

ARTS AND THE KENTUCKY ECONOMY

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**Center for Business and Economic Research
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UNIVERSITY OF KENTUCKY
CAROL MARTIN GATTON
COLLEGE of BUSINESS and ECONOMICS



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TABLE OF CONTENTS

Executive Summary	1
Introduction	2
Value of the Arts to Kentucky Residents and Arts Patrons	5
Performing Arts Centers	12
Arts Organizations	17
Individual Artists	23
Individual Crafts Artists	28
Comparison with Other Industries	31
Conclusion	33

ARTS AND THE KENTUCKY ECONOMY

TABLES

Table 1:	Attendance and Support for Arts Performances in Kentucky Households	6
Table 2:	Willingness to Pay (WTP) for a Change in the Number of Arts Performances in Kentucky	7
Table 3:	Attendance and Support for Arts Performances: All Kentucky Households versus Patron Households	9
Table 4:	Willingness to Pay (WTP) for a Change in the Number of Arts Performances in Kentucky	10
Table 5:	Household Spending on an Average Trip to an Arts Event	11
Table 6:	Arts and Non-arts Events at Performing Arts Centers	13
Table 7:	Paid Employment and Volunteer Workers at Performing Arts Centers in the Four Regions	14
Table 8:	State Economic Impact of Performing Arts Centers	15
Table 9:	County Economic Impact of Performing Arts Centers by Region	16
Table 10:	1996 Revenue and Economic Impact of Arts Organizations (affiliated with the Kentucky Arts Council) on Kentucky	19
Table 11:	1996 Revenue and Economic Impact of Arts Organizations (affiliated with the Kentucky Arts Council) on Kentucky Counties	20
Table 12:	1996 Grants and Sales and Economic Impact of Kentucky Artists (affiliated with the Kentucky Arts Council)	24
Table 13:	1996 Sales and Economic Impact of Kentucky Crafts Artists (affiliated with the Kentucky Arts Council and the Kentucky Craft Marketing Program): State and County Impacts	30

FIGURES

Figure 1:	Four Regions in Kentucky	4
Figure 2:	Location of 12 Performing Arts Centers in Kentucky	12
Figure 3:	Percent of Arts Organizations Involved in Each Category of Arts Activity	17
Figure 4:	Percent of Artists Involved in Each Category of Arts Activity	23
Figure 5:	Percent of Crafts Artists Working with Each Type of Material	28
Figure 6:	Direct Employment in the Arts and Comparison Industries	31
Figure 7:	Employment Due to the Multiplier Effect	32

*Executive
Summary*

ARTS ACTIVITIES SERVE AN IMPORTANT ROLE IN THE KENTUCKY ECONOMY. INDIVIDUAL ARTISTS as well as employees at performing arts centers and arts organizations all receive income as a result of their involvement in the arts. These people then spend their income on goods and services, which circulates throughout the economy. In addition, people attending arts performances spend money at restaurants, lodging, and shopping near the arts events. This creates an additional impact on the economy.

The Center for Business and Economic Research (CBER) at the University of Kentucky has conducted a study of the economic impact of the arts in Kentucky. This study was sponsored by the Kentucky Arts Council and the Kentucky Center for the Arts. The study examines both the economic impact of the arts as well as the contribution of the arts to the quality of life of Kentuckians. Surveys were sent to individual artists and crafts artists, performing arts centers and arts organizations, and Kentucky residents and arts patrons to help to determine the economic impact and importance of the arts to people in Kentucky. In general, estimates for artists, crafts artists, and arts organizations will underestimate the true impact because surveys were sent only to individuals and organizations on lists provided by the Kentucky Arts Council. These lists do not contain all artists and organizations in Kentucky. Below are several important results from this study.

- It was estimated that individual artists and crafts artists as well as employees working at arts organizations and performing arts centers had \$77.4 million in earnings in the last year.
- The economic impact of the arts in Kentucky due to arts spending, arts donations, and spending at restaurants, hotels, and shopping near arts events was estimated to be \$41.5 million in worker income and 2,400 full-time equivalent jobs in the last year.
- The economic impact of arts organizations alone in Kentucky was \$22.0 million in worker earnings and 1,324 jobs in the last year.
- Kentucky households would be willing to pay \$10.9 million to expand the number of arts performances in Kentucky by 25% and \$21.8 million to avoid a 25% decline.
- Nearly 1,270,000 people attended events hosted or produced by the 12 performing arts centers in Kentucky in the last year. Employees at these centers earned \$9.3 million in income in the last year.

Introduction

ARTS ACTIVITIES HAVE A CULTURAL AND EDUCATIONAL IMPACT ON THE RESIDENTS OF A STATE. People attend arts performances or receive instruction in an arts education class and become enriched with artistic knowledge and understanding.

But just like any other activity in an economy, arts activities also have important effects upon a state's or region's economy. Many people are employed in the "business" of creating, performing, producing, and teaching the arts, and these people receive income just like other workers in the economy. Likewise, be it individual artists producing art or larger organizations staging arts performances, arts activities require various goods and services that must be purchased within an economy. All of these factors contribute to the economic impacts that the arts can have on the economy.

This economic impact occurs because patron purchases, government spending, and private donations to the arts in Kentucky all support arts activities that enrich the culture and make recreational activities available in the state. The enriched culture and recreational activities naturally improve the quality of life in Kentucky, which is valued by state residents. These amenities also bring new money into the state as out-of-state residents purchase Kentucky-produced visual arts or literature, or attend arts performances in Kentucky.

Artists, crafts artists, and employees at arts organizations and performing arts centers earned \$77.4 million in the last year.

This study develops an estimate of the economic impact of the arts in Kentucky. These estimates are developed primarily through a group of surveys of artists, crafts artists, arts organizations, performing arts centers, arts patrons, and citizens in the Commonwealth of Kentucky. The result is an estimate of the economic impact of arts activities dispersed throughout Kentucky. The study was prepared by the University of Kentucky's Center for Business and Economic Research (CBER) and sponsored by the Kentucky Arts Council and the Kentucky Center for the Arts.

One source of these economic impacts is money flowing into Kentucky as a result of arts activities. This can occur when artists and crafts artists sell their work to residents of other states, or when residents of other states attend performances staged by Kentucky arts organizations or held at regional performing arts centers. To obtain an estimate of these types of sales, surveys were sent to approximately 600 artists, 200 crafts artists, 400 arts organizations, and 12 performing arts centers in Kentucky. Estimates from the surveys indicate that artists and crafts artists as well as individuals working at arts organizations and performing arts centers earned \$77.4 million in earnings in the last year. This income was divided among 3,100 full-time workers, 430 part-time workers, and 4,600 temporary workers. The economic impact of

ARTS AND THE KENTUCKY ECONOMY

the arts in Kentucky due to arts spending, arts donations, or spending at restaurants, hotels, and shopping near arts events was estimated to be \$41.5 million and 2,400 full-time equivalent jobs. The economic impact of arts organizations alone was \$22.0 million of worker income and 1,324 jobs in the last year. Furthermore, nearly 1,270,000 people attended events hosted or produced by performing arts centers in Kentucky in the last year.

When interpreting these figures, it is important to keep in mind that most survey recipients—including artists, crafts artists, and arts organizations—were identified based on lists available from the Kentucky Arts Council. This implies that the economic impact estimate is for individuals and organizations that have had contact with the Kentucky Arts Council and not necessarily for the entire population of artists, crafts artists, and organizations in the state. Thus, the figure is an underestimate of the total economic impact of the arts in Kentucky.

Kentucky households would be willing to pay \$21.8 million to avoid a 25% decline in the number of arts performances in Kentucky.

In addition to economic impacts, the arts can be important because they contribute to the state's quality of life. Just as good schools, low crime, and a pleasant climate can add to a place's quality of life, so can a vibrant and diverse arts environment. Residents may value the arts because they provide entertainment opportunities or because they perceive the arts as important enrichment for their children's education.

