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**arts**  
— as an  
**industry**

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Their Economic Impact on  
**NEW YORK CITY** and **NEW YORK STATE**

A L L I A N C E *for* T H E A R T S

# Acknowledgments

This report was prepared by Rosemary Scanlon and Catherine Lanier for the Alliance for the Arts, with research assistance and coordination from Johanna Arendt. Amos Ilan, with Eugene Spruck and Anthony Morris of the Port Authority of New York & New Jersey, conducted the economic impact analysis.

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# Foreword

This report contains good news: the arts industry has grown as a part of the economic life of New York City and is an integral part of the economy of the entire state of New York.

This study on the economic activity of the nonprofit and commercial sectors in 2005 demonstrates their value in concrete terms. The arts invest in local economies by hiring a local workforce, engaging local businesses and paying local and state taxes. Beyond that contribution, every part of the industry plays a role in attracting visitors from other parts of the country and the world, making arts-motivated visitors one of the strongest components of New York's growing tourism market. Underlying the impressive numbers are the active relationships which tie together the components of this industry. Talent, product and investment frequently cross the line between the commercial and nonprofit sectors. For example, theatrical productions originate on noncommercial stages and move to Broadway, or the work of artists shown in commercial galleries is collected and displayed by museums. The arts industry is the vital core of the creative economy of New York.

The Alliance for the Arts takes pride in the careful methodology of the study. Its meaning to the public and to policy makers is clear. New Yorkers enjoy the economic benefits of a thriving cultural infrastructure along with the high quality of life that it brings. We must be careful to keep all components of this industry strong, including the human resource of creative individuals who find this city and state a good place to work and live. Supporting cultural organizations, providing incentives for arts-related businesses, educating the young to become cultural audience members or artists, widening access to the public and attracting the world's cultural tourism market are all measures which New York should embrace. There is every evidence that the leaders of city and state government understand the importance of this industry; we hope this study will encourage a new level of public-private partnership to support its continued growth.

The Alliance is also proud of its history of research into the arts industry, going back to the 1983 watershed study by our predecessor, the Cultural Assistance Center, and the Port Authority of New York & New Jersey. We are extraordinarily fortunate to work once again with Rosemary Scanlon and Catherine Lanier, who led the same core study team for the 1983 and 1993 reports. We owe special thanks to Martin E. Segal, the prime mover of the first study as chairman of the Cultural Assistance Center. Earlier, Mr. Segal made the economic value of the arts a cornerstone of his 1974 recommendation to establish the New York City Department of Cultural Affairs, which this year celebrates its 30th anniversary.

The state and city governments have been active partners in this study, providing financial support, data and invaluable insights. We are grateful to the New York City Department of Cultural Affairs, the Economic Development Corporation and the Mayor's Office of Film, Theatre and Broadcasting; with their help, we now can see how the arts have grown since we first studied them in 1983. The New York State Council on the Arts provided essential data on nonprofit cultural activity, the New York State Governor's Office for Motion Picture and Television Development shared its insight, and the Empire State Development Corporation enabled us to make this the first comprehensive study of the arts industry throughout the state.

Randall Bourscheidt  
President

December 2006

# Summary

It is widely recognized that the arts are essential to the city and state of New York, which enjoys a global reputation for cultural excellence and opportunity. In the past quarter century, an awareness has grown that the arts are also an economic engine for New York City and New York State.

This is the third study to measure the economic impact of the arts in New York City and the first to assess their importance to the entire state.\* This report reveals a trend of robust growth in the city during 23 years and provides a new picture for the year 2005 of an industry that is a strong contributor to the economy of both the city and the state.

Remarkable growth has occurred in all of the major components of the arts industry in New York City. The economic value of the arts has increased by 86 percent in real terms since first measured for the 1983 study, and by 61 percent since 1993. The nonprofit sector has doubled in two decades. Broadway and film production are setting records, and arts-motivated tourism is surging. New York City has become the global capital of the art market. Data gathered from both the commercial and nonprofit sectors, as well as from arts-motivated visitors, also indicate a substantial recovery from the effects of the recession of 2001 and the terrorist attacks of September 11.

In New York State, a strong and widespread nonprofit arts sector provides cultural opportunities while also creating jobs and generating taxes. These nonprofit institutions attract visitors from surrounding communities and from outside the state. New York State benefits significantly from the concentration of motion picture and television production, commercial theaters and art galleries in New York City.

The arts are a complex industry in which the commercial and nonprofit sectors enjoy a close relationship with talent, product and capital flowing from one to the other. This report describes the economic impact of this activity and the beneficial relationship between the city and the state.

*\*The first report, *The Arts as an Industry: Their Economic Importance to the New York–New Jersey Metropolitan Region*, was published in 1983 by the Port Authority of New York & New Jersey and the Cultural Assistance Center, the predecessor of the Alliance for the Arts; a second report was published in 1993 by the Port Authority and the Alliance for the Arts. In 1997, the Alliance published a special report to the governor of New York and the mayor of New York City titled *The Economic Impact of the Arts on New York State and New York City*, which relied on extrapolated trends from the 1993 study, as well as the analysis of current data for Broadway and nonprofit cultural organizations in the city and the state.*

## New York City

The concentration and size of all components of the arts industry in New York City make it unique in the United States and place it in the top rank of world cities. The city accounts for most of the economic and tax benefits enjoyed by the state and also serves as the state's center of arts-motivated tourism.

### The Arts Industry in New York City – 2005

Economic Impact	\$21.2 billion
Jobs Generated	160,300
Wages Generated	\$8.2 billion
Taxes to New York City	\$904 million

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Total economic impact is the sum of arts-motivated visitors and the four major arts components—commercial film and television, theater, art galleries and auction houses, and nonprofit cultural organizations. The nonprofit sector includes museums, zoos, botanical gardens and noncommercial activity in theater, music, dance and film.

### Expenditures & Impact of the Arts Industry by Components in New York City – 2005

Component	Direct Expenditures	Economic Impact
Motion Picture & Television Production	\$3.8 billion	\$6.6 billion
Nonprofit Culture	\$2.9 billion	\$5.8 billion
Commercial Theater	\$968 million	\$2.0 billion
Art Galleries & Auction Houses	\$659 million	\$1.4 billion
<b>Subtotal of Industry Components</b>	<b>\$8.3 billion</b>	<b>\$15.8 billion</b>
Arts-Motivated Visitors	\$3.7 billion	\$5.4 billion
<b>Total</b>	<b>\$12 billion</b>	<b>\$21.2 billion</b>

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## New York State

This study finds that the arts industry is a major generator of jobs, wages and taxes in New York State. While most activity in the commercial components of the arts is located in New York City, the nonprofit cultural organizations are an important part of the economy throughout the cultural life of the state.

### The Arts Industry in New York State – 2005

Economic Impact	\$25.7 billion
Jobs Generated	194,000
Wages Generated	\$9.8 billion
Taxes to New York State	\$1.2 billion

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The economic impact of the major components of the arts industry has been calculated on the basis of their direct expenditures, as set out in the chart below.

### Expenditures & Impact of the Arts Industry by Components in New York State – 2005

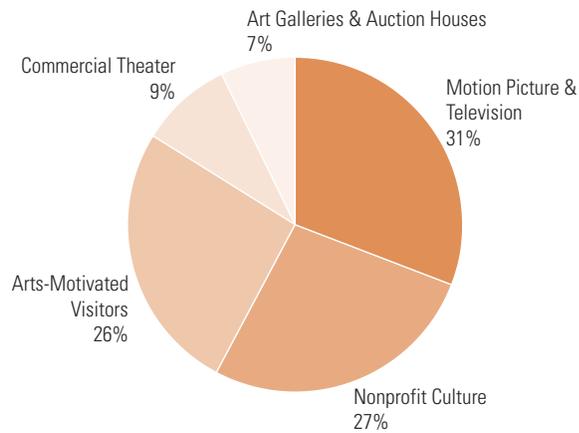
Component	Direct Expenditures	Economic Impact
Motion Picture & Television Production	\$4.4 billion	\$8.4 billion
Nonprofit Culture	\$3.5 billion	\$7.7 billion
Commercial Theater	\$998 million	\$2.2 billion
Art Galleries & Auction Houses	\$685 million	\$1.6 billion
<b>Subtotal of Industry Components</b>	<b>\$9.6 billion</b>	<b>\$19.9 billion</b>
Arts-Motivated Visitors	\$3.4 billion	\$5.8 billion
<b>Total</b>	<b>\$13 billion</b>	<b>\$25.7 billion</b>

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# Summary

## New York City

### Economic Impact of the Arts Industry in New York City, by Component – 2005



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### Key Characteristics of the Arts Industry in New York City

- The economic impact of the commercial arts sector amounts to \$10 billion, or nearly half of the total. Motion picture and television production is the arts industry's largest component.
- New York City's nonprofit cultural organizations make a major contribution to the city's economy, with an impact of \$5.8 billion in 2005. This sector has also shown the most economic growth of any component, doubling in output since first measured in 1982.
- The economic impact of arts-motivated visitors is substantial, amounting to \$5.4 billion in 2005. Arts-motivated visitors to cultural institutions and to Broadway theaters, based on surveys for this study, totaled 7.5 million in 2005. Arts-motivated visitors from the United States frequented nonprofit organizations and Broadway in equal numbers, while international visitors were almost six times more frequently found at the nonprofit venues surveyed than at Broadway theaters.
- Arts-motivated visitors from the United States outside the metropolitan area attended 2.9 exhibitions or performances on average, while international visitors attended an average of 3.6 exhibitions or performances. There is a considerable amount of crossover by these visitors among the nonprofit venues, and one-third of arts-motivated visitors surveyed at nonprofit venues indicated that they planned to go to Broadway.

- The arts are a major export industry for New York City, estimated at \$8.8 billion, or almost three-fourths of the total of \$12 billion in direct expenditures by all components. Visitor spending and returns from the national and global market sales of locally produced films and television shows account for most of the export earnings.
- The overall multiplier for the arts industry in New York City is 1.77, which means that for every dollar in direct spending, another 77 cents of value is generated in the city's economy. The strength of this economic ripple effect reflects the labor intensity of the arts, as well as the concentration of employees and suppliers within the city.

Many other industries benefit from the spending associated with New York City's cultural activity. Arts-motivated visitors provide business for hotels and restaurants, retail stores and transportation services. The arts also stimulate activity for businesses such as advertising, design and publishing, and legal and financial services.

The arts industry generated \$904 million in tax revenues for New York City in 2005.

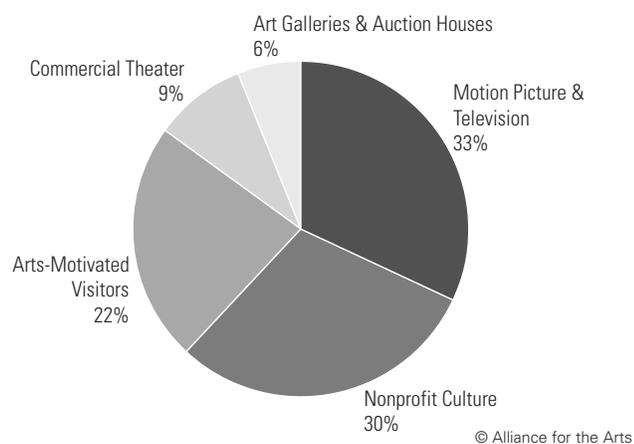
### Taxes Generated by the Arts Industry in New York City – 2005

Income Taxes	\$291 million
Sales Taxes	\$243 million
Taxes on Visitor Spending	\$197 million
Business Taxes	\$173 million
<b>Total Taxes to New York City</b>	<b>\$904 million</b>

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## New York State

### Economic Impact of the Arts Industry in New York State, by Component – 2005



### Key Characteristics of the Arts Industry in New York State

- The arts industry is concentrated in New York City, with important clusters outside the city.
- The commercial arts sectors predominate, generating nearly half of the total economic impact of the arts industry components, excluding the impact of arts-motivated visitors.
- New York State's nonprofit cultural organizations make a major contribution to the state's economy, with an impact of \$7.7 billion in 2005, the second-largest component, and constituting 30 percent of the total industry statewide.
- The arts industry is heavily export oriented. Two-thirds of the direct expenditures are made through three activities: by visitors who come from outside the state primarily for the arts; by locally produced theatrical productions that tour outside the state, and by the sale to national and global markets of motion pictures and television shows that are produced within the state.
- The arts are responsible for generating employment directly and indirectly, resulting in a total of 194,000 jobs across the state.

- The arts are labor intensive: wages account for 60 percent of total direct expenditures; more than 80 percent of these wages are paid to New York State residents.
- The overall multiplier for the arts industry in New York State is 1.98, which means that for every dollar in direct spending, another 98 cents of value is generated in the state's economy. The strength of this economic ripple effect reflects the labor-intensity of the arts, as well as the concentration of employees and suppliers within the state.

Many other industries benefit from the spending associated with cultural activity. Arts organizations pay wages to local residents who, in turn, contribute to the real estate, retail, transportation and other consumer sectors of the economy. These organizations also support a network of suppliers ranging from advertising firms in Manhattan to recording studios in nearby suburban counties. Arts-motivated visitors provide business for hotels and restaurants, retail stores and transportation services.

The arts industry is a significant source of tax revenue for New York State, generating a total of \$1.2 billion in taxes in 2005. This is in addition to the \$904 million in local taxes generated by the industry for New York City.

### Taxes Generated by the Arts Industry in New York State – 2005

Income Taxes	\$582 million
Sales Taxes	\$258 million
Taxes on Visitor Spending	\$298 million
Business Taxes	\$94 million
<b>Total Taxes to New York State</b>	<b>\$1.2 billion</b>

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# The Arts as an Export Industry

The contribution of the arts industry to the economy of New York City and New York State is especially significant because of its capacity to draw purchasing power into the area from the rest of the nation and the world. The arts attract visitors who spend substantial amounts on local purchases of goods and services. Where locally made films and television programs are sold to national and global audiences, the vast majority of direct production expenditures becomes an export for the city and state economies.

The city and state reap the benefits of ticket purchases by outside visitors for commercial theater as well as the repatriated wages and profits from Broadway touring productions (the Broadway road).

The spending of out-of-town and out-of-state patrons boosts admissions and other income from food or retail purchases at museums and performing arts venues. In New York City, as much as \$8.8 billion of \$12 billion in direct expenditures, or almost three-fourths of this total volume, are estimated as exports.

For New York State, the comparable estimate of the export share of direct expenditures is \$8.2 billion, or 63 percent of the total direct expenditures of \$13 billion.

Arts-motivated visitors and film and television production provide the greatest share of exports for both New York City and New York State. Commercial theater, art galleries and auction houses are also substantial generators of export earnings. Half of the patrons of art galleries and auction houses are from outside New York City and New York State.

Nonprofit cultural organizations derive a higher proportion of their operating support from within the city and state than do the commercial arts components. These nonprofit organizations draw on important local sources of unearned income, including contributions from individuals, foundations and businesses as well as city and state government funding; in the aggregate, they garner most of their admissions income from attendees drawn from nearby communities.

## Export Component of Direct Expenditures of the Arts Industry in New York City – 2005

	Export Component	Percentage of Direct Expenditure
Arts-Motivated Visitors	\$3.7 billion	100%
Motion Picture & Television Production	\$3.6 billion	95%
Commercial Theater	\$819 million	85%
Nonprofit Culture	\$373 million	13%
Art Galleries & Auction Houses	\$320 million	50%
<b>Total</b>	<b>\$8.8 billion</b>	<b>73%</b>

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## Export Component of Direct Expenditures of the Arts Industry in New York State – 2005

	Export Component	Percentage of Direct Expenditure
Arts-Motivated Visitors	\$3.4 billion	100%
Motion Picture & Television Production	\$3.6 billion	82%
Commercial Theater	\$750 million	75%
Nonprofit Culture	\$128 million	4%
Art Galleries & Auction Houses	\$329 million	48%
<b>Total</b>	<b>\$8.2 billion</b>	<b>63%</b>

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# New York City Trends 1982, 1992, 2005

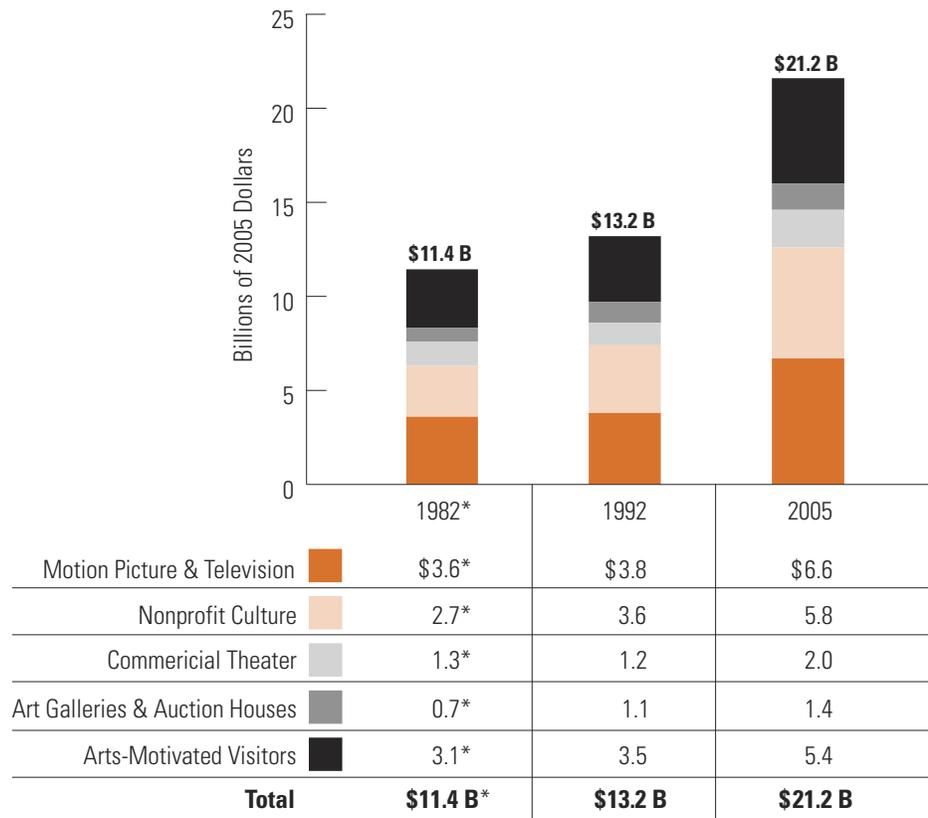
Three studies have been conducted to measure the importance of the arts to the economy of New York City: the first was published in 1983 using 1982 data, the second in 1993 using 1992 data, and the present study with data for 2005. This study shows substantial growth in the industry over more than two decades.

For this study, the entire arts industry in the city was estimated to be \$11.4 billion (in 2005 dollars) in 1982. The total impact of the arts in 2005 was \$21.2 billion, an increase of 86 percent, adjusted for inflation. Every component of the arts has contributed to this growth. While the arts industry grew moderately overall in the 1982–1992 period, growth accelerated markedly in the 1992–2005 period. This expansion is all the more remarkable given the decline experienced by every component because of the effects of the recession of 2001 and of September 11.

The growth in the economic impact of each component of the city’s arts industry has varied significantly over the period of time from 1982 to 2005.

- Motion picture and television production grew by 74 percent from 1992 to 2005 after almost no increase in the period from 1982 to 1992.
- Commercial theater grew by 67 percent from 1992 to 2005 after a significant decrease from 1982 to 1992.
- The nonprofit cultural component grew by 61 percent from 1992 to 2005, an acceleration of its strong growth from 1982 to 1992.
- Spending by arts-motivated visitors grew by 54 percent from 1992 to 2005, after a small increase from 1982 to 1992.
- Art gallery and auction house operations grew by 27 percent from 1992 to 2005—over the substantial growth of more than 50 percent during the 1982 to 1992 period.

**Economic Impact of the Arts in New York City by Component – 1982,\* 1992, 2005**



*\*In the 1983 study, the economic impact analysis for the arts industry and its components was calculated for the New York metropolitan area. These 1982 estimates for New York City are based on direct expenditures made in the city during 1982 and the multipliers calculated for each component for the 1993 study.*

# Motion Picture & Television Production

## New York City



Motion picture and television production continues to be the largest component of the arts industry in New York City since it was first measured in the 1983 study, *The Arts as an Industry*.

### Motion Picture & Television Production in New York City – 2005

Economic Impact	\$6.6 billion
Jobs Generated	43,450
Wages Generated	\$2.9 billion
Taxes to New York City	\$261 million

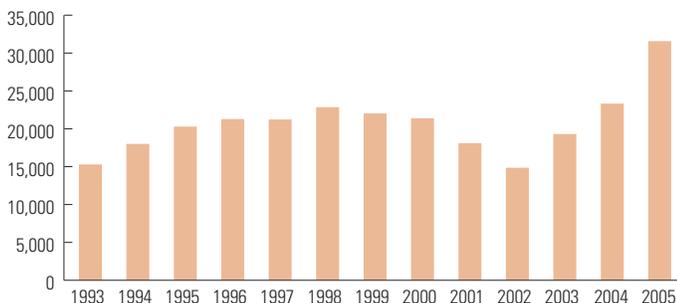
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The economic impact of this component is based on total direct production expenditures of \$3.8 billion, including \$2.1 billion for television and commercials, \$986 million for film production and \$744 million for post-production services.

In 2005, motion picture and television production directly employed 22,000 full-time or equivalent workers in 1,300 businesses and production companies, generating \$2.2 billion in direct wages and salaries.

The production of feature films and television in New York City recovered in 2005 after several years of decline, with sharp drops in 2001 and 2002. Much of this improvement has been attributed to the new tax credit programs instituted by the State in August 2004 and by the City in January 2005 to encourage more studio and location production. Location shooting days have also increased significantly since 2002.

### Motion Picture & Television Location Shooting Days in New York City – 1993 to 2005



Source: Mayor's Office of Film, Theatre and Broadcasting

The Mayor's Office of Film, Theatre and Broadcasting reported that more than 250 feature and independent films and more than 100 ongoing or new television series and pilots were produced at local studios or locations during 2005. In addition, the opening of new film studios in Brooklyn in November 2004 substantially increased production capacity. As a result of this increase in activity, the level of direct industry employment grew and wages increased by almost six percent in 2005.

Post-production, which includes sound mixing, editing, music and the creation of special effects, constitutes a significant segment of this industry, with direct expenditures estimated to be \$744 million in 2005. This segment also declined in the first years of the current decade, although some stability in job and wage levels was evident by 2005, in line with the increase in film and video production.

The production of commercials in New York City has been diminishing for more than 20 years, but this industry segment still produced direct spending of approximately \$500 million in 2005, compared to \$596 million in 1992 (measured in 2005 dollars).

Personnel costs are the major expenditures in production budgets for motion pictures and television, amounting to nearly 63 percent of total direct expenditures. Spending for professional services such as legal and accounting fees, purchase of materials and trucking and equipment rental amount to another 30 percent of production costs.

## *New York State*

This sector is the largest component of the arts industry in New York State.

### **Motion Picture & Television Production in New York State – 2005**

Economic Impact	\$8.4 billion
Jobs Generated	58,000
Wages Generated	\$3.7 billion
Taxes to New York State	\$359 million

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The economic impact is based on total direct expenditures of \$4.4 billion, comprising \$2.4 billion in television and commercials, \$1.2 billion in motion picture production and \$819 million in post-production services.

In 2005, direct employment was just over 35,000 in approximately 2,500 establishments, with direct expenditures for wages and salaries of more than \$2.7 billion.

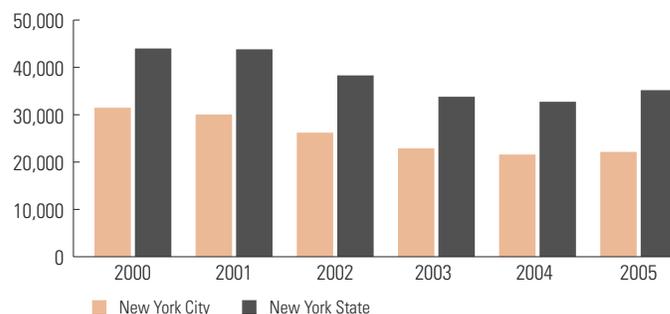
As in New York City, the state's motion picture and television segment showed strong signs of recovery in 2005 following a decline in production in recent years. Job levels increased by more than seven percent from 2004 to 2005, and wage levels grew by more than six percent.

