

***from Blues to Benton* *to Bluegrass:* Economic Impact of the Arts in the South**



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**The Council of State Governments
Southern Legislative Conference (SLC)**

**Testimony Before a Hearing of the
Georgia Senate Grassroots Arts
Program Study Committee**

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Five Main Parts

1. Key Benefits of the Arts
2. SLC State Legislative Appropriations to the Arts, FY 2001 to FY 2005
3. National and SLC State Economic Impact Trends
4. Alternate Funding Mechanisms Pursued During Recent Fiscal Downturn
5. Harnessing Cultural and Heritage Tourism

Benefits of the Arts

- ✓ Enriching an individual's life experiences, standard of living and learning;
- ✓ Generating substantial private and public economic benefits;
- ✓ Reviving moribund and blighted neighborhoods;
- ✓ Raising standardized test scores and promoting fundamental creative and problem-solving skills among students through arts education

Museum of Modern Art, Fort Worth, Texas



Table 1: SLC Legislative Appropriations, FY 2001 - 2005

State	FY 2001	FY 2005	% Difference
AL	\$6,121,164	\$3,169,195	-48%
AR	\$1,311,070	\$1,460,643	11%
FL	\$36,935,278	\$15,809,390	-57%
GA	\$4,835,331	\$4,054,234	-16%
KY	\$4,072,800	\$3,593,700	-12%
LA	\$4,898,143	\$5,231,961	7%
MD	\$12,646,294	\$11,001,522	-13%
MS	\$3,283,961	\$1,661,551	-49%
MO	\$11,971,858	\$500,000	-96%
NC	\$7,832,771	\$5,920,552	-24%
OK	\$4,235,497	\$3,878,871	-8%
SC	\$5,421,706	\$3,076,621	-43%
TN	\$2,306,600	\$2,014,900	-13%
TX	\$4,739,335	\$4,510,252	-5%
VA	\$4,682,112	\$3,001,535	-36%
WV	\$2,342,597	\$2,378,218	2%

Table 2: Per Capita SLC Appropriations, FY 2001 to 2005

State	FY 2001	Rank	FY 2005	Rank
AL	\$1.38	4	\$0.70	9
AR	\$0.49	14	\$0.54	11
FL	\$2.31	2	\$0.93	5
GA	\$0.59	13	\$0.47	12
KY	\$1.01	10	\$0.87	6
LA	\$1.10	9	\$1.16	3
MD	\$2.39	1	\$2.00	1
MS	\$1.15	8	\$0.58	10
MO	\$2.14	3	\$0.09	16
NC	\$0.97	11	\$0.70	8
OK	\$1.23	7	\$1.10	4
SC	\$1.35	5	\$0.74	7
TN	\$0.41	15	\$0.34	14
TX	\$0.23	16	\$0.20	15
VA	\$0.66	12	\$0.41	13
WV	\$1.30	6	\$1.31	2

High Museum of Art, Atlanta, Georgia



High Museum of Art © Jonathan Hillyer 2005
The new main entrance High Museum of Art is through the lobby of the new Susan and John Wieland Pavilion designed by Renzo Piano, which is accessible from the central piazza.

Total Impact of the Non-Profit Arts Industry

- ✓ Total Expenditures = \$134.0 Billion
- ✓ Full-Time Equivalent Jobs = 4.85 Million
- ✓ Resident Household Income = \$89.4 Billion
- ✓ Local Govt. Revenue = \$6.6 Billion
- ✓ State Govt. Revenue = \$7.3 Billion
- ✓ Federal Govt. Revenue = \$10.5 Billion

Source: *Americans for the Arts*

Employment in the Arts

- ✓ Arts-centric businesses represent 4.4 percent of all businesses and 2.2 percent of all jobs;
- ✓ More than 578,000 arts-related businesses employ 2.965 million people in the 435 Congressional districts;
- ✓ More than half the Districts have at least 5,200 arts-centric employees;
- ✓ Highest in 8th District of NY (NYC) with 119,320 employees and least in 5th District of KY with 1,554 employees