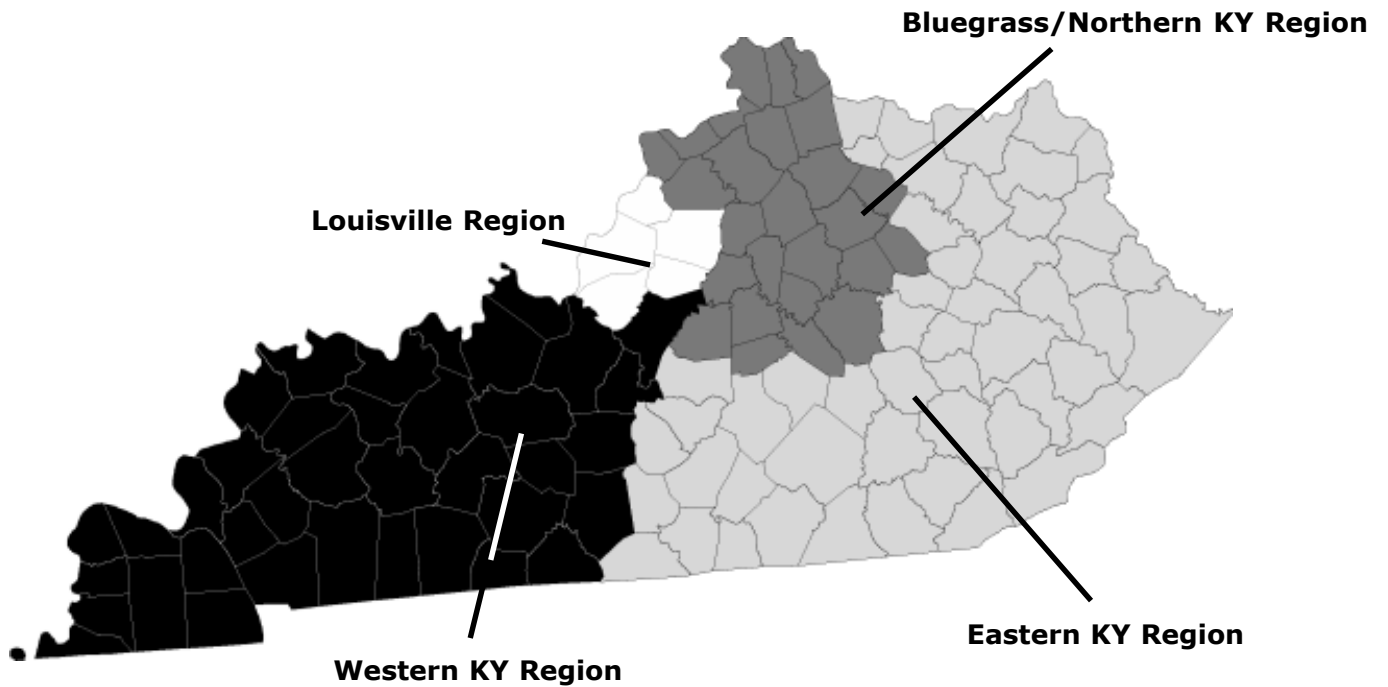
This value that Kentucky residents place on the arts because the arts impact their quality of life was measured in a different way from that of the economic impact of artists, organizations, and performing arts centers. Surveys were sent to 600 randomly selected Kentucky households as well as 600 additional households whose members regularly attend arts performances. Households were asked to comment on their willingness to pay to preserve or expand funding for arts performances and individual artists in Kentucky.

It was estimated that Kentucky households together would be willing to pay \$10.9 million in order to expand the number of arts performances in Kentucky by 25%, while Kentucky households would be willing to pay \$21.8 million in order to avoid a 25% decline in the number of arts performances in Kentucky. These payments were in addition to any money that Kentucky residents would need to spend in order to purchase tickets to arts events. In general, arts patron households were willing to pay more than the average Kentucky household to expand the number of arts events, or to avoid a reduction in the number of arts events.

ARTS AND THE KENTUCKY ECONOMY

In addition to this statewide analysis, economic impacts also were estimated for counties within four regions of the state. These four regions are depicted on the map in Figure 1 and roughly comprise the following areas: the Louisville metropolitan area (excluding Indiana counties), the Bluegrass (Lexington)/Northern Kentucky region, Eastern Kentucky, and Western Kentucky. In general, the largest economic impact due to the arts occurred in the counties in the Louisville region.

FIGURE 1
Four Arts Regions in Kentucky



*Value of the Arts
to Kentucky
Residents and
Arts Patrons*

SURVEYS WERE USED TO ASSESS THE VALUE THAT KENTUCKY RESIDENTS PLACE ON THE ARTS. Two sets of surveys were taken. The first survey was sent to a random sample of Kentucky residents. Residents were asked about their spending at arts events, and their current level of donations to arts organizations. This survey also asked residents about their willingness to pay money in order to either expand the number of arts performances and funding for artists in Kentucky or avoid a reduction in performances. This gives an estimate of how Kentucky residents would value a change in the level of arts performances in Kentucky. In addition, a second survey was taken of Kentucky arts patrons, that is, people who attend arts events. This made it possible to compare the responses of arts patron households with those of average Kentucky households.

The survey of Kentucky residents was mailed to a random sample of 600 Kentucky households throughout the state. Two separate mailings of the survey were used. Surveyed households were more concentrated in the larger urban areas of Kentucky since many residents of the state live in these areas. However, many of the surveyed residents live in rural areas, reflecting the large rural population of Kentucky. A total of 120 resident surveys were returned, giving a 20% return rate.

*Thirty-three percent of
Kentucky households
donated money to arts
organizations in the last
year.*

The survey showed that a substantial share of residents attend and support arts performances:

- 53% of respondents indicated that a member of their household had attended an arts performance in the last 12 months.

The attendance rate cited above was very similar to the rate found in another survey that questioned Kentucky residents about their participation in the arts. The same question about attendance at arts events was also asked in the 1997 Fall Poll conducted by the University of Kentucky Survey Research Center. That survey was taken from a random sample of Kentucky households and had a response rate well over 50%. That survey found that 47% of Kentucky households had attended an arts performance in the last 12 months, compared to 53% in the CBER survey. This suggests that the CBER study reached a representative sample of Kentucky households.

The CBER survey also showed the following results for Kentucky households:

- 33% had donated money to arts organizations in the last year.

ARTS AND THE KENTUCKY ECONOMY

- 12% had donated time to arts organizations in the last year and 12% made in-kind donations. These in-kind donations included donations of costume clothing, construction materials, and musical instruments.

The average Kentucky household spent a substantial amount of money attending and supporting arts performances. Figures in Table 1 give the average amount and spending on attendance and donations by Kentucky households. These averages reflect both households that did attend and donate and households that did not attend or donate.

- The average Kentucky household spent \$104.03 attending arts performances and events in the last year. Members of Kentucky households on average attended three arts performances during the year.
- Kentucky households on average donated \$48.73 to arts organizations in the last year.
- Kentucky households on average donated 6.93 hours in the last year to arts organizations. At the minimum wage of \$5.25 per hour, the value of this volunteered time is \$36.39 per household. (The minimum wage is less than most workers make. Volunteer time, however, is likely worth less than a worker's hourly wage.)
- Kentucky households on average made in-kind donations of \$9.34 in the last year.

Given that it is estimated that there were approximately 1.48 million households in Kentucky last year, it is possible to estimate total donations and spending of Kentucky households. These estimates are in Table 1. One very interesting figure is the total value of donations by Kentucky households to support arts organizations through

TABLE 1
Attendance and Support for Arts Performances in Kentucky Households

<i>Category</i>	% of Respondents Participating	<i>Spending or Donations</i>	
		Average Household (1996\$)	All Households (Millions 1996\$)
Spending on Attending Performances	53%	\$104.03	\$154.0
Money Donations	33%	48.73	72.1
Time Donations	12%	36.39 (7hrs)	53.9
In-Kind Donations	12%	9.34	13.8
Total Spending or Donations			\$293.8
Total Donations			\$139.8

ARTS AND THE KENTUCKY ECONOMY

donating money, time, or in-kind donations. The value of these donations give a minimum estimate of the difference between the value that Kentuckians place on the arts and the amount they pay for arts performances through ticket purchases.

- The total value of money, time, and in-kind donations was \$139.8 million in the last year.

