



Sparking Economic Recovery Through the Arts

By Randy Cohen, VP of Research, Americans for the Arts

When Pericles convinced his fellow Athenians to build the Parthenon in 447 BC, he shared a vision that would reflect the magnificence of Athens and be a monument to democracy. He also knew it would be a post-war economic driver that would put thousands of citizens to work and attract visitors who wanted to see the architectural marvel. 2500 years later, Pericles's prescient understanding of the value of the arts to inspire, define a sense of place, and strengthen the economy remains evident.

As Lieutenant Governors work to position their states for a post-pandemic recovery, new research shows why they too should look to the arts as an essential tool in their economic recovery arsenal.

The Arts Industry

The arts are a larger segment of the U.S. economy than most people realize. The U.S. Bureau of Economic Analysis (BEA) [reports](#) that the nation's arts and culture sector—nonprofit, commercial, education—is an \$878 billion industry that supports 5.1 million jobs. That is 4.5% of the nation's economy—a larger share of GDP than powerhouse sectors such as agriculture, transportation, and tourism. The BEA makes [state-level data](#) available as well that demonstrate equally impactful findings. In Wisconsin, for example, arts and culture is a \$10.1 billion industry (3.1% of Gross State Product) that supports 95,651 jobs.

The Arts Drive Tourism and the Experience Economy

Most restaurateurs know when there is a show in town or a great exhibition at the museum. They see the bump in business (*derrières in café chairs*, as a colorful city manager once described it). The arts get people out of their homes and spending money in the community. The typical attendee to an arts event spends [\\$31.47 per person](#) beyond the ticket cost on event-related items such as meals, retail, parking, and lodging. This provides vital income to local merchants, energizes downtowns, and puts people to work.

Arts travelers are ideal tourists, staying longer and spending more to seek out authentic cultural experiences. 34% of arts attendees live outside the county in which the arts event takes place; they spend an average of \$47.57 apiece. When asked why they traveled, 69% said it was specifically to attend that arts event.

The promising economic development news is [audience research](#) studies show that more than 90% of attendees fully intend to return to the arts, post-pandemic—continuing their earlier levels of attendance and charitable support. Brighter still is the growing power of the “experience economy.” Consumer research by [Eventbrite](#) shows that among millennials, for example, 78% prefer to spend their money on live experiences and cultural events rather than material possessions. Post pandemic demand for the arts is expected to be high, which is good news for local businesses.

Strong Arts Presence = Stronger Economy

The arts are kindling for the economy—small investments that deliver big returns. New [research](#) by Indiana University economists using the BEA data show that the arts are more than a

formidable economic presence. **The arts are economic catalysts. They do not just reflect the state and local economy, but accelerate economic recovery.** A growth in arts employment has a positive and causal effect on overall state employment. The arts also provide economic diversification and are proven to recover more rapidly from economic downturns without being anchored down by other slower recovering sectors. It is for these reasons that the researchers conclude, “These [economic] characteristics make the arts a valuable asset for states seeking a path out of economic crisis.”

How to grow arts employment? Lt. Governors collectively invest \$401 million in their [state arts agencies](#). While an economic revitalization strategy would include increasing that allocation, many states and cities are also investing pandemic relief funding to employ artists and help arts organizations survive—including at least \$319 million of 2020 CARES Act funds (e.g., \$10 million in Indiana, \$50 million in Oregon). Another approach is the San Francisco Creative Corps, a city program to hire artists whose work will encourage public health practices such as mask wearing and social distancing. California is considering a \$15 million statewide version of the program—putting artists back to work, fueling positivity, and inspiring safe and healthy behavior.

COVID’s Impact on the Arts: First to Close and the Last to Open

For all the benefits that the arts provide, the sector is one of the most severely affected segments of the nation’s economy. The [Federal Emergency Management Agency](#) (FEMA) reports, “COVID-19 has taken a deep toll on the arts sector. Nearly all [arts venues] were initially forced to close and, if allowed to reopen, were severely restricted by distancing and capacity requirements. As COVID-19 resurged during the late fall of 2020, many were once again forced to close.”

[Research](#) by Americans for the Arts shows that 63% of the nation’s artists and creative workers have become fully unemployed due to the pandemic and virtually every producing and presenting organization has cancelled events—a loss of \$15.2 billion and 488 million admissions. A 2020 study by the [Brookings Institution](#) reports that the “fine and performing arts” lost a whopping 50% of its employment (-1.4 million jobs). Less than half of producing arts organizations are currently open to the public.

The Arts Mean Business

As Lieutenant Governors look to jumpstart economic recovery, the data make clear that the arts are not frills or extras, but rather investments that build social cohesion and strengthen state economies—creating jobs, generating government revenue, and growing tourism. With those benefits, it is no wonder that 71% of [Americans favor](#) government funding for the arts as a means to address jobs and the economy, and 86% agree that “the arts are important to local business and the economy.” To capitalize on these benefits, however, states must continue to invest in their artists and arts organizations to ensure they survive the pandemic.

What Pericles knew to be true 2500 years ago in Ancient Athens remains true today. The arts mean business.

If you have any questions or want to learn more, please contact Jay Dick, Americans for the Arts’ Senior Director of State and Local Government Affairs at jay@artsusa.org.