This recovery can be largely attributed to the success of new tax credit programs established by the State and New York City. In August 2004, New York State initiated a tax credit of 10 percent for productions that are filmed primarily within the state. New York City's program began in early 2005, offering a tax credit of 5 percent to bring the local incentive to 15 percent. These incentives have attracted a substantial number of film productions as well as television dramas and pilots.

Almost two-thirds of the motion picture and television production and post-production activity in the state is located in New York City, but there are smaller clusters of film production, television production and post-production in suburban counties near the city and in other population centers such as Buffalo and Rochester. In the study year, several feature-length movies and television productions either used locations in or were filmed entirely outside the city.

Post-production and sound recording also constitute a significant part of the overall industry, contributing an estimated \$820 million in direct spending in New York State in 2005 and employing more than 4,000 specialized workers in such skilled fields as editing, sound mixing, music and the creation of special effects. Most of this activity occurs within New York City.

### **Employment in Motion Picture & Television Production in New York State & New York City – 2000 to 2005**



Source: New York State Department of Labor

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# Nonprofit Culture

## New York City



Nonprofit cultural organizations in New York City are major contributors to the city's economy. This sector is the second-largest component of the arts industry and is closely tied to the commercial sector.

Like Broadway, the city's diverse cultural institutions are a magnet for visitors. These organizations also share a labor pool of artists and other creative workers with the commercial sector and often develop artistic product that "moves to Broadway" or is otherwise utilized commercially. A similarly complex interaction occurs between museums and commercial galleries and auction houses.

This economic impact is based on total direct expenditures of \$2.9 billion in 2005, made by 1,412 organizations in the city's five boroughs. Museums, music and opera, and film and electronic media (primarily public television) contribute to half of the spending in this large and diverse sector.

The largest organizations, 42 with budgets over \$10 million each, account for two-thirds of all direct spending. A wide range of small nonprofits also nurture the city's cultural life: nearly 1,000 organizations, or almost 70 percent of the total, have operating budgets of \$500,000 or less each. The median budget for nonprofit cultural organizations in New York City is about \$158,000.

Every borough has a range of cultural organizations, but the sector is concentrated in Manhattan. The study group of more than 1,400 organizations consisted of 38 in the Bronx, 154 in Brooklyn, 1,112 in Manhattan, 81 in Queens and 27 in Staten Island.

The nonprofit arts industry is labor-intensive. Half of the direct spending by all nonprofit cultural organizations goes to wages and benefits, and about 11 percent is for fees and services, including outside artistic fees. The majority of the employees are city residents, and many of the vendors and workers who supply goods and services to these institutions are located either within the city or in nearby suburban counties.

Because of the high proportion of employees and vendors who are located in the city, the multiplier of this industry is a strong 2.0, which means that for every dollar in direct spending, another dollar of value is generated in the city's economy.

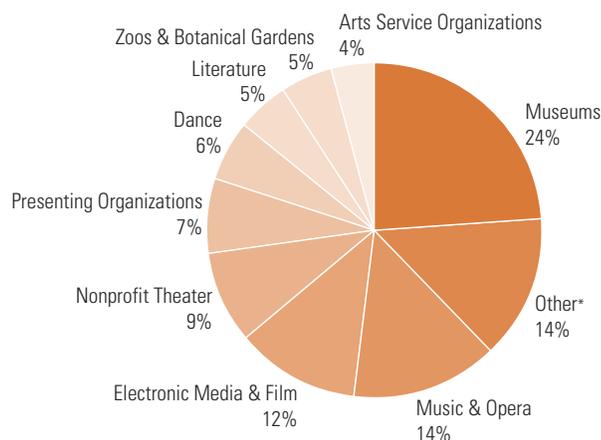
### Nonprofit Culture in New York City – 2005

Economic Impact	\$5.8 billion
Jobs Generated	40,500
Wages Generated	\$2.2 billion
Taxes to New York City	\$170 million

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### Nonprofit Cultural Expenditures by Discipline in New York City – 2005

Total Expenditures: \$2.9 billion (2005 Dollars)



\* "Other" includes historic sites, arts centers, arts councils, arts education and organizations specializing in the folk arts, architecture, planning and design.

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## New York State

A total of 2,628 nonprofit cultural organizations were identified in New York State in 2005, of which 1,216, or 46 percent, were located outside New York City.

Cultural organizations throughout the state range from major museums and performing arts venues in cities such as Buffalo, Rochester, Syracuse, Albany, Saratoga Springs, Cooperstown and New York City to neighborhood playhouses and historic sites and stimulate both the economy and the cultural life of the state.

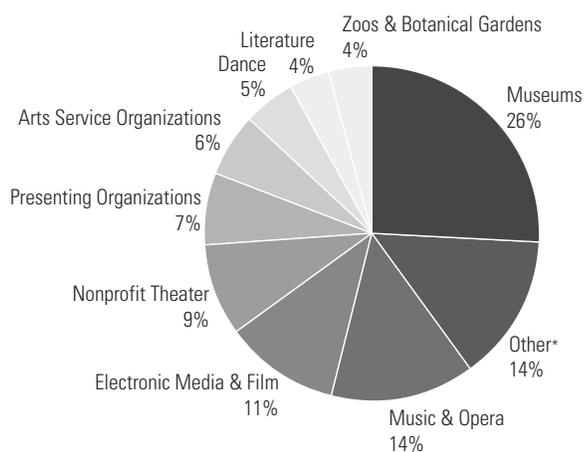
### Nonprofit Culture in New York State – 2005

Economic Impact	\$7.7 billion
Jobs Generated	55,100
Wages Generated	\$2.8 billion
Taxes to New York State	\$256 million

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### Nonprofit Cultural Expenditures by Discipline in New York State – 2005

Total Expenditures: \$3.5 billion (2005 Dollars)



\* "Other" includes historic sites, arts centers, arts councils, arts education and organizations specializing in the folk arts, architecture, planning and design.

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This economic impact is based on direct expenditures of \$3.5 billion by cultural organizations in New York State. The spending of cultural organizations in New York City accounts for 83 percent of the state total.

To a large extent, nonprofit cultural organizations are clustered around population centers and tourist areas. The regions with the highest level of nonprofit cultural organizational spending, each over \$100 million, are Western New York and Mid-Hudson. Western New York, which includes the city of Buffalo, has the largest volume of cultural expenditures as well as most of the largest organizations of any of the state's nine economic development regions outside New York City. The Mid-Hudson Region, which includes the heavily populated counties north of New York City, has a volume of nonprofit cultural organization expenditures close to that of Western New York.

The next highest level of spending, ranging from \$72 million to \$79 million, occurs in four regions of the state: the Finger Lakes, which includes the city of Rochester; Long Island (Nassau and Suffolk counties); the Southern Tier, which includes Cooperstown as well as concentrations of arts activity in Corning, Ithaca, Binghamton and Oneonta; and the Capital Region, which includes Albany as well as Troy, Saratoga Springs, Schenectady, Glens Falls and Hudson.

Central New York's cultural organizations spent over \$31 million, 80 percent of which was in Syracuse. The organizations in the Mohawk Valley Region spent \$24 million, 60 percent of which was in Utica. The rural North Country Region's nonprofit cultural organizations spent \$14 million. About 30 towns in this region each have at least one nonprofit cultural organization.

Most nonprofit cultural organizations in New York State outside New York City are small. Organizations with annual budgets of over \$10 million account for only 17 percent of total nonprofit cultural expenditures outside the city. Fully 84 percent of the nonprofit cultural organizations outside New York City operate with budgets of \$500,000 or less. The median budget for nonprofit cultural organizations outside New York City is \$92,000.

# Commercial Theater

## New York City

New York City is renowned both nationally and internationally as a center for commercial theater, with Broadway proving a strong magnet for arts-motivated visitors to the city. Those who work in commercial theaters also apply their artistic talent and technical expertise in nonprofit theater and in the motion picture and television industry.

There were 1,494 playing weeks on Broadway during the 2004–2005 season, with attendance—including Broadway’s nonprofit and commercial theaters—reaching 11.5 million. (This level was surpassed in the 2005–2006 season, which set an attendance record of 12 million.) These recent trends underscore the current strength of commercial theater in the city and its resurgence after September 11.

A majority of visitors to Broadway came from outside New York City in 2005. Seven million patrons were visitors from outside the metropolitan area, including 1.3 million from other countries. A total of 2.5 million patrons were residents of New York and New Jersey suburbs, while more than 2 million were residents of New York City.

The commercial Off Broadway season in 2004–2005 featured 51 new productions, 798 playing weeks and \$77 million in direct operating expenditures.

During the 2004–2005 season, Broadway road productions played to more than 12 million people in 148 venues across North America. Many of these productions employ actors, musicians and other artistic and technical specialists who are residents of New York City. Much of the royalties and producer costs are brought back to—and some of the initial production costs are incurred in—New York City. Spending in either the city or returned to the city from these road productions is estimated at \$189 million, or almost one-fifth of the direct expenditures of commercial theater in the city.

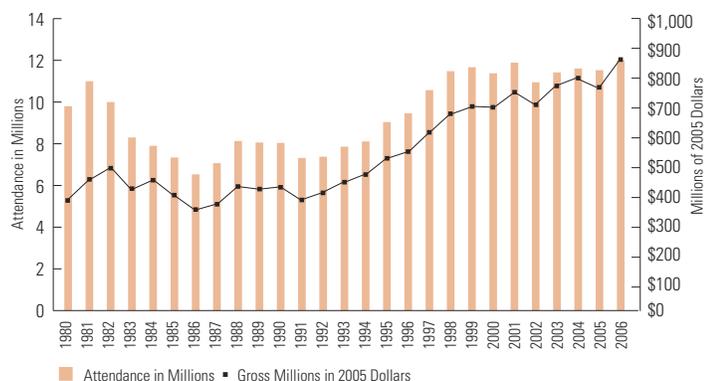
### Commercial Theater in New York City – 2005

Economic Impact	\$2 billion
Jobs Generated	13,500
Wages Generated	\$730 million
Taxes to New York City	\$66 million

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This impact is based on direct expenditures of \$968 million in the 2004–2005 season made by commercial productions on Broadway and off-Broadway, and on the expenditures of Broadway touring productions (Broadway road) that flow back to New York City. Broadway accounted for three-fourths of these expenditures, while the Broadway road returned more than 19 percent and commercial Off Broadway 8 percent.

### Broadway Attendance and Gross Sales 1980 – 2006 Seasons (2005 Dollars)



Source: *League of American Theatres and Producers*

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## New York State



New York State's commercial theater activity occurs primarily in New York City, which accounts for 97 percent of the total. The state benefits from all aspects of commercial theater in the city based on the economic returns of Broadway, commercial off-Broadway and the returns to the city from Broadway road productions playing in areas beyond the state. In addition, the state benefits from the Broadway road and other commercial theater productions playing in New York State outside the city.

### Commercial Theater in New York State – 2005

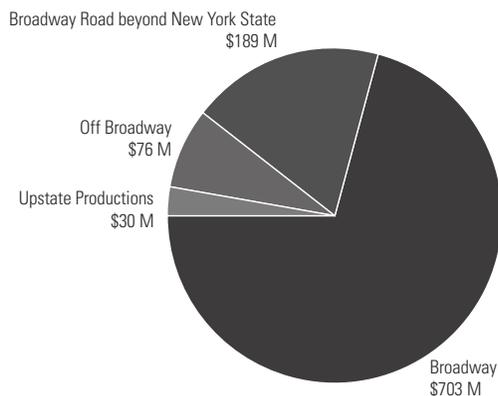
Economic Impact	\$2.2 billion
Jobs Generated	15,450
Wages Generated	\$815 million
Taxes to New York State	\$79 million

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This impact is based on direct expenditures in New York State of \$998 million in 2005, including \$30 million from commercial theater productions outside New York City.

### Commercial Theater Expenditures in New York State, by Segment – 2005

Total Expenditures: \$998 million



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Commercial theater outside New York City in 2004–2005 consisted of 61 production companies or other theatrical establishments across the state.

The largest single source of this activity consists of Broadway road productions, which accounted for two-thirds. Across New York State, 13 Broadway touring companies played for a total of 50 weeks to audiences totaling 517,000 in such cities as Binghamton, Buffalo, Rochester, Schenectady, Syracuse and West Point.

Broadway road productions within the state use venues that are either nonprofit or public-sector facilities. These venues are part of a network of 21 nonprofit theaters across the state. Their expenditures, totaling \$50 million in 2005, are included in the segment of this report on nonprofit cultural organizations.

# Art Galleries & Auction Houses

## New York City

The operations of the 4 major auction houses and 626 commercial art galleries in New York City generate significant economic impact, and they support almost \$5 billion in sales activity, making New York City the global capital of the art market.

### Art Galleries & Auction Houses in New York City – 2005\*

Economic Impact	\$1.4 billion
Jobs Generated	7,100
Wages Generated	\$420 million
Taxes to New York City	\$38 million

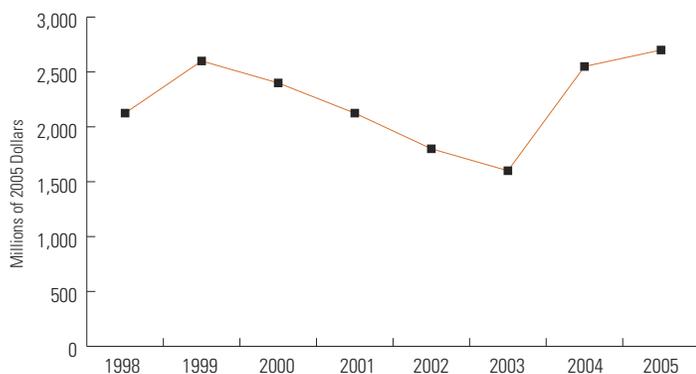
\* Based solely on operating expenses; sales taxes on purchases of art are not included.

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This economic impact is based on direct expenditures of \$659 million in 2005 for operations of the galleries and auction houses. Based on surveys fielded for this study, salaries and benefits account for 38 percent of direct operational expenditures, and rental costs absorb 24 percent of spending. The printing of catalogs and other publications, insurance premiums and the shipping costs of art and antiques each account for 10 percent of spending.

Sales activity at New York City's four major auction houses surpassed \$2.7 billion in 2005, continuing a strong recovery that began in 2003 after years of declining sales.

### Total Sales at Major Auction Houses in New York City – 1998 to 2005



Sources: Christie's, Sotheby's, Phillips de Pury & Company and Doyle New York

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These operational expenses supported a total volume of sales at the auction houses and galleries of more than \$4.6 billion in 2005, including gallery sales estimated at \$1.9 billion.

Monthly auctions attract visitors from around the United States and the world. These visitors in turn frequent the New York City's art galleries, contributing to their business activity as well.

The gallery surveys revealed that an estimated 2.5 million people visited the city's commercial galleries in 2005. Of these, an estimated 65,000 customers purchased works of art. Forty-four percent of these buyers lived in New York City, 8 percent came from other areas of New York State, 35 percent were from the rest of the United States, and 13 percent were international clients.

The location of art galleries in New York City has changed significantly over the past two decades: beginning in the early 1990s, galleries moved from SoHo to form a thriving new cluster in the Chelsea neighborhood, specializing in contemporary art. The Williamsburg district of Brooklyn attracted a large number of new artist residents during the 1980s, leading to new gallery openings in the next decade. The Manhattan neighborhoods of Midtown and the Upper East Side also have a large number of well-established galleries.

## *New York State*



An estimated 92 commercial art galleries located in New York State outside New York City, combined with those art galleries and auction houses located in New York City, generated significant economic impact in New York State during 2005.

### **Art Galleries & Auction Houses in New York State – 2005\***

<b>Economic Impact</b>	<b>\$1.6 billion</b>
<b>Jobs Generated</b>	<b>8,540</b>
<b>Wages Generated</b>	<b>\$490 million</b>
<b>Taxes to New York State</b>	<b>\$47 million</b>

\* Based solely on operating expenses; sales taxes on purchases of art are not included.

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This economic impact is based on direct operating expenditures of \$685 million in New York State. Ninety-six percent of this spending stems from the operations of New York City art galleries and auction houses.

Of the 92 commercial galleries located in New York State outside New York City that were identified and surveyed for this study, the largest concentrations are in the Hamptons on Long Island, in Westchester County, and in the emerging arts neighborhoods of Hudson and Beacon in the Mid-Hudson Valley.

Most are small businesses with an average of one full-time employee. This employee is sometimes the owner, who is frequently assisted by part-time workers. Salaries and benefits account for 37 percent of operating costs, and rental costs absorb 24 percent. The printing and publishing of catalogs and brochures, together with fees for business and professional services, account for another 19 percent.

Based on the survey response, these 92 galleries attracted an estimated 200,000 visitors and made an estimated 4,200 sales during the prior year. One-third of the sales were to clients residing in New York City, half were to residents of other counties in New York State and the remaining sales were made to residents of other states.

# Arts-Motivated Visitors

## New York City

In addition to the impact that cultural organizations have on New York City's economy, the power of the arts to draw visitors to the city makes its own important economic contribution. These "arts-motivated visitors" are defined for this study as those who travel to New York City expressly for a cultural purpose or who extend a trip that was made for another purpose to visit an arts venue.

### Arts-Motivated Visitors to New York City – 2005

Economic Impact	\$5.4 billion
Jobs Generated	55,700
Wages Generated	\$1.9 billion
Taxes to New York City	\$369 million

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In 2005, an estimated 40 million visits were made to New York City's cultural attractions—whether museums, concerts, dance performances, zoos and botanical gardens or the theater, both on and off Broadway.

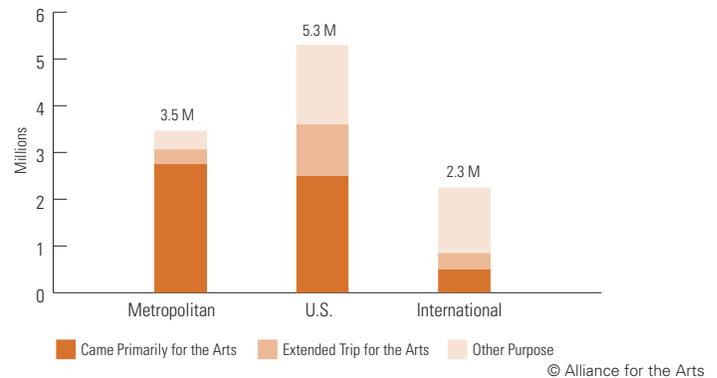
The surveys conducted for this study at cultural venues frequented by out-of-town visitors indicated that 11.1 million of these visitors made 20 million visits to the cultural venues or activities included in the survey. Of these 11.1 million visitors, 7.5 million are identified as "arts-motivated visitors": 5.7 million came primarily for the arts and another 1.8 million extended a trip that was made for another purpose to attend a cultural event. Only the ancillary spending of these arts-motivated visitors has been included in the calculation of economic impact.\*

The proportion of visitors to the arts who come to New York or extend their stay because of the arts varies widely by their point of origin. Arts patrons from nearby areas are likely to come into New York City for short visits for a particular show or exhibition, while those traveling from farther distances are more likely to come for a variety of purposes but in significant numbers extend their stay for the arts. The survey responses of international visitors indicate that they spend more, stay longer and seek out more arts-related activities than either regional or U.S. visitors.

\*See the Arts-Motivated Visitors to New York City section on page 52 for information concerning the many visitors who come to New York for other reasons and also patronize the arts. New York City's tourism agency, NYC & Company, collects information on this larger group of "cultural visitors," available at [www.nycvisit.com](http://www.nycvisit.com).

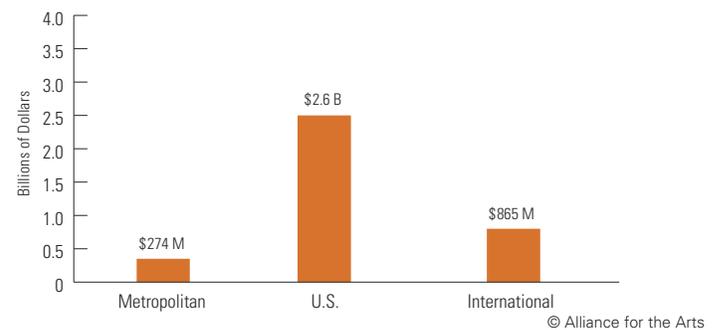


### Motivation of Visitors Surveyed at New York City Venues, by Residence – 2005



Of the 7.5 million arts-motivated visitors, 46 percent were U.S. residents from outside the metropolitan area; on average, these travelers stayed 2.8 days in New York City, attended 2.9 exhibitions or performances and made ancillary expenditures of \$695 per person beyond the cost of admission fees and ticket purchases. Visitors from the metropolitan area on average stayed less than a day and made ancillary expenditures of \$113 per person. International arts-motivated visitors stayed an average of 4.2 days, attended 3.6 exhibitions or performances and made ancillary expenditures of \$1,021 per person.

### Total Spending of Arts-Motivated Visitors in New York City, by Residence – 2005



The economic impact of arts-motivated visitors to New York City is based on total direct expenditures of \$3.7 billion, over and above the cost of tickets or admission fees. Visitors spend one-third of this total on meals and almost the same proportion, 31 percent, on hotel accommodations during their visits. Shopping accounts for 15 percent of the total, while travel to the city accounts for 9 percent of total spending (using a measure of one-half of travel expenses for those who came for the arts; for those who extended, no travel expenses are included).

## *New York State*



The great majority of the economic impact of arts-motivated visitors to New York State is based on the volume of spending by visitors to New York City. As a supplement to surveys conducted in the city, questionnaires were distributed at select venues in upstate New York during the summer and fall of 2005 to estimate the volume and spending patterns of out-of-state visitors to those areas.

### **Arts-Motivated Visitors to New York State – 2005**

Economic Impact	\$5.8 billion
Jobs Generated	56,900
Wages Generated	\$2 billion
Taxes to New York State	\$491 million

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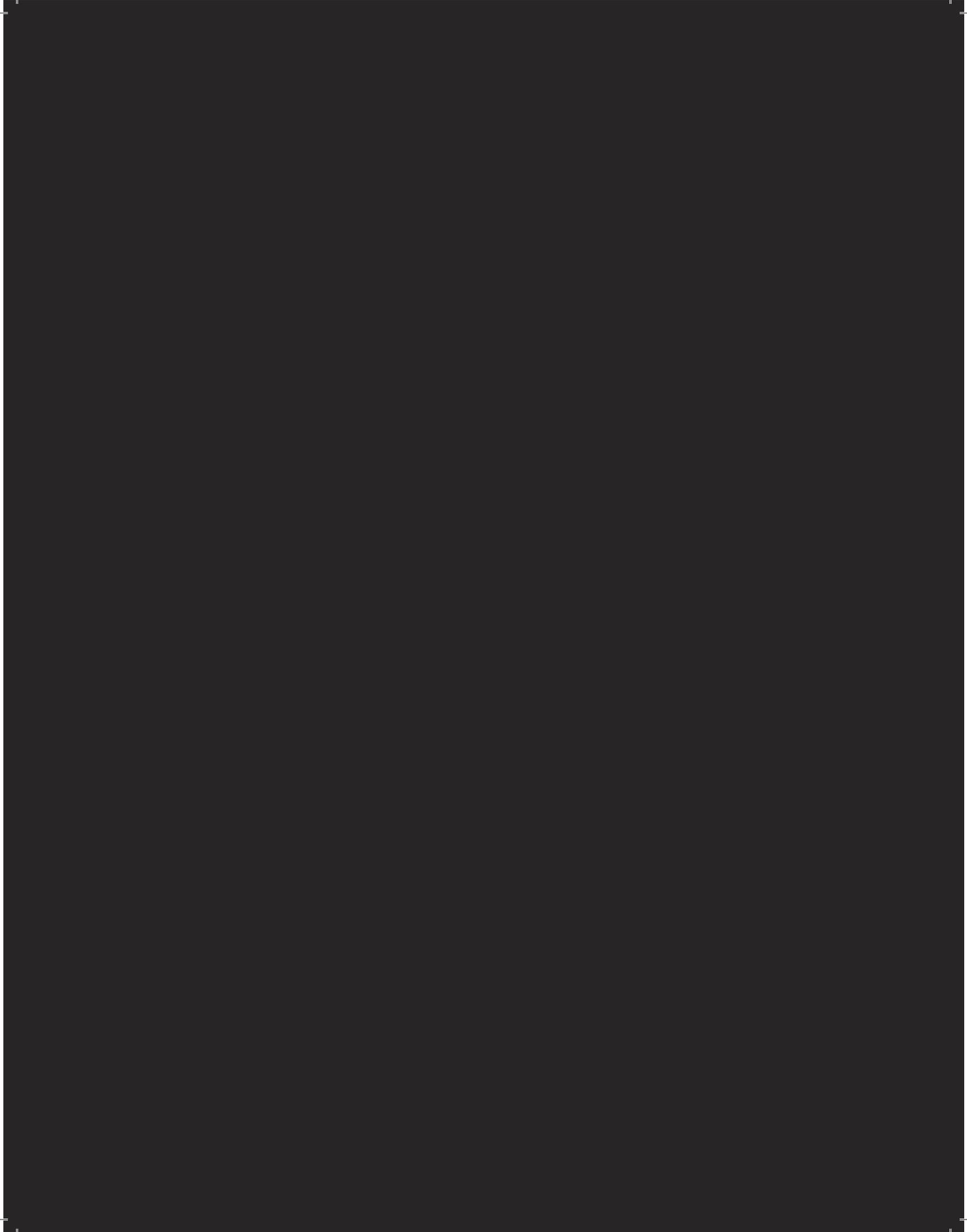
In addition to the New York City-based surveys, queries were conducted in Westchester County at the Performing Arts Center at Purchase College; in Buffalo at the Albright-Knox Art Gallery and for the Broadway touring season at Shea's Performing Arts Center; and at the Saratoga Performing Arts Center.

