

The background of the entire page is a dense, repeating pattern of stylized orange leaves. The leaves are arranged in a way that creates a sense of depth and movement, with some leaves appearing larger and more prominent than others. The color is a warm, golden-orange.

# THE ARTS

A Driving Force in the Seven  
County Metro Area's Economy

## WHAT OTHERS ARE SAYING ABOUT THE ARTS AND ECONOMIC IMPACT

"This careful accounting shows that the modest public investments we make in Minnesota's arts centers and artists multiply through local economies, providing jobs for employees, sales for suppliers, and patronage for small proprietors. Minnesota's arts dollars leaven the creative economy in towns as tiny as New York Mills or Lanesboro and as large as the Twin Cities, accounting for the high proportion of artists in our midst and infusing artistic talent into business-building and community problem-solving."

— Ann Markusen, Economist, Professor and Director  
Project on Regional and Industrial Economics  
Humphrey Institute of Public Affairs

"Art and culture is a growth sector in the economy of Northwest Minnesota and a critical part of the economic infrastructure. The arts create high paying jobs and the most desirable product offerings for local retailers; and there is a growing understanding that attracting and keeping a high quality work force is directly tied to the availability of high quality cultural and artistic opportunities."

— Leon Heath, Executive Director  
Northwest Regional Development Commission

"We can always tell when there's a play at the Long Lake Theater because our restaurant is full."

— Kim Rugroden, server at the Hilltop Inn  
Hubbard, MN, pop. 90 (est.)

"Its not surprising to me that this recent survey linking the arts and economic development highlights the value of a community or region rich in arts. It has long been known in economic development and downtown redevelopment circles of the dollar value that the arts bring to communities. Too many times, when valuing the arts, the focus always is placed on the intangible worth of the arts, forgetting the hard dollars that are generated in communities through festivals, art shows, theatre productions, and other arts events. The simple truth is that making an investment (laying out money or capital in an enterprise with the expectation of profit) in arts pays dividends in hard dollars to the community."

— Sara Jayne Treiber, Business Development Planner  
Mille Lacs Band of Ojibwe Corporate Commission

"An arts-based economy can enhance state efforts to diversify rural economies, generate revenue, improve the quality of life, and attract visitors and investment. Rural areas often feature various arts and cultural industries, which, with some assistance, can become productive economic sectors. In addition to stimulating substantial employment and tax revenues, arts enterprises are highly entrepreneurial, readily available in many communities, and attractive to tourists. The arts also create a highly desirable quality of life that draws businesses and knowledge workers to further stimulate the economy."

— *Strengthening Rural Economies through the Arts*  
National Governors Association Center for Best Practices, 8/30/05

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*The Arts: A Driving Force in the Seven County Metro Economy* is one of eleven regional studies conducted by Minnesota Citizens for the Arts (MCA) and the Forum of Regional Arts Councils of Minnesota (FRACM) in partnership with the Metropolitan Regional Arts Council and Americans for the Arts. This project was primarily funded by The McKnight Foundation. Additional partners include the Twin Cities Performing Arts Research Coalition funded by the Pew Charitable Trusts, and Minnesota Arts Communicators.

In addition, *The Arts: A Driving Force in Minnesota's Economy* provides a look at the full economic impact of the arts and culture statewide.

The report's partners work together to represent and serve communities across Minnesota and the nation, and to create opportunities for every American to participate in and appreciate the arts and culture.

All reports are available for downloading on MCA's website at [www.mtn.org/mca](http://www.mtn.org/mca).

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“Throughout McKnight’s history of arts and culture funding, we’ve consistently seen the great value the arts and culture bring to the quality of our communities. The arts and culture can play a central role in regional economic growth and vitality; investing in them is both good policy and good business.”

— Peg Birk, McKnight Foundation Interim President

“Understanding and acknowledging the incredible economic impact of the nonprofit arts and culture, we must always remember the fundamental value of the arts and culture. They foster beauty, creativity, originality, and vitality. The arts and culture 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

“Arts organizations play an important role in building and sustaining economic vibrancy in our local communities. They provide meaningful employment, spend money locally, generate revenue, and are a cornerstone of tourism and economic development. Investing in the arts is good policy and good business.”

— Congressman James L. Oberstar

# Invest in the Arts

By Sheila Smith, Executive Director, Minnesota Citizens for the Arts

The statewide report *The Arts: A Driving Force in Minnesota's Economy* reveals that the nonprofit arts and culture industry is a mover and shaker in Minnesota's economy, with **\$838.5 million** in annual economic activity that supports **22,095 full-time jobs** and generates more than **\$94 million in state and local government revenues**. The report also shows that Minnesotans are enthusiastic consumers of arts and culture: in 2004 total audience participation in the state was **14,487,592 million attendees**.

The message is simple: the nonprofit arts and culture are an important industry throughout the state contributing to Minnesota's bottom line and helping to create vibrant local economies. It's important to note that while it is no surprise that the Twin Cities metropolitan area supports a robust arts and culture economy, the reports also shows a significant economic impact in every other area of Minnesota. The eleven regional reports demonstrate that the excellence, scope, and diversity of cultural activity in every corner of the state go beyond contributing to Minnesota's quality of life: the arts and culture make a significant contribution to the state's economy.

The return on state arts and culture funding is dynamic. For a very small investment by the state of Minnesota, the arts and culture industry can be leveraged to create jobs, to revitalize both neighborhoods and rural communities, and to educate our children while helping to drive Minnesota's economy. Minnesota invests in the arts and culture primarily via grants from the Minnesota State Arts Board and Regional Arts Councils. Each legislative dollar invested is matched by local dollars. There is a return on investment to the state of nearly \$11 for every state dollar invested. That's economic development in action.