The survey also asked households about their willingness to donate money in order to change the number of arts performances, or to avoid a change. Roughly, one-third of the surveys asked residents about their willingness to pay in order to fund a 25% expansion in the number of arts performances in Kentucky and funding for individual artists. One-third were asked about their willingness to pay in order to avoid a 25% decline in performances and funding for artists. Another one-third were asked about their willingness to pay in order to avoid a 50% decline. (A low response rate made it difficult to calculate an accurate estimate of willingness to pay to avoid a 50% decline in arts performances, so this is not reported.)

- As seen in Table 2, results suggest that the average Kentucky household would be willing to pay \$7.38 to increase the number of arts performances by 25%, including those at performing arts centers. This suggests that all Kentucky households would be willing to pay \$10.9 million to fund a 25% expansion in arts performances, in addition to purchasing tickets to those performances.

TABLE 2
Willingness to Pay (WTP) for a Change in the
Number of Arts Performances in Kentucky

	Average Household (1996\$)	Total All Households (Millions 1996\$)
WTP for a 25% increase	\$7.38	\$10.9
WTP to avoid a 25% reduction	\$14.76	\$21.8
WTP to avoid a 50% reduction	-	-

Note: Results for the 50% reduction were statistically insignificant due to a small sample size and are not reported.

ARTS AND THE KENTUCKY ECONOMY

- Estimates in Table 2 indicate that the average Kentucky household would be willing to pay \$14.76 to avoid a 25% reduction in the number of arts performances. All Kentucky households would be willing to pay \$21.8 million to avoid the reduction.

Respondents willing to make a donation also were asked why they had been willing to pay to support the arts in Kentucky. For the most part, respondents were willing to pay to support the arts because their own household attends arts events. For 24% of residents who were willing to make a donation, the most important reason for doing so was because “someone in my household would attend some arts performances or exhibits.” Another 59% indicated that their main reason for donating was that “I want arts performances or exhibits to exist because they enrich the culture.” However, most of these respondents also had attended arts events in the last year, so their motivation for support also may have been linked to their use of arts events.

The average arts patron in Kentucky spent \$275.40 on arts performances and donated \$210.87 to arts organizations in 1996.

There were some respondents, however, who were motivated to support the arts for other reasons. These respondents were motivated to donate simply because they perceived a value to the existence of art, even though they did not attend arts events. In addition to these respondents placing a value on the existence of art, there were some respondents motivated to donate because they perceived an option value for art. Twelve percent of respondents indicated that their main reason for being willing to make a donation was that “someone in my household will not necessarily attend an arts performance or exhibit but I want the performance or exhibit to take place in case someone wants to attend.” These respondents were willing to support the arts to preserve the option to attend arts performances.

In addition to all Kentucky residents, a subsample of Kentucky households that contains arts patrons was also surveyed. Arts patrons were defined as households containing persons who have attended arts events in recent years or who donate money to the arts. Surveys were sent to a random sample of 600 arts patron households in Kentucky. The sample of patrons was taken based on a list of arts patrons obtained from nine arts organizations in Kentucky. These arts organizations were also located throughout the state. A total of 257 patron surveys were returned for a response rate of 43%.

ARTS AND THE KENTUCKY ECONOMY

Arts patrons who responded to the survey not only attended arts events but also contributed a great deal to arts organizations.

- Roughly 95% of patrons who responded to the survey had attended an arts performance or exhibit within the last 12 months. The average patron household paid \$275.40 on tickets to attend arts events in the last year.
- Many arts patrons also donated money to arts organizations in Kentucky. Money was donated by 65% of arts patrons. The average arts patron donated \$210.87 to arts organizations in the last year.
- Arts patrons also donated their time. Twenty-four percent of arts patrons donated their time to arts organizations. The average arts patron donated roughly seven hours of time in the last year.
- Another 10% of arts patrons made in-kind donations to arts organizations such as donating clothing, construction materials, and musical instruments. The average arts patron made \$30.08 of in-kind donations in the last year.

TABLE 3
Attendance and Support for Arts Performances:
All Households versus Patron Households

	All Households	Patron Households
<i>Percent of Households Participating</i>		
Percent Attending Arts Performances	53%	93%
Percent Donating Money	33%	65%
Percent Volunteering Time	12%	24%
Percent Making In-Kind Donations	12%	13%
<i>Average Value or Hours</i>		
Average Spending on Performances	\$104.03	\$275.40
Average Donation	\$48.73	\$216.87
Average Hours Volunteered	\$36.39 (7hrs)	\$34.34 (7hrs)
Average In-Kind Donation	\$9.34	\$30.08

ARTS AND THE KENTUCKY ECONOMY

Table 3 compares the attendance and donations of all Kentucky households with those of patron households.

- Note that the greatest difference other than greater attendance is that arts patron households are much more likely to donate money and have a much larger donation per household.
- Patron households also gave greater average in-kind donations.
- However, patron households did not volunteer more time on average than all households.

As might be expected, arts patrons also were willing to pay more than the average household for an increase in arts performances in Kentucky, or to avoid a decrease. As with the resident survey, one-third of patrons were asked about their willingness to pay for a 25% increase in arts performances, one-third were asked about a 25% decrease in performances, and one-third about a 50% decrease. Results are reported in Table 4 and compared with responses for all households. No estimate is made of the total willingness to pay by all patron households in Kentucky, since the total number of patron households is unknown.

- The average patron household would be willing to pay \$32.45 a year to increase the number of performances by 25%, including those at performing arts centers.
- The average patron household would be willing to pay \$25.10 a year to avoid a 25% decline in the number of arts performances and \$44.34 to avoid a 50% decline.

TABLE 4
Willingness to Pay (WTP) for a Change in the
Number of Arts Performances in Kentucky

	Average Household (1996\$)	Average Patron Household (1996\$)
WTP for a 25% increase	\$7.38	\$32.45
WTP to avoid a 25% reduction	\$14.76	\$25.10
WTP to avoid a 50% reduction	-	\$44.34

Note: Results for the 50% reduction by the average household were statistically insignificant due to small sample size and are not reported.

The survey of patrons also asked patron households about their spending at arts events besides spending on tickets. Much of this additional spending, naturally, took place at private businesses located near the performing arts center or other venues where arts performances take place. This spending was substantial. Table 5 below illustrates what arts patrons spent on shopping, restaurants, and hotels near arts events during a typical trip to attend an arts performance. This information is listed for all trips to attend arts events and for trips of different lengths.

- Arts patrons on average spent \$26.40 per arts performance attended on meals, hotels, and shopping.
- Patron households on average spent \$16.59 on meals, \$2.74 on hotels, and \$7.06 on shopping per arts performance attended.
- Spending was greater for longer trips, particularly those over 20 miles in length.

TABLE 5
Household Spending on an Average
Trip to an Arts Event

Length of Trip	Average Spending Per Trip			
	Meals	Hotel	Shopping	All
0 to 10 miles	\$11.86	\$0.48	\$4.73	\$17.08
11 to 20 miles	12.23	1.43	3.43	17.08
21 to 30 miles	23.80	6.99	7.26	38.05
31 to 50 miles	25.70	3.91	11.01	40.62
51 to 100 miles	24.00	6.62	20.95	51.57
All Lengths	\$16.59	\$2.74	\$7.06	\$26.40

Performing Arts Centers

Nearly 1,270,000 people attended events at performing arts centers in Kentucky in the last year.

THE UK CENTER FOR BUSINESS AND ECONOMIC RESEARCH SURVEYED 12 PERFORMING arts centers in the Commonwealth of Kentucky. These performing arts centers are part of the Kentucky Arts Presenters Network (KAPN). The facilities both produce arts events and host arts events produced by other arts organizations. Arts activities include musical, dramatic, and theatrical performances; children’s arts events, performances, and meetings (excluding school groups or functions with a non-arts emphasis); and arts teaching/workshops. The facilities also host non-arts events such as meetings of civic groups, businesses, or school groups. Figure 2 shows the location of the 12 performing arts centers in Kentucky. Note that the performing arts centers are located throughout Kentucky.

Table 6 illustrates the number and attendance of arts events produced by each performing arts center. It also lists the number and attendance of arts events hosted by the centers, as well as the number of non-arts events.

