Cultural Tourism

Travel directed toward experiencing the arts, heritage, and special character of a place.

Direct Economic Impact

A measure of the economic effect of the initial expenditure within a community. For example, when the symphony pays its players, each musician's salary, the associated government taxes, and full-time equivalent employment status represent the direct economic impact.

Direct Expenditures

The first round of expenditures in the economic cycle. A paycheck from the symphony to the violin player and a ballet company's purchase of dance shoes are examples of direct expenditures.

Econometrics

The process of using statistical methods and economic theory to develop a system of mathematical equations that measures the flow of dollars between local industries. The input-output model developed for this study is an example of an econometric model.

Econometrician

An economist who designs, builds, and maintains econometric models.

Full-Time Equivalent (FTE) Jobs

A term that describes the total amount of labor employed. Economists measure FTE jobs—not the total number of employees—because it is a more accurate measure of total employment. It is a manager's discretion to hire one full-time employee, two half-time employees, four quarter-time employees, etc. Almost always, more people are affected than are reflected in the number of FTE jobs reported due to the abundance of part-time employment, especially in the nonprofit arts and culture industry.

Indirect and Induced Economic Impact

This study measures the economic impact of the arts using a methodology that enables economists to track how many times a dollar is respent within the local economy, and thus to measure the economic impact generated by each round of spending. When a theater company purchases paint from the local hardware store, there is a measurable economic effect of that initial expenditure within a community. However, the economic benefits typically do not end there, because the hardware store uses some of its income to pay the clerk that sold the paint, as well as to pay its electric bill and to re-stock the shelves. The indirect and induced economic impacts are the effects of the subsequent rounds of spending by businesses and individuals, respectively. (See the example on Page 5 of this report.)

Input-Output Analysis

A system of mathematical equations that combines statistical methods and economic theory in an area of economic study called econometrics. Economists use this model (occasionally called an inter-industry model) to measure how many times a dollar is respent in, or “ripples” through, a community before it “leaks out” of the local economy by being spent non-locally (see Leakage below). The model is based on a matrix that tracks the dollar flow among 533 finely detailed industries in each community. It allows researchers to determine the economic impact of local spending by nonprofit arts and cultural organizations on jobs, household income, and government revenue.

Leakage

The money that community members spend outside of the local economy. This non-local spending has no economic impact within the community. A ballet company purchasing shoes from a non-local manufacturer is an example of leakage. If the shoe company were local, the expenditure would remain within the community and create another round of spending by the shoe company.

Multiplier (often called Economic Activity Multiplier)

An estimate of the number of times that a dollar changes hands within the community before it leaks out of the community (for example, the theater pays the actor, the actor spends money at the grocery store, the grocery store pays its cashier, and so on). This estimate is quantified as one number by which all expenditures are multiplied. For example, if the arts are a \$10 million industry and a multiplier of three is used, then it is estimated that these arts organizations have a total economic impact of \$30 million. The convenience of a multiplier is that it is one simple number; its shortcoming, however, is its reliability. Users rarely note that the multiplier is developed by making gross estimates of the industries within the local economy with no allowance for differences in the characteristics of those industries, usually resulting in an overestimation of the economic impact. In contrast, the input-output model employed in Arts & Economic Prosperity 5 is a type of economic analysis tailored specifically to each community and, as such, provides more reliable and specific economic impact results.

Resident Household Income (often called Personal Income)

The salaries, wages, and entrepreneurial income residents earn and use to pay for food, mortgages, and other living expenses. It is important to note that resident household income is not just salary. When a business receives money, for example, the owner usually takes a percentage of the profit, resulting in income for the owner.

Revenue to Local and State Government

Local and state government revenue is not derived exclusively from income, property, sales, and other taxes. It also includes license fees, utility fees, user fees, and filing fees. Local government revenue includes funds to city and county government, schools, and special districts.

Frequently Asked Questions

How were the 341 participating communities and regions selected?

In 2015, Americans for the Arts published a Call for Participants for communities interested in participating in the Arts & Economic Prosperity 5 study. Of the more than 300 participants that expressed interest, 250 agreed to participate and complete four participation criteria: (1) identify and code the universe of nonprofit arts and cultural organizations in their study region; (2) assist researchers with the collection of detailed financial and attendance data from those organizations; (3) conduct audience-intercept surveys at cultural events; and (4) pay a modest cost-sharing fee (no community was refused participation for an inability to pay). Thirty of the 250 partners included multiple regions as part of their participation (e.g., a county as well as a city located within the county); as a result, the 250 local, regional, and statewide partners represent a total of 341 participating study regions.

How were the eligible nonprofit arts organizations in each community selected?

Local partners attempted to identify their universe of nonprofit arts and cultural organizations using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) codes as a guideline. Eligible organizations included those whose primary purpose is to promote appreciation for and understanding of the visual, performing, folk, and media arts. Government-owned and 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 cultural facilities, and arts programs that are embedded under the umbrella of a non-arts organization or facility (such as a hospital or church) also were included if they play a substantial role in the cultural life of the community. For-profit businesses and individual artists are excluded from this study.

What type of economic analysis was done to determine the study results?

An input-output economic analysis was customized for each of the participating study regions to determine the economic impact its nonprofit arts and cultural organizations and arts audiences. Americans for the Arts, which conducted the research, worked with highly regarded economists to design the input-output models.

What other information was collected in addition to the arts surveys?