# Study the Arts

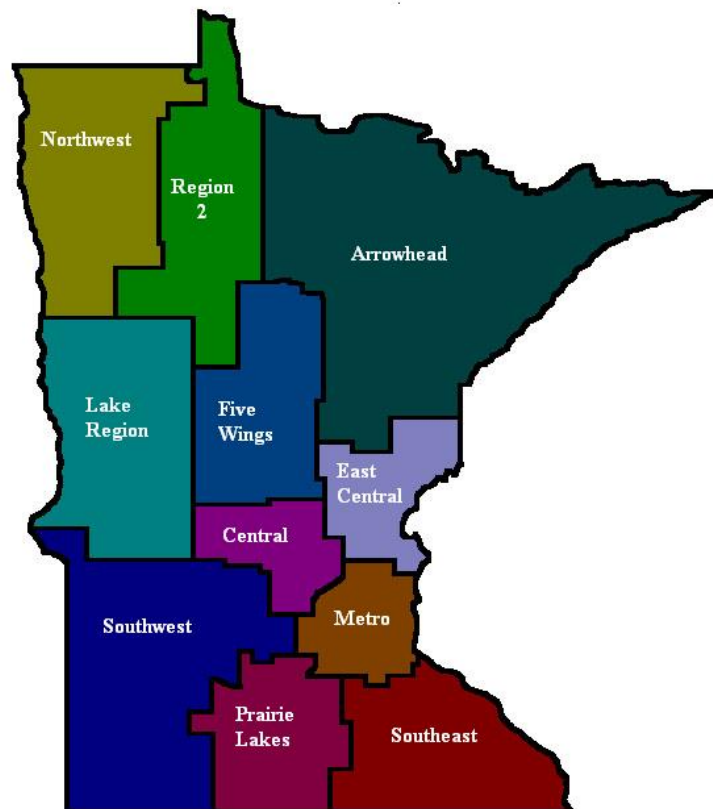
By Mary Minnick-Daniels, Chair of the Forum of Regional Arts Councils of Minnesota

As we work to improve the economy of our state, this report demonstrates the importance of the arts and culture as a contributor to the economic health of individual communities and the state as a whole. Other classic Minnesota industries such as mining, farming or financial services are frequently touted as important Minnesota industries, worthy of study and support; while the arts and culture have been used to demonstrate “quality of life” issues.

According to a 2001 report by the National Governor’s Association Center for Best Practices, “if states intend to build their economies on the jobs of the future and improve rural communities they must cultivate a creative workforce and attract arts and culture-based businesses.”

In offering this report for public discussion, we hope every citizen, every public official, every economic development director and every journalist will think seriously about the arts and culture and their value to both our economy and to our daily lives.

Minnesota's Arts Regions:



# Findings: The Seven County Metro Area

*The Arts: A Driving Force in the Seven County Metro Economy* provides compelling new evidence that the nonprofit arts and culture are a significant industry in the Seven County Metro Area—one that generates \$719.5 million in local economic activity. This spending—\$452.4 million by nonprofit arts and culture organizations and an additional \$267.1 million in event-related spending by their audiences—supports 19,069 full-time jobs, generates \$568.7 million in household income to local residents, and delivers \$80.1 million in local and state government revenue. This economic impact study sends a strong signal that when we support the arts and culture, we not only enhance our quality of life, but also invest in the Seven County Metro Area’s economic well-being.

In 2002, Americans for the Arts published *Arts & Economic Prosperity*, the first-ever national study of the economic impact of spending by nonprofit arts organizations and their audiences. Detailed expenditure data were collected from 3,000 arts organizations and 40,000 arts attendees in 91 communities across 34 states. The national study focused solely on the economic impact of the nonprofit arts organizations and event-related spending by their audiences. Not included in the study was spending by individual artists, and the for-profit arts and entertainment sector. The objective of the national study was to document the experience of a cross-section of American communities and demonstrate the economic gain from investing in the arts and culture.

This report presents the findings of a new study measuring the economic impact of the nonprofit arts and culture industry in the Seven County Metro Area. It is part of a statewide effort to gather data on the economic impact of the arts and culture in Minnesota, and is one of eleven

regional studies in addition to a statewide study conducted in 2004-5. The methodology used is identical to the national study methodology, providing the ability to compare the results for the Seven County Metro Area with those of the national study participants. For the purposes of this study **the Seven County Metro Area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.**

## Defining Economic Impact

**Full-Time Equivalent (FTE) Jobs** describes the total amount of labor employed.

**Resident Household Income** (often called Personal Income) includes salaries, wages, and entrepreneurial income paid to local residents.

**Revenue to Local and State Government** includes funds to city, county, and state governments, and special districts. It includes taxes as well as license and filing fees, etc.

## Economic Impact of the Nonprofit Arts and Culture Industry in the Seven County Metro Area

Total spending by nonprofit arts and culture organizations and their audiences totaled \$719.5 million in the Seven County Metro Area during 2004. The following table shows the direct economic impact of this spending—that is, the *initial* economic effect of these expenditures.

**Direct Economic Impact of the Nonprofit Arts and Culture Industry in the Seven County Metro Area** (Spending by Nonprofit Arts Organizations and their Audiences)

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$719,504,854	\$276,576,180	\$75,089,990
Full-Time Equivalent Jobs	10,804	5,415	1,518
Resident Household Income	\$252,326,000	\$121,912,285	\$33,248,748
Local Government Revenue	\$4,317,000	\$4,009,000	\$1,024,608
State Government Revenue	\$21,271,000	\$7,991,143	\$2,174,675



These direct economic impacts create an additional *indirect* economic impact on the Seven County Metro Area’s economy. Consider this example:

A theatre company purchases a gallon of paint from the local hardware store for ten dollars (that is the “direct economic impact”). The hardware store then uses a portion of the ten dollars to pay the sales clerk’s salary; the sales clerk re-spends some of the money for groceries; the grocery store in turn uses some of the money to pay its cashier; the cashier spends some for to pay his utility bill; and so on (these are the “indirect economic impacts”).