Of the 500,000 attendees at these venues, 18 percent, or nearly 90,000, traveled from outside New York State. More than one-third of these out-of-state visitors to the arts attended the Broadway season at Shea's in Buffalo, while more than one-quarter went to the Saratoga Performing Arts Center. The rest were evenly split between the Albright-Knox Art Gallery in Buffalo and the Performing Arts Center at Purchase College.

A total of 63 percent of these out-of-state visitors came to New York State primarily for the arts. These arts-motivated visitors spent \$8.5 million in addition to their tickets, with 40 percent spent on lodging, 35 percent on food, 12 percent on shopping, and 7 percent on transportation.

The total economic impact is based on direct expenditures of \$3.4 billion by arts-motivated visitors. Because New York State residents are considered to be visitors to New York City, this volume is less than the \$3.7 billion in direct expenditures by arts-motivated visitors to New York City. While visitor spending at cultural venues outside New York City plays an important role in many local economies across the state, the overall economic impact is generated largely by the spending of arts-motivated visitors in the city.

These visitors have an important impact on New York State, especially through the state taxes that they generate. Arts-motivated visitors generate \$491 million in state taxes, making them the largest tax-generating component of the industry. This represents 41 percent of all state taxes generated by the arts industry. The largest portion of taxes generated by visitor spending is the hotel tax, at \$148 million; spending by visitors in restaurants generates \$90 million in taxes for New York State.



Part I

The Economic Impact of the Arts

# NEW YORK CITY



# Overview

## New York City

The concentration and size of all components of the arts industry in New York City make it unique in the United States and place it in the top rank of world cities. The city accounts for most of the economic and tax benefits enjoyed by the state and also serves as the state's center of arts-motivated tourism.

### The Arts Industry in New York City – 2005

Economic Impact	\$21.2 billion
Jobs Generated	160,300
Wages Generated	\$8.2 billion
Taxes to New York City	\$904 million

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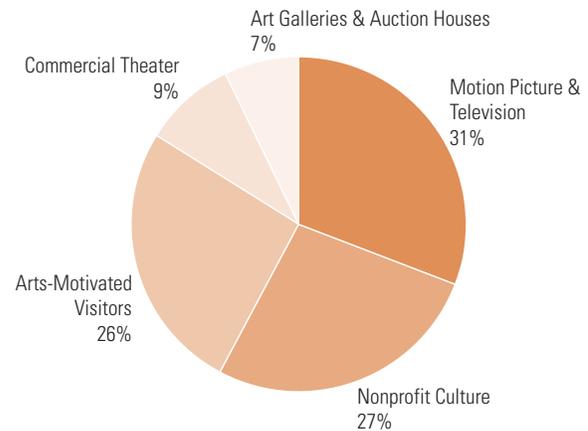
Total economic impact is the sum of arts-motivated visitors and the four major arts components—commercial film and television, theater, art galleries and auction houses, and nonprofit cultural organizations. The nonprofit sector includes museums, zoos, botanical gardens and noncommercial activity in theater, music, dance and film.

### Expenditures & Impact of the Arts Industry by Components in New York City – 2005

Component	Direct Expenditures	Economic Impact
Motion Picture & Television Production	\$3.8 billion	\$6.6 billion
Nonprofit Culture	\$2.9 billion	\$5.8 billion
Commercial Theater	\$968 million	\$2.0 billion
Art Galleries & Auction Houses	\$659 million	\$1.4 billion
<b>Subtotal of Industry Components</b>	<b>\$8.3 billion</b>	<b>\$15.8 billion</b>
Arts-Motivated Visitors	\$3.7 billion	\$5.4 billion
<b>Total</b>	<b>\$12 billion</b>	<b>\$21.2 billion</b>

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### Economic Impact of the Arts Industry in New York City, by Component – 2005



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### Key Characteristics of the Arts Industry in New York City

- The economic impact of the commercial arts sector amounts to \$10 billion, or nearly half of the total. Motion picture and television production is the arts industry's largest component.
- New York City's nonprofit cultural organizations make a major contribution to the city's economy, with an impact of \$5.8 billion in 2005. This sector has also shown the most economic growth of any component, doubling in output since first measured in 1982.
- The economic impact of arts-motivated visitors is substantial, amounting to \$5.4 billion in 2005. Arts-motivated visitors to cultural institutions and to Broadway theaters, based on surveys for this study, totaled 7.5 million in 2005. Arts-motivated visitors from the United States frequented nonprofit organizations and Broadway in equal numbers, while international visitors were almost six times more frequently found at the nonprofit venues surveyed than at Broadway theaters.
- Arts-motivated visitors from the United States outside the metropolitan area attended 2.9 exhibitions or performances on average, while international visitors attended an average of 3.6 exhibitions or performances. There is a considerable amount of crossover by these visitors among the nonprofit venues, and one-third of arts-motivated visitors surveyed at nonprofit venues indicated that they planned to go to Broadway.



- The arts are a major export industry for New York City, estimated at \$8.8 billion, or almost three-fourths of the total of \$12 billion in direct expenditures by all components. Visitor spending and returns from the national and global market sales of locally produced films and television shows account for most of the export earnings.
- The overall multiplier for the arts industry in New York City is 1.77, which means that for every dollar in direct spending, another 77 cents of value is generated in the city's economy. The strength of this economic ripple effect reflects the labor intensity of the arts, as well as the concentration of employees and suppliers within the city.

Many other industries benefit from the spending associated with New York City's cultural activity. Arts-motivated visitors provide business for hotels and restaurants, retail stores and transportation services. The arts also stimulate activity for businesses such as advertising, design and publishing, and legal and financial services.

The arts industry generated \$904 million in tax revenues for New York City in 2005.

**Taxes Generated by the Arts Industry  
in New York City – 2005**

Income Taxes	\$291 million
Sales Taxes	\$243 million
Taxes on Visitor Spending	\$197 million
Business Taxes	\$173 million
<b>Total Taxes to New York City</b>	<b>\$904 million</b>

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# Motion Picture & Television Production

## New York City

Since first measured in 1983, the production of motion pictures, television shows, videos, commercials and post-production activity has been the largest segment of the arts industry in New York City. This important segment of the industry continued to be the major generator of economic output for the arts during 2005.

<b>Motion Picture &amp; Television Production in New York City – 2005</b>	
Economic Impact	\$6.6 billion
Jobs Generated	43,450
Wages Generated	\$2.9 billion
Taxes to New York City	\$261 million

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The effect of the successive rounds of spending from direct expenditures on wages and benefits and from such nonlabor purchases as building rentals and professional services generated a total of 43,450 jobs in New York City and total wages of \$2.9 billion.

The total economic impact multiplier for this industry is 1.74, which means that for every dollar of direct spending, another 74 cents of economic activity is generated in New York City. This is a significant multiplier for an economy as large and mature as that of New York City and is based on the high proportion of direct wages to total expenditures for this industry—63 percent in 2005—and the high average wages per employee in the industry. However, there is a considerable amount of leakage outside the city, either from wages paid to actors, directors and crews, or from suppliers of equipment and materials who are based outside the city.

The calculations of economic impact listed above are based on total direct expenditures of \$3.8 billion and the contributions of the following components:

Motion Picture Production	\$986 million
Television & Commercials	\$2.1 billion
Post-production	\$744 million

Taxes accruing to New York City from the film and television industry, based on taxes generated on direct as well as on indirect and induced expenditures, are estimated at \$261 million in 2005 and comprise:

Personal Income Taxes	\$104 million
Business Taxes	\$71 million
Sales Taxes	\$86 million
<b>Total Taxes to New York City</b>	<b>\$261 million</b>

Both the motion picture and television production segments showed signs of renewed production activity in 2005 following declines in the early years of this decade. In 2005, total direct employment was 22,000, generating direct wages of close to \$2.2 billion. This recovery is attributed largely to the success of the new state and city tax incentive programs that first became available in August 2004. New York City also benefited from the opening of new soundstages in Brooklyn in November 2004.

With these incentive programs in place, by late 2004 and throughout 2005 there was a noticeable increase in the number of feature films, television dramas and television pilots filmed at the several soundstages in New York City and on city streets and at other city and state locations.

At year-end 2005, the New York City Mayor's Office of Film, Theatre and Broadcasting reported a strong rebound in the number of feature films and television dramas—including several television pilots—filmed at the soundstages around New York City and on city streets. The number of shooting days increased from a low level of 15,000 shooting days in 2002 to more than 31,000 shooting days in 2005, as measured by the permits issued.

The Mayor's Film Office estimated that with the combined city/state programs, "over 250 studio and independent films and over 100 new and returning television productions" were filmed in New York City studios or locations, "bringing \$600 million worth of new production business to the City."<sup>1</sup>

Most of the recovery has taken place in the production of feature films and television, including the attraction of several television pilots.

Post-production, which includes such elements as sound mixing, editing, music and special effects, is an important segment of the industry and showed signs of stabilization in 2005 along with the increase in production activity. Direct expenditures of post-production activities in New York City were estimated to be \$744 million.

<sup>1</sup> 2005 A Banner Year for Production in New York City, press release by Mayor's Office of Film, Theatre and Broadcasting, Dec 28, 2005.



The volume of commercials produced in New York City has been steadily declining for more than two decades, but this segment remains an important component of the overall industry in the city, with direct expenditures estimated at \$500 million in 2005.

### **The Motion Picture Industry in the United States & in New York City**

Film and television production is a major industry in the United States, and American-made movies and television shows are significant exports to the world. According to the 2002 Census of Business, over 150,000 workers were directly employed in production and post-production activities in the United States, with payrolls totaling over \$21 billion. In 2005, direct employment, as measured by the U.S. Bureau of Labor Statistics, was over 200,000.

New York City has the second-largest concentration of the motion picture industry in the United States, after Southern California. According to a 2001 study by the U.S. Department of Commerce, Los Angeles accounted for nearly 70 percent of total revenues and almost 60 percent of total employment in the industry in 2000. New York State had the second-largest concentration, with approximately 20 percent of U.S. employment.<sup>2</sup>

In recent years, the location of film production has become more dispersed within the United States, with concentrations of film production appearing in Florida, Texas, Illinois and North Carolina, spurred in part by new state or local incentive programs. The more portable technology of modern filmmaking also allows a production to film in locations that were not accessible in earlier decades.

The motion picture industry has also grown in other countries, in part stimulated by lower costs of production and in many cases enhanced by direct incentive programs by national or provincial governments. For example, this industry has grown significantly in Canada, where major centers of production have emerged in Toronto and Vancouver. Australia, Ireland and South Korea are also emerging as centers of film production. Cities around the world also vie as locations for filmmakers, with Prague a recent favorite due in part to its attractive costs of production as well as its architectural ambiance.<sup>3</sup>

The competitive issues, which prompted a recent U.S. Department of Commerce study on migration of film production, or “runaway productions,” not only highlight the incentive programs of other countries, states and cities, but also underscore the value of this industry to a local economy. Ad hoc corporate entities are often formed for specific film projects (the industry is often referred to as a “floating factory”), producing a strong multiplier effect from the local demand for supplying crafts, technical skills and location expenditures. For an industry that achieves the size of agglomeration found in Los Angeles or New York, there is also a strong link to talent pools in the theater, music and other performing arts; in design and costumes; and in computer graphics and special effects.

The New York City area was the pioneering center of the fledgling U.S. movie business before the great migration to Hollywood in the early 1920s. Once there, both the emergence of the strong studio system and the portability limitations of the cinematography process were to keep the industry rooted in Hollywood until the last three decades of the 20th century. During those early years, New York City’s streets and neighborhoods, long a favored setting for novels and screenplays, were frequently re-created on a Hollywood back lot. In the late 1960s, under Mayor John Lindsay, the New York City government forged an aggressive campaign to bring the industry back to the city by easing the permit process for location filming on the streets and in other city locations and by encouraging the refurbishment and reopening of the Kaufman Astoria studios soundstage in Queens.

### **Recent Trends in the Industry**

Film production in New York City steadily increased from 1993 to 1998, reaching a high for that decade at over 22,000 shooting days, as measured by the number of location permits issued by the Mayor’s Office of Film, Theatre and Broadcasting. It then edged back with the onset of the 2000 recession and fell sharply following the terrorist attacks of September 11, 2001, to a low of fewer than 15,000 shooting days in 2002. Beginning in 2003, film and television production in the city sharply increased to reach a level of more than 31,000 shooting days in 2005.

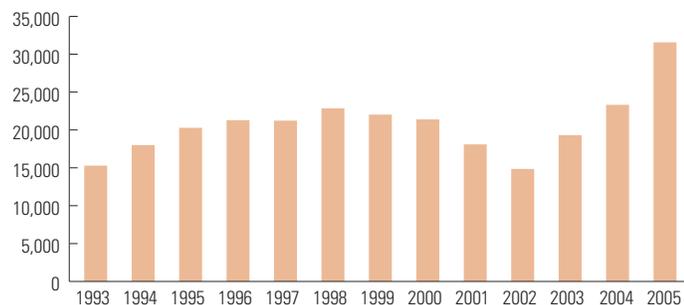
<sup>2</sup>The Migration of US Film & Television Production, U.S. Dept. of Commerce, 2001.

<sup>3</sup>“On Location: Sets and the City,” Financial Times, Weekend July 30-31, 2005.

# Motion Picture & Television Production

## New York City

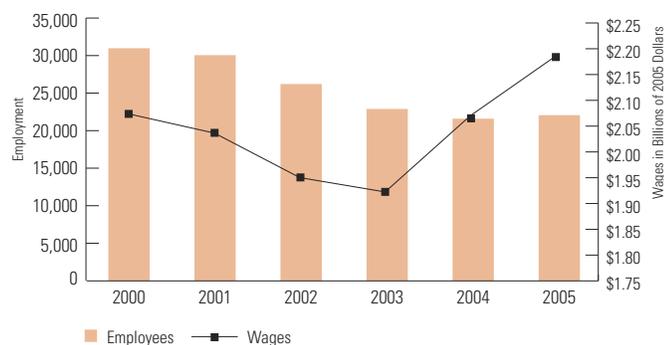
### Motion Picture & Television Location Shooting Days in New York City – 1993 to 2005



Source: Mayor's Office of Film, Theatre and Broadcasting

The volume of employment in the New York City's film and video production industry, as measured by the New York State Department of Labor, also showed recovery in 2005, increasing to over 22,000 jobs, or a gain of 2.6 percent over 2004 levels, and reversing the downward trend of the early part of this decade. Wage levels in the industry recovered strongly in both 2004 and 2005.

### Employment & Wages in Motion Pictures & Television Production in New York City – 2000 to 2005



Source: New York State Department of Labor

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### Film Industry Incentives

In August 2004, New York State established the Empire State Film Production Credit, a tax credit program to attract film and television production to the state. The legislation initially allocated \$125 million in tax credits of 10 percent each year from 2004 to 2008, to be administered through the Governor's Office for Motion Picture and Television Development. New York City joined this program in January 2005, providing a city tax credit of 5 percent over a four-year period for a total of \$50 million, bringing the total city/state tax credit to 15 percent.

With the City's program, the incentive pool totaled \$175 million, to be granted on a first-come, first-served basis.<sup>4</sup>

Productions qualify for full or partial credit depending on the amount of location or studio time utilized in the city or state. Tax credits are granted to the below-the-line costs of productions (primarily for acting and technical crews on the actual shooting days) that agree to film 75 percent of the studio work on a New York stage or to spend over \$3 million on a studio or qualified stage. If less than \$3 million is incurred at a studio, the production can qualify if 75 percent of filming is done in New York.

### Incentives Help Reversal of Recent Trends

Industry activity in New York City picked up noticeably in late 2004 following the start of the statewide program in August of that year. Feature films, full-length television dramas and, significantly, television pilots took advantage of the program, as did smaller, independent films (the latter have accounted for almost 60 percent of permits issued).

As New York City's program took effect in early 2005, the combined city/state incentive programs led to a significant increase in the number of feature films, television dramas and several television pilots filmed at soundstages around New York City, on city streets and at other venues.

At year-end 2005, the Mayor's Film Office estimated that with the combined city/state programs, "over 250 studio and independent films and over 100 new and returning television productions" were filmed in New York City studios or locations, "bringing \$600 million worth of new production business to the city."<sup>5</sup> Films such as *The Producers*, *The Good Shepherd*, *Hoax*, *Inside Man* and *The Devil Wears Prada* were filmed in the city's studios, as well as in locations throughout the city or in upstate New York.

<sup>4</sup> New York State and New York City are not unique in offering generous incentives for the lucrative business of film and television production. Other states such as New Jersey, Georgia, Louisiana, Maryland and New Mexico, as well as several countries including Canada (plus at least six of its provinces), Australia, New Zealand, Ireland and South Africa, offer a range of incentives or location and/or studio production. Source: Los Angeles Economic Development Corporation Study for the California Film Commission.

<sup>5</sup> 2005 A Banner Year for Production in New York City, press release by Mayor's Office of Film, Theatre and Broadcasting, Dec 28, 2005.



The Mayor's Office of Film, Theatre and Broadcasting provides additional incentives for the film and television production industry, including free permits for production vehicles, free police patrol and supervision, free advertising on City-owned media and a "Made in NY" discount card for members of film production companies to use with participating vendors of equipment rentals and services, as well as with hotels, airlines, car rental and banking services.

The New York State Governor's Office for Motion Picture and Television Development similarly points to the favorable results on the state's economy from the recent increase in production. One sign that the combined programs have been successful in bringing new production is that much of the four-year allowance for tax credits offered by the New York State and New York City was utilized by year-end 2005. Increases to the volume of tax credits and extensions on the number of years available were enacted by the state legislature and the city council in early 2006.<sup>6</sup>

New York's recent success has been noted in California,<sup>7</sup> where film industry executives have lobbied their state legislators for tax incentives to win back runaway productions to other cities, states or Canada.<sup>8</sup>

### Film Studios

For most of the past 20 years, New York City's film production has benefited from the capacity of two major local film studios. These facilities, together with a third important studio established in 2004, are the result of a creative partnership of industry leaders and the City of New York. Kaufman Astoria Studios, the historic structure in Astoria, Queens, first opened in 1920 and reopened in 1980. It features six soundstages totaling 65,000 square feet and related production services. *Angels in America* and the remakes of *The Manchurian Candidate* and *The Pink Panther* were filmed there in recent years. Kaufman Astoria has also been the longtime home of television's *Sesame Street* and the series *Law & Order*.

<sup>6</sup>"Bid to Lure Films Works So Well, It's Nearly Broke." The New York Times, March 14, 2006. The article states that New York City's \$50-million incentive allotment for 4 years was absorbed in 13 months, and that the State of New York had utilized most of its five year allotment of \$125 million in the first year and a half. Both the state and city governments proposed legislation in the spring of 2006 to increase the available pool of money to \$60 million per year for New York State, and to \$30 million per year for New York City to extend the programs through 2011.

<sup>7</sup>"New York is Making a Comeback as Film Production Ramps Up," Los Angeles Times, Feb 16, 2006.

<sup>8</sup>"California Considers Tax Breaks for Filming," The New York Times, Aug 18, 2005.

Silvercup Studios opened in 1983 in the former Silvercup Bakery, bordering the East River in Queens. With the later addition of the East Lot building, the 18 studios and related production and office facilities have a total configuration of almost 200,000 square feet. This complex has been the location for such films as *Gangs of New York*, *Birth* and *The Night Listener*, as well as most recently for *The Devil Wears Prada* and *Little Children*. It has also been the filming location of TV series *Sex and the City* and *The Sopranos*.

The opening of Steiner Studios in November 2004 significantly expanded New York City's studio capacity. Located in the Brooklyn Navy Yard, the \$120-million complex features five soundstages totaling almost 300,000 square feet of studio space, with additional host services for casts and crews. The movie version of *The Producers* was the first film to utilize the new facilities, followed by *Inside Man*, *Fur*, *Hoax* and *Across the Universe*.

Steiner Studios benefited from an additional incentive program enacted by the New York State legislature in August 2005 that provides investment tax credit for qualified film production facilities amounting to four percent for investments costing up to \$350 million, and five percent for costs beyond \$350 million. To qualify, a production space must provide at least three film production services such as a lighting grid, lighting and grid equipment, or broadband access.

In addition to the new soundstages, New York City has also become a major center for smaller films produced either by independent producers such as Tribeca Productions or Hart Sharp Entertainment, or by the boutique subsidiaries of major studios such as Universal's Focus Features or Sony Pictures Classics. New York City is the home of the original Miramax Company and its successor, the Weinstein Company.<sup>9</sup>

### Commercials

New York City remains a significant center for the production of television commercials, second only to Southern California. The costs of production per commercial vary widely, from the lower-budget "tabletop" photograph to elaborate (and expensive) filmed sequences utilizing leading models or actors, film- or television-caliber crews and soundstages as well as city venues for location shooting.

Official government or industry data on commercial production activity are scant, but estimates based on national survey data

<sup>9</sup>"New York: 'Little' Films Grow Big," The New York Times, May 12, 2005.

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and local expertise suggest that the commercials segment in New York City totaled approximately \$500 million in direct expenditures in 2005. The federal and state series on employment and wages in motion picture and video includes employment and wages of commercials production, although the data do not identify a separate category for commercials.

The Mayor's Office of Film, Theatre and Broadcasting granted permits for just over 1,050 commercials shot on location in the city during 2005. These permits translated into 2,400 shooting days, but excluded studio and soundstage work and therefore undercount the total amount of activity in the city.

The Association of Independent Commercial Producers (AICP) found in a nationwide survey of member firms conducted during 2005 that total domestic production of commercials in the United States was valued at \$2.6 billion.<sup>10</sup> Of this, New York City accounted for 18 percent of the shooting days on domestic production (compared with 55 percent in Southern California). With New York City's average cost per day somewhat higher than the nationwide average of \$120,000, this would place the total activity in commercials in New York City at approximately \$500 million in 2005.

The research for the *Arts as an Industry* studies, going back to 1983, has documented a consistent decline in production of commercials from the levels of activity estimated in the early 1980s.<sup>11</sup>

New York City is not the only U.S. location to lose share and absolute volume in the production of commercials. The AICP survey notes that there has been a significant decline in the number of shooting days taking place in the "major production centers" of New York, Florida, Illinois and Southern California. AICP member firms produced commercials outside the United States at a total volume of approximately \$600 million in 2004. The share of external production by U.S.-based firms has been growing and ranged from 18 to 24 percent of total production in the early years of this decade.