Source: *Americans for the Arts*, March 2005

Table 3: Businesses and Employees in the Arts

State	Businesses	Employees
AL	5,433	26,180
AR	3,298	14,849
FL	36,853	162,590
GA	16,263	84,131
KY	5,085	22,625
LA	6,229	28,942
MD	10,742	46,536
MS	2,778	11,708
MO	8,966	55,307
NC	13,648	63,590
OK	4,477	23,297
SC	5,693	29,959
TN	10,347	54,028
TX	44,373	186,158
VA	12,418	66,894
WV	1,682	8,432

Music Center at Strathmore, Montgomery County, Maryland



Economic Impact: State Specific Information

- ✓ Oklahoma – Public funding for the arts council generated \$270.2 million throughout the state;
- ✓ Florida - \$1.2 billion spent by arts and cultural organizations;
- ✓ Missouri – Total annual labor income supported by arts industry greater than \$4.8 billion;

Economic Impact: State Specific Information (Cont.)

- ✓ Maryland – Arts industry contributed \$911 million to state economy;
- ✓ North Carolina – Total economic impact of the non-profit creative sector was \$723 million;
- ✓ Georgia - \$2 billion forecasted during construction and first 10 years of Atlanta Symphony Center's operation;
- ✓ Atlanta Metro Area - \$700 million in direct and indirect impacts;

Spoletto Festival

Charleston, South Carolina



Economic Impact: State Specific Information (Cont.)

- ✓ South Carolina – Cultural industry supported \$686.7 million in labor earnings, 29,348 jobs, \$1.8 billion in output and more than \$44 million a year in sales and income taxes;
- ✓ Mississippi – For every government dollar, non-profit arts industry generated \$6.50 in earned income;
- ✓ Louisiana – Arts had a total economic impact of \$934 million;

Economic Impact: State Specific Information (Cont.)

- ✓ Tennessee - Arts organizations spent \$143.8 million in the state's economy, including payroll;
- ✓ Texas – Non profit arts sector created more than \$298 in economic impact and \$9.20 in state revenues for every dollar;
- ✓ Kentucky – Artists and arts organizations received \$77.4 million in earnings;
- ✓ Virginia - Arts and cultural organizations annually produced \$849 million in revenues for Virginia businesses.

International Storytelling Center, Jonesborough, Tennessee



Alternate Funding Sources

- ✓ Issuing bonds;
- ✓ Earmarking a portion of revenue sources such as sales taxes, hotel/motel taxes, rental car taxes, property taxes;
- ✓ Percent-for-art legislation;
- ✓ Public-private partnerships for arts projects;
- ✓ Portion of annual corporate filings for the arts;

The Thomas Hart Benton Mural, Harry S. Truman Library and Museum, Independence, Missouri



Alternate Funding Sources (Cont.)

- ✓ Endowment funds;
- ✓ License plate programs;
- ✓ Increasing cigarette taxes and allocating the additional revenue to the arts;
- ✓ Universities;
- ✓ Tobacco settlement monies;
- ✓ Lottery proceeds to the arts.

Cultural Heritage Tourism

- ✓ States promoting cultural tourism as a means to ignite interest in the arts and foster positive economic trends.
- ✓ Tremendous untapped economic potential of the cultural and heritage treasures within SLC state borders.
- ✓ Cultural and heritage tourists not only spend more money than regular tourists, they also tour for a longer period of time.

***Mark Hewitt Pottery Exhibit,
Cameron Art Museum
Wilmington, North Carolina***



Cultural Heritage Tourism (Cont.)

- ✓ Louisiana leveraging its cultural economy propelling culinary arts; entertainment; preservation; visual arts and crafts; literary arts and humanities; design.
- ✓ Georgia's efforts including the state's independent efforts and Governor Perdue's efforts as president of SGA with *Soul of the South: Our Heritage, Our Hospitality, Our Hometowns*.
- ✓ Virginia's Heritage Musical Trail, the *Crooked Road*

Thank You
from Blues to Benton to Bluegrass:
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