- Note that nearly 1,270,000 individuals attended arts and non-arts events hosted or produced at these performing arts centers. Naturally, the total attendance at arts events is generally greater in the facilities located in larger cities.
- Data in Table 6 clearly show that the vast majority of events and attendance at the performing arts centers is for arts events. Over

FIGURE 2
Location of 12 Performing Arts Centers in Kentucky



Fine Arts Center, Madisonville
Henderson Fine Arts Center, Henderson
RiverPark Center, Owensboro
Capitol Arts Center, Bowling Green

Kentucky Center for the Arts, Louisville
Singletary Center for the Arts, Lexington
Carnegie Arts Center, Covington
Center for Rural Development, Somerset

Paramount Arts Center, Ashland
Mountain Arts Center, Prestonsburg
Greater Hazard Arts Council, Hazard
Appalshop, Whitesburg

1,150,000 people attended arts events, while only 138,000 attended non-arts events.

- Data in Table 6 also show that while performing arts centers produce their own arts events, their largest contribution in terms of attendance is to host arts events produced by other arts organizations. Many of the smaller centers, however, focused on producing events rather than hosting events.

TABLE 6
Arts and Non-arts Events at Performing Arts Centers (PAC)

	<i>Arts Events</i>				<i>Non-Arts Events</i>	
	<i>Produced by PAC</i>		<i>Hosted by PAC</i>		<i>Hosted by PAC</i>	
	Number	Attendance	Number	Attendance	Number	Attendance
Fine Arts Center (Madisonville)	95	34,881	12	5,939	4	411
Henderson Fine Arts Center	6	5,800	29	30,070	210	12,000
RiverPark Center	87	66,000	156	116,200	673	32,500
Capitol Arts Center	42	28,103	15	-	7	-
Kentucky Center for the Arts	88	51,795	608	426,323	301	55,876
Singletary Center for the Arts	21	8,062	269	78,851	35	15,190
Carnegie Arts Center	356	32,080	216	10,900	23	3,520
Center for Rural Development	8	2,600	41	22,000	12	3,250
Paramount Arts Center	19	18,200	155	88,489	121	3,680
Mountain Arts Center	63	28,799	74	37,958	138	10,711
Appalshop	170	36,550	25	2,250	54	1,050
Greater Hazard Arts Council	21	7,459	6	1,100	0	0
Total	976	320,329	1,606	820,080	1,578	138,188

Many individuals from distant Kentucky counties or out of state attend arts events at the 12 performing arts centers. However, performing arts centers in large part provide a service to residents of their own county and surrounding counties. The large attendance at events displayed in Table 6 indicate the substantial local interest in services provided by the centers. Another measure of the value that residents living near performing arts centers place on the centers is to observe their volunteer activity. Estimates of volunteer activity at each performing arts center are illustrated in Table 7.

- It is estimated that roughly 3,390 residents volunteered approximately 159,000 hours of their time to help produce and present arts events at their regional performing arts centers.

Another component of how performing arts centers influence the economy is in the jobs and income the centers provide. Table 7 also shows the paid employment at performing arts centers in total, and in each of the four regions of the state.

- The 12 performing arts centers employed 178 permanent full-time workers and 95 permanent part-time workers. These jobs were considered permanent because they lasted at least nine months out of the year.
- There were 433 temporary jobs that lasted less than nine months at the 12 performing arts centers.

TABLE 7
Paid Employment and Volunteer Workers at
Performing Arts Centers in the Four Regions

<i>Region</i>	<i>Paid Employees</i>			<i>Volunteer Workers</i>		
	Full-Time	Part-Time	Temporary	Number	Total Hours	Average Hours
Louisville	90	44	125	550	60,000	109
Bluegrass/Northern KY	9	2	67	150	6,050	40
Eastern KY	51	40	24	1,873	73,500	39
Western KY	28	9	217	817	19,238	24
Total	178	95	433	3,390	158,788	47

Performing arts centers also have an economic impact on Kentucky because they draw additional money into the state. Table 8 illustrates the total revenue and earnings at each of the performing arts centers. This out-of-state income brings new income into the Kentucky economy, which in turn supports jobs not only for employees at performing arts centers, but others in the state. Benefits to others occur due to the multiplier effect as the out-of-state income circulates through the state economy. It circulates through the economy as employees at performing arts centers spend their income as part of their daily life at local grocery stores, clothing stores, or other businesses in Kentucky. It circulates through the economy as the performing arts centers order supplies from local stores. The multiplier effect means that additional jobs and income are created in the state beyond employment at the performing arts center itself.

ARTS AND THE KENTUCKY ECONOMY

There is an additional economic impact that occurs due to performances at performing arts centers. This impact occurs at restaurants, hotels, and shopping areas near performing arts centers as households attending arts performances frequent these businesses. In particular, when out-of-state residents spend money at these businesses, it brings additional income into the state, which leads not just to jobs and income at restaurants, hotels, and shopping areas, but also creates a multiplier effect on other businesses. The total economic impact at restaurants, hotels, shopping areas, and other businesses can be attributed to the performing arts centers, since these organizations attract the visitors to the state for performances. Estimates of the spending behavior of out-of-state visitors on restaurants, hotels, and shopping were made based on the survey of arts patrons who traveled more than 50 miles to performances, as is illustrated in Table 5 above. The estimated economic impact on Kentucky due to spending and donations at performing arts centers and spending at businesses near performing arts centers is listed in Table 8.

- The total economic impact on the Kentucky economy at performing arts centers was \$5.4 million and 325 jobs.

TABLE 8
State Economic Impact of Performing Arts Centers (PAC)

	Revenue	Earnings	Out-of-State Revenue	Economic Impact Income	Employment
Kentucky	\$15.4	\$9.3	\$3.3	\$5.4	325

Along with these state economic impacts, performing arts centers also have an economic impact on the economy of the counties in which they are located. This county impact is driven by out-of-county income. This out-of-county income has a multiplier effect on the local economy just as described above for the state economy. These local economic impacts, however, are different than the economic impact on the state. This is because these centers bring in more out-of-county dollars than out-of-state dollars. Table 9 below shows the economic impact of performing arts centers on county economies. The county impacts are summarized for each of the four regions of the state.

- Performing arts centers had the greatest economic impact in the Louisville and Eastern KY regions, followed by Western KY and the Bluegrass/Northern KY regions.

TABLE 9
County Economic Impact of Performing Arts Centers by Region

<i>Region</i>	Revenue (Millions\$)	Earnings (Millions\$)	Out-of-County	<i>Economic Impact</i>	
			Revenue (Millions\$)	Income (Millions\$)	Employment
Louisville	\$7.3	\$4.5	\$2.4	\$3.9	226
Bluegrass/Northern KY	0.6	0.5	0.3	0.9	52
Western KY	5.2	2.7	3.5	3.0	201
Eastern KY	2.3	1.6	0.6	1.3	97

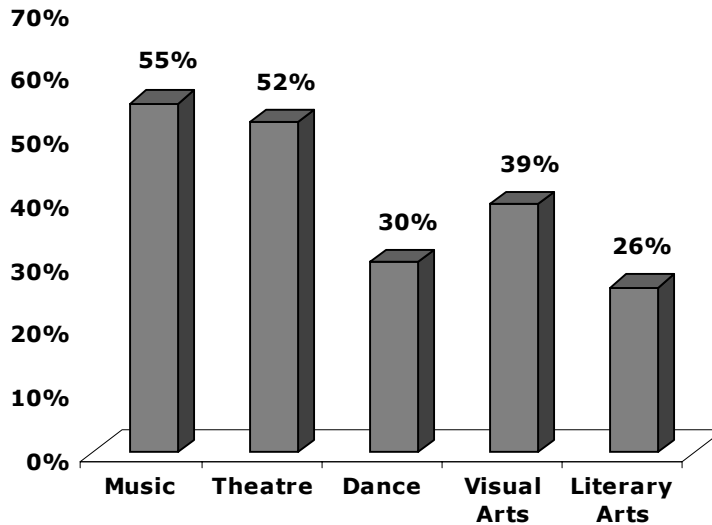
In summary, there was \$9.3 million of income earned by employees of the 12 performing arts centers surveyed. This income was earned by a total of 273 full-time and part-time employees. There also was an additional economic impact for the state economy due to out-of-state revenue earned by performing arts centers and due to spending at businesses near the centers on the days of performances. This additional economic impact was \$5.4 million in income and 325 jobs. However, the economic impact was even larger in the counties where the 12 performing arts centers were located. The greatest county economic impact occurred in the Louisville and Eastern KY regions.