### Post-Production

This is a significant segment of the film and television industry in New York City. In 2005 there were almost 500 post-production establishments offering film processing or storage, editing or sound-mixing as well as sound and music recording. The "New York 411 production resource" guide lists at least 300

<sup>10</sup>Findings from 2005 AICP Member Survey, Association of Independent Commercial Producers [www.aipc.org](http://www.aipc.org).

<sup>11</sup>The Arts as an Industry, Oct 1993, p.34 and Appendix E.

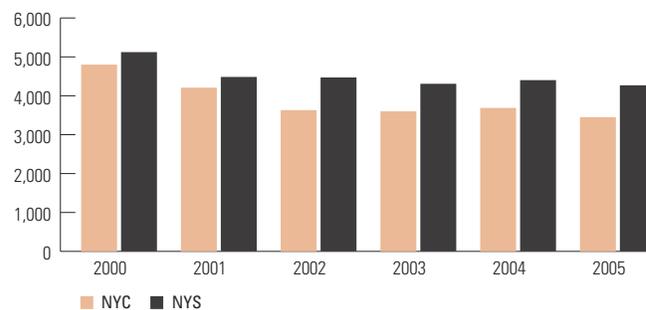
skilled independent workers in such fields as film editing, music composing and sound design.

It is estimated that post-production is now a \$744-million industry in New York City.

Some post-production specialties such as music recording and special effects may still be centered in other cities such as Los Angeles, San Francisco or Toronto, but New York City's post-production facilities have grown sufficiently to serve as an "export" sector. This occurs where post-production work is done in the city for films that are shot elsewhere. Recent examples include *Casanova*, filmed in Venice, Italy; *Capote*, filmed in Texas, California and Manitoba, Canada; and *Brokeback Mountain*, filmed mostly on location in Alberta, Canada. The post-production work on these films was done in New York.

Employment in post-production activities averaged 3,450 in New York City in 2005, generating a wage pool of almost \$280 million. Employment levels now show some stability after the steady decline from the peak in 2000, and wage levels have been growing in line with the recent increase in the volume of film and video production.

### Employment in Post-Production & Sound Recording in New York State & New York City – 2000 to 2005



Source: New York State Department of Labor

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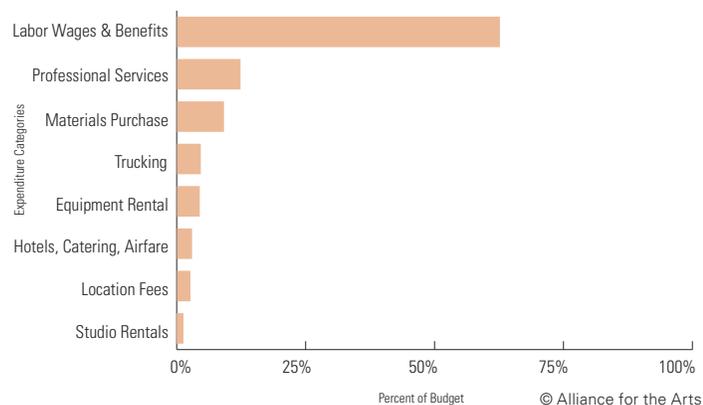
### Patterns of Direct Expenditures in Motion Picture, Television and Post-Production

Despite the importance of high-value technology in the production and post-production aspects of motion pictures, television and commercials, the proportion of direct spending for wages and benefits of the workforce (both above-the-line and below-the-line categories) dominates the spending patterns in this industry.



In New York City during 2005, wages and benefits were \$2.4 billion, or almost 63 percent of the total direct expenditures of \$3.8 billion. Professional services, including legal, insurance and advertising, were \$467.6 million (12.3 percent of the total), while purchases of materials absorbed \$345.7 million (9.1 percent); equipment rental was \$165.6 million (4.4 percent) of total spending.

### **Expenditure Patterns of Motion Picture & Television Production in New York City – 2005**



Appendix A presents expenditure patterns for large and small motion pictures, television series and pilots by location.

### **Links to Other Industries**

Film and television production in New York City, as well as post-production, benefits from the abundance of performing, technical and artistic talents that gather around the performing arts in the city. Skilled technicians, craftspeople, actors and directors can move between feature films, large and small, to broadcast and taped television, and between talk shows, hourlong dramas and commercials to work in Broadway or off-Broadway theater productions.

### **Industries Most Affected**

The industries most affected by the impact of motion picture and television production, as well as post-production activities in New York City, as measured by sales, are finance and insurance, professional and business services, retail trade, real estate, health services and hospitals, air transportation, hotels, local transit and restaurants.

As measured by the number of jobs generated, the most affected industries in the city are retail trade, restaurants, real estate, health services and hospitals, finance and insurance, and professional business services.

### **Methodology for Estimating Film, Television & Commercials Data for New York City & New York State**

Data sources have long been sparse in this industry, particularly for revenues, operating expenditures, capital investment and individual segments such as commercials.

There are some important pieces of evidence available from both the quinquennial Census of Business and the annual Employment Security (ES202) systems of the state labor departments. The new North American Industry Classification System (NAICS) coding system provides detail on employment and wage trends in motion picture and television production and for post-production. The Census of Business provides instances of revenue data for segments of the industry, although revenue data are withheld for several important categories per disclosure regulations.

Thus, much of the information needed to estimate total direct expenditures must be built up from such sources as production cost budgets by size of film and television project; from cross-references of trends in employment and wages from the ES202 system; from tallies of films and television dramas receiving permits from the New York City Mayor's Film Office; and from direct surveys or interview sources in the commercials segment.

This study benefited from the aggregated information obtained from a robust sample of such activity in 2005, with data totals on spending categories of 51 motion pictures, 18 television series and 7 television pilots that applied for these incentives in the early months of the first full year of the state and city tax credits. This data, provided in aggregated totals by the Governor's Office for Motion Picture and Television Development, was a valuable guide to the proportion of expenditures on wages and benefits by occupation, on equipment rental and purchases, and on ancillary services such as catering, trucking, insurance and building materials.

In the future, aggregated data from information submitted to the New York State legislature on the annual volume of productions that qualify for the new state and city tax credit incentives could provide a valuable base for this important industry in New York City and New York State. Such data would not only tally the total volume of production, but also yield detailed expenditure patterns of motion picture and television productions, including whether that spending occurred in New York City, elsewhere in New York State, or outside the state.

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The nonprofit arts sector in New York City encompasses a diverse group of organizations in all five boroughs, ranging from renowned museums, opera companies, orchestras, theatrical organizations, and electronic media organizations to small performing and visual arts organizations of varying sizes and disciplines.

### Nonprofit Culture in New York City – 2005

Economic Impact	\$5.8 billion
Jobs Generated	40,460
Wages Generated	\$2.2 billion
Taxes Generated to New York City	\$170 million

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The calculations of economic impact are based on total direct expenditures of \$2.9 billion, in 2005 dollars,<sup>1</sup> made by the 1,412 cultural organizations included in this study, which comprise the following components:

Museums <sup>2</sup>	\$710.1 million
Music	\$422.0 million
Electronic Media & Film <sup>3</sup>	\$347.9 million
Nonprofit Theater	\$253.1 million
Presenting Organizations <sup>4</sup>	\$198.3 million
Dance	\$185.7 million
Arts Service Organizations	\$130.8 million
Literature	\$136.9 million
Zoos & Botanical Gardens	\$132.5 million
Other <sup>5</sup>	\$410.5 million
<b>Total</b>	<b>\$2.9 billion</b>

<sup>1</sup> Based on detail contained in the 2005 New York State Council on the Arts (NYSCA) application year, reporting on 2004 and IRS 990 filings.

<sup>2</sup> Including science, history, children's and art museums.

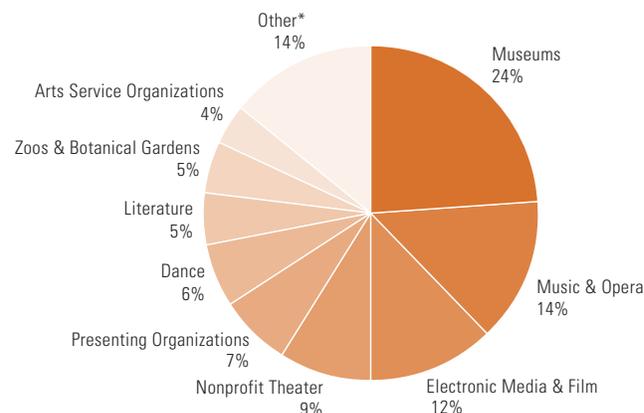
<sup>3</sup> Including public television.

<sup>4</sup> Including Lincoln Center, Carnegie Hall and the Brooklyn Academy of Music.

<sup>5</sup> Including historic sites, arts centers, arts councils, arts education and organizations specializing in the folk arts, architecture, planning and design.

### Expenditures by Organization Discipline in New York City – 2005

Total Expenditures: \$2.9 billion (2005 Dollars)



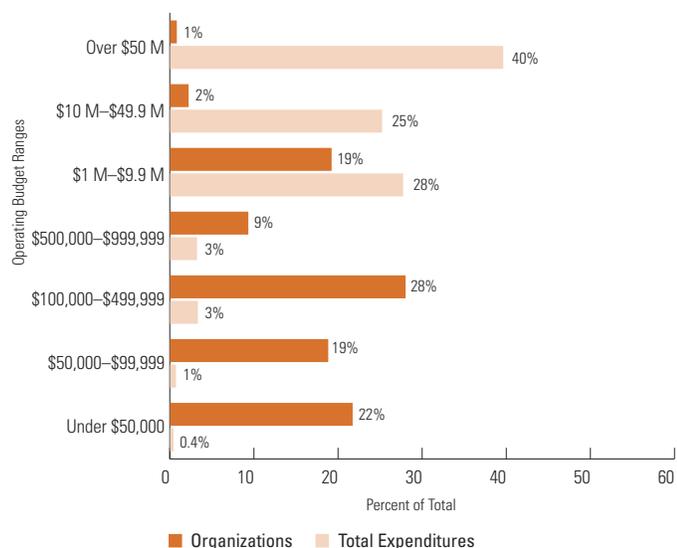
\* See footnote 5.

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### Expenditures by Budget Size

The operating budgets of several large organizations account for a major part of total expenditures by nonprofit arts organizations in New York City. Although they constituted only 3 percent of the total number of the nonprofit arts organizations in the city, these large organizations spent 65 percent of the total nonprofit arts expenditures in 2004. Moderately large organizations, those with budgets of \$1 million to \$10 million, accounted for 19.2 percent of organizations and 27.7 percent of the total expenditures, while medium-sized organizations (\$100,000 to \$999,999) accounted for 37.3 percent of organizations and 6.5 percent of all expenditures. Small organizations, those with budgets of under \$100,000, accounted for 1.1 percent of the spending but represented 40.5 percent of the total number of nonprofit cultural institutions in the city.

### Distribution of New York City Nonprofit Organizations & Total Expenditures, by Budget Category – 2004



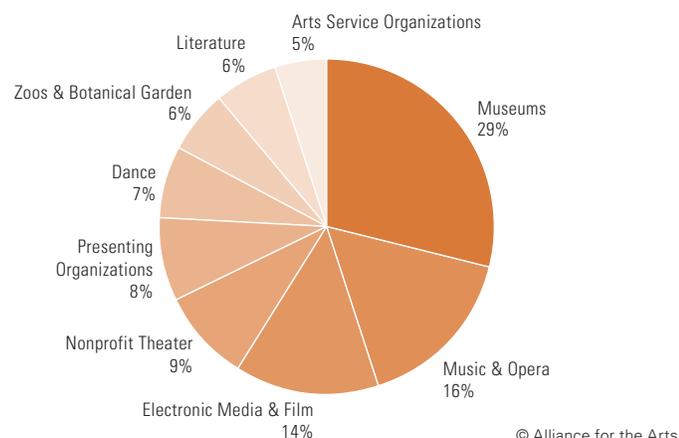
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### Expenditures by Discipline

The operating expenditures of museums, music and electronic media, each of which includes very large organizations, constitute half of the total nonprofit expenditures in New York City, and an even greater percentage among organizations with budgets of over \$1 million. For smaller organizations, those with annual budgets under \$1 million, the performing arts are dominant, with nonprofit theater having the highest expenditures, followed by music and opera, and dance.

### Expenditures of Selected New York City Organizations with Budgets of over \$1 Million, by Discipline – 2004

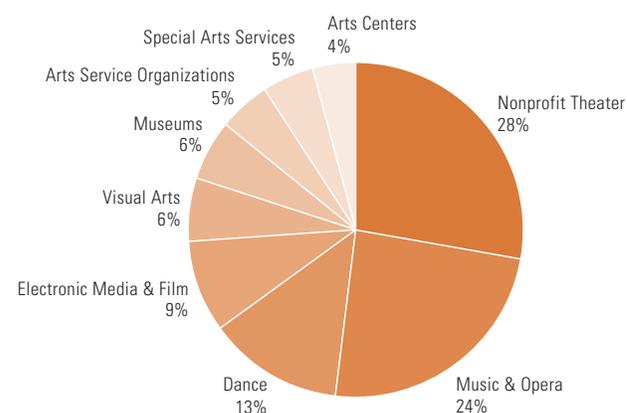
Total Expenditures: \$2.3 billion



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### Expenditures of Selected New York City Organizations with Budgets under \$1 Million, by Discipline – 2004

Total Expenditures: \$142 million



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### Analysis by Borough

Manhattan continues to be the focal point of nonprofit arts activity in New York City and, indeed, the state. While the other boroughs have a lower volume of nonprofit arts activity, each is home to major cultural institutions. The City of New York provides substantial operating and capital funds to 34 institutions, known collectively as the Cultural Institutions Group (CIG); many of these groups are among the largest in their boroughs in terms of budget size and workforce. In addition to the larger CIG and private institutions, each borough has an array of midsize and small cultural groups. It is the range and diversity of cultural groups operating in New York City that give the city's cultural life its vitality and economic impact. Cultural organizations of all sizes extend employment and spending into many neighborhoods, adding to the overall strength of the nonprofit sector. Appendix B 2.1–B 2.5 contains detailed tables and graphs for each borough.

### The Bronx

The study analyzed data for 38 identified nonprofit arts organizations in the Bronx, which reported direct expenditures of \$120.1 million in 2004. The largest discipline in the Bronx consisted of zoos and botanical gardens, which accounted for 79 percent of the borough's total expenditures, with such world-renowned institutions as the Bronx Zoo and the New York Botanical Garden. The next-largest group consisted of multidisciplinary organizations, accounting for three percent of the spending; arts centers and museums, with two percent

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each; and nonprofit theater and dance, with a combined one percent of total expenditures.

Other significant organizations in the borough include the Bronx Community Cable Programming Corporation, the Bronx Council on the Arts, the Bronx Museum of the Arts, the Bronx Stage and Film Company and the Lehman College Center for the Performing Arts.

### **Brooklyn**

The study analyzed data for 154 identified nonprofit arts organizations in Brooklyn, which reported direct expenditures of \$146.8 million in 2004. Museums accounted for 29 percent of the total expenditures and included such major institutions as the Brooklyn Museum, the Brooklyn Children's Museum, the New York Transit Museum and the Brooklyn Historical Society. Second largest, with 18 percent of total expenditures, was the category of zoos and botanical gardens, including the Brooklyn Botanic Garden, the New York Aquarium and the Prospect Park Zoo. Presenting organizations, the largest of which was the Brooklyn Academy of Music, accounted for 17 percent of the total spending. Music and opera organizations, including the Brooklyn Philharmonic, accounted for five percent of the total spending, followed by dance and arts education, each with four percent.

Other major groups in the borough include the Prospect Park Alliance, the Mark Morris Dance Group, the Brooklyn Conservatory of Music and St. Ann's Warehouse.

### **Manhattan**

The study analyzed data for 1,112 identified nonprofit arts organizations in Manhattan (79 percent of all of New York City's nonprofit cultural organizations), which reported direct expenditures of \$2.5 billion, or 88 percent of total New York City nonprofit cultural organization expenditures, in 2004.

Museums accounted for 24 percent of this spending and include world-renowned institutions such as the Metropolitan Museum of Art, the American Museum of Natural History, the Museum of Modern Art and the Solomon R. Guggenheim Museum. Music and opera was the second largest discipline with 16 percent of the total spending for operations, led by such organizations as the Metropolitan Opera, the New York Philharmonic, the New York City Opera and Jazz at Lincoln Center. Electronic Media and Film, including WNET/Channel 13, Sesame Workshop and WNYC Radio, accounted for 13 percent of the total expenditures.

Nonprofit theater in Manhattan accounted for 10 percent of the total spending in the borough. It included such major groups as the Roundabout Theater, the Vivian Beaumont at Lincoln Center Theater and the Manhattan Theatre Club—all of which are nonprofit Broadway houses—and the Public Theater.

Dance, including the New York City Ballet, American Ballet Theatre and Alvin Ailey American Dance Theater, accounted for seven percent of the total expenditures.

Presenting organizations such as Lincoln Center for the Performing Arts and Carnegie Hall accounted for seven percent of total expenditures, followed by literary organizations, with five percent, and arts service and arts education organizations, with four percent each.

Organizations with budgets of over \$10 million, 3.5 percent of all organizations in Manhattan, were responsible for 67 percent of the total expenditures. Moderately large organizations, those with budgets of \$1 million and \$10 million, accounted for 26 percent of the total expenditures, while medium-sized organizations (\$100,000 to \$999,999) accounted for 6 percent. Small organizations, with annual operating budgets of under \$100,000, spent less than one percent of the total volume but represented 38 percent of the total number of nonprofit cultural organizations in Manhattan.

### **Queens**

The study analyzed 81 nonprofit arts organizations in Queens, which reported direct expenditures of \$51 million in 2004. Half of the expenditures are attributable to museums, including the New York Hall of Science, the Museum of the Moving Image, the Queens Museum of Art, P.S.1 Contemporary Arts Center, the Noguchi Museum and the Museum for African Art.

The next-largest discipline was arts service organizations, such as Cultural Collaborative Jamaica, which accounted for 14 percent of the total spending. Multidisciplinary organizations and arts centers each accounted for six percent of the total expenditure volume, while nonprofit theater and dance, and music and opera each accounted for three percent of the total.

Other major organizations in the borough include Queens Theatre in the Park, Queens Public Television, the Queens Botanical Garden, Flushing Town Hall and the Jamaica Center for Arts & Learning.



## Staten Island

The study analyzed 27 nonprofit arts organizations in Staten Island, which reported direct expenditures of \$16.7 million in 2004. Museums are responsible for 36 percent of the spending and include such institutions as the Staten Island Children’s Museum, the Staten Island Historical Society and the Staten Island Museum. Zoos and botanical gardens account for 25 percent of the spending, and include the Staten Island Zoo and Staten Island Botanical Garden. Snug Harbor Cultural Center, like Lincoln Center, is both a campus of other groups, such as the botanical garden and children’s museum, and a presenter of its own programs; the Snug Harbor campus is the largest concentration of cultural economic activity in the borough. Arts centers constitute the next-largest discipline, with 18 percent of the expenditures, followed by electronic media and film, with 6 percent; arts councils, with 3 percent; and the categories of nonprofit theater and dance, and music and opera, with 2 percent each.

Other major organizations in the borough include the Jacques Marchais Museum of Tibetan Art, Staten Island Community Television, the Noble Maritime Collection and the Conference House Association.

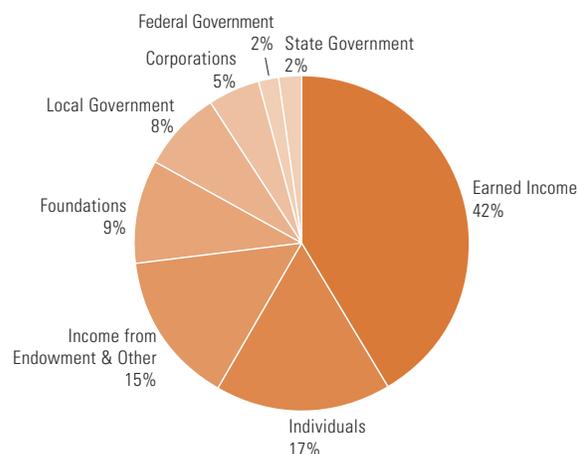
## Sources of Income

Sufficient detail is available from the data collected by the New York State Council on the Arts (NYSCA) to identify the sources and patterns of the income of nonprofit cultural organizations in New York City. Based on the NYSCA sample of more than 900 organizations in the city, the total income of these organizations in 2004 was \$2.48 billion. (Note that this is a portion of total expenditures, which include additional data, principally from the IRS 990 series.)

Of the income reported to NYSCA, 43 percent came from contributions, both government funding and private contributions; 42 percent was earned income from operations; and close to 15 percent came from other sources, including interest from endowments.

## Income Sources of New York City Organizations – 2004

Total Income: \$2.5 billion



Source: NYSCA

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## Income Patterns by Discipline

The following chart compares the income patterns of the visual arts and the performing arts sectors in New York City. These figures include only groups engaged in the making or exhibiting of performing or visual arts and do not include service or support organizations related to these disciplines.

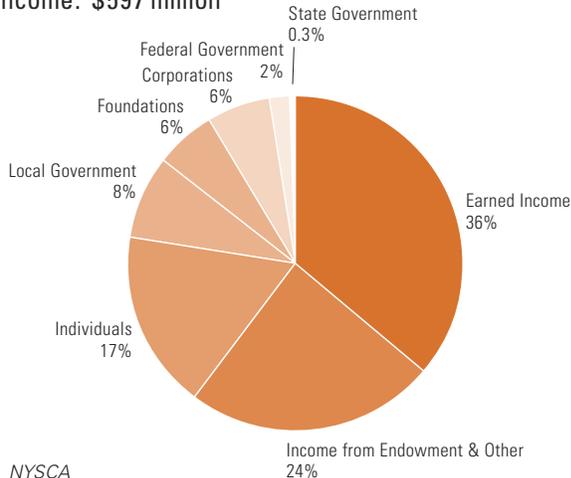
Earned income makes up a higher proportion of total income in the performing arts, almost 58 percent, substantially more than in the visual arts, at 36 percent, which rely more heavily on earnings from endowment as well as funding from local government.

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### Income Sources for Visual Arts Organizations in New York City – 2004

Total Income: \$597 million



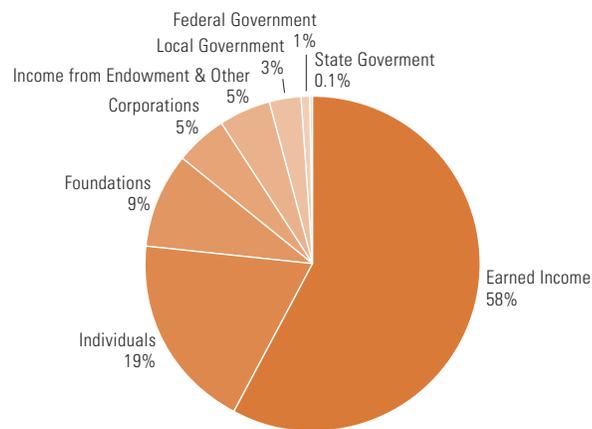
Source: NYSCA

Figures may not add to 100 due to rounding.

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### Income Sources for Performing Arts Organizations in New York City – 2004

Total Income: \$908 million



Source: NYSCA

Figures may not add to 100 due to rounding.

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### A Comparison of Income Sources for New York City Nonprofit Arts Organizations: 1982, 1992, 2004

The following table shows trends in the proportion and absolute amount of operating income that New York City nonprofit arts organizations received from various sources in 1982, 1992 and 2004. These comparisons are based on the analysis from the

two previous arts industry studies published in 1983 and 1993 with the findings of this study.<sup>6</sup> All comparisons are based on parallel methodologies and are expressed in inflation-adjusted terms, in 2004 dollars.