Thus, the original ten dollars from the theatre has been “re-spent” several times. The local expenditures will continue to have an economic impact on the local economy until the money eventually “leaks out” of the region (i.e., is spent non-locally). The total economic impact is the combination of the direct impact and the indirect impact. The table below details the total economic impact of spending by the Seven County Metro Area’s nonprofit arts and culture industry.

**Total Economic Impact of the Nonprofit Arts and Culture Industry in the Seven County Metro Area** (Spending by Nonprofit Arts Organizations and their Audiences)

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$719,504,854	\$276,576,180	\$75,089,990
Full-Time Equivalent Jobs	19,069	8,843	2,387
Resident Household Income	\$568,742,000	\$196,510,571	\$51,914,667
Local Government Revenue	\$17,268,000	\$11,484,714	\$2,835,240
State Government Revenue	\$62,839,000	\$15,585,950	\$4,534,449

## Economic Impact of Nonprofit Arts and Culture Organizations in the Seven County Metro Area

Arts and culture organizations are responsible members of the business community. They are employers, consumers, and key participants in the marketing and promotion of their cities and regions. Their spending in the Seven County Metro Area was \$452.4 million during fiscal year 2004. The impact of this spending is far reaching: organizations pay their employees, purchase supplies, contract for services, and acquire assets. These actions, in turn, support jobs, create income, and generate

government revenue. In particular, in the last few years a number of major institutions (Minneapolis Institute of Arts, Walker Art Center, Children's Theatre Company, Guthrie Theater, etc.) were undergoing large building projects that have been a significant boon to the building trades, a small portion of which is reflected in these numbers.

Data were collected from 204 nonprofit arts and culture organizations in the Seven County Metro Area. Each provided budget data about more than 40 expenditure categories for fiscal year 2004 as well as their total attendance figures. No attempt was made to quantify the spending of non-respondents.

### Direct Economic Impact of Spending by Nonprofit Arts and Culture Organizations in the Seven County Metro Area

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$452,368,049	\$124,760,550	\$35,370,350
Full-Time Equivalent Jobs	6,012	1,793	519
Resident Household Income	\$167,376,000	\$69,639,571	\$19,082,681
Local Government Revenue	\$2,714,000	\$974,143	\$405,275
State Government Revenue	\$4,976,000	\$1,347,429	\$493,088

### Total Economic Impact of Spending by Nonprofit Arts and Culture Organizations in the Seven County Metro Area

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$452,368,049	\$124,760,550	\$35,370,350
Full-Time Equivalent Jobs	12,004	3,754	1,008
Resident Household Income	\$395,370,000	\$102,551,143	\$27,734,011
Local Government Revenue	\$10,857,000	\$4,303,143	\$1,408,780
State Government Revenue	\$32,118,000	\$4,636,286	\$1,421,099

## Economic Impact of Nonprofit Arts and Culture Audiences in the Seven County Metro Area

The nonprofit arts and culture industry, unlike most industries, leverages significant event-related spending by its audiences. Attendance generates commerce for local businesses such as hotels, restaurants, and retail stores. For example, when patrons attend an event they may park their car in a toll garage, purchase dinner at a restaurant, and pay a babysitter.

To measure the impact of arts and culture audiences in the Seven County Metro Area, data

were collected from 1,027 event attendees during 2005. Researchers used an audience-intercept methodology, a standard technique in which the interviewer asks a patron to complete a survey about their event-related spending. To ensure reliability, surveys were collected at a diverse sample of events and exhibitions.

The 204 nonprofit arts and culture organizations that participated in the study reported that their total attendance to nonprofit arts and culture events during 2004 was 11,829,987. These 11.8 million attendees spent a total of \$267.1 million—an average of \$22.58 per person, per event, *not including the cost of admission*.

### Direct Economic Impact of Spending by Nonprofit Arts and Culture Audiences in the Seven County Metro Area

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$267,136,805	\$151,815,629	\$41,404,149
Full-Time Equivalent Jobs	4,792	3,622	999
Resident Household Income	\$84,950,000	\$52,272,714	\$14,166,067
Local Government Revenue	\$1,603,000	\$3,034,857	\$799,333
State Government Revenue	\$16,295,000	\$6,643,714	\$1,681,587

### Total Economic Impact of Spending by Nonprofit Arts and Culture Audiences in the Seven County Metro Area

	Seven County Metro Area	Population of 1,000,000 or More (Similar Regions)	National Average
Total Expenditures	\$267,136,805	\$151,815,629	\$41,404,149
Full-Time Equivalent Jobs	7,065	5,089	1,380
Resident Household Income	\$173,372,000	\$93,959,429	\$24,849,040
Local Government Revenue	\$6,411,000	\$7,181,571	\$1,761,653
State Government Revenue	\$30,721,000	\$10,919,714	\$3,006,649

## Out-of-Towners Spend More

In addition to spending data, survey respondents were asked to provide their home zip codes, enabling researchers to determine which attendees were local (i.e., reside within the Seven County Metro Area) and which were non-local (reside outside the Seven County Metro Area). In the Seven County Metro Area 78.3 percent of the 11,829,987 nonprofit arts and culture attendees were local; 21.7 percent were non-local.

Non-local arts and culture attendees spent an average of 42 percent more than local attendees (\$29.46 vs. \$20.67). As would be expected from a traveler, higher spending was found in the categories of lodging, meals, retail, and transportation. These data demonstrate that when a region attracts cultural tourists, it stands to harness significant economic rewards.