Arts Organizations

THE UK CENTER FOR BUSINESS AND ECONOMIC RESEARCH SURVEYED 366 KENTUCKY ARTS organizations in order to estimate the economic impact of arts organizations affiliated with the Kentucky Arts Council. This group of 366 arts organizations, naturally, includes most such organizations in the Commonwealth of Kentucky. The surveyed was mailed to each of these organizations, and a total of two mailings was sent to increase response rates. A total of 77 arts organizations returned surveys for a response rate of 21%.

Most responding organizations were performing organizations or arts councils. Performing organizations accounted for 43% of respondents, while arts councils accounted for 22%. Most of the remaining respondents were educational organizations or presenting organizations. These organizations were involved in presenting or producing a wide variety of arts, as is seen in Figure 3. Of the respondents, 55% were involved in presenting or producing music, 52% in theatre, and 30% in dance. Visual arts were an area of 39% of organizations, while literary arts were an interest for 26% of respondents. Many arts organizations were involved in more than one category of arts activity.

FIGURE 3
Percent of Arts Organization Involved
in Each Category of Arts Activity



ARTS AND THE KENTUCKY ECONOMY

Responding organizations ranged in size from small organizations staffed with volunteer workers to large organizations staffed with several dozen full-time employees. The number of employees in responding organizations was used to estimate the total number of employees and the employee earnings at all arts organizations.

- Arts organizations in Kentucky were estimated to pay wages and salaries of \$53.5 million in the last year.
- Arts organizations in Kentucky were estimated to employ approximately 5,700 paid full-time, part-time, or temporary employees in the last year.
- Approximately 1,200 of these employees were full-time, permanent workers. Roughly 330 were part-time, permanent workers, while the remaining 4,200 paid workers were temporary in the sense of being employed less than nine months per year.
- There was a much larger number of volunteer workers at arts organizations. It is estimated that there were 46,000 volunteer workers working at the arts organizations that were surveyed, with the average volunteer working 29 hours in the last year.

Arts organizations in Kentucky had an economic impact of \$22.0 million of employee income and 1,324 jobs in the last year.

The survey also asked arts organizations a series of questions on their income from ticket sales, private donations, and government support for their performances and exhibits. The survey further asked whether the organization's customers and donations were from their home county, other Kentucky counties, or other states. Finally, respondents were asked about their level of expenses and where their expenses occurred. This information made it possible to estimate both the total revenue of arts organizations as well as the organization's income from out-of-state customers and supporters, and customers and supporters from outside their home county. This information about the origin of the arts organization's income was used to calculate the total economic impact of arts organizations on Kentucky and selected counties utilizing the economic multiplier approach that was described earlier. In addition to this economic impact due to sales, grants, and donations to arts organizations, there is an additional economic impact due to spending at nearby restaurants, hotels, and shopping areas. This economic impact can be calculated in the same way as it was calculated for performing arts centers, as is described above. Estimates for the total economic impact in Kentucky are shown in Table 10.

- It is estimated that the economic impact of arts organizations in Kentucky was \$22.0 million of employee income in Kentucky and 1,324 jobs in the last year.

TABLE 10
1996 Revenue and Economic Impact of Arts Organizations
(affiliated with the Kentucky Arts Council) on Kentucky

	Revenue (Millions\$)	Earnings (Millions\$)	Full-Time Paid Employment	<i>State Economic Impact</i>		
				Out-of-State Revenue (Million\$)	Additional Income (Millions\$)	Additional Employment
Kentucky	\$101.1	\$53.5	1,189	\$12.7	\$22.0	1,324

Survey information also was used to determine the economic impact of arts organizations on individual counties. The economic impact on their home county might be greater than or less than their economic impact on the state. The impact on the county may be greater since arts organizations will bring more money into their home county than into the state any time they have customers who live in other Kentucky counties. On the other hand, the economic impact on the county may be less to the extent that the arts organizations buy supplies in other Kentucky counties, or have workers who live in other Kentucky counties. The total economic impact of arts organizations on their home counties is listed in Table 11. It is listed for Kentucky counties in the four regions (depicted in Figure 1).

- Preliminary results suggest that the greatest economic impact occurred in the Louisville area, followed by Western Kentucky, Bluegrass/Northern Kentucky, and Eastern Kentucky.

TABLE 11
Revenue and Economic Impact of Arts Organizations (affiliated with the Kentucky Arts Council) on Kentucky Counties

<i>Region</i>	Revenue (Millions\$)	Earnings (Millions\$)	Full-Time Paid Employment	<i>County Economic Impact</i>		
				Out-of-County Revenue (Millions\$)	Additional Income (Millions\$)	Additional Employment
Louisville	65.7	29.9	847	12.5	21.3	1,227
Bluegrass/Nthrn KY	14.6	8.4	150	4.1	7.9	543
Eastern KY	3.1	3.5	46	1.6	2.4	172
Western KY	17.7	11.7	156	9.5	14.4	1,090

Caution should be used when interpreting the results in Table 11. Due to the relatively small number of surveys returned by arts organizations, estimates for individual regions are subject to error even though statewide results are less problematic. In particular, caution should be used when evaluating results in Table 11 for Western KY and Eastern KY since none of the largest arts organizations in these regions returned their surveys.

The jobs and income generated in Kentucky are a major component of the economic impact of the arts organizations. However, the activities of arts organizations also enhance economic development in Kentucky in many additional ways. These qualitative impacts probably are part of the reason that Kentucky residents are willing to pay money out of their own pockets to maintain or expand arts activity in Kentucky, as was discussed in the first portion of this report. Still, it is useful to enumerate these additional economic impacts here. The arts organizations which were surveyed were asked to give a written response about additional ways in which their organization has had an economic impact on their community and Kentucky. The responses to these questions are summarized below.

Arts organizations throughout the state of Kentucky commented on the economic impact of the activities, contributions, performances, and opportunities they have provided to their communities. Even small organizations with few monetary resources feel they have been able to contribute to their communities by introducing people to the arts.

One way in which arts organizations had an additional economic impact was by promoting the careers of individual Kentucky artists. In pursuing the promotion of the arts in Kentucky, many organizations have provided artists with work opportunities that may have been previously unavailable. One such organization

ARTS AND THE KENTUCKY ECONOMY

says, “a number of people in our community have turned their art into a way to make a living for their families. We often contract local artists to perform or teach classes.” Similarly, other places have set up galleries that allow artists to display or sell their work. Other organizations’ programs have also benefited artists: “We have provided KY artists, and artists from other states and countries with work opportunities with our artist residency program in local schools.” Most respondents who commented on creating jobs for artists had hired artists to teach workshops and classes or felt they had provided artists “a growing outlet for their work.” One organization told how they had just “hosted the first ‘Sister Cities Commission’/ ‘Kentucky Arts Council’ artist-in-residence exchange artist from County Kildare, Ireland.”

These last two examples point out how arts organizations help promote arts education in Kentucky. By enhancing education, naturally, arts organizations enhance economic development in the state. One particular organization detailed its feelings on arts education and its impact:

Many arts organizations in Kentucky feel that the arts education programs they provide help to prepare students to enter the workforce.

Educational studies have shown again and again that the arts are a vital component of a student’s education. Students with experience in the arts have been proven to score better on standardized tests, have enhanced reading, writing and math skills, display more original thinking, imagination, engagement and persistence, and have higher self-esteem. A report from the U.S. Labor Dept. shows that arts education aids achievement of ‘core competencies’ most valued by employers. Across the state of Kentucky, educators utilize [organization name omitted] programs and services to supplement the (often minimal) arts programs at their schools. By helping to prepare students to enter the workforce, [organization name omitted] has a positive impact on the economic development of the entire state.

Other programs speak of how they affect the local youth, especially many disadvantaged children that may not have otherwise received exposure to the arts. The arts centers provide students with supplemental arts education, which benefits them beyond the classroom. Education is not the only issue that is important to the arts organizations. Another issue of concern is the environment: “We’re currently developing a work called *River Songs* using the river as a metaphor for community. We address issues such as air and water quality and the impact of transportation alternatives on quality of life in our community’s future.”