### Sources of Income for New York City Nonprofit Arts Organizations 1982, 1992, 2004 (2004 Dollars)

	1982	1992	2004
<b>Earned Income*</b>	<b>34%</b>	<b>45%</b>	<b>42%</b>
<b>Contributions</b>	<b>55%</b>	<b>49%</b>	<b>43%</b>
Private	26%	29%	31%
Foundations	6%	10%	9%
Corporations	6%	8%	5%
Individuals	14%	12%	17%
Public	29%	20%	11%
Federal	10%	3%	2%
State	4%	5%	2%
Local	16%	12%	8%
<b>Income from Endowment and Other</b>	<b>11%</b>	<b>6%</b>	<b>15%</b>

**Total Income**                      \$1.1 billion      \$1.7 billion      \$2.5 billion

Source: NYSCA

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\*Includes income from admissions, concessions and other sources of earned income.

(Note: Income sources for 1982 and 1992 were extrapolated from the New York City metropolitan area data.)

As noted in the 1993 study, income from operations had increased almost 98 percent in real dollar terms during the 1980s, shifting from over a third of the total income received in 1982 to 45 percent in 1992. Since 1992, income from operations has maintained its importance to organizations and still made up 42.2 percent of total income in 2004. Income from private contributions and public funding decreased from 54.7 percent of total income in 1982 to 48.8 percent in 1992, and to 42.6 percent in 2004.

Private contributions became more important during these periods, increasing from 25.9 percent of total income in 1982 to 29.2 percent of total in 1992 and to 31.2 percent in 2004. The

<sup>6</sup> "The Arts as an Industry: Their Economic Importance to the New York-New Jersey Metropolitan Region," The Port Authority of New York & New Jersey, and the Alliance for the Arts, New York, October 1993, and The Arts as an Industry: Their Economic Importance to the New York-New Jersey Metropolitan Region, The Port Authority of New York & New Jersey and The Cultural Assistance Center, New York, May 1983.



largest proportion of private funding has consistently come from donations by individuals. In 1982, they amounted to 14.3 percent of total income. After dropping in share during 1992, by 2004 they made up 16.6 percent of total income. Since 1982, support of individuals has supplanted local government as the leading source of income for nonprofit arts organizations in New York City. In inflation-adjusted terms, these donations by individuals have more than doubled, from \$162 million in 1982 and \$200.7 million in 1992 to \$413.6 million in 2004.

Income from foundations more than tripled during this period, from a level of \$68.7 million in 1982 (in 2004 dollars) to \$159.7 million in 1992 and to \$234.5 million in 2004, and rising in share from 6 percent of the total in 1982 to 9.4 percent in 2004. Corporate contributions more than doubled, from \$63.6 million in 1982 to \$131 million in 1992, but decreased to \$128 million in 2004 (in 2004 dollars), making up only 5.1 percent of the total funding in 2004 compared with 7.8 percent in 1992 and 5.6 percent in 1982.

The most dramatic change in source of income over the 22 years has been in government contributions, which decreased from 28.9 percent of total income in 1982 to 19.6 percent in 1992 and to 11.4 percent in 2004. As a proportion of total income, funding from all three levels of government decreased from 1982 to 2004. From 1982 to 1992, increases in state and city funding compensated for the reductions in federal funding. However, from 1992 to 2004, state funding fell sharply, and city funding decreased slightly. In absolute dollar terms, government funding fell 16 percent from 1982 to 2004.

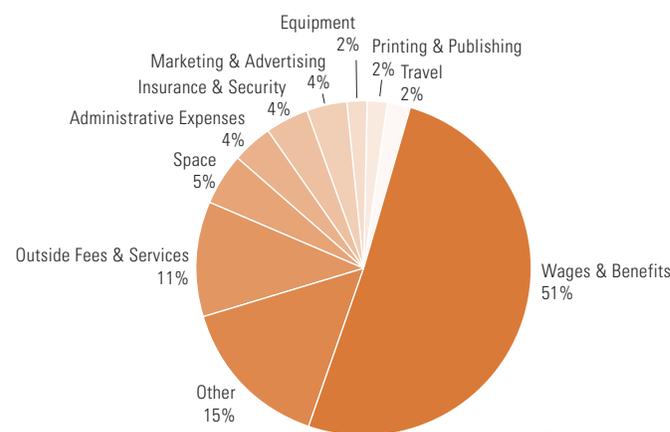
- Federal funding was cut in half during this period, decreasing from \$110 million in 1982 to \$54.7 million in 1992 and to \$50 million in 2004.
- State funding increased from \$40 million in 1982 to \$79 million in 1992 but fell back to \$42 million in 2004, representing only 1.7 percent of total income received.
- Local government funding has been the only source from the public sector to increase in real terms, from \$179 million in 1982 to \$197 million in 1992, edging back slightly to \$191 million in 2004 (all expressed in 2004 dollars). However, the share of local government income was 7.7 percent of the total income in 2004, less than half of the 15.7 share in 1982.

## Patterns of Direct Expenditures

New York City nonprofit cultural organizations, like their commercial counterparts, spend a high proportion of their budgets in the city. Like commercial arts organizations, they are labor-intensive, with 51 percent of total spending going to labor costs. An additional 11 percent is spent on outside fees and services, which carries its own heavy labor component. The local economy also benefits from other major categories of expenditure, including space rental, advertising and administrative expenses

### Expenditure Pattern of New York City Nonprofit Cultural Organizations – 2005

Total Expenditures: \$2.9 billion (2005 Dollars)



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## Economic Impact of the Nonprofit Cultural Sector in New York City

The economic impact of the nonprofit cultural sector in New York City totaled \$5.8 billion in 2005, the second-largest component of the arts industry in the city. The effect of the successive rounds of spending from \$2.9 billion<sup>7</sup> in direct expenditures on wages and benefits or from building rentals, professional services and other nonlabor purchases generated a total of 40,460 jobs in the city and total wages of \$2.16 billion. The multiplier for this industry is 2.0, which means that for every dollar of direct spending, another dollar of economic activity is generated in New York City. This is a strong multiplier for an economy as large and mature as that of the city and is based on the fact that a high proportion of both workers and suppliers of professional and specialized services to the nonprofit

<sup>7</sup>Based on detail contained in the 2005 NYSCA application year, reporting on 2004 and IRS 990 filings.

# Nonprofit Culture

## *New York City*

cultural organizations are located in the city. There is some amount of leakage to areas outside the city from the wages of commuters and from the payments to suppliers based elsewhere.

### **Industries Most Affected by the Operations of Nonprofit Cultural Institutions in New York City**

The industries most affected by the operations of nonprofit cultural institutions in New York City, ranked by total volume of sales, are finance and insurance, professional and business services, real estate, retail trade, restaurants, and health services and hospitals.

As ranked by the number of jobs generated, the industries in New York City most affected by the operations of the nonprofit cultural organizations are business support and security services, professional and business services, restaurants, finance and insurance, and health services and hospitals.

### **Taxes Generated to New York City**

Taxes accruing to New York City from the full impact of the operations of the nonprofit cultural institutions are estimated at \$170 million in 2005 and comprise:

Personal Income Taxes	\$78 million
Business Taxes	\$27 million
Sales Taxes	\$65 million
<b>Total Taxes to New York City</b>	<b>\$170 million</b>

These taxes are based on taxes generated on direct, indirect and induced expenditures, with the exception of business taxes, which are not generally collected on direct expenditures by nonprofit cultural organizations. However, business taxes would be generated from the indirect and induced rounds of spending.

### **Methodology**

The primary data set used for discussion of nonprofit expenditures and for calculation of the economic impact of the nonprofit arts sector was compiled from individual records of organizations that applied for grants in 2005 from the New York State Council on the Arts (NYSCA), reporting on the year 2004. This was supplemented by data from the IRS Form 990s and by data received directly from several large nonprofit organizations not included in the NYSCA files. Expenditure categories from both the NYSCA and IRS 990

data were incorporated into the data set of the study using the proportion of the total expenditures that each represented in a series of budget ranges to categorize the balance of detailed expenditures.

The disciplines used in the study are drawn primarily from the classifications by which NYSCA categorizes its grant applicants (with some modifications, including the addition of zoos and botanical gardens).

The detailed definitions of the disciplines used in this study are presented in Appendix B.

The 2004 NYSCA data set was used to calculate the income patterns of nonprofit arts organizations. The performing arts and visual arts categories used in the income pattern analysis differ somewhat from the related disciplines used in the expenditure analysis in that they include only organizations directly engaged in the performing or visual arts and do not include arts service or other organizations related to those disciplines.

# Commercial Theater



The operations of the commercial theater in New York City, including Broadway, Off Broadway, and the expenditures in New York City by Broadway touring companies, generated a total value of \$2 billion in 2005.

## Commercial Theater in New York City – 2005

Economic Impact	\$2 billion
Jobs Generated	13,500
Wages Generated	\$730 million
Taxes to New York City	\$66 million

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The figures above do not include the impact of the ancillary spending of visitors who came to New York City primarily to attend its cultural offerings, including Broadway. The economic impact of this visitor spending is discussed in the Visitors to the Arts chapter.

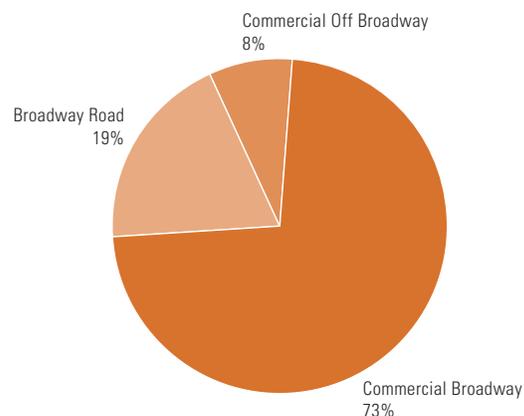
## Direct Expenditures of the Commercial Theater in New York City

The \$2-billion economic impact of the commercial theater in New York City is based on direct expenditures of \$968 million in the 2004–2005 season.

- Commercial Broadway expenditures were \$703 million, or 73 percent of the total.
- Expenditures from Broadway road companies to New York City were \$189 million, or 19 percent of total.
- Commercial Off Broadway expenditures were \$76 million, or eight percent of all commercial theater expenditures.

## Expenditures in New York City Commercial Theater – 2005

Total Spending: \$968 million



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## Broadway

In the 2004–2005 season, 15 new musicals, 23 new plays and one special performance were mounted on Broadway. These 39 new shows and the 30 plays and musicals that carried over from previous seasons played for a total of 1,494 weeks on Broadway. Attendance at Broadway theaters in the 2004–2005 season was 11.53 million. Most of this activity, accounting for \$703 million out of a Broadway total of \$755 million, was on commercial Broadway.<sup>1</sup>

## Trends in Broadway Activity

Broadway has experienced a vigorous renewal since the 1991–1992 season measured in the previous economic impact study. At that time, Broadway was in the early stages of its recovery from a decade of declining attendance that reached a low point in attendance during the 1985–1986 season. That year, attendance fell to 6.6 million, the number of new productions fell to 33 and the number of playing weeks to 1,045. By the 1991–1992 season, attendance at Broadway climbed to 7.37 million, although the number of playing weeks, 781, still reflected the slow growth of the mid-1980s, which followed five years of decline after the strong 1981 season. In that year, playing weeks totaled 1,544 and attendance levels reached 11 million.

As indicated in the chart on the next page, attendance has climbed upward since 1997–1998, exceeding 11 million every season, with the exception of 2001–2002 following September 11. In that year, attendance fell to 10.95 million from its record

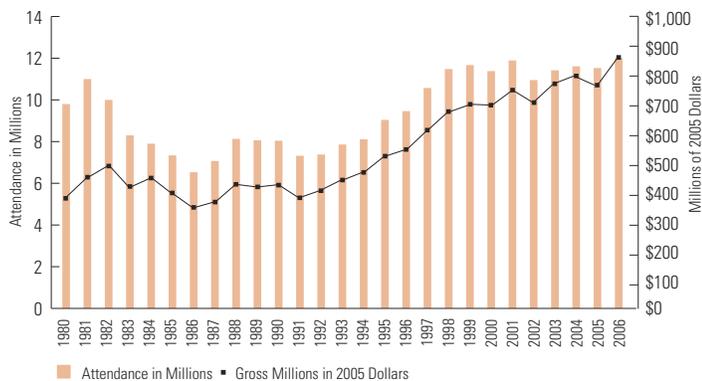
<sup>1</sup>There are three nonprofit Broadway theaters: Lincoln Center Theater, Roundabout Theater and Manhattan Theater Club. Their expenditures and economic impact are included in the segment of this report on nonprofit organizations.

# Commercial Theater

## New York City

high of 11.89 million the previous year. By the 2004–2005 season (the study year for this report), Broadway had recouped much of that decline to reach 11.5 million attendees. The 2005–2006 season saw new records in attendance and gross receipts, with 12 million visitors attending Broadway shows. Since the early 1980s, the trend in gross income, corrected for inflation, has reflected these fluctuations in attendance, as shown in the chart below. Playing weeks, not shown here, have followed the same general trends.<sup>2</sup>

### Broadway Attendance & Gross Sales 1980 – 2006 Seasons (2005 Dollars)



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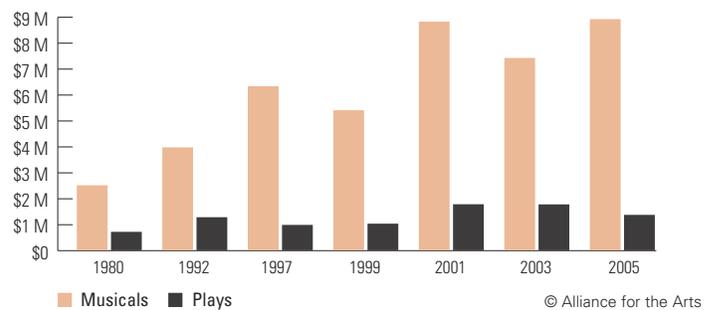
Source: League of American Theatres and Producers

### Trends in Broadway Costs

Since the 1979–1980 season, there have been steep increases in the cost of producing Broadway shows. The average production cost of a musical increased by a factor of three and a half times from the 1979–1980 to the 2000–2001 seasons. These costs have stabilized somewhat since then. The average cost of producing a dramatic play increased by two and a half times during the same period, decreasing slightly since the 2000–2001 season.

<sup>2</sup> Data for the 2005–2006 season have been added.

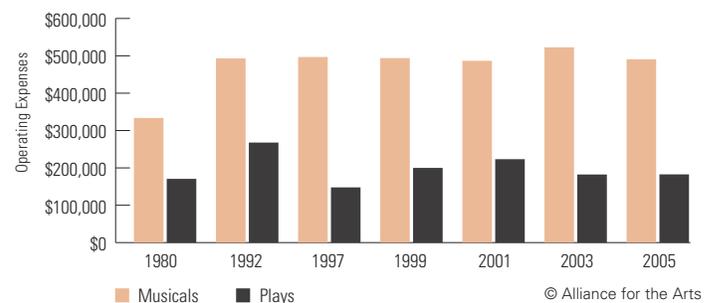
### Average Broadway Production Expenses Selected Seasons 1980 – 2005 (2005 Dollars)



Source: League of American Theatres and Producers

Operating costs have been much steadier than production costs in recent years. The average weekly operating cost of a musical jumped by 48 percent in inflation-adjusted terms from 1979–1980 to 1991–1992 but has remained at about the same level since then. The average weekly cost of a play increased by 57 percent from 1979–1980 to 1991–1992 but has declined since that season.

### Average Broadway Weekly Operating Expenses 1979–1980 to 2004–2005 (2005 Dollars)



Source: League of American Theatres and Producers

### Broadway Road

During the 2004–2005 season, Broadway touring companies played in 253 venues across the United States to audiences totaling 17.8 million. Many of these companies have links to Broadway in New York. Touring company producers based in New York City who develop and supervise these shows hire New York City–based services and draw from the city’s deep talent pool of actors, musicians, directors and crews to travel with the show. Many of the royalties generated by road



performances also flow back into New York City's economy. In total, an estimated \$189 million was returned to the New York City economy from the Broadway road in 2004–2005.

New York City's share of touring company spending declined from the 1981–1982 season to the 1991–1992 season, resulting in diminished returns to New York City even as touring grosses increased. Some important changes contributed to New York City's declining share of road revenues from 1982 to 1992:

- A large number of successful musicals on tour that originated in London's West End caused a substantial flow of licensing fees and royalty returns to London rather than to New York.
- New York City producers began mounting touring shows outside the city with greater frequency.

Since the early 1990s, New York City's share of Broadway road proceeds has stabilized to a large extent, but two trends from 1992 to 2005 have diminished the level of salaries that are returned to the city:

- Touring companies now hire many of their traveling professionals, such as stage managers, from venues around the country rather than from New York City.
- The proportion of salaries that New York–based talent is estimated to bring home has declined.

Despite these trends, the Broadway road continues to play an important part in New York City's commercial theater in the direct expenditures described above, as employment for theater professionals and as advertising for Broadway around the country and beyond.

### Commercial Off Broadway

During the 2004–2005 season there were 51 new productions, 798 playing weeks and \$76.6 million in expenditures in commercial Off Broadway. As shown in the table below, this level of activity represents a significant increase from earlier years.

### Activity on Commercial Off Broadway

Season	2004–05	1991–92	1979–80
Number of new productions	51	37	30
Playing weeks	798	654	450
Expenditures (2005 Dollars)	\$77 M	\$47 M	\$27 M

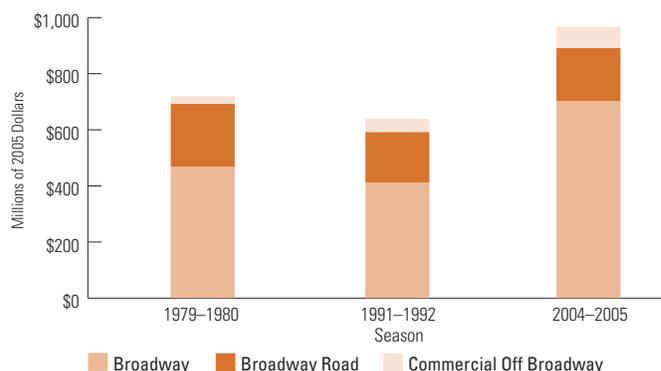
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A few long-running shows such as *Blue Man Group*, *Stomp* and *Menopause: The Musical* have accounted for a large share of playing weeks and expenditures.

### Total Direct Expenditures of the Commercial Theater

Total direct expenditures of the commercial theater in New York City have grown significantly since the 1979–1980 and 1991–1992 seasons to \$968 million in 2004–2005. These expenditures include the production and operating costs on Broadway and off-Broadway and the expenditures returned to the city by operations of the Broadway road. Broadway has driven this increase and accounts for a greater share of commercial theater activity than it did in previous years.

### Direct Expenditures by Commercial Theater in New York City – 1980, 1992, 2005 (2005 Dollars)



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### Expenditure Patterns

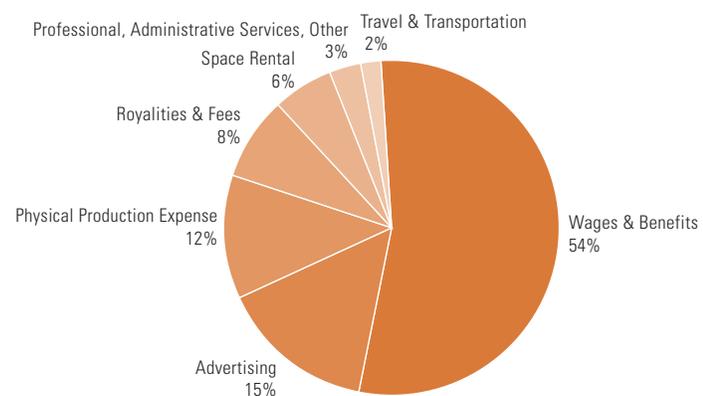
The commercial theater is a sector of the arts industry that is labor-intensive and interacts with a broad range of sectors in New York City's economy.

# Commercial Theater

## New York City

### New York City Commercial Theater Expenditure Patterns – 2005

Total Spending: \$968 million



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### Links with Other Segments of the Arts Industry in New York City

Commercial theater in New York City is very closely linked to nonprofit theater. Historically, Broadway producers developed new works through out-of-town tryouts prior to a New York City opening. Today, a commercial producer holding the option to produce a play on Broadway may develop the play at one of a series of nonprofit theaters within or outside New York City before bringing it to Broadway.

Often, the relationship between a nonprofit theater and a commercial producer is initiated by the nonprofit theater. A commercial producer may be sought when a nonprofit theater is originating an ambitious new work and looking to supplement its regular production budget. Alternatively, the nonprofit theater may have a successful production but cannot afford to continue on an extended run without additional capital. The best-known example of the fluid relationship between the nonprofit and commercial theater is *A Chorus Line*. After two workshops and an Off Broadway production, the New York Shakespeare Festival production of *A Chorus Line* moved to Broadway and, from 1975 to 1990, became the longest-running show on Broadway.

According to the Alliance of Resident Theatres/New York (A.R.T./New York), "Six of New York City's not-for-profit theaters were responsible for 35 out of 80 Tony nominations and 11 of 20 Tony Awards" in the 1996 season.

There are additional important links between the commercial theater and other segments of the arts industry in New York City. The commercial theater shares labor pools of many kinds of talent—including actors, musicians, directors, set designers

and special effects technicians with the nonprofit theater, other performing arts—and the production of motion pictures, television and commercials. It also uses suppliers ranging from fabric stores to sound system designers that specialize in serving the various parts of the arts industry.

Broadway's impact on tourism is very significant. As described in the study entitled *Broadway's Economic Contribution to New York City, 2004–2005 Season*<sup>3</sup> 3.25 million visitors came to New York City specifically to see a Broadway show in 2004–2005, and another 1.1 million extended a visit made for another purpose to go to a Broadway show. The ancillary spending of these visitors is described together with that of arts-motivated visitors to nonprofit cultural venues in the *Visitors to the Arts* chapter.

### Economic Impact of Commercial Theater in New York City

The direct expenditures of \$968 million made by commercial theater in New York City generated a total economic impact of \$2 billion in 2005.

The effect of the successive rounds of spending from direct expenditures on wages, as well as nonlabor purchases such as advertising services, costumes and scenery construction, generated a total of 13,500 jobs in the city and total wages of \$730 million.

The total economic impact multiplier for this industry is 2.1, which means that for every dollar of direct spending, another \$1.10 of economic activity is generated in New York City.

### Industries Most Affected

A broad range of industries in New York City are affected by the direct spending of the commercial theater as well as by the successive rounds of spending that the commercial theaters generates through payments to its workforce and suppliers. As illustrated in the earlier discussion of expenditure patterns above, this is a very labor-intensive segment of the economy. Moreover, the theater workforce consists of New York City residents to an unusually high degree.

The industries most affected by the operations of the commercial theater in New York City, as measured by sales volumes, are finance and insurance, theatrical services, real estate, professional business services, retail trade, health services and hospitals, and restaurants.

<sup>3</sup> *League of American Theatres and Producers, Inc., in association with the Alliance for the Arts, Feb 2006.*



As measured by the total number of jobs generated, the industries most affected in New York City are retail trade, restaurants, theatrical services, professional business services, finance and banking, health services and hospitals, and real estate.

### **Taxes Generated for New York City from the Operations of Commercial Theater**

Taxes generated for New York City from the operations of the commercial theater are estimated at \$66 million in 2004–2005 and comprise:

Personal Income Taxes	\$26 million
Business Taxes	\$18 million
Sales Taxes	\$22 million
<b>Total Taxes to New York City</b>	<b>\$66 million</b>

These are based on taxes generated by direct as well as by indirect and induced expenditures.

### **Methodology – Direct Expenditures**

The estimates of economic impact are based on the direct expenditures of each of the commercial theater’s three components. These expenditure patterns were developed as follows:

#### **For Broadway:**

- Sample production budgets from 11 plays and 6 musicals and one special performance were used to estimate total budgets for all new productions mounted during the 2004–2005 season.
- Weekly operating budgets for 16 musicals and 13 plays were used to estimate the total operating budgets for all musicals and traditional plays during the 2004–2005 season.

#### **For the Broadway road:**

- Sixteen presenting venues of varying sizes and locations were queried as to their annual Broadway road expenditures, attendance and playing weeks. In addition, the questionnaire probed how much of each category was expended locally and what percentage was returned to New York City.
- Production budgets from four shows and weekly running budgets from six shows were analyzed. Producers, in response to questionnaires from the League of American Theatres and Producers, submitted information on their budgets and estimated how much was spent at playing venues in New York City or elsewhere. Interviews with industry leaders augmented the responses to these questionnaires.