In addition to detailed expenditure data provided by the surveyed organizations and cultural attendees, researchers and economists collected extensive wage, labor, tax, and commerce data provided by the U.S. Department of Commerce (County Business Patterns, the Regional Economic Information System, and the Survey of State and Local Finance), as well as local and state tax data for use in the input-output analyses.

Why doesn't this study use a multiplier?

When many people hear about an economic impact study, they expect the result to be quantified in what is often called a multiplier or an economic activity multiplier. The economic activity multiplier is an estimate of the number of times a dollar changes hands within the community (e.g., a theater pays its actor, the actor spends money at the grocery store, the grocery store pays the cashier, and so on). It is quantified as one number by which expenditures are multiplied. The convenience of the multiplier is that it is one simple number. Users rarely note, however, that the multiplier is developed by making gross estimates of the industries within the local economy

and does not allow for differences in the characteristics of those industries. Using an economic activity multiplier usually results in an overestimation of the economic impact and therefore lacks reliability.

Why are the admissions expenses excluded from the analysis of audience spending?

Researchers assume that any admissions dollars paid by event attendees are typically collected as revenue for the organization that is presenting the event. The organization then spends those dollars. The admissions paid by audiences are excluded because those dollars are captured in the operating budgets of the participating nonprofit arts and cultural organizations. This methodology avoids “double-counting” those dollars in the analysis.

How is the economic impact of arts and culture organizations different from other industries?

Any time money changes hands there is a measurable economic impact. Social service organizations, libraries, and all entities that spend money have an economic impact. What makes the economic impact of arts and culture organizations unique is that, unlike most other industries, they induce large amounts of related spending by their audiences. For example, when patrons attend a performing arts event, they may purchase dinner at a restaurant, eat dessert after the show, and return home and pay the baby-sitter. These expenditures have a positive and measurable impact on the economy.

Will my local legislators believe these results?

Yes, this 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 in particular. The user may need to explain (1) the study methodology used; (2) that economists created an input-output model for each community and region in the study; and (3) the difference between input-output analysis and a multiplier. The good news is that as the number of economic impact studies completed by arts organizations and other special interest areas increases, so does the sophistication of community leaders whose influence these studies are meant to affect. Today, most decision makers want to know what methodology is being used and how and where the data were gathered.

You can be confident that the input-output analysis used in this study is a highly-regarded model in the field of economics (the basis of two Nobel Prizes in economics). However, as in any professional field, there is disagreement about procedures, jargon, and the best way to determine results. Ask 12 artists to define art and you may get 12 answers; expect the same of economists. You may meet an economist who believes that these studies should be done differently (for example, a cost-benefit analysis of the arts).

How can a community not participating in the Arts and Economic Prosperity 5 study apply these results?

Because of the variety of communities studied and the rigor with which the Arts & Economic Prosperity 5 study was conducted, nonprofit arts and cultural organizations located in communities that were not part of the study can estimate their local economic impact. Estimates can be derived by using the Arts & Economic Prosperity 5 Calculator (found at www.AmericansForTheArts.org/EconomicImpact). Additionally, users will find sample PowerPoint presentations, press releases, Op-Ed, and other strategies for proper application of their estimated economic impact data.

Acknowledgments

Americans for the Arts expresses its gratitude to the many people and organizations who made *Arts & Economic Prosperity 5: The Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences in Lincoln County* possible and assisted in its development, coordination, and production. A study of this size cannot be completed without the collaboration of many partnering organizations.

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Lincoln County's Participating Nonprofit Arts and Cultural Organizations

This study could not have been completed without the cooperation of the 10 nonprofit arts and cultural organizations in Lincoln County, listed below, that provided detailed financial and event attendance information about their organization.

Driftwood Library Foundation of Lincoln City; Lincoln City Cultural Center; Lincoln County Oregon Music Teachers Association; New Visions Arts; Newport Symphony Orchestra; Oregon Coast Council for The Arts; Polly Plumb Productions; Porthole Players Ltd; Toledo Public Library; and Yaquina River Museum of Art.

Lincoln County's Participating Cultural Event Attendees

Additionally, this study could not have been completed without the cooperation of the 1,463 arts and cultural audience members who generously took the time to complete the audience-intercept survey while attending a performance, event, or exhibit within Lincoln County during calendar year 2016.



AMERICANS FOR THE ARTS IS THE NATION'S LEADING NONPROFIT ORGANIZATION FOR ADVANCING THE ARTS IN AMERICA. ESTABLISHED IN 1960, WE ARE DEDICATED TO REPRESENTING AND SERVING LOCAL COMMUNITIES AND CREATING OPPORTUNITIES FOR EVERY AMERICAN TO PARTICIPATE IN AND APPRECIATE ALL FORMS OF THE ARTS.



The following national organizations partner with Americans for the Arts to help public- and private-sector leaders understand the economic and social benefits that the arts bring to their communities, states, and the nation.

Cover: Andrew Shurtleff Photography

(Clockwise from Top) Concert for Miami, Knight Concert Hall, Miami-Dade, FL.; Photos from the Broward 100 'InsideOut' campaign "Creatives Making a Difference in Hollywood". Presented by the Community Redevelopment Agency of Hollywood and supported by the Downtown Hollywood Mural Project and the Art and Cultural Center of Hollywood, FL. Photo by Jill Weisberg.; The Pool, El Paso Museums & Cultural Affairs Department, TX. Photo by Jen Lewin.; Dancer at outdoor performance. Fulton County Arts Council, GA. Photo by CGC Studios.