Finally, arts organizations may affect the economy by improving the business climate in their communities and in Kentucky by raising the local quality of life. Some organizations expressed the belief that arts organizations play an important role when other companies are deciding whether or not to locate in the community. As one organization told us: “Our [arts center name omitted] is a key reason why

ARTS AND THE KENTUCKY ECONOMY

companies are choosing to locate in [city name omitted]. They have publicly stated it in their announcements to move to our [city name omitted].” Another organization similarly conveyed, “When the Industrial Development Economic Association in [county name omitted] are trying to recruit new industry to the area, [arts organization name omitted] is always mentioned as a cultural attraction.” In general, the arts organizations believe that they have contributed to making their community an overall more desirable place to live and work.. One organization felt that “being located on Main Street in [county name omitted] and having recently completed renovating our building, we have contributed to a revitalization and support of the downtown area.”

In conclusion, arts organizations believe that they impact the Kentucky economy by providing jobs for artists and others, attracting new businesses, being active in the local school system, addressing environmental issues, and attracting arts patrons who will also benefit other local industries.

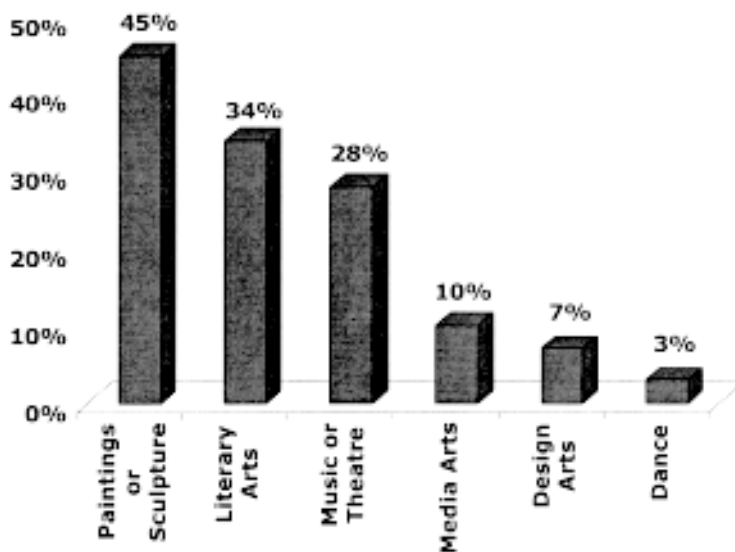
Individual Artists

THE UK CENTER FOR BUSINESS AND ECONOMIC RESEARCH SURVEYED A RANDOM SAMPLE of 579 Kentucky artists in order to estimate the economic impact in Kentucky of artists affiliated with the Kentucky Arts Council. This sample was taken from a list of 2,039 artists provided by the Kentucky Arts Council. Each of the 579 artists sampled was mailed a survey, and a total of two mailings was used to increase the response rate. A total of 227 artists returned surveys for a response rate of 39.2%.

Responding artists produced a wide variety of art. Visual arts such as paintings and sculpture was produced by 45% of respondents, while 34% of respondents produced literary arts, and 28% produced music or theatre. The share of artists involved in each of these activities is listed in Figure 4. Responding artists also produced dance, media arts, and design arts.

- A majority of artists, 59%, were female and 79% held a bachelor's degree or higher.
- The average income of the households in which artists reside was \$43,000.
- Most artists earned income by producing and selling art. In addition, roughly 16% received government grants and 32% taught art in 1996.

FIGURE 4
Percent of Artists Involved
in Each Category of Arts Activity



ARTS AND THE KENTUCKY ECONOMY

The survey also asked artists a series of questions on their income from selling art and grants, as well as their expenses. The survey further asked artists whether their customers were from their home county, other Kentucky counties, or other states, and where their expenses occurred. This information made it possible to estimate both the total income of surveyed artists from grants and sales, as well as the income earned from out-of-state customers and out-of-county customers. These estimates are shown in Table 12.

Out-of-state grants to and sales by Kentucky artists had an economic impact of \$10.8 million in worker income and 581 jobs in 1996.

- Total grants and sales of surveyed artists was estimated to be \$30.0 million in 1996, while \$17.4 million of these dollars came from out-of-state grants and sales.
- Total earnings by artists and their workers was \$9.1 million in the last year. These artists worked 53,000 hours, which is the equivalent of 1,332 full-time jobs.

This information about the origin of the artist's income was used to calculate the total economic impact of artists on Kentucky utilizing the economic multiplier approach that was described earlier. These estimates are all shown in Table 12.

- It is estimated that out-of-state grants and sales supported an economic impact of \$10.8 million in worker earnings and 581 jobs in 1996.

TABLE 12
1996 Grants and Sales and Economic Impact of Kentucky Artists
(affiliated with the Kentucky Arts Council) and County Impacts:
State and County Impacts

	Total Grants & Sales (Millions\$)	Earnings of Artists & Workers (Millions\$)	Out of Area Grants & Sales (Millions\$)	<i>Economic Impact</i>	
				Earnings (Millions\$)	Employment
Kentucky	\$30.0	\$9.1	<i>Out of State</i> \$17.4	\$10.8	581
County Economic Impacts			Out of County		
Louisville	11.0	2.1	10.0	4.2	224
Bluegrass/North KY	13.3	4.4	10.2	3.7	201
Eastern KY	3.2	1.4	3.3	2.8	175
Western KY	2.5	1.2	2.1	1.6	94

ARTS AND THE KENTUCKY ECONOMY

Survey information also was used to determine the economic impact of artists on individual counties. The economic impact of artists on their home county might be greater than or less than their economic impact on the state. The impact on the county may be greater since artists will bring more money into their home county than into the state when they have customers who live in other Kentucky counties. On the other hand, the economic impact on the county may be less to the extent that the artists buy supplies in other Kentucky counties, or have workers who live in other Kentucky counties. County impacts are presented for the four regions of the state in Table 12.

- The greatest economic impact was estimated for counties in the Louisville and Bluegrass/Northern KY regions, followed by the Eastern KY and Western KY regions.

When examining the data in Table 12, keep in mind that estimates in the table underestimate the total economic impact of artists in Kentucky. Data in this table are based on a survey of artists that have applied for grants from the Kentucky Arts Council and have had their work reviewed, and sometimes recommended, by a group or jury of their peers. Thus, the economic impacts illustrated above are not the impact of all artists, but only those artists who have applied for assistance with the Kentucky Arts Council. The actual economic impact of all artists in the state would be somewhat higher.

Many artists pointed out that income they receive will be spent on goods and services in their communities, thereby creating an economic impact similar to other workers.

The jobs and income generated in Kentucky by artists is a major component of their economic impact. However, the activities of artists also enhance economic development in Kentucky in many additional ways. Many artists shared stories about the economic impact of their work on their communities, as well as general comments about the arts in Kentucky. Some artists told of their personal successes in the art world; responses came from musicians who had sold CD's, novelists whose manuscripts had recently been published, and even an artist whose product had been sold on television and viewed by an estimated audience of 62 million people. Others shared less uplifting tales of receiving countless rejection slips and barely supporting themselves without welfare. Still others wrote of how they used art to enrich their communities —one artist taught art skills to the homeless, while another introduced the visually impaired to her "fiber mask" art by staging a touchable exhibit. Most artists, however, responded with opinions about the state of the arts in Kentucky today and the direction that Kentucky's arts programs should take in the future.

Several artists commented that their line of work has many of the same effects as any other line of work on the economy. They pointed out that the income they

ARTS AND THE KENTUCKY ECONOMY

receive as artists —whether from performing, producing and selling —will be spent on typical goods and services that any other consumer would purchase. In this sense, an artist is just like other workers in an economy with earnings that they spend back into the economy. Also similar to other lines of works, artists frequently come together at conferences and conventions to display their work and communicate with other artists. One artist responded that he had organized a conference that attracted other artists from all areas of the country. In turn, these artists would bring new money into the Kentucky economy that would be spent on lodging, meals, and other expenses.