#### **For Commercial Off Broadway:**

- The number of new productions and playing weeks was established through research on the Lortel Archives Web site, supplemented by interviews with industry leaders. Average production and operating budgets, and information about how their expenditure patterns differed from Broadway budgets, were estimated through these interviews and were together applied to the total of commercial Off Broadway productions and operations.

# Art Galleries & Auction Houses

## New York City

The operations of the four major auction houses and 626 commercial art galleries in New York City generated a total economic value of \$1.4 billion in the city's economy in 2005.

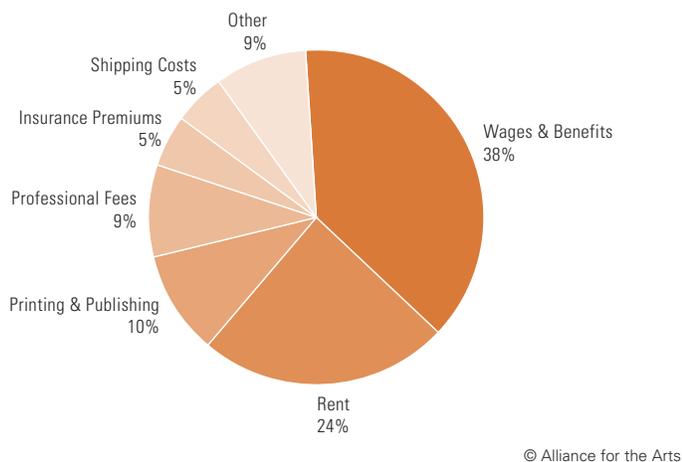
Art Galleries & Auction Houses in New York City – 2005	
Economic Impact	\$1.4 billion
Jobs Generated	7,100
Wages Generated	\$420 million
Taxes to New York City	\$38 million

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New York City is now considered to be the center of the art world. Combined with the art exhibited at the city's great museums, the auction houses and the galleries represent a powerful attraction to art connoisseurs from around the United States and the world.

The estimates of economic impact are based on surveys and interviews conducted for this study, which found direct spending on operations of \$659 million in 2005 by the major auction houses and the 626 galleries that are included in this study.

### Direct Expenditures by Art Galleries & Auction Houses in New York City – 2005



Since staffing sizes at even the largest auction houses and galleries tend to be relatively small for organizations with these revenue levels, salaries and related personnel costs account for just 38 percent of total direct spending.

- Rent costs for the galleries and auction houses absorb 24 percent of all operating budgets.
- Outlays for printing and publishing of catalogs and brochures and for professional services are important aspects of this unique business, accounting for nearly 20 percent of all spending.<sup>1</sup>
- Advertising and marketing expenditures were \$14 million, or eight percent of total spending in 2005.
- Insurance premiums and shipping costs each accounted for five percent of total operational budgets.

Capital expenditures for expansion or relocation, over and above spending for operations, were \$30.1 million in 2005.

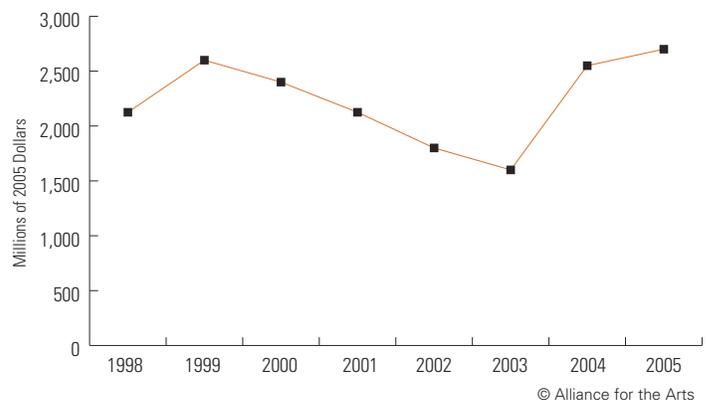
### Direct Spending for Operations Supports Major Volume of Sales Activity

These operational expenses supported annual net sales of over \$4.6 billion at the auction houses and the galleries in 2005.

Based on surveys conducted at the galleries for this study, the estimate of sales at New York City galleries was \$1.94 billion in 2005 dollars.

Since 2003, sales activity at the auction houses has rebounded from the decline in sales activity from the peak year of 1999, per the chart below, which highlights the pattern of total sales volumes made at the four major auction houses in New York City from 1998 to 2005:

### Total Sales at Major Auction Houses in New York City – 1998 to 2005



Source: Auction results for New York City listed on the Web sites of Sotheby's, Christie's, Phillips de Pury and Doyle New York.

<sup>1</sup> In recent years, much of the actual printing of art books and catalogs has been done overseas, such as in Singapore and Hong Kong, but the specialty work in publishing and marketing is headquartered in New York City.



Sales suffered with the recession of 2000–2001 as well as from the adverse effects on the industry following the attacks of September 11, 2001. From 2000 to 2002, sales activity may also have been adversely affected by the shadow of the commission-fixing scandal between the two major auction houses (Christie’s and Sotheby’s), which resulted in substantial penalties and restitution of fees to art buyers. This also resulted in cutbacks in staffing levels and related expenditures. Since 2003, sales activity has rebounded strongly and by 2005 had surpassed the level achieved in 1999.

The auction houses are considered to be critical assets to the New York City art world. The annual and monthly auctions are major attractions to visitors from around the United States and the world, and they contribute to the stream of visitors to the city’s art galleries.

### Art Galleries in New York City

Information on the operational expenditures of the art galleries in New York City was obtained for this study from surveys conducted of its membership by the Art Dealers Association of America (ADAA) and from online surveys of the remaining commercial galleries listed in various official guides and associations.

Despite the significant volume of art gallery sales in New York City, most of the galleries are small in size and have small budgets for operations. As reported on the surveys, over half of the galleries in Manhattan have operating budgets under \$500,000, while less than 20 percent have operating budgets of over \$1 million.

The 626 galleries employed about 1,850 full-time and 770 part-time staff in 2005. Rent is a major expense for galleries; 87 percent of galleries in New York City rent their spaces.

The galleries estimated there were more than 2.5 million visits in 2004 and reported that more than 65,000 customers purchased art from their galleries during that year. Of the clients who purchased art, 44 percent lived in New York City and another 8 percent lived elsewhere in New York State, while 35 percent of the clients were from the rest of the United States and 13 percent were from other countries.

Three-fourths of the sales were made at the galleries, while eight percent of sales were made at art fairs held in New York City. Another five percent of sales were made at art fairs held elsewhere in the United States, and six percent of total sales were made at international art fairs.

The annual art fair shows held each year in the city—the ADAA Show held at the Park Avenue Armory and the Armory show held at Piers 90 and 92—both of them in February, are considered to be the most important art fairs in the world after the fair held each June in Basel, Switzerland. The Art Basel Miami Beach contemporary art fair, held in December, is also a successful example of this new medium for art sales.

### Art Gallery Neighborhoods in New York City

East Midtown and the Upper East Side have constituted the traditional heart of New York City’s gallery districts, as well as the location of the major auction houses. Here the galleries specialize primarily in old masters, in 19th- and early 20th-century paintings and sculpture and in antique furniture and decorative arts.

However, during the past four decades, there has been a considerable shift in the locus of art gallery activity in New York City. New districts have emerged, notably with the development of the gallery district of SoHo in the 1960s and 1970s and, beginning in the early to mid-1980s, with the migration of artists and galleries to the Williamsburg district of Brooklyn. The development of the gallery district of Chelsea began in the early 1990s with the first migration of galleries from SoHo. There are now over 250 galleries in Chelsea, specializing primarily in contemporary art. Those galleries attracted an estimated 1.5 million visitors in 2005.

#### Location of Commercial New York City Galleries – 2005

Neighborhood	Percent of Total
Chelsea	42%
50s–80s East & West	32%
SoHo	11%
Other Manhattan	10%
Brooklyn	4%
Queens	1%

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Source: *Summer 2005 Gallery Guide*. Total sample: 375

# Art Galleries & Auction Houses

## *New York City*

SoHo has since declined as a gallery locus as many businesses moved out to join the emerging cluster in Chelsea. In 1992, there were 263 art galleries identified in SoHo,<sup>2</sup> 55 percent of all commercial art galleries then in New York City. By the summer of 2005, *Gallery Guide* magazine listed only 42 galleries in SoHo, 11 percent of the citywide total. SoHo is now considered one of the city's prime residential neighborhoods, and its economic base has shifted more towards boutique hotels and retail shops.

The rising rental costs and congestion in SoHo contributed at least in part to Chelsea's emergence as a gallery district. Following the pioneering opening in 1987 of an exhibition hall in a four-story warehouse on West 22nd Street by the Dia Center for the Arts, the new district has grown rapidly. In 1997, *The New York Times* reported that 39 galleries had set up shop in Chelsea,<sup>3</sup> and the number had grown to more than 170 galleries by 2002.<sup>4</sup> By the summer of 2005, over 250 galleries were reported in Chelsea, and the gallery district was stretching north toward 29th Street, west of Tenth Avenue, from its original cluster in the blocks from 22nd to 24th Streets.

Real estate in Chelsea was attractive to galleries not only for its affordability but also because the converted garages, warehouses and garment manufacturing spaces offered large amounts of column-free space with street-level exposure. In many instances, the spaces featured natural light from glass-paneled doors and skylights. Also, zoning laws in Chelsea have allowed for the creation of a gallery district, since the neighborhood was formerly an adjunct of the garment district, and garment manufacturers were permitted to have showrooms (galleries qualify under zoning laws as "showrooms").<sup>5</sup>

In Williamsburg Brooklyn, the initial wave of artists began to arrive in the early to mid-1980s, attracted by the affordable work-and-live spaces and a lower cost of living than in Manhattan neighborhoods. The first galleries opened in the early 1990s, and at present there are over 30 operating galleries in Williamsburg. The Brooklyn galleries tend to be smaller than those in Manhattan, with annual budgets of generally under \$250,000.

### **Links with Other Segments of the Arts in New York City**

The art galleries and auction houses flourish in the milieu of the great museums and publishing houses of New York City, with access to specialists that range from curators to publishers of art books and catalogs to the related services of skilled restorers, framers, trucking and storage firms, and insurance industry

specialists. There are also art consultants who work for galleries or for private collectors.

The concentration of this industry in New York City is evidenced by the fact that 85 percent of the employees of the galleries and auction houses reside in New York City, and 84 percent of the vendor payments are made to firms located within the city's five boroughs.

### **Economic Impact of Art Galleries & Auction Houses**

The \$659 million in direct expenditures for the operations of the art galleries and auction houses in New York City generated a total economic impact of \$1.4 billion in 2005.

This results in a multiplier of 2.12, which means that an additional \$1.12 is generated in New York City for each dollar of direct spending. The high proportion of employees who are residents of the city, as well as the large proportion of direct expenditures going for rental space, accounts for the substantial size of the multiplier for this component of the arts industry.

### **Industries Most Affected**

The industries in New York City most affected by the operations of the art galleries and auction houses, measured by sales, include real estate, finance and insurance, professional and business services (including legal, advertising and design), retail trade and the health sector. Measured by jobs generated, the industries in the city most affected by the operations of the galleries and auction houses include real estate, restaurants, retail trade, and finance and insurance.

<sup>2</sup> *The Arts as an Industry*, op. cit. 1993, p. 25. The 1983 study characterized the new gallery district in SoHo as follows: "An equally distinctive, if quite different, character is found in SoHo where there are about 100 art galleries. Along with a community of individual artists, these galleries have transformed a recently fading commercial and industrial district of New York City into what is now a fashionable area for shopping and dining as well as viewing art. *The Arts as an Industry*, op. cit. 1983, p. 50.

<sup>3</sup> Holusha, John, "Commercial Property/West Chelsea; Ex-Garages Attracting Art Galleries from SoHo," *The New York Times*, Oct 12, 1997.

<sup>4</sup> Smith, Roberta, "Manhattan Mecca for Art Lovers," *The New York Times*, May 12, 2002.

<sup>5</sup> Holusha, *ibid.*



## Taxes Generated for New York City from the Operations of Art Galleries & Auction Houses

Taxes generated for New York City from the operations of art galleries and auction houses are estimated at \$38 million in 2005 and comprise:

Personal Income Taxes	\$15 million
Business Taxes	\$10 million
Sales Taxes	\$13 million*
<b>Total Taxes to New York City</b>	<b>\$38 million</b>

*\*Based solely on operating expenses; sales taxes on purchases of art are not included.*

### Methodology

#### Art Galleries

The gallery survey (see Appendix D 1), was sent to 626 galleries in New York City. The list was compiled by the New York City commercial galleries listed in the Summer 2005 *Gallery Guide*, *The Art in America Annual Guide to Museums, Galleries, and Artists* for August 2005; the membership list of the Art Dealers Association of America; and various other gallery association lists.

The Art Dealers Association members received the survey by mail, and all other galleries responded to an online survey. A total of 86 responses were received from New York City galleries, 34 of which were from ADAA members, a response rate of 25.4 percent of ADAA members; the response rate from the full gallery list was 14 percent.

#### Auction Houses

An analysis of annual reports and of SEC filings by major auction houses to the U.S. Securities and Exchange Commission was undertaken to determine operating expenditure levels and patterns. Interviews were conducted with key personnel to supplement and interpret this public information.

# Visitors to the Arts

## *New York City*

One of the important ways the arts contribute to the economy of New York City is by drawing in millions of visitors each year. Visitors who come to New York City primarily for the purpose of attending cultural offerings or who extend a trip made for another purpose for the arts not only support cultural organizations directly with their patronage but also contribute to the local economy through their expenditures on hotels, restaurants and shopping and through the use of transportation and other services. In 2005, the ancillary expenditures of these arts-motivated visitors constituted an important generator of economic output for the arts.

### Arts-Motivated Visitors to New York City – 2005

Economic Impact	\$5.4 billion
Jobs Generated	55,700
Wages Generated	\$1.9 billion
Taxes to New York City	\$369 million

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The calculations of economic impact are based on total direct expenditures of \$3.7 billion over and above the cost of tickets or admission fees that were paid by the 7.5 million arts-motivated visitors to New York City in 2005 identified in the surveys conducted for this report.

In describing various aspects of the visitor audience and their spending identified the following terms will be used:

**Visitors Surveyed at Arts Venues:** Those visitors from outside New York City who attended an exhibition or performance during their stay and who responded to the survey that was conducted at the venue.

**Arts-Motivated Visitors:** Those visitors surveyed at arts venues who came to New York City primarily to attend cultural activities or extended a trip made for another purpose in order to attend cultural activities. The ancillary spending of this group—excluding costs of tickets or admission—is used in the economic impact analysis.

**Arts Extenders:** Those visitors surveyed at arts venues whose primary purpose in coming to New York City was not for cultural activities but who extended their trip to attend such an event.

**Ancillary Spending:** Expenditures other than those for admission fees or ticket prices by those who came primarily for the arts. One-half of long-distance travel costs are included in ancillary spending. For arts extenders, only expenditures made during the period of the extension are included in the economic impact analysis, and therefore, no travel expenditures are included.

**Metropolitan Area:** New York suburban counties—Nassau, Suffolk, Westchester, Rockland—and the states of Connecticut and New Jersey.

**United States:** The United States beyond New York City and the metropolitan area.

**International:** All countries outside the United States.

**Visits/Visitors:** There is an important distinguish between “visits” and “visitors.” “Visits” refers to all attendance by non-New York City residents at an arts venue; “visitors” refers to the people who make those visits. For example, a couple from California who go to Broadway and also visit the Museum of Modern Art would be counted as “two visitors” and as making “four visits.” As the table on the next page indicates, there are almost twice as many visits as there are visitors. The gap between visits and visitors is relatively small among attendees from the metropolitan area, who tend to make a single visit to an arts venue per trip, but the gap widens as the number of cultural venues visited increases with the distance traveled to New York City as visitors from other parts of the United States or the world tend to make multiple visits per trip.

The discussion in this chapter will encompass two separate analyses: first, a discussion of the characteristics of all visitors surveyed at arts venues regardless of trip purpose, and second, an analysis of those visitors who came primarily for the arts or who extended their trip to attend an arts event. The spending of this latter category, called in this report the Arts-Motivated Visitors, is used to assess the economic impact of visitors to the arts. While the analysis in this chapter describes the motivations and spending behavior of visitors from outside the city, specific questions asked at four of the venues surveyed revealed important insights into the resident audience. See Appendix E 3 for details.



	All Out-of-Town Visitors	Metro-politan Area	U.S.	Inter-national
<b>Visits at surveyed venues</b>	20.1 M	4.8 M	10.1 M	5.2 M
<b>Visitors at surveyed venues</b>	11.1 M	3.5 M	5.3 M	2.3 M

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## I. Visitors from outside New York City at Arts Venues

In total during 2005, 11.1 million visitors from outside New York City accounted for almost 20.1 million visits, or 75 percent of the total attendance of 26 million, at the venues analyzed.<sup>1</sup> According to the surveys conducted for this study, these visitors came to New York City from widely dispersed areas:

- New York City metropolitan area 31 percent
- U.S. beyond New York City and metropolitan area 48 percent
- International 21 percent

These visitors came to New York City for a variety of purposes:

- To attend cultural activities 52 percent
- For sightseeing 19 percent
- To visit relatives or friends 15 percent
- For business 11 percent
- For shopping 3 percent

Sixteen percent of these visitors who came for another purpose extended their trip to New York City to attend cultural activities.

On average, all visitors to the arts stayed in New York City for 3.5 days and went to 2.6 cultural venues. The ancillary spending of these 11.1 million visitors in New York City totaled \$9.8 billion. They spent:

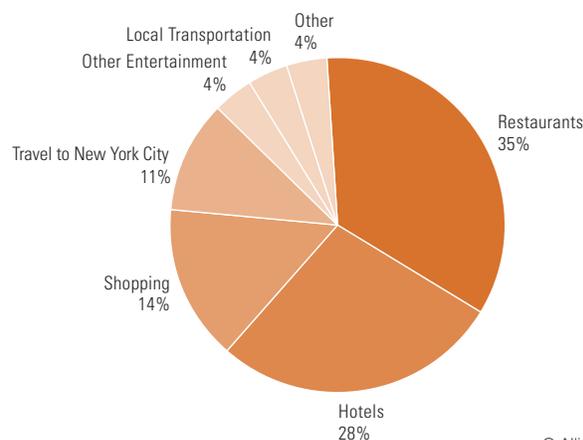
- \$830 per person per trip
- \$237 per person daily

<sup>1</sup>These 26 million visits represent an important share of the overall cultural audience in New York City. While detailed residence information is not available on the entire audience, the proportion of New York City residents would be much greater than the proportion found in the sample, which was chosen specifically to yield information on out-of-town visitors at cultural venues.

These out-of-town visitors at the surveyed venues spent 35 percent of their ancillary expenditures on food, 28 percent on hotels, 14 percent on shopping and 11 percent on travel to the city. Other entertainment, local transportation and miscellaneous expenditures each accounted for four percent of spending.

### Expenditure Pattern of All Visitors to the Arts – 2005

Total Spending: \$9.8 billion



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### Visitors from the Suburban Metropolitan Area at New York City Cultural Venues

Of the 11.1 million visitors at surveyed arts venues in 2005, 3.5 million, or 31.5 percent, were from the metropolitan area. They accounted for 4.8 million visits at the surveyed venues. According to the surveys conducted, these metropolitan area visitors were typically making short trips to attend the cultural event at which they were surveyed.

- 82 percent came to the city primarily for the arts
- 81 percent stayed for less than one day
- the average number of arts venues visited was 1.4
- 80 percent reported that their trip included only the general area where they were surveyed
- 19 percent reported that they would visit Lower Manhattan during the trip
- 6.7 percent who came for another purpose extended a trip for the arts

The ancillary spending in New York City by these metropolitan area visitors to the arts totaled \$354 million, averaging \$102 per person.

As shown in the chart on the next page, 56 percent of the ancillary expenditures of this group of metropolitan area

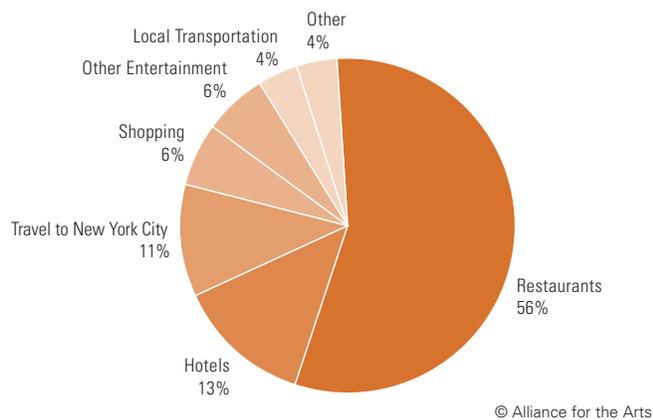
# Visitors to the Arts

## New York City

residents was made in restaurants. Very few stayed in hotels, but those expenditures still constituted 13 percent of overall spending. Travel to the city was 11 percent of total while shopping and other entertainment each accounted for six percent of ancillary expenditures, and local transportation accounted for four percent.

### Expenditure Pattern of Metropolitan Area Visitors to the Arts – 2005

Total Spending: \$354 million



### Domestic Visitors from beyond the Metropolitan Area at New York City Cultural Venues

Of the 11.1 million visitors to the arts, 5.3 million or 48 percent, were from the United States beyond the metropolitan area. These visitors accounted for 10.1 million visits at surveyed venues. They came to New York City for a wide variety of purposes:

- 46 percent came primarily for the arts
- 20 percent came to visit friends or relatives
- 17 percent came for sightseeing
- 14 percent came for business
- 3 percent came to shop
- 21 percent came for another purpose but extended their trip for the arts
- average number of cultural events attended: 2.9
- average trip length: 3.5 days

These visitors to the arts also took time to explore different parts of the city:

- 47 percent indicated that they were going to Lower Manhattan
- 19 percent reported that they would visit Manhattan above 96th Street
- 15 percent planned to visit Brooklyn

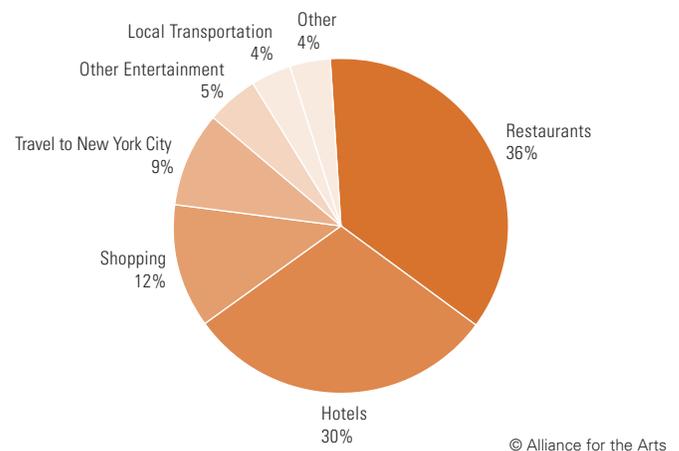
The ancillary spending in New York City by these U.S. visitors to the arts totaled \$5.2 billion in 2005.

- \$971 per person per trip
- \$277 per person per day

As shown in the chart below, 36 percent of this spending supported restaurants, 30 percent was paid to hotels, shopping accounted for 12 percent and 9 percent was spent on travel to the city.

### Expenditure Pattern of U.S. Visitors to the Arts – 2005

Total Spending: \$5.2 billion



### International Visitors at New York City Cultural Venues

Of the 11.1 million attendees at New York City cultural venues in 2005 who were from outside the city, 2.3 million were from countries outside the United States. These international visitors typically went to multiple venues and accounted for 5.2 million of the visits at the surveyed venues:

- 19 percent came to New York City primarily for the arts
- 44 percent came for sightseeing
- 20 percent came to visit friends or relatives
- 10 percent came on business
- 7 percent came to shop



- 19 percent came for another purpose but extended their trip for the arts
- average number of cultural events attended: 3.6
- average trip length: 6.4 days

International visitors at surveyed cultural venues are active visitors. Among those surveyed at the Metropolitan Museum of Art, the American Museum of Natural History, the Solomon R. Guggenheim Museum and Lincoln Center:

- 75 percent reported that they would go to Lower Manhattan
- 37 percent planned to go above 96th Street in Manhattan
- 30 percent reported that they planned to go to Brooklyn

Museums are the most frequently visited by this group, attracting 71 percent of all international visits to the organizations analyzed in this study.