### Event-Related Spending by Arts and Culture Audiences Totaled \$267.1 million in the Seven County Metro Area (not including the cost of event admission)<sup>1</sup>

	Region Resident Arts Attendees	Region Non-Resident Arts Attendees	All Seven County Metro Area Arts Attendees
Attendance Nonprofit Arts Events	9,261,256	2,568,731	11,829,987
Percentage of Attendees Resident/Non-Resident	78.3%	21.7%	100%
Average Dollars Spent Per Attendee	\$20.67	\$29.46	\$22.58
<b>Total Event-Related Spending</b>	<b>\$191,467,811</b>	<b>\$75,668,994</b>	<b>\$267,136,805</b>

### Nonprofit Arts and Culture Event Attendees Spend an Average of \$22.58 Per Person in the Seven County Metro Area (not including the cost of event admission)<sup>1</sup>

	Region Resident Arts Attendees	Region Non-Resident Arts Attendees	All Seven County Metro Area Arts Attendees
Refreshments/Snacks During Event	\$1.76	\$3.93	\$2.23
Meals Before/After Event	\$9.81	\$13.37	\$10.59
Souvenirs and Gifts	\$1.83	\$3.98	\$2.30
Clothing/Accessories	\$3.11	\$0.56	\$2.55
Ground Transportation	\$3.09	\$4.42	\$3.38
Event-Related Child Care	\$0.40	\$0.12	\$0.34
Overnight Lodging (one night only)	\$0.10	\$2.52	\$0.62
Other	\$0.58	\$0.56	\$0.57
<b>Average Event-Related Spending (Per Person)</b>	<b>\$20.67</b>	<b>\$29.46</b>	<b>\$22.58</b>

## Arts and Culture Volunteerism and In-Kind Contributions: An Economic Impact Beyond Dollars

*The Arts: A Driving Force in the Seven County Metro Area's Economy* reveals a significant contribution to nonprofit arts and culture organizations as a result of volunteerism. In 2004, 30,182 arts and culture volunteers donated 1,064,055 hours to the Seven County Metro Area's nonprofit arts and culture organizations. This represents a donation of time with an estimated value of \$18,674,165 (Independent Sector estimates the value of the average 2004 volunteer hour at \$17.55).<sup>2</sup> While these arts and culture volunteers may not have an economic impact as defined in this study, they clearly have an enormous impact on their communities by assisting in keeping arts and culture organizations functioning as a viable industry.

The nonprofit arts and culture organizations surveyed for this study were also asked about the sources and value of their in-kind support (i.e., donated assets and services, such as office space). The 204 responding nonprofit arts and culture organizations in the Seven County Metro Area received in-kind contributions with a total value of \$4,234,588 during 2004 from businesses, local government, individuals, and other sources.

## Surveys of Arts and Culture Organizations

Minnesota Citizens for the Arts and the Forum of Regional Arts Councils of Minnesota identified eligible nonprofit arts and culture organizations for this study. Generally, the organizations chosen

were economically active non-profits with primary activities in the arts and culture area. The eligible organizations received a survey requesting detailed information about their fiscal 2004 expenditures (labor, local and non-local artists, operations, materials, facilities, and asset acquisition) as well as their attendance figures. The responding organizations—ranging from opera, public radio stations, and historical museums to weaving societies and arts service organizations—had annual budgets ranging from \$0 to \$54,390,000. Response rates for the eleven regions averaged 27.0 percent, and ranged from 17.8 percent to 79.4 percent. Each region's results are based solely on the actual survey data collected from its nonprofit arts and culture organizations, not on fiscal projections or extrapolations. The sub-100 percent response rates in the eleven regions strongly indicate an understatement of the economic impact findings in all of the regions that are documented in this report.

In the Seven County Metro Area, 204 of the 712 eligible organizations identified by the Metropolitan Regional Arts Council responded to the survey, a response rate of 28.7 percent. The responding organizations had a range of budgets from \$0 to \$54,390,000.

## Surveys of Arts and Culture Audiences

An audience-intercept methodology (patrons at nonprofit arts events are asked to complete a survey while attending the event) was used to measure spending by audiences at nonprofit arts and culture events during 2005. All eleven Minnesota regions collected data about audience spending. An average of 618 surveys was collected

in each region at events ranging from museum exhibitions and arts festivals to opera performances and children's theater productions. The randomly selected respondents detailed spending on attendance-related activities such as meals, souvenirs, transportation, and lodging.

Using total attendance data for 2004 (collected from the participating nonprofit arts and culture organizations), standard statistical methods were then used to derive a reliable estimate of total expenditures by attendees. The 6,889 audience-survey respondents were asked to provide information about the entire party with whom they were attending. With an average of more than three individuals per survey reported on, these data actually represent the spending patterns of more than 20,000 attendees to nonprofit arts organizations—significantly increasing the reliability of the data.

In the Seven County Metro Area, audience-intercept surveys were collected from 1,027 arts and culture event attendees during 2005.

## Studying Economic Impact Using Input/Output Analysis

To derive the most reliable economic impact data, economists used the method of input/output analysis to measure the impact of expenditures by the local nonprofit arts and culture industry and its audiences. This method is a standard procedure for demonstrating the impact of expenditures on communities (and has also been the basis for two Nobel Prize awards in economics). It is well suited for this study because the models can be customized specifically to each region to measure the industry directly and through the commerce that the industry creates. An input/output model is a system of mathematical equations that combines statistical methods and economic theory. It traces how many times a dollar is “re-spent” within the local economy and the economic impact of each of those rounds of spending. (See the example of how a dollar can be re-spent on page five of this report.)