Many artists expressed concern about the lack of a substantial market for art in Kentucky; some said that they can only sell their more expensive works of art in other states or in foreign markets. According to our respondents, surviving as an artist in Kentucky is nearly impossible unless one works in other areas as well. In addition, visual artists feel that there is no market for their contemporary work—Kentucky patrons are willing to purchase only traditional landscapes and equine-themed artwork.

The respondents expressed concern not only about money for the arts, but about publicity for the arts as well. These artists felt that the media should do more to assist them and educate the public about art by publicizing and supporting arts events around the state—one respondent pointed out that rarely do Lexington or Louisville publications print color photos of art, yet movies and other pop culture media enjoy tremendous coverage.

A number of responses stressed the importance of arts education in Kentucky schools. One artist said that while our schools are providing satisfactory music education for grade school students, they also need to hire someone to teach weekly crafts and drama classes. She remarked that children always enjoy doing crafts in school, and that art can be an energy release for rambunctious children and a creative outlet for all children. In addition, she said that art can motivate students to achieve in the classroom when teachers use art classes to reward their students for high performance in academic subjects. In general, those respondents who had taught art in schools said that their efforts had been greatly appreciated by the students.

Moreover, respondents suggested increasing resources and funding for arts education at all levels, because early training in the arts can inspire students to pursue fine arts majors in college, and possibly even to embark upon eventual

ARTS AND THE KENTUCKY ECONOMY

careers in the art world. One respondent noted that her teaching in schools allowed students to display their artistic talents and receive awards for some of their work.

An arts education can also be beneficial for non-artistic fields as well. The skills and training that many artists learn can be applied to many different areas. For example, one art teacher remarked that while some of her students had become professional writers, others had also started magazines and, more recently, begun advertising companies that use the Internet as their medium. In addition, many artists and graphic designers can find employment as designers for Internet web sites. Another respondent commented that trained artists and support staff such as lighting, scene, and costume designers can frequently find either freelance or often full-time employment with companies that provides services for corporate customers and other special events.

Some survey respondents noted the fact that Kentucky-produced art can enhance the state's image throughout the country and serve as a powerful marketing tool. Businesses may be attracted to the state because of the high quality of life its employees might enjoy, and a strong arts environment will contribute to an improved quality of life. Furthermore, the promotion of Kentucky arts will cause tourists from around the country to visit the state, bringing with them millions of dollars to spend throughout the state. Several respondents said that they feel their communities have an "arts-rich climate" which can become an important factor in business location and in choosing tourist destinations. Others told of how their work has been sold throughout the state and sometimes even

Individual Crafts Artists

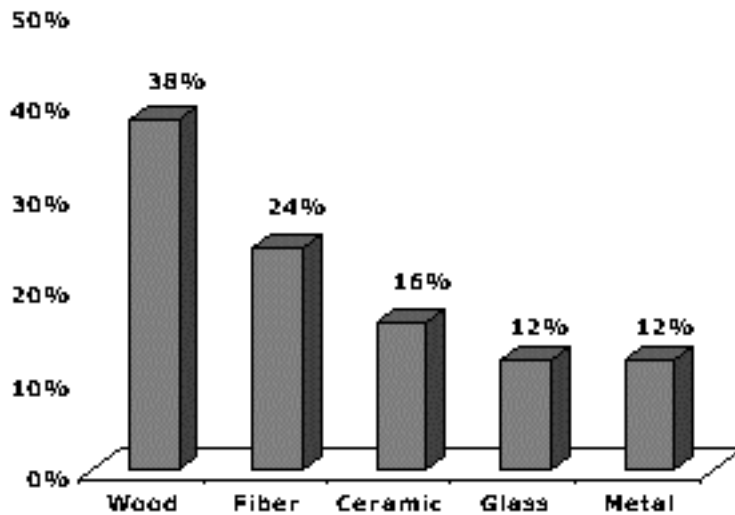
nationwide, which will increase Kentucky's exposure to more people.

THE UK CENTER FOR BUSINESS AND ECONOMIC RESEARCH SURVEYED 237 KENTUCKY crafts artists in order to estimate the state economic impact of crafts artists affiliated with the Kentucky Arts Council and the Kentucky Craft Marketing Program. This random sample was taken from a list of 474 crafts artists provided by the Kentucky Arts Council. Each of the 237 crafts artists sampled was mailed a survey, and a total of two mailings was used to increase the response rate. The crafts artists surveyed included those working with ceramic, fiber, glass, metal, wood, and other media. A total of 96 crafts artists returned surveys for a response rate of 41%.

Responding artists produced a wide variety of crafts. Wood crafts were produced by 38% of respondents, 24% of respondents produced fiber crafts, and 16% produced ceramic crafts. These percentages as well as those for other crafts are illustrated in Figure 5.

- A majority of crafts artists, 52%, were female and 45% held a bachelor's degree or higher.
- The average income of the households in which crafts artists reside was \$49,000.
- Most crafts artists earned income by producing and selling crafts.

FIGURE 5
Percent of Crafts Artists Working with Each Type of Material



ARTS AND THE KENTUCKY ECONOMY

In addition, 5% received government grants and 27% taught crafts in 1996.

The survey also asked crafts artists a series of questions on their income from teaching, selling crafts, and grants, as well as their expenses. The survey further asked crafts artists whether their customers were from their home county, other Kentucky counties, or other states, and where their expenses occurred. This information made it possible to estimate both the total income of crafts artists from grants and sales, as well as the income earned from out-of-state customers. These estimates are shown in Table 13.

- Total grants and sales of crafts artists on the survey list was estimated to be \$10.4 million in 1996. It is estimated that \$6.0 million of these dollars came from out-of-state grants and sales.
- Total earnings by artists and their workers was \$5.5 million in the last year. These artists worked 16,600 hours, which is the equivalent of 416 full-time jobs.

Out-of-state grants to and sales by Kentucky crafts artists had an economic impact of \$4.9 million in worker income and 259 jobs in 1996.

This information about the origin of the crafts artists' income was used to calculate the total economic impact of crafts artists on Kentucky utilizing the economic multiplier approach that was described earlier. These estimates are all shown in Table 13.

- It is estimated that out-of-state grants and sales have an economic impact of \$4.9 million of worker income in Kentucky and 259 jobs in 1996 beyond the jobs and earnings for artists and their assistants.

Survey information also was used to determine the economic impact of crafts artists on individual counties. The economic impact of crafts artists on their home county might be greater than or less than their economic impact on the state. The impact on the county may be greater since crafts artists will bring more money into their home county than into the state any time they have customers who live in other Kentucky counties. On the other hand, the economic impact on the county may be less to the extent that the crafts artists buy supplies in other Kentucky counties, or have workers who live in other Kentucky counties. The economic impact of crafts artists on their home counties is listed in Table 13. County impacts are presented for the four regions of the state.

- The greatest economic impact was estimated for counties in the

TABLE 13
1996 Sales and Economic Impact of Kentucky Crafts Artists (affiliated with the Kentucky Arts Council and the Kentucky Craft Marketing Program): State and County Impacts

	Total Grants & Sales (Millions\$)	Earnings of Artists & Workers (Millions\$)	Out of Area Grants & Sales (Millions\$)	<i>Economic Impact</i>	
				Earnings (Millions\$)	Employment
Kentucky	\$10.4	\$5.5	<i>Out of State</i> \$6.0	\$4.9	259
County Economic Impacts			<i>Out of County</i>		
Louisville	4.4	1.8	4.1	2.9	152
Bluegrass/Northern KY	3.0	1.6	2.0	2.1	115
Eastern KY	2.2	1.5	1.4	1.3	89
Western KY	0.8	0.6	0.8	0.8	48

Louisville area, followed by Bluegrass/Northern KY, Eastern KY and Western KY.

When examining the data in Table 13, keep in mind that estimates in the table understate the total economic impact of crafts artists in Kentucky. Data in this Table are based on a survey of crafts artists that have had their work reviewed by a group or jury of their peers. Thus, the economic impacts illustrated above are not the impact of all crafts artists, but only those crafts artists affiliated with the

*Comparison with
Other Industries*

Kentucky Arts Council and the Kentucky Craft Marketing Program. The actual economic impact of all crafts artists in the state would be somewhat higher.