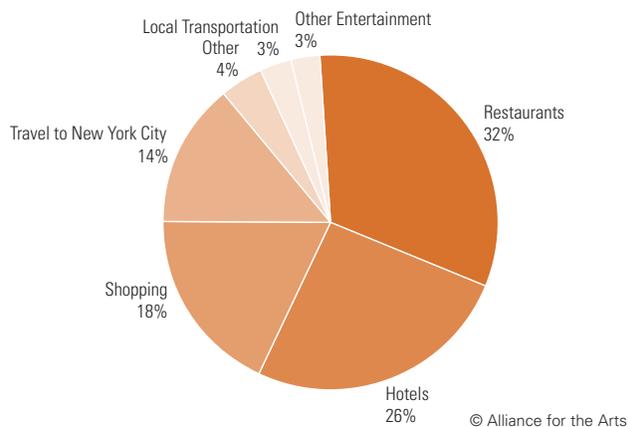
The ancillary spending in New York City by these international visitors to the arts totaled \$4.2 billion in 2005:

- \$1,839 per person per trip
- \$287 per person per day

As indicated in the chart below, 32 percent of the spending was for meals, 26 percent for hotels, 18 percent for shopping, 14 percent for travel to the city and 3 percent each for other entertainment and local transportation.

### Expenditure Pattern of International Visitors to the Arts – 2005

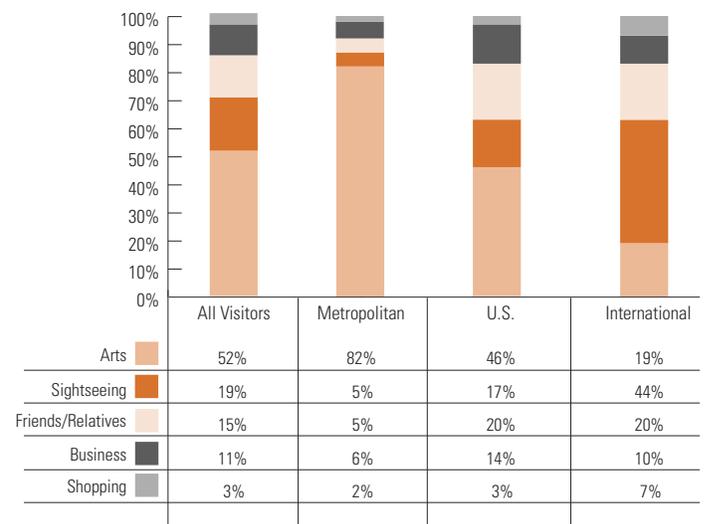
Total Spending: \$4.2 billion



### Visitor Trip Purpose, by Residence

The main trip purpose cited by visitors to the arts varies widely by their point of origin. A large majority, 82 percent, of metropolitan area visitors to the arts cited the arts as the main purpose for their visit, but as the distance traveled grows, there is a wider diversity in the purpose of the trip. Just under half (46 percent) of U.S. visitors to the arts cited attending cultural events as their primary purpose, as did 19 percent of international visitors. The more general category of sightseeing increases sharply, from 5 percent among metropolitan area visitors to 44 percent among international visitors; the importance of visiting friends and family as a trip purpose increases moderately from 5 percent among metropolitan area residents to 20 percent among U.S. and international visitors. Business is the main trip purpose for 6 percent of metropolitan area visitors, 14 percent of U.S. visitors to the arts, and 10 percent of international visitors. Shopping was the main trip purpose for two percent of metropolitan area visitors, for three percent of U.S. visitors, and for seven percent of international visitors at surveyed arts venues.

### Trip Purpose of Visitors Surveyed at New York City Venues, by Residence – 2005



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# Visitors to the Arts

## New York City

### Length of Trip and Activities, by Residence

On average, the farther that visitors travel to New York City, the longer they stay and the more arts activities they engage in while in New York City. Visitors at surveyed arts venues from the metropolitan area spend less than a day in the city, on average; U.S. visitors to the arts stay for an average of 3.5 days; and international visitors stay for almost a week, 6.4 days.

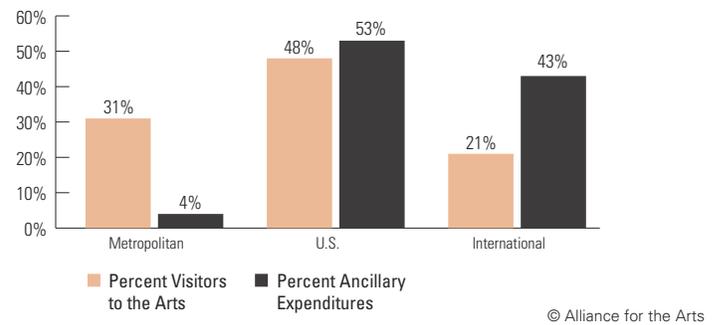
The number of cultural offerings attended and areas of the city explored also increases with the distance traveled to New York City and the length of the trip here. Metropolitan area visitors report attending 1.4 cultural venues, while U.S. visitors at surveyed arts venues attend 2.9 cultural events; international visitors to the arts who come for any purpose attend 3.6 cultural offerings while in New York.

More than half (53 percent) of the visitors from outside New York City surveyed reported that they had visited or planned to visit Manhattan below Canal Street (including the World Trade Center site). Among those from the metropolitan area, 19 percent indicated that they would visit Lower Manhattan. Many more, 47 percent, of those from farther away in the U.S. included Lower Manhattan in their plans, as did 75 percent of those visiting from other countries. While Lower Manhattan was by far the most indicated destination outside the Midtown area, other parts of the city were also frequently included in the itineraries of visitors to the arts (See Appendix E 3).

### Ancillary Expenditures, by Residence

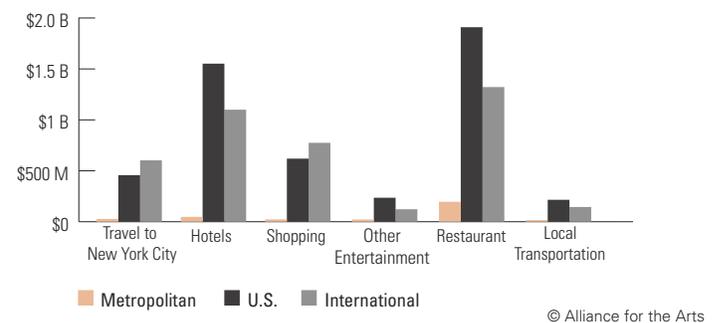
As the following chart shows, spending increases significantly with distance traveled and length of the trip. International visitors constitute 21 percent of all out-of-town cultural attendance measured but account for 43 percent of expenditures. Visitors from the suburban metropolitan area numbered 3.5 million in 2005, accounting for 31 percent of all out-of-town visitors measured at cultural events, while their spending of \$354 million accounted for only 4 percent of total ancillary expenditures. Domestic visitors from beyond the metropolitan area constituted nearly half (48 percent) of all out-of-town visitors measured, and accounted for just over half, 53 percent, of ancillary expenditures.

### Percent Visitors to the Arts & Ancillary Spending, by Residence – 2005



As the level of spending varies by point of origin, so too does the pattern of spending. The ancillary spending of visitors from the suburban metropolitan area is closely focused on restaurants, while hotels join restaurants as the sectors most heavily supported by both U.S. and international visitors. Overall, the restaurant, hotel, retail and transportation sectors are most affected by the ancillary spending of visitors from out-of-town who attend cultural events in New York City.

### Expenditure Pattern of Visitors to the Arts, by Residence – 2005



## II. Arts-Motivated Visitors

In 2005, 5.7 million visitors from outside New York City came primarily to attend cultural events and 1.8 million visitors who came to the city for another purpose extended their stay to attend cultural events, for a total of 7.5 million arts-motivated visitors.

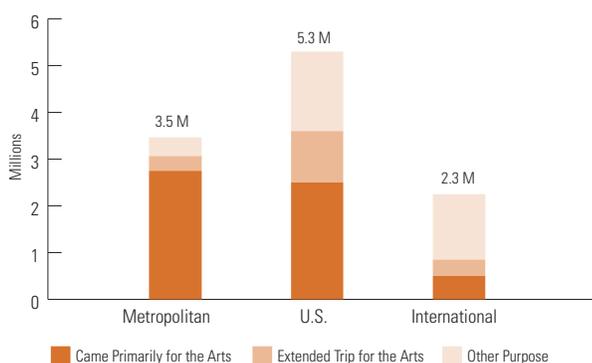
Arts-motivated visitors are those out-of-town visitors surveyed at cultural institutions who reported either that they came primarily to attend cultural attractions or that they extended a trip made for another purpose in order to see a show or museum exhibit. The ancillary expenditures made by these visitors on travel, restaurants, lodging and other items above and beyond what they spent for admission fees or ticket prices



represent dollars coming into the city because of the arts. This conservative measure provides a solid foundation for understanding the economic importance of the arts in attracting visitors to New York City. The economic impact of the ancillary expenditures of these arts-motivated visitors quantifies their importance not only to the city's cultural organizations but also to the broader economy, especially the restaurant and hotel sectors.

- Among visitors from the metropolitan area surveyed at cultural venues, the majority (2.85 million visitors, or 82 percent) report that they came to New York City primarily for culture, and another 232,000 (or 6.7 percent) came for another reason but extended their stay for the arts.
- Among U.S. visitors from beyond the metropolitan area, 2.4 million of the 5.3 million visitors (46 percent) came to New York City primarily because of the arts, and an additional 1.1 million (21 percent) who came for other purposes extended their trip for the arts.
- Among international visitors, the numbers who came for the arts (425,275) and who extended their stay for the arts (423,959) are almost equal; each number represents about 19 percent of all international visitors to the arts.

### Motivation of Visitors Surveyed at New York City Venues, by Residence – 2005



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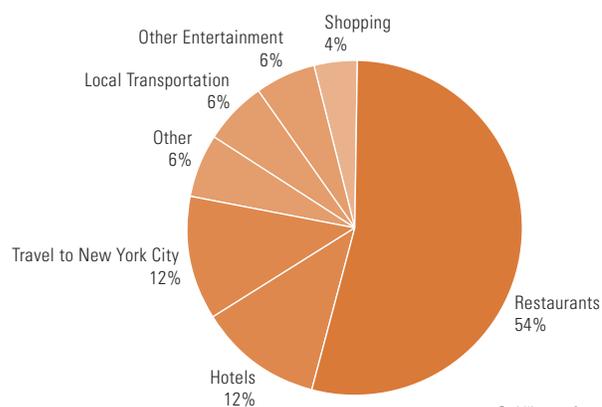
### The Metropolitan Area Arts-Motivated Visitor

Arts-motivated visitors from within the metropolitan area numbered 3.1 million in 2005.

- 82 percent of metropolitan area visitors to the arts came primarily for the arts
- 6.7 percent came for another purpose, but extended their stay for the arts
- average length of stay: less than one day
- total ancillary spending: \$274 million
- average spending: \$88 per person
- 54 percent of spending was on food
- 12 percent of spending was on travel to the city
- another 12 percent of spending was for hotels

### Expenditure Pattern of Metropolitan Area Arts-Motivated Visitors – 2005

Total Spending: \$274 million



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### The U.S. Arts-Motivated Visitor

Arts-motivated visitors from the United States outside the metropolitan area numbered 3.5 million in 2005:

- 46 percent of U.S. visitors surveyed at cultural venues came for the arts
- average length of stay: 2.8 days
- 21 percent who came for another purpose extended their trip for the arts for an average of 2.3 days
- average number of arts venues attended: 2.9

# Visitors to the Arts

## New York City

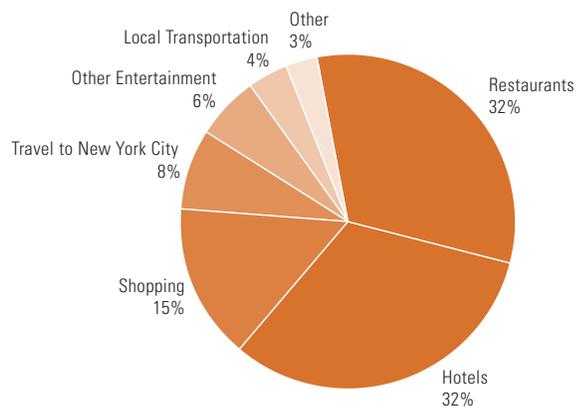
- total ancillary spending: \$2.6 billion
- 32 percent was spent on hotels
- 32 percent was spent on meals
- 15 percent was spent on shopping
- average spending per trip: \$695
- average spending per day: \$276

Broadway is the most popular destination for this group of arts-motivated visitors from elsewhere in the U.S., as 63 percent cited Broadway as their primary purpose in coming to New York City. These visitors to Broadway attended an average of two shows while in the city.

These arts-motivated visitors and extenders spent \$2.6 billion on ancillary expenditures, primarily on hotels and restaurants (32 percent on each), with 15 percent of expenditures on shopping and 8 percent of expenditures on travel to the city.

### Expenditure Pattern of U.S. Arts-Motivated Visitors – 2005

Total Spending: \$2.6 billion



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### International Arts-Motivated Visitors

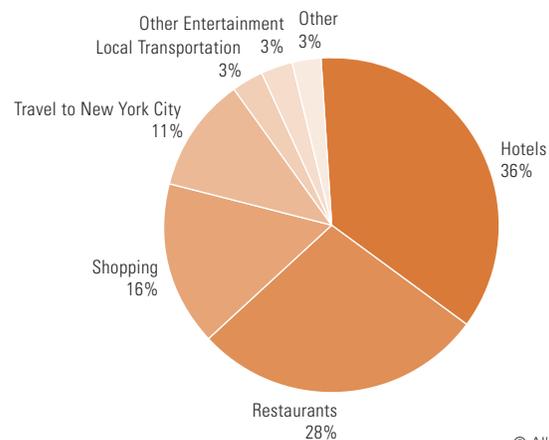
In 2005, 425,275 international arts-motivated visitors came to New York City, accounting for 19 percent of all international visitors surveyed at cultural venues. A similar number of international visitors, almost 424,000, came for another purpose but extended their stay for the arts, also accounting for 19 percent. In total, 38 percent of the international visitors surveyed either came primarily for the arts or extended a trip made for another reason for the arts.

- average stay: 4.2 days
- average number of arts venues attended: 3.6

- total ancillary spending: \$865 million
- \$1,021 per person per trip
- \$243 per person per day
- 36 percent was spent on hotels
- 28 percent was spent on meals
- 16 percent was spent on shopping
- travel to New York City accounted for only 11 percent because of the importance of the spending by international visitors who extended their visits for the arts (Long distance travel is not included in the extenders' expenditures.)
- museums were the most frequently attended venues among this group

### Expenditure Pattern of International Arts-Motivated Visitors – 2005

Total Spending: \$865 million



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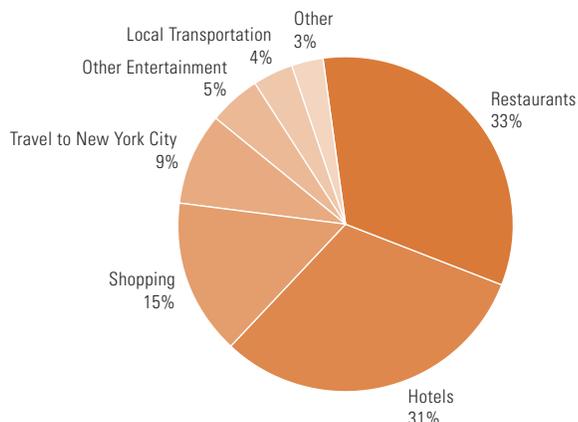
### Total Ancillary Expenditures by Arts-Motivated Visitors

The ancillary spending of all arts-motivated visitors and the expenditures incurred by those who extended their trips for the arts during that extension are estimated to be \$3.7 billion in 2005. Spending at restaurants accounts for 33 percent of these expenditures, followed closely by hotels, at 31 percent. Shopping accounts for 15 percent of expenditures, and one half of the total fare for long-distance travel accounts for 9 percent. Other entertainment, local transportation and miscellaneous expenditures account for the remainder.



### Expenditure Pattern of All Arts-Motivated Visitors – 2005

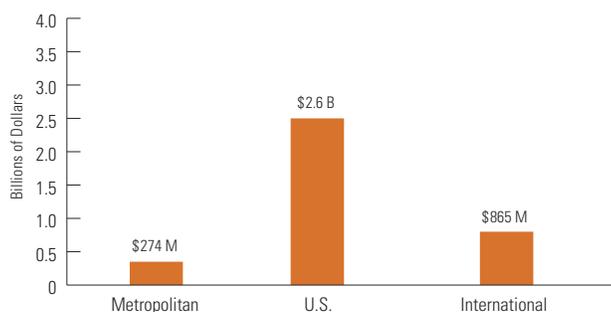
Total Spending: \$3.7 billion



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U.S. visitors from outside the metropolitan area account for 70 percent of this arts-motivated spending. The international arts-motivated visitor, while constituting 11 percent of the total arts-motivated visitor pool, accounts for 22 percent of total spending. Arts-motivated visitors from the metropolitan area, although numbering over 3 million, account for seven percent.

### Total Spending of Arts-Motivated Visitors in New York City, by Origin – 2005



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### Economic Impact of Ancillary Spending in New York City by Arts-Motivated Visitors

The direct ancillary expenditures of \$3.7 billion in 2005 of arts-motivated visitors (both those who came for the arts and those who extended their trip for the arts) generated a total economic impact in New York City of \$5.4 billion. The effect of the successive rounds of spending from direct expenditures on wages and benefits and from such purchases as rent, food,

utilities or laundry services generated a total of 55,700 jobs in the city and total wages of \$1.9 billion.

The total economic impact multiplier for this industry is 1.5, which means that for every dollar of direct spending, another 50 cents of economic activity is generated in New York City. This is a relatively small multiplier and is based on lower average wage levels of jobs in the restaurant and hotel sectors. There is also a considerable amount of leakage to suppliers based outside the city, from the wages of commuters, or for payments to food and other suppliers of products and services. However, the job multiplier is substantial, as a total of 55,700 jobs are generated by the spending of Arts-Motivated Visitors.

### Industries Most Affected by Ancillary Spending by Arts-Motivated Visitors

The industries most affected by ancillary visitor spending in New York City, as measured by sales are air transportation, hotels, local transit, restaurants, finance and insurance, retail trade, real estate and other entertainment.

As measured by the total number of jobs created, the industries most affected by the spending of arts-motivated visitors are the restaurant (over 22,000 restaurant jobs are generated by this spending), hotel (8,700 jobs are generated by this spending), real estate, retail trade and local transportation industries.

### Taxes Generated to New York City

Taxes generated to New York City from arts-motivated visitor spending are estimated at \$369.4 million in 2005 and comprise:

Personal Income Taxes	\$68 million
Business Taxes	\$47 million
Sales Taxes	\$254 million
<b>Total Taxes to New York City</b>	<b>\$369 million</b>

These estimates are based on taxes generated on direct, indirect and induced expenditures. In this sector of the arts industry, the volume of direct expenditures resulted in 82 percent of the taxes generated. This is due to the heavy sales tax component of much visitor spending, particularly the hotel tax, which generated \$110.1 million, and sales tax on meals, which generated \$51.7 million.

# Visitors to the Arts

## *New York City*

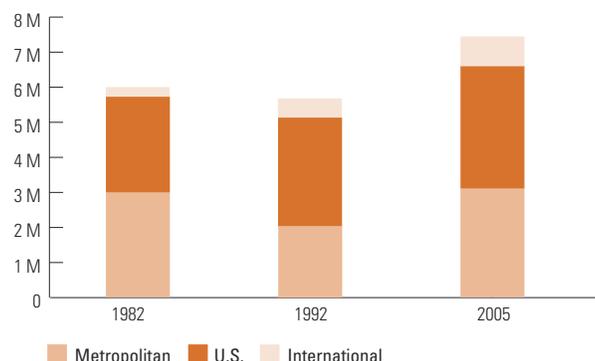
### **Comparison of Arts-Motivated Visitors – 1982, 1992 & 2005**

A comparison of the results of the visitor surveys from 1982, 1992 and 2005, highlights the significant increase in the number of visitors to the arts in 2005. This is mainly the result of a very substantial increase of more than three million out-of-town visitors to Broadway theaters since 1991 and of the increased proportion of out-of-town and international visitors at New York City's largest museums.

Over the past two decades, the number of arts-motivated visitors has increased by 26 percent. From 1982 to 1992, the total number declined from 6 million to 5.7 million due to a decrease in metropolitan area visitors. This decrease reflected the poor attendance at Broadway in 1992 relative to 1982. From 1992 to 2005, however, Broadway attendance has surged, and the proportion of out-of-town visitors at New York City's major museums has grown substantially, contributing to the total of 7.5 million arts-motivated visitors in 2005. The number of metropolitan area visitors increased by 59 percent in this time period, while U.S. visitors increased by 13 percent. The number of international arts-motivated visitors continued to grow (up 55 percent from 1992–2005) to a level that is more than triple the number of international arts-motivated visitors measured in 1982.

Since the early 1990s, major capital investments at the Guggenheim Museum, the American Museum of Natural History and most recently at the Museum of Modern Art (MoMA) have coincided with major increases in out-of-town and especially international visitation. International visitors accounted for 40 percent of MoMA's attendance in 2005, its first full year of operations following the major renovation. Overall, 25 percent of attendees at the organizations surveyed were international visitors, compared with 13 percent in 1992.

### **Arts-Motivated Visitors in New York City – 1982, 1992, & 2005**



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Due to increased costs as well as to the shifting composition of the arts-motivated visitor market, total spending has grown even more since 1992. Total direct expenditures of arts-motivated visitors coming to New York City that year were \$2 billion in 2005 dollars. The 2005 spending of \$3.7 billion represents an inflation-adjusted increase of 85 percent since 1992.

The average daily spending of these arts-motivated visitors also increased significantly. In 1982, average daily spending expressed in 2005 dollars was \$149. This grew to \$194 in 1992 and to \$234 in 2005, for an increase of 57 percent from 1982 to 2005.

### **Methodology**

In order to estimate direct spending by arts-motivated visitors, surveys were conducted at venues known to attract large numbers of people from out of town. More than 10,000 completed surveys from the following venues were gathered and analyzed: Broadway, the Metropolitan Museum of Art, the Metropolitan Opera, the New York City Opera and Avery Fisher Hall, the Solomon R. Guggenheim Museum and the American Museum of Natural History (see Appendix E 1 for the survey questionnaire).

The results of compatible surveys conducted by Audience Research and Analysis at the Museum of Modern Art were integrated with the findings of these surveys. The combined findings from all of these surveys were used as the basis for determining the economic impact analysis as well as the characteristics of all visitors as reported in the surveys.

# Arts as an Export Industry



The arts industry's contribution to the New York City economy is particularly significant because of its ability to draw purchasing power into the area from throughout the nation and the world. The arts not only attract visitors who spend substantial amounts on local purchases of goods and services but also promote the sale of arts services and objects—whether a Broadway show on tour, a sale of a painting at an art gallery, or ticket sales for a movie made at a New York City studio—to external buyers, all of which helps create local jobs, incomes and economic growth.

These can be considered “exports,” in the classic definition of traded goods and services, where New York City is exporting arts to the rest of the state, to elsewhere in the U.S. or to the global economy.

The major element of arts exports consists of ancillary spending in New York City by arts-motivated visitors on goods and services such as hotel accommodations, meals, transportation, entertainment and shopping. At the same time, arts institutions that depend on visitor spending for some or most of their revenue can also credit a portion of their activities and spending exports. In New York City, these exports make a major contribution in the vitality of its arts institutions.

Where locally made films and television programs are sold to national and global audiences, the vast majority of direct production expenditures becomes an export for the city and state economies. The city economy benefits from ticket purchases to commercial theater by outside visitors, as well as from the repatriated wages and profits of Broadway touring productions.

With direct expenditures as the base for calculation, the export content of the arts industry in New York City is estimated at \$8.8 billion, or 73 percent of the total volume of \$12 billion in direct expenditures for all of the arts components, as shown in the following chart.