The model for each region is customized by using detailed data on employment, incomes, and government revenues provided by the U.S. Department of Commerce (e.g., County Business Patterns, Regional Economic Information System, Survey of State and Local Finance), local tax data (sales taxes, property taxes, and other local option taxes), as well as the survey data from nonprofit arts and culture organizations and their audiences.

# Conclusion

The Seven County Metro Area is home to 54 percent of the state's population and its arts and culture economy is robust. Minnesota's internationally recognized, world-class arts and culture organizations headquarter here but their performances, activities and services take place throughout Minnesota, the nation and the world. The region has arts organizations of all sizes, from professional to avocational, from formal to informal.

Given the Metro Area's countless organizations and arts activities it is not a surprise that the Twin Cities cultural industry is such a strong economic contributor to the region, is a major driver in the state's arts economy, and tops the state in almost every category studied, from payments to artists, organizational expenditures, capital expenditures, total resident and non-resident audience spending, number of arts and culture organizations, number of paid staff (8,669), number of volunteers (30,182), number of donated volunteer hours (1,064,055), value of volunteer hours (\$18,674,165), value of in-kind contributions (the donation of essential goods and services for which the group would otherwise have to pay, showing that local organizations have very strong support from businesses and individuals in the area: \$4,234,588), and total attendance at arts events (nearly 12 million attendees).

In total, nonprofit arts and culture are a \$719.5 million industry in the Seven County Metro Area—one that supports 19,069 full-time jobs and generates \$80.1 million in local and state government revenue. Nonprofit arts and culture organizations in the Seven County Metro Area, which spend \$452.4 million annually, leverage a remarkable \$267.1 million in additional spending by arts and culture audiences—spending that pumps vital revenue into local restaurants, hotels, retail stores, parking garages, and other businesses. *The Arts: A Driving Force in the Seven County Metro Area's Economy* demonstrates that investing in arts and culture yields significant economic benefits and lays to rest a common misconception: that communities support the arts and culture at the expense of local economic development. This report shows conclusively that that the arts are a driving force in the Seven County Metro Area economy.

## End Notes

- 1 The calculated audience spending totals are not exact due to rounding. For example, while the average per person expenditure by residents of the Seven County Metro Area is listed in this report as \$20.67, the actual figure used to calculate the total spending by residents is \$29.67406606x.
- 2 *Giving and Volunteering in the United States 2004*, Independent Sector, 2005.

## In Appreciation

This regional project is a collaboration of the **Forum of Regional Arts Councils of Minnesota** (RAC Forum) and **Minnesota Citizens for the Arts** (MCA), principle partners, with major funding provided by **The McKnight Foundation**. Additional partners include the **Twin Cities Performing Arts Research Coalition** (PARC) project funded by the Pew Charitable Trusts, and **Minnesota Arts Communicators**. Twelve studies were conducted statewide. The project was managed by MCA, while each of the state's eleven regional arts councils coordinated audience surveys and data release events in their own regions. **Americans for the Arts**, the study's national partner, created the economic models for the twelve studies, one for each region and one for the statewide study, and also provided secure web-based surveying tools. **Thank you to the following staff members and volunteers:**

**Project Manager:** Sheila Smith, Minnesota Citizens for the Arts

**Regional Coordinator:** Carolyn Bye, Metropolitan Regional Arts Council

**Survey Collection:** Carolyn Bye, Jane Gelbmann, Greg Nielson, Mary Ann Pulk, Bill Venne, Ann Spencer, Nancy Lee, Kara Skahen, and the Guthrie Theater Audience Services staff

**Americans for the Arts:** Benjamin Davidson, Director of Research

**RAC Forum Coordinator:** Carolyn Bye, Metropolitan Regional Arts Council

**Staff Support:** Kate Hannaher and Jane Gelbmann, Minnesota Citizens for the Arts

### **Minnesota Citizens for the Arts**

Minnesota Citizens for the Arts is a statewide arts and culture advocacy organization whose mission is to ensure opportunity for all people to have access to and involvement in the arts and culture. MCA organizes the arts and culture community and lobbies the Minnesota State Legislature and Congress on issues pertaining to the nonprofit arts and culture and conducts original research. MCA works with over 32,000 arts and culture advocates in Minnesota. For more information on MCA, this project or statistics about the arts and culture in Minnesota, please contact MCA Executive Director Sheila Smith at 651-251-0868, by email at [she-mca@mtn.org](mailto:she-mca@mtn.org), or view MCA's website: <http://www.mtn.org/mca>.

### **Metropolitan Regional Arts Council**

The Metropolitan Regional Arts Council (MRAC) promotes incorporation of the arts into the daily life of communities by providing leadership, advocacy, grants and services. MRAC's service area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties. MRAC supports arts organizations and community groups involved in projects that provide opportunities to engage in the process of creating art as well as opportunities to experience the art of others. MRAC is one of eleven regional arts councils in Minnesota that provide grants and services based on the needs of individual regions. MRAC's funding is provided by the Minnesota State Legislature, The McKnight Foundation, and other sources. Contact MRAC at 651-645-0402 or at [mrac@mrac.org](mailto:mrac@mrac.org) or [www.mrac.org](http://www.mrac.org).



## **The Forum of Regional Arts Councils of Minnesota**

The Forum of Regional Arts Councils of Minnesota serves as the voice of and advocate for small arts and culture organizations and community-based arts and culture activities throughout Minnesota by working in partnership with the Minnesota State Arts Board, Minnesota Citizens for the Arts and others. The Forum's Chair is Mary Minnick-Daniels in Mora, 320-679-4065 extension 30 / [ecac@ecrdc.org](mailto:ecac@ecrdc.org).