THE ABOVE FIGURES REPRESENT INDIVIDUAL ECONOMIC IMPACTS FOR PERFORMING ARTS CENTERS, arts organizations, individual artists, and individual crafts artists. It is also appropriate to look at these individual impacts as one large impact. Just as several other industries are often grouped into one larger industry (such as several manufacturing industries being grouped into one), so can the various components that comprise the arts community be grouped together. When the economic impact of all four groups are summed, it becomes apparent that the total economic impact of the arts in Kentucky is quite substantial, especially given that estimates presented in this report are conservative.

- Estimates from the surveys indicate that artists and crafts artists, as well as individuals working at arts organizations and performing arts centers earned \$77.4 million in earnings in the last year. This income was divided among 3,100 full-time workers, 430 part-time workers, and 4,600 temporary workers.
- The economic impact in Kentucky due to arts spending, arts donations, or spending at restaurants, hotels, and shopping near arts events was \$41.5 million and 2,400 full-time equivalent jobs.

This direct employment and earnings in the arts and the economic impact is as large as in several other Kentucky industries. In particular, the economic impact is larger than at least one of the state's manufacturing industries, and at least one high technology industry, as can be seen in Figure 6 and Figure 7. The manufacturing industry is leather products and the high technology industry is

FIGURE 6
Employment in the Arts and Comparison Industries

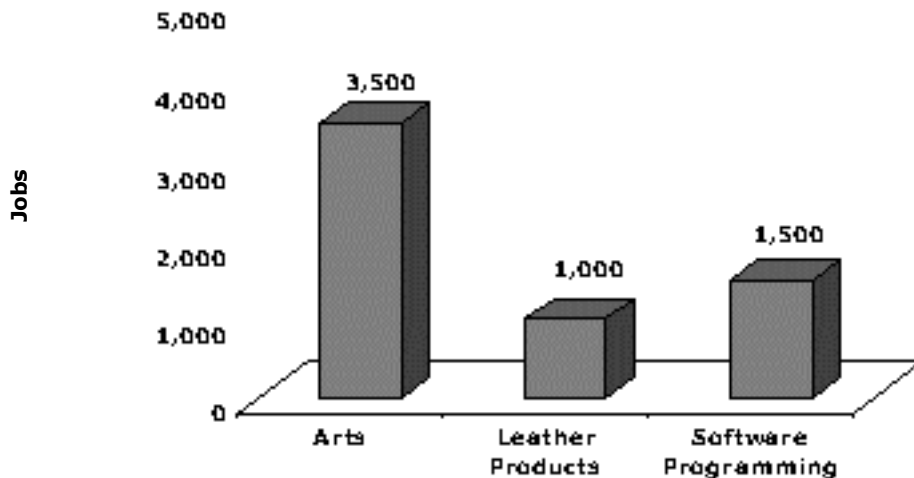
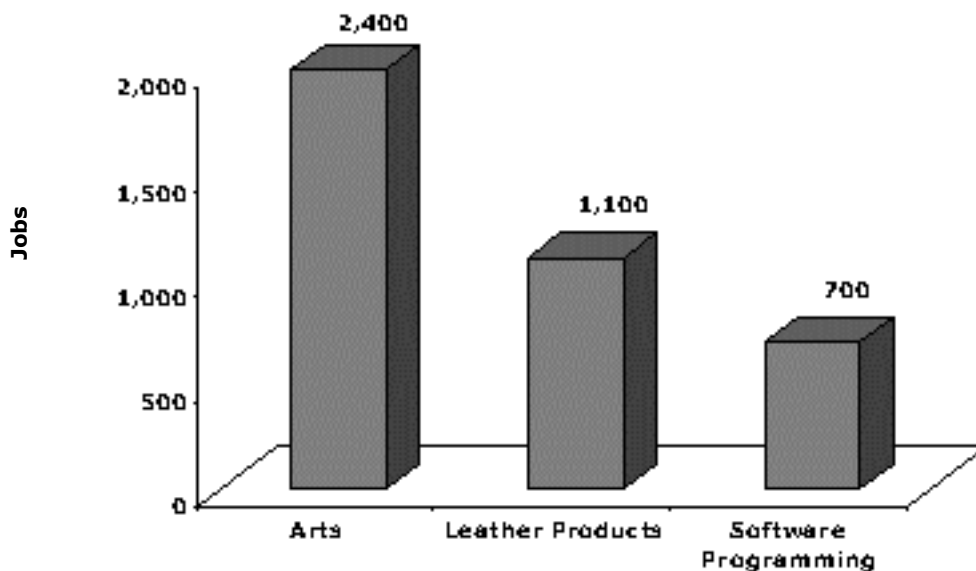


FIGURE 7
Employment Due to the Multiplier Effect



Employment in the arts and the economic impact is greater than that of leather goods manufacturing and computer software programming and design.

software programming and design. Figure 6 shows the employment in arts and these other industries. Figure 7 shows the economic impact in terms of employment.

Employment in the arts and the economic impact due to the arts is larger than similar figures for the manufacturing industry of leather products. Leather products is one of the twenty major manufacturing industry categories. Compared to 3,500 jobs in the arts, full- and part-time employment in leather products is currently 1,000 jobs in Kentucky. Thus, employment in leather products is substantially less than in the arts. The economic impact of leather products is also smaller. Kentucky employment generated due to the economic impact of the leather products industry is 1,088 jobs compared to 2,400 in affiliated arts activities.

A similar situation arises when comparing the arts with the high technology industry of software programming and design. This industry includes both firms that design specific software for clients and firms that sell prepackaged software. Full- and part-time employment in this industry is roughly 1,500 jobs, again substantially less than employment in the arts. The economic impact due to sales

Conclusion

by the software programming and design industry is roughly 700 jobs, which is less than the impact of 2,400 jobs due to the arts.

THIS STUDY DEVELOPED AN ESTIMATE OF THE ECONOMIC IMPACT OF THE ARTS IN KENTUCKY through surveys of artists, crafts artists, arts organizations, performing arts centers, arts patrons, and citizens in the Commonwealth of Kentucky. There were several important findings from this study:

- Kentucky households were found to place a substantial value on keeping the number of arts performances in Kentucky at current levels, or even expanding the number of performances.
- Based on a random survey of 600 Kentucky households, it was estimated that Kentucky households together would be willing to pay \$10.9 million in order to expand the number of arts performances in Kentucky by 25%.
- It also was estimated that Kentucky households would be willing to pay \$21.8 million in order to avoid a 25% decline in the number of arts performances in Kentucky. These payments would be in addition to the money residents would need to spend in order to purchase tickets to attend the events.

A survey also was taken of 600 arts patron households. These were households whose members regularly attended arts events. In general, arts patron households were willing to pay substantially more than the average Kentucky household to expand the number of arts events, or to avoid a reduction in the number of arts events.

In addition, it was found that a substantial number of people in Kentucky were artists or crafts artists, or employed by performing arts centers, other arts organizations, artists, or crafts artists.

- Based on surveys, it was estimated that artists and crafts artists as well as individuals working at arts organizations and performing arts centers earned \$77.4 million in earnings. This earnings was divided among 3,100 full-time workers, 430 part-time workers, and 4,600 temporary workers.
- Nearly 1,270,000 people attended events hosted or produced

ARTS AND THE KENTUCKY ECONOMY

by the 12 performing arts centers in Kentucky in the last year.

Employees at these centers earned \$9.3 million in income in the last year.

- The economic impact in Kentucky due to arts spending, arts donations, or spending at restaurants, hotels, and shopping near arts events was \$41.5 million and 2,400 full-time equivalent jobs.
- The economic impact of arts organizations in Kentucky was \$22.0 million of worker income and 1,324 jobs in the last year.
- As for Kentucky regions, the largest economic impact of the arts occurred in the counties in the Louisville region.

When interpreting these figures, it is important to keep in mind that survey recipients were identified based on lists available from the Kentucky Arts Council. This implies that the economic impact estimate is for individuals and organizations that have had contact with the Kentucky Center for the Arts. This group will include many artists in the state, and many of the highest quality artists, craftspeople, and organizations, but not all. Thus, the figure is an underestimate of the total economic impact of the arts in Kentucky.