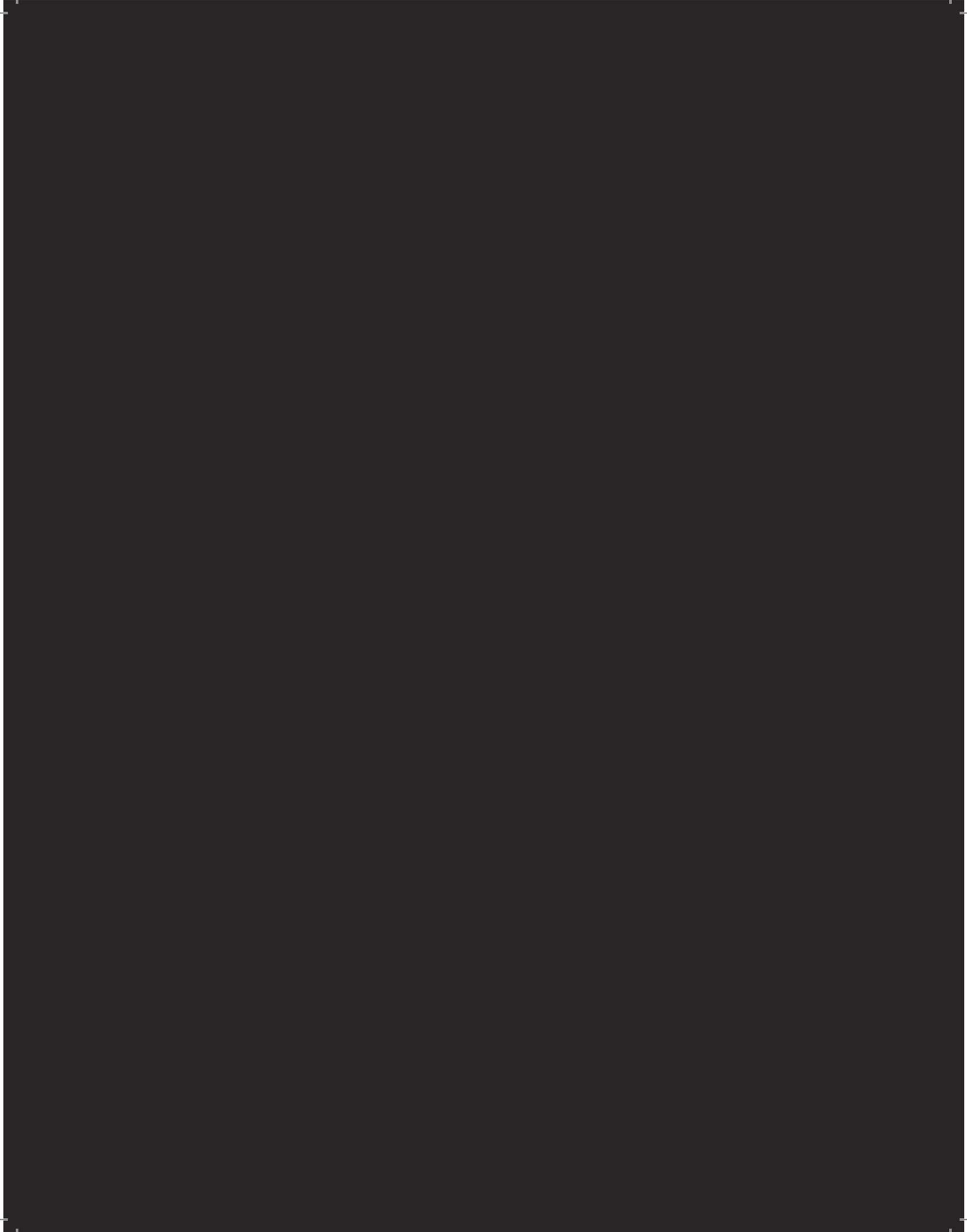
**Export Component of Direct Expenditures of the Arts Industry in New York City – 2005**

	<b>Export Component</b>	<b>Percentage of Direct Expenditure</b>
Arts-Motivated Visitors	\$3.7 billion	100%
Motion Picture & Television Production	\$3.6 billion	95%
Commercial Theater	\$819 million	85%
Nonprofit Culture	\$373 million	13%
Art Galleries & Auction Houses	\$320 million	50%
<b>Total</b>	<b>\$8.8 billion</b>	<b>73%</b>

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The proportion of exports estimated for nonprofit culture in New York City is significantly smaller than for other categories—although the absolute volume estimated as exports is substantial, at \$373 million in 2005—largely because the nonprofit cultural organizations draw on important local sources of unearned income, including contributions from individuals, foundations and businesses as well as city and state government funding. Earned income in the nonprofit cultural institutions accounted for 42 percent of total income for 2004, and most of their admissions income would be drawn from attendees in nearby communities.

This large export number, however, does not tell the entire story. It must also be remembered that exports actually increase the size of the New York City arts industry. Greater audiences and a wider customer base built on visitors help add to the diversity of artistic offerings, which in turn draws more artistic talent, resources and audiences to New York.



Part II

The Economic Impact of the Arts

# NEW YORK STATE



# Overview

## *New York State*

Based on the most recent data available from the commercial and nonprofit sectors, the arts industry is a major generator of jobs, wages and taxes in New York State.

### The Arts Industry in New York State – 2005

Economic Impact	\$25.7 billion
Jobs Generated	194,000
Wages Generated	\$9.8 billion
Taxes to New York State	\$1.2 billion

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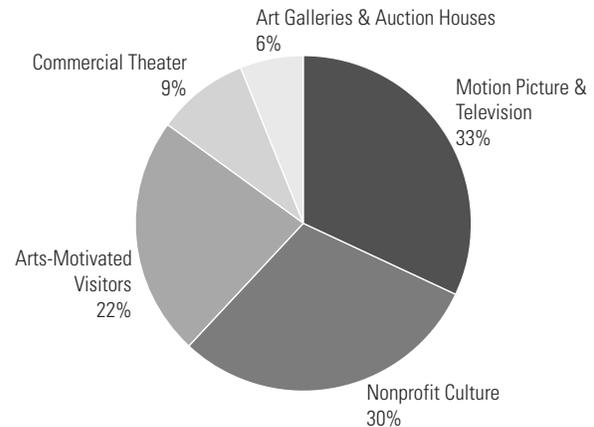
The economic impact of the major components of the arts industry has been calculated on the basis of their direct expenditures, as set out in the chart below.

### Expenditures & Impact of the Arts Industry by Components in New York State – 2005

Component	Direct Expenditures	Economic Impact
Motion Picture & Television Production	\$4.4 billion	\$8.4 billion
Nonprofit Culture	\$3.5 billion	\$7.7 billion
Commercial Theater	\$998 million	\$2.2 billion
Art Galleries & Auction Houses	\$685 million	\$1.6 billion
<b>Subtotal of Industry Components</b>	<b>\$9.6 billion</b>	<b>\$19.9 billion</b>
Arts-Motivated Visitors	\$3.4 billion	\$5.8 billion
<b>Total</b>	<b>\$13 billion</b>	<b>\$25.7 billion</b>

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### Economic Impact of the Arts Industry in New York State, by Component – 2005



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### *Key Characteristics of the Arts Industry in New York State*

- The arts industry is concentrated in New York City, with important clusters in the districts of New York State.
- The commercial arts sectors predominate, generating nearly half of the total economic impact of the arts industry components (excluding the impact of arts-motivated visitors), led by motion picture and television production, with an economic impact of \$8.4 billion.
- New York State's nonprofit cultural organizations make a major contribution to the state's economy, with an impact of \$7.7 billion in 2005, the second-largest component, and comprising 30 percent of the total industry statewide.
- The arts industry is heavily export oriented. Two-thirds of the direct expenditures are made through three activities: visitors who come from outside the state primarily for the arts, locally produced theatrical productions that tour outside the state, and the sale to national and global markets of motion pictures and television shows that are produced within the state.
- The arts are responsible for generating employment directly and indirectly, resulting in a total of 194,000 jobs across New York State.



- The arts are labor-intensive: wages account for 60 percent of total direct expenditures; more than 80 percent of these wages are paid to New York State residents.
- The overall multiplier for the arts industry in New York State is 1.98, which means that for every dollar in direct spending, another 98 cents of value is generated in the state's economy. The strength of this economic ripple effect reflects the labor intensity of the arts, as well as the concentration of employees and suppliers within the state.

Many other industries benefit from the spending associated with cultural activity. Arts organizations pay wages to local residents, who in turn contribute to the real estate, retail, transportation and other consumer sectors of the economy. These organizations also support a network of suppliers ranging from advertising firms in Manhattan to recording studios in nearby suburban counties. Arts-motivated visitors provide business for hotels and restaurants, retail stores and transportation services.

The arts industry is a significant source of tax revenue for New York State, generating a total of \$1.2 billion in taxes in 2005. This is in addition to the \$904 million in local taxes generated by the industry for New York City.

**Taxes Generated by the Arts Industry  
in New York State – 2005**

Income Taxes	\$582 million
Sales Taxes	\$258 million
Taxes on Visitor Spending	\$298 million
Business Taxes	\$94 million
<b>Total Taxes to New York State</b>	<b>\$1.2 billion</b>

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# Motion Picture & Television Production

## *New York State*

The direct expenditures of \$4.4 billion in the motion picture, television, commercials and post-production industry in New York State generated a total economic impact of \$8.4 billion in 2005.

### **Motion Picture & Television Production in New York State – 2005**

Economic Impact	\$8.4 billion
Jobs Generated	58,000
Wages Generated	\$3.7 billion
Taxes to New York State	\$359 million

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The effect of the successive rounds of spending from direct expenditures on wages, benefits, supplies and specialized services generated a total of 58,000 jobs in the state and total wages of \$3.7 billion.

The multiplier for this industry is 1.91, which means that for every dollar of direct spending, almost another dollar of economic activity is generated throughout New York State. Although the proportion of direct wages to total expenditures is high for this industry (63 percent in 2005) and average wages per employee are substantial, there is a considerable amount of leakage outside the state in both direct wages and purchases of equipment and materials for the industry.

The economic impact is based on total direct expenditures of \$4.4 billion, comprising:

Motion Picture & Video	\$1.2 billion
Television & Commercials	\$2.4 billion
Post-production & Sound Recording	\$820 million

In 2005, total direct employment in New York State was more than 35,000 in approximately 2,500 establishments, generating a direct wage pool of \$2.7 billion.

The greatest concentration of the industry is in New York City, which accounts for over 86 percent of direct expenditures and for almost 80 percent of the total economic impact. Most of the state's soundstages for film, television and other video productions, as well as facilities for post-production, are located in New York City. However, there are concentrations

of supplier services and equipment as well as video production for local markets in the counties immediately adjacent to the city and in several upstate cities and towns.

The motion picture and television production segments in New York State showed strong signs of recovery in 2005 following declines in production and post-production during the early years of this decade. Employment in the state increased by 7.5 percent from 2004 to 2005 and growth in wages was robust, up by more than 6 percent.

This recovery is the result of the recent increase in the number of motion picture and television productions filmed in New York City from the middle of 2004 to the end of 2005. The rebound is largely attributable to the success of a new tax credit incentive program, first established by New York State in August 2004, which instituted a tax credit of 10 percent for productions that were carried out primarily in approved studios or on location in the state. New York City initiated a program in early January 2005 to add a five percent tax credit to the state's initiative.

Production volume in New York City also benefited from new soundstages, which opened in Brooklyn in November 2004.

### **Location of Film & Television Production Activities in New York State**

While four-fifths of the motion picture and television production and post-production activity of New York State is located in New York City, there are clusters of film, video and television production in the suburban counties near the city: in Westchester, Rockland, Nassau and Suffolk counties. Smaller clusters also occur in and around Rochester, Buffalo and Syracuse.

In addition, movies and television dramas based in New York City also use resources elsewhere in New York State for location shooting. These resources constitute a particularly significant component for the smaller-budget films, which tend to do most of their total spending, including some post-production work, within the state. See Appendix A for details on expenditures by location and type of production.

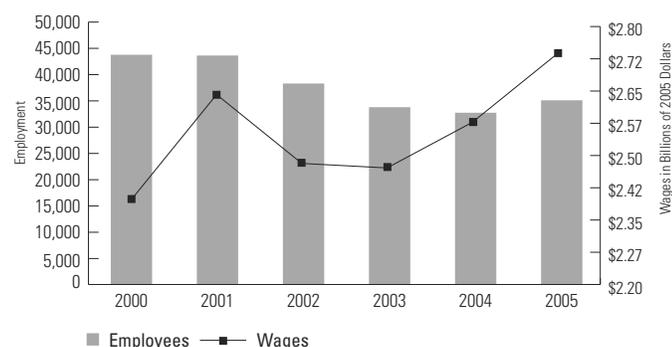
Much of the activity outside New York City is centered on local media for the production of commercials for local urban markets. Several feature-length movies and television dramas that filmed in New York City also used locations elsewhere in New York State during 2005.



## Recent Trends in the Industry

Employment in the production and post-production industry in New York State fell sharply in the first half of this decade, declining by over 10,000 jobs from a level of 43,800 in 2000. Employment levels rebounded strongly during 2005 in the film and video production segment but continued to decline in the recording segment.

## Employment & Wages in Motion Picture & Television Production in New York State – 2000 to 2005



Source: New York State Department of Labor

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## Film Industry Incentives

In August 2004, spurred by the weakness in the industry statewide during the first part of this decade, the New York State legislature passed the Empire State Film Production Credit. This tax credit incentive plan was designed to boost motion picture and television production within the state. The legislation allocated \$125 million in tax credits from 2004 to 2008. The funds are administered through the Governor's Office for Motion Picture and Television Development.

New York City supplemented this program at the beginning of 2005, providing a city tax credit of 5 percent to add to the state credit of 10 percent for each qualified production. With the New York City program of \$50 million over four years, the state and city incentive pool totaled \$175 million, to be granted on a first-come, first-served basis.<sup>1</sup>

<sup>1</sup>Both incentive programs were increased in Spring 2006. New York State and New York City are not unique in offering generous incentives for the lucrative business of film and television production. Other states such as New Jersey, Georgia, Louisiana, Maryland and New Mexico, as well as several countries, including Canada (plus at least six of its provinces), Australia, New Zealand, Ireland and South Africa offer a range of incentives for location and for studio production. Source: Los Angeles Economic Development Corporation Study for the California Film Commission.

Tax credits are granted to the below-the-line costs of productions (primarily for acting and technical crews on the actual shooting days) that agree to film 75 percent of the studio work on a New York stage or to spend over \$3 million at a studio or qualified stage. If less than \$3 million is incurred at a studio, the production can qualify if 75 percent of filming is done in New York. Productions can also qualify for full or partial benefit depending on the amount of location or studio time utilized in the city or state.

The New York State legislature passed an additional incentive program in August 2005 that provides a four to five percent investment tax credit for qualified film production facilities. In this program, a five percent tax credit is given on the first \$350 million of the investment credit base, and four percent to the investment credit base in excess of \$350 million. To qualify, a production space must provide at least three film production services such as a lighting grid, lighting and grid equipment, or broadband access.

This incentive was made available for the first major addition of motion picture studio space in two decades: the new Steiner Film Studios in New York City. Located in the Brooklyn Navy Yard, the \$120-million complex features 5 soundstages totaling almost 300,000 square feet of studio space, with additional services for cast and crew. The movie version of *The Producers* was the first film to utilize the facilities following their opening in November 2004. The new studios supplement the studio capacity at Silvercup Studios and Kaufman Astoria Studios, both located in Queens.

## Post-Production Activities

Post-production is an important segment of the film and video industry in New York State, estimated at \$820 million in total direct expenditures in 2005. There were almost 650 establishments engaged in post-production activities in the state, employing close to 4,200 workers in such activities as film processing or storage, editing, sound mixing, and sound and music recording. Almost 500 establishments and more than 3,400 employees are located in New York City, but there are clusters of businesses in the nearby suburban counties providing post-production services for the city, as well as smaller clusters serving video production centers outside New York City.

Despite some weakness in overall employment levels since 2000, employment and wage levels in post-production appear

# Motion Picture & Television Production

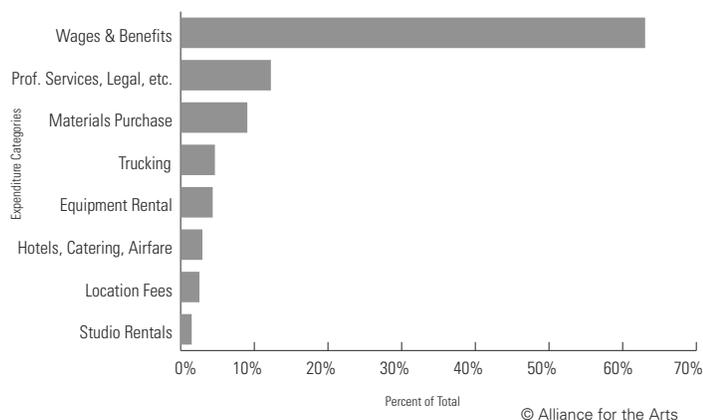
## *New York State*

to have stabilized in New York State during 2005, along with the increase in production activity of motion pictures and television.

### **Patterns of Direct Expenditures in Motion Picture, Television & Post-Production**

For the total industry component, labor costs in both above-the-line and below-the-line categories dominate the expenditure patterns in this industry. Wages and benefits were \$2.77 billion in 2005 (63 percent of the total expenditures of \$4.4 billion). Professional services, including legal, insurance and advertising, were \$537.8 million (12.2 percent of the total), while purchases of materials absorbed \$387.6 million (9 percent); rental of equipment was \$190.5 million (4.3 percent of total expenditures).

### **Expenditure Patterns of Motion Picture, Television & Post-Production in New York State – 2005**



### **Industries Most Affected**

The industries most affected by the economic activity generated by production of motion pictures and television, as measured by sales, are finance and insurance, professional and business services, real estate, retail trade, the health services sector, and air transportation and hotels.

As measured by the number of jobs generated, the industries most affected are retail trade, restaurants, the health services sector, real estate, and professional and business services.

### **Taxes to New York State**

Taxes paid directly to New York State by the full impact of the production activities of motion picture and television are estimated at \$359 million in 2005.

Personal Income Taxes	\$220 million
Business Taxes	\$41 million
Sales Taxes	\$98 million
<b>Total Taxes to New York State</b>	<b>\$359 million</b>

### **Methodology**

Data sources are thin in this industry—particularly for revenues, operating expenditures, capital investment and individual segments such as commercials or post-production activities.

There are some important pieces of evidence available from both the Census of Business and the Employment Security (ES202) systems of the state labor departments, as the new NAICS coding system provides detail on employment and wage trends in motion picture and television production, and for post-production. The Census of Business provides instances of revenue data for segments of the industry, although revenue data are withheld for several categories, as per disclosure regulations.

Thus, much of the information needed to estimate total direct expenditures must be built up from such sources as production cost budgets by size of film and television project, cross-referenced by trends in employment and wages from the ES202 system, and from surveys, as well as interview sources in the commercials and post-production segments.

This study benefited from the aggregated totals provided by the Governor's Office for Motion Picture and Television Development on spending categories for 51 motion pictures, 18 television series and 7 television pilots that applied for tax credits during the early months of the first full year of the New York State and New York City incentive programs.

In the future, the information submitted to the New York State legislature on the annual totals of productions that qualify for the new state and city tax credit incentives will provide a valuable base of data on this important industry in New York.

# Nonprofit Culture



The nonprofit cultural sector in New York State encompasses a diverse group of organizations throughout the state, ranging from large museums, opera companies, orchestras, theatrical organizations and electronic media organizations to small museums, historical societies and a myriad of performing and visual arts organizations of every size and discipline. In 2005, the operations of these nonprofit cultural organizations generated an economic value to New York State of \$7.7 billion.

<b>Nonprofit Culture in New York State – 2005</b>	
Economic Impact	\$7.7 billion
Jobs Generated	55,100
Wages Generated	\$2.8 billion
Taxes Generated to New York State	\$256 million

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The calculations of economic impact are based on total direct expenditures of \$3.5 billion in 2005 dollars,<sup>1</sup> made by the 2,628 nonprofit cultural organizations included in this study, and comprised the following:

Museums <sup>2</sup>	\$892 million
Music	\$487 million
Electronic Media & Film	\$383 million
Nonprofit Theater	\$311 million
Presenting Organizations <sup>3</sup>	\$250 million
Arts Service Organizations	\$223 million
Dance	\$192 million
Literature	\$139 million
Zoos & Botanical Gardens	\$133 million
Other <sup>4</sup>	\$501 million
<b>Total</b>	<b>\$3.5 billion</b>

<sup>1</sup> Based on detail contained in the 2005 NYSCA applications, reporting on the year 2004 and IRS 990 filings.

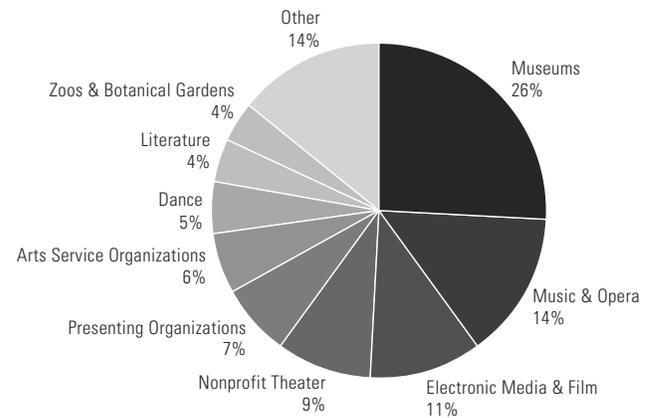
<sup>2</sup> Including science, history, children's and art museums.

<sup>3</sup> Including Lincoln Center, the Brooklyn Academy of Music and Shea's Performing Arts Center in Buffalo.

<sup>4</sup> "Other" includes historic sites, arts centers, arts councils, arts education and organizations specializing in the folk arts, architecture, planning and design.

## Nonprofit Cultural Organization Expenditures by Discipline

Total Expenditures: \$3.5 billion (2005 Dollars)



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## Characteristics of Nonprofit Culture in New York State

The following analysis is based on the detail contained in the 2005 New York State Council on the Arts (NYSCA) data reporting on the year 2004, supplemented with the detail available on cultural organizations from IRS 990 files for nonprofit organizations in 2004.

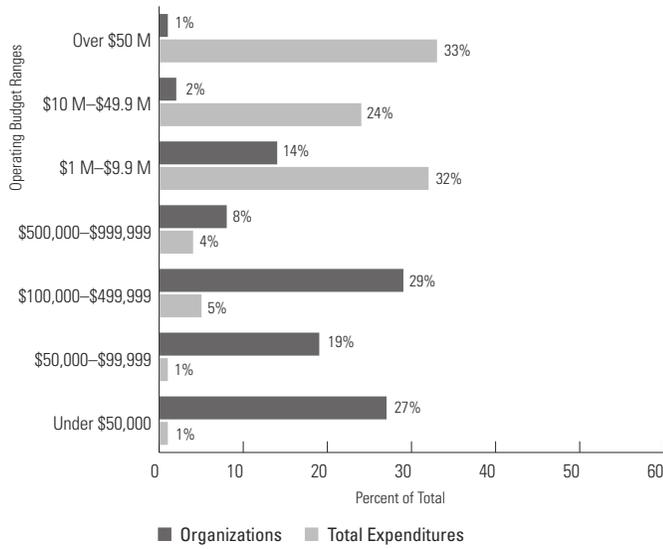
### Expenditures by Budget Size

Organizations in New York State with expenditures of over \$10 million spent more than \$1.9 billion in 2004, accounting for 57 percent of total nonprofit arts expenditures, although they constitute only about 2 percent of the total number of groups. Moderately large organizations, those with budgets of \$1 million to \$10 million, accounted for 32 percent of the total expenditures, while medium-sized organizations (\$100,000 to \$999,999) accounted for 9.4 percent. Small organizations, those with budgets under \$100,000, represent over 46 percent of all organizations but accounted for less than 2 percent of total expenditures.

# Nonprofit Culture

## New York State

**Distribution of New York State Nonprofