

The Economic and Social Impact of Nonprofit Arts and Culture Organizations and Their Audiences in State of Arkansas

Direct Economic Activity	Organizations	Audiences	Total Expenditures
Total Industry Expenditures (FY2022)	\$202,090,706	\$104,352,280	\$306,442,986

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

Total Economic Impacts (includes direct, indirect, and induced impacts)	Organizations	Audiences	Total Impacts
Employment (Jobs)	3,225	1,575	4,800
Personal Income Paid to Residents	\$131,885,096	\$50,734,677	\$182,619,773
Local Tax Revenue (city and county)	\$1,593,733	\$1,950,292	\$3,544,025
State Tax Revenue	\$6,052,689	\$6,459,177	\$12,511,866
Federal Tax Revenue	\$25,134,355	\$8,187,705	\$33,322,060

Event-Related Spending by Arts and Culture Audiences Totaled \$104.4 million

Attendance to Arts and Culture Events	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Total Attendance to In-Person Events	3,137,384	161,653	3,299,037
Percentage of Total Attendance	95.1%	4.9%	100.0%
Average Per Person, Per Event Expenditure	\$30.28	\$56.40	\$31.57
Total Event-Related Expenditures²	\$83,742,716	\$20,609,564	\$104,352,280

Nonprofit Arts and Culture Audiences Spend an Average of \$31.57 Per Person, Per Event

Category of Event-Related Expenditure	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Food and Drink	\$17.96	\$21.38	\$18.13
Retail Shopping	\$2.69	\$6.49	\$2.88
Overnight Lodging (one night only)	\$1.32	\$15.75	\$2.03
Local Transportation	\$3.07	\$4.73	\$3.15
Clothing and Accessories	\$2.08	\$2.81	\$2.12
Groceries and Supplies	\$1.07	\$3.86	\$1.20
Childcare	\$1.10	\$1.02	\$1.10
Other/Miscellaneous	\$0.99	\$0.36	\$0.96
Overall Average Per Person, Per Event	\$30.28	\$56.40	\$31.57

Source: *Arts & Economic Prosperity 6: The Economic and Social Impact Study of Nonprofit Arts and Culture Organizations and Their Audiences in the State of Arkansas*. For more information about this study or about other cultural initiatives in the State of Arkansas, contact the Creative Arkansas Community Hub & Exchange.

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Past studies have focused primarily on the financial, economic, and tourism contributions of the nonprofit arts and culture industry. AEP6 expands beyond those topics to include measures of social impact. Surveys completed by individual attendees in the the State of Arkansas demonstrate an appreciation for how the arts and culture impacts the development and well-being of the community and its residents.

Audiences Demonstrate Appreciation for the Impact of Arts and Culture

Level of Agreement with Social Impact Statements	Audiences
"This venue or facility is an important pillar for me within my community."	90.1%
"I would feel a great sense of loss if this activity or venue were no longer available."	92.0%
"This activity or venue is inspiring a sense of pride in this neighborhood or community."	91.6%
"My attendance is my way of ensuring that this activity or venue is preserved for future generations"	85.6%

About This Study

Americans for the Arts conducted AEP6 to document the economic and social benefits of the nation's nonprofit arts and culture industry. The study was conducted in 373 diverse communities and regions across the country, representing all 50 states and Puerto Rico. **The Creative Arkansas Community Hub & Exchange joined the study on behalf of the State of Arkansas.** For additional information including the national report, summaries for the 373 communities, an online calculator, and of the methodology, visit www.AEP6.AmericansForTheArts.org.

Surveys of Nonprofit Arts and Culture Organizations

Nationally, detailed information was collected from 16,399 nonprofit arts and culture organizations about their FY2022 expenditures (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as their event attendance, in-kind contributions, and volunteerism. Surveys were collected from February through July 2023. Some organizations only provided total expenditures and attendance (they are included in the study). Responding organizations had budgets ranging from a low of \$0 to a high of \$375 million. Response rates for the 373 communities averaged 43.9% and ranged from 5% to 100%. **In the State of Arkansas, 114 of the 392 total eligible nonprofit arts and culture organizations identified by the Creative Arkansas Community Hub & Exchange provided the financial and attendance information required for the study analysis—an overall participation rate of 29.1%.** It is important to note that each study region's results are based solely on the survey data collected. Therefore, the less-than-100 percent response rates suggest an understatement of the findings.

Surveys of Nonprofit Arts and Culture Audiences

Audience-intercept surveying, a common and accepted research method, was conducted to measure event-related spending by audiences. Attendees were asked to complete a short survey while attending an event. Nationally, a total of 224,677 attendees completed the survey. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging, as well as socioeconomic information, ZIP code of primary residence, and four social impact questions. Data was collected from May 2022 through June 2023 at a broad range of both paid and free events. **In the State of Arkansas, a total of 1,003 valid audience-intercept surveys were collected from attendees to nonprofit arts and culture events and activities during the period from May 2022 through June 2023.**

Studying Economic Impact Using Input-Output Analysis

Americans for the Arts uses the IMPLAN platform to create the customized models for each of the 373 study regions. Input-output models calculate the interdependencies between various sectors or industries within a region. This analysis traces how many times a dollar is respent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for AEP studies because it can be customized specifically to each participating community, region, or state. **To complete this analysis for the State of Arkansas, the researchers used the IMPLAN platform to build a customized input-output economic model based on the unique characteristics of the State of Arkansas.**

Research Notes:

- ¹ For the purpose of this study, local attendees live within the State of Arkansas; nonlocals live elsewhere.
- ² To calculate the total audience expenditures in the State of Arkansas, first the audience expenditure findings were calculated for the Northwest Arkansas Area. Next, the residency percentages and the average per person arts-related expenditure for residents and nonresidents were applied to any additional attendance data collected from organizations located within the State of Arkansas but outside the Northwest Arkansas Area. Finally, the results were added to the findings from the Northwest Arkansas Area. It is important to note that, as a result, the aggregate audience expenditures for the State of Arkansas do not equal the average per person event-related expenditure for locals multiplied by the total estimated attendance by locals plus the average per person event-related expenditure for nonlocals multiplied by the total estimated attendance by nonlocals.