## **The Seven County Metro Area's Participating Nonprofit Arts Organizations**

This study could not have been completed without the cooperation of the following 204 nonprofit arts and culture organizations in the Seven County Metro Area that provided detailed financial information about their organization:

Actors Theater of Minnesota, Saint Paul. Alchemy Theater, Minneapolis. Allegro Orchestral Association, Wayzata. Alliance Francaise, Minneapolis. American Composers Forum, Saint Paul. American Indian Neighborhood Development Corporation, Minneapolis. American Swedish Institute, Minneapolis. Angelica Cantanti, Bloomington. Anodyne Artist Company Inc., Saint Paul. Arab Artists of the Twin Cities, Saint Paul. Arena Dances Inc., Minneapolis. ArtiCulture, Minneapolis. Artists del Norte, Anoka. ArtReach Alliance, Stillwater. Artspace Projects Inc., Minneapolis. Asian Media Access, Minneapolis. Ballet Minnesota, Saint Paul. Banfill-Locke Center for the Arts, Fridley. Bedlam Theatre, Minneapolis. Beyond Ballroom Dance Company, Minnetonka. Bloomington Art Center, Bloomington. Bloomington Chorale, Bloomington. Bloomington Fine Arts Council, Bloomington. Bloomington Symphony Orchestra, Bloomington. CAAM Chinese Dance Theater, Saint Paul. Calhoun-Isles Community Band, Minneapolis. Carver County Historical Society, Waconia. Center for Hmong Arts and Talent, Saint Paul. Center for Independent Artists, Minneapolis. Charcoal Line Project, Saint Paul. Chaska Area Quilt Club. Chaska Historical Society Inc.

Children's Theatre Company, Minneapolis. City of Eden Prairie Parks and Recreation, Eden Prairie. Civic Orchestra of Minneapolis, Minneapolis. CLIMB Theatre, Inver Grove Heights. Coffee House Press, Minneapolis. College of Visual Arts, Saint Paul. Como Zoo and Conservatory Society, Saint Paul. COMPAS - Community Programs in the Arts, Saint Paul. Contemporary Dance Arts Inc., Minneapolis. Continental Ballet Company, Bloomington. Cross Community Players, Maple Grove. Cultural Catalyst, Saint Paul. Delano/Franklin Township Area Historical Society, Delano. Dream House project, Minneapolis. East Metro Music Academy, Saint Paul. East Side Arts Council, Saint Paul. Encore Wind Ensemble, Roseville. Flourish, Wykoff. Flying Foot Forum, Minneapolis. FORECAST Public Artworks, Saint Paul. Frank Theatre, Minneapolis. Frederick R. Weisman Art Museum, Minneapolis. Golden Valley Historical Society, Golden Valley. Graywolf Press, Saint Paul. Guthrie Theater, Minneapolis. Hardanger Fiddle Association of America, Minneapolis. Hauser Dance, Minneapolis. Hennepin County Home School, Minnetonka. Hennepin Theatre Trust, Minneapolis. Highpoint Center for Printmaking, Minneapolis. History Theatre, Inc., Saint Paul. Hmong Cultural Center, Saint Paul. Hopkins Center for the Arts Inc., Hopkins. IFP Minneapolis/St. Paul, Saint Paul. Illusion Theater & School Inc., Minneapolis. In Progress, Saint Paul. Intermedia Arts of Minnesota, Inc, Minneapolis. In the Heart of the Beast Puppet and Mask Theatre, Minneapolis. Irondale High School Marching Knights Band, New Brighton. James Sewell Ballet, Minneapolis. Japan America Society of Minnesota, Minneapolis. Jawaahir Dance Company, Minneapolis. Juxtaposition Arts Inc., Minneapolis. Jungle Theater, Minneapolis. Katha Dance Theatre, Crystal. Keane Sense of Rhythm, Plymouth. Kenwood Symphony Orchestra, Minneapolis. KFAI Fresh Air Inc., Minneapolis. Kids in Motion!, Minneapolis. Lakeshore Players Inc., White Bear Lake. Lao Women Association, Minneapolis. Library Foundation of Hennepin County, Minnetonka. Livingston Arts Presentation Services, Minneapolis. Loft Literary Center, Minneapolis. Lyric Arts Company, Anoka. MacPhail Center for Music, Minneapolis. Medalist Concert Band, Bloomington. Metropolitan Regional Arts Council, Saint Paul. Midway Contemporary Art, Minneapolis. Milkweed Editions Inc., Minneapolis. Minneapolis Community Education Older Adult Program, Minneapolis. Minneapolis Institute of Arts,

Minneapolis. Minneapolis Pops Orchestra Association, Minneapolis. Minnesota Brass, Inc. Drum and Bugle Corps, Saint Paul. Minnesota Center for Book Arts, Minneapolis. Minnesota Children's Museum, Saint Paul. Minnesota Chinese Music Ensemble, Maplewood. Minnesota Chorale, Minneapolis. Minnesota Citizens for the Arts, Saint Paul. Minnesota Crafts Council, Minneapolis. Minnesota Fringe, Minneapolis. Minnesota Historical Society, Saint Paul. Minnesota Opera Company, Minneapolis. Minnesota Orchestral Association, Minneapolis. Minnesota Orchestral Volunteer Association. Minneapolis. Minnesota Public Radio, Saint Paul. Minnesota sur Seine, Saint Paul. Minnesota Transportation Museum, Saint Paul. Minnesota Valley Academy of Music, Burnsville. Minnesota Youth Symphonies, Saint Paul. Minnesota Zoo, Apple Valley. Minnetonka Center for the Arts, Wayzata. MIRA, Minneapolis. Mixed Blood Theatre, Minneapolis. Mounds Theater Company, Saint Paul. Mounds View Community Theatre. Mu Performing Arts, Minneapolis. Musikgarten of Anoka. National Lutheran Choir, Minneapolis. North Star Opera, Saint Paul. North Suburban Council Chorus, Roseville. Northeast Chamber Orchestra, Fridley. Northern Clay Center, Minneapolis. Northrop Auditorium, Minneapolis. Northside Arts Collective, Minneapolis. Northstar Storytelling League, Minneapolis. Norwegian Glee Club of Minneapolis. Old Arizona Collaborative Inc., Minneapolis. One Voice Mixed Chorus, Minneapolis. Open Eye Figure Theatre, Minneapolis. Ordway Center for the Performing Arts, Saint Paul. OVERexposure, Minneapolis. Pangea World Theater, Minneapolis. Patrick's Cabaret, Minneapolis. Pena Nueva, Minneapolis. Perpich Center for Arts Education, Golden Valley. Phillips Community Television, Minneapolis. Pillsbury House Theatre, Minneapolis. Playwrights' Center, Minneapolis. Plymouth Concert Band, Brooklyn Park. Ramsey Center for Arts, Shoreview. Red Eye Collaboration, Minneapolis. Richfield Fine Arts Festival Committee. Robayat, Minneapolis. Rose Ensemble, Saint Paul. Rosetown Playhouse, Roseville. Roseville String Ensemble. Saint Croix Valley Boy Choir, Stillwater. Saint Paul Chamber Orchestra, Saint Paul. Saint Paul Community Education Youth Program. SASE: The Write Place, Minneapolis. Schubert Club, Saint Paul. Science Museum of Minnesota. Scott County Historical Society, Shakopee. Seniors Learning Together Inc., Apple Valley. Shoestring Players, Hopkins. Skewed Visions, Minneapolis. Soap Factory,

Minneapolis. Sound Windows, Minneapolis. Sounds of Hope, Ltd., Saint Paul. Southern Theater, Minneapolis. Southside Family School, Minneapolis. Speak Out Sisters!, Minneapolis. Springboard for the Arts, Saint Paul. St. Croix Concert Series, Stillwater. St. Paul Art Collective, Saint Paul. Stages Theatre Company, Hopkins. SteppingStone Theatre, Saint Paul. Stevens Square Community Organization, Minneapolis. Superclown Children's Art Gallery, Saint Paul. Tapestry Folkdance Center, Minneapolis. Theatre de la Jeune Lune, Minneapolis. Teatro del Pueblo, Saint Paul. Ten Thousand Things Theater, Minneapolis. Testing USA. Textile Center of Minnesota, Minneapolis. The "And" Project, Minneapolis. The "Break" Project, Minneapolis. The "Sun & Moon" Project, Minneapolis. Theater Space Project, Saint Paul. Theatre in the Round Players Inc., Minneapolis. Theatre Unbound, Minneapolis. Time Track Productions, Saint Louis Park. Twin Cities Gay Men's Chorus, Minneapolis. Twin Cities Housing Development, Saint Paul. Twin Cities Women's Choir, Saint Paul. Valley Chamber Chorale, Stillwater. VocalEssence, Minneapolis. VSA Arts of Minnesota, Minneapolis. Walker Art Center, Minneapolis. West 7th Fort Road Federation, Saint Paul. White Bear Center for the Arts, White Bear Lake. Wildwood Artist Series, Stillwater. Women's Caucus for Art, Minneapolis. Woodbury Arts Connection. Woodbury Chorus and Orchestra. Young Dance, Minneapolis. Youth Performance Company, Minneapolis. Zeitgeist, Saint Paul. Zenon Dance Company and School, Inc., Minneapolis. Zorongo Flamenco Dance Theatre, Minneapolis.

## The Seven County Metro Area's Participating Arts Patrons

Additionally, this study could not have been completed without the cooperation of the 1,027 arts and culture patrons who generously took the time to complete the audience spending survey while attending one of the following arts and culture events in the Seven County Metro Area:

American Craft Council ("Saint Paul Craft Show"). Continental Ballet (*Sleeping Beauty*). Guthrie Theater (*As You Like It*). Hennepin Theatre Trust (*Movin' Out*). Jordan Arts Festival. Lakeshore Players (*A Little Night Music*). Lakeville Area Arts

Center (*Monroe Crossing*). Lyric Arts Main Stage Theater (*Cheaper By The Dozen*). Minnesota Opera (*Carmen*). Nimbus Theater Company (*Firebugs*). Northrup Auditorium (“Australian Dance Theatre”). Northstar Opera (*Der Fledermaus*). Ragamala Music and Dance Theatre (*Bhakti*). The Rose Ensemble at the Southern Theater (“Visitatio Sepulchri: The Dublin Mystery Play”). Southern Theater (“Jazz Dance”). The Loft (“Staceyann Chin Equilibrium Reading”). Theatre Mu (*The Walleye Kid*). VocalEssence (“Tomorrow’s Voices”).

### **Additional Economic Impact Studies**

Americans for the Arts has conducted over 100 economic impact studies of the arts and culture in cities and states across America. For copies of these studies or for further information, refer to [www.artsusa.org](http://www.artsusa.org).

## Appendix A: The Economic Impact of the Arts and Culture in Minnesota—A Statewide Perspective

This project included studies measuring the economic impact of the nonprofit arts and culture in each of Minnesota's eleven arts regions in addition to producing a report for the entire state.

Each study has utilized the same methodology, requiring the collection of accurate local expenditure data, as well as the development of an economic input/output model customized for each region using local, state, and federal tax and commerce information.

