Economics Center
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THE ECONOMIC IMPACT OF THE ARTS ON GREATER CINCINNATI

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THE ECONOMIC IMPACT OF THE ARTS

ON GREATER CINCINNATI

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Executive Summary

The seventeen Fine Arts Fund organizations together account for a significant portion of Cincinnati's non-profit arts sector. This arts industry has a considerable economic impact on the Greater Cincinnati regional economy. The impact of the spending of these organizations and their audiences is the subject of this analysis.

What are the economic impacts of the arts?

- Combined, the production of arts performances and spending by out-of-town arts patrons had a total economic impact of $169 million annually on the Greater Cincinnati [1] economy in the 2001 fiscal year, which generated $67 million in household income and supported 2,455 full and part-time jobs in the area.

- The economic impact of arts production accounts for $140 million of the total economic impact, which generates $58 million in household income and supports 1,991 full and part-time jobs.

- Related spending by out-of-town arts patrons on dining, lodging, etc., accounts for the other $29 million of the total economic impact, which generates $9 million in household income, and supports 464 full and part-time jobs. [2]

- Together, these economic activities generate $4 million annually in income, property, and sales tax revenues for Hamilton County, the City of Cincinnati, and other taxing jurisdictions within the county.

- Through attraction of grants, contributions, and patrons from outside the area the arts bring $17 million in new money into the region, replenishing and expanding the Greater Cincinnati economy.

How does the impact of the arts compare with that of other activities in Greater Cincinnati?

- Together, these organizations have nearly 950 employees. If all of these non-profit arts enterprises were combined in a single corporation, "The Arts" would be on the list of the 50 largest corporations (by employment) in the Cincinnati area. If the list were restricted to non-profit corporations, "The Arts" would be one of the largest fifteen, surpassed only by a few educational and healthcare organizations.

- When compared to other "recreational" enterprises, the total economic impact of the arts trails only that of Kings Island and the Cincinnati Reds. The impact of "The Arts" is roughly 20% greater than that of the Cincinnati Bengals and it is also greater than other popular attractions such as the Cincinnati Zoo, the Newport Aquarium, and Riverfest.

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[1] Greater Cincinnati is the Cincinnati-Hamilton Consolidated Metropolitan Statistical Area, which includes the counties of Hamilton, Butler, Warren, Clermont, and Brown in Ohio; Boone, Kenton, Campbell, Gallatin, Grant, and Pendleton in Kentucky; and Dearborn and Ohio in Indiana.

[2] This analysis assumes that related spending by local arts patrons (which amounted to $19 million) does not represent an addition to total local spending because most of these dollars would otherwise still have been spent locally. This spending by local arts patrons is, nonetheless, important, ensuring that the economic impacts of these dollars are retained in the Cincinnati area.

- Total attendance recorded in the 2001 fiscal year exceeded 1.75 million, which is larger than any other venue or event, with the exception of Kings Island and the Cincinnati Reds. Since 1990, attendance has increased by 38%.

Are there other impacts not measured by this study?

- This economic impact study does not measure non-economic benefits, but adheres to accepted methods of analyzing regional economic impacts. While such an approach will miss some advantages that the arts provide, it provides conservative estimates and minimizes the chances of overstating the actual impact. [3]

- These arts organizations make a significant contribution to the vitality of the downtown area. Because most of them are located in the heart of Cincinnati, spending by the organizations themselves, as well as by both out-of-town and local patrons, is concentrated in the urban core. And the concentration of this spending results in a similar concentration of the jobs generated.

- The presence of these arts organizations is generally recognized as an important factor in the attractiveness of the Cincinnati area as a place to live and do business. The quality and quantity of the arts in Cincinnati contribute substantially to the area's high scores in a wide variety of systems for rating places.

- The arts in Cincinnati also produce benefits such as enhanced education due to the presence of the arts when classes attend museums and live performances. Educational programs by the member and associate member organizations account for over one-fourth of total attendance. In addition, the members of the arts community are involved in the life of the larger community and bring their artistic skills to a variety of Cincinnati activities, notably colleges, universities, and local school districts. Finally, these organizations have positive spillover effects on other arts organizations that are not measured in this study.

- This study examines only the economic impact from operations, which is a recurring impact. Several FAF member organizations are currently engaged in substantial construction projects that have a combined one-time direct cost exceeding $55 million and an approximate one-time economic impact over $130 million.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
Please reference report: 2002-EI-1004-ES Fine Arts Fund

[3] Since the Fine Arts Fund's last economic impact report released in 1991, there have been several studies of arts and cultural activities, based on various data sources and employing slightly different methodologies. The Fine Arts Fund, through its allocation process, has developed a consistent method for reporting economic data that avoids inflated estimates and ensures reliable and accurate research results.