The statewide study, *The Arts: A Driving Force in Minnesota's Economy*, showed the arts and culture are an \$838.5 million industry in Minnesota. Arts and culture organizations spend \$485.8 million annually, while arts and culture audiences account for \$352.7 million. Together, spending by arts and culture organizations and

their audiences support more than 22,000 full-time equivalent jobs in Minnesota.

**Copies of the statewide and eleven regional reports, and accompanying supporting materials, are available on Minnesota Citizens for the Arts' website, [www.mtn.org/mca](http://www.mtn.org/mca).**

# Appendix B: The Survey Toolkit for Arts and Culture Organizations in the Seven County Metro Area

## **Economic Impact Per \$100,000 of Spending by Nonprofit Arts and Culture Organizations in this Region**

To make it easier to compare the economic impacts of different organizations and communities, the project researchers calculated the economic impact per \$100,000 of local spending by nonprofit arts and culture

organizations in the Seven County Metro Area. Thus, for every \$100,000 in spending by a nonprofit arts and culture organization, there was the following total economic impact in the Seven County Metro Area (see the table below):

**Economic Impact Per \$100,000 of Spending by Nonprofit Arts Organizations in the Seven County Metro Area**

	Seven County Metro Area
Full-Time Equivalent Jobs	2.65
Resident Household Income	\$87,400
Local Government Revenue	\$2,400
State Government Revenue	\$7,100

### **An Example of How to Use this Table**

An administrator from a nonprofit arts and culture organization in the Twin Cities Region that has total expenditures of \$300,000 wants to determine the organization's economic impact on full-time equivalent **employment** on the Seven County Metro Area. The administrator would:

- Determine the amount spent by the arts and culture organization;
- Divide the expenditure by 100,000; and
- Multiply that figure by the economic impact results per \$100,000.

Thus, \$300,000 divided by 100,000 equals three; three times 2.65 (from the table above) equals a total of 7.95 full-time equivalent jobs supported within the Seven County Metro Area by that nonprofit arts and culture organization's expenditures. The same estimate can be made for household income and revenues to local and state government (e.g., multiply three times \$87,400 to calculate the resident household income generated by that organization's expenditures).

## **Economic Impact Per \$100,000 of Spending by Nonprofit Arts and Culture Audiences in this Region**

The impact of event-related spending by arts and culture audiences can be derived similarly to the calculation of economic impact for nonprofit arts and culture organizations. The first step is to determine the total event-related spending by attendees to arts and culture events (**excluding** the cost of admission). To derive this figure, multiply the average per person event-related

expenditure (found in the table below) by the total attendance to your organization’s arts and culture events. Using this total dollar figure, the table on the next page—*Economic Impact Per \$100,000 of Spending by Nonprofit Arts Audiences*—can be used to determine the total economic impact of audience spending, based on every \$100,000 of event-related spending.

### **Average Event-Related Spending Per Person by Arts and Culture Event Attendees in the Seven County Metro Area** (not including the cost of event admission)

	<b>Seven County Metro Area</b>
Refreshments/Snacks During Event	\$2.23
Meals Before/After Event	\$10.59
Souvenirs and Gifts	\$2.30
Clothing/Accessories	\$2.55
Ground Transportation	\$3.38
Event-Related Child Care	\$0.34
Overnight Lodging (one night only)	\$0.62
Other	\$0.57
<b>Average Event-Related Spending</b> (Per Person)	<b>\$22.58</b>

### Economic Impact Per \$100,000 of Spending by Nonprofit Arts and Culture Audiences in the Seven County Metro Area

	Seven County Metro Area
Full-Time Equivalent Jobs	2.64
Resident Household Income	\$64,900
Local Government Revenue	\$2,400
State Government Revenue	\$11,500

### An Example of How to Use These Tables

An administrator wants to determine the economic impact of his organization's 5,000 arts and culture event attendees on full-time equivalent **employment** in the Seven County Metro Area. The administrator would:

- Determine the total audience spending by multiplying the average per person expenditure for the Seven County Metro Area by the total attendance;
- Divide the total audience spending amount by 100,000; and
- Multiply that figure by the economic impact results for the Seven County Metro Area per \$100,000.

Thus, 5,000 times \$22.58 (from the table on the preceding page—*Average Event-Related Spending Per Person by Arts Event Attendees*) equals \$112,900; \$112,900 divided by 100,000 equals 1.1290; 1.1290 times 2.64 FTE Jobs (from the table above) equals a total of 2.98 full-time equivalent jobs supported within the Seven County Metro Area. The same estimates can be made for household income and revenue to local and state government (e.g., multiply 1.1290 times \$64,900 to calculate the resident household income generated by that organization's audiences' expenditures).

## Appendix C: Location of Minnesota's Arts Regions

Region	Definition
RG 1: Northwest Minnesota	Kittson, Marshall, Norman, Pennington, Polk, Red Lake and Roseau Counties
RG 2: North Central Minnesota	Beltrami, Hubbard, Clearwater, Lake of the Woods, and Mahnommen Counties
RG 3: The Arrowhead	Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis Counties
RG 4: The Lake Region	Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse and Wilkin Counties
RG 5: The Brainerd Lakes Area (Five Wings)	Cass, Crow Wing, Morrison, Todd, and Wadena Counties
RG 6/8: Southwest Minnesota	Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift and Yellow Medicine Counties
RG 7E: East Central Minnesota	Chisago, Isanti, Kanabec, Mille Lacs, and Pine Counties
RG 7W: Central Minnesota	Benton, Sherburne, Stearns, and Wright Counties
RG 9: South Central Minnesota (Prairie Lakes)	Blue Earth, Brown, Faribault, LeSueur, Martin, Nicollet, Sibley, Waseca and Watonwan Counties
RG 10: Southeast Minnesota	Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona Counties
RG 11: The Seven County Metro Area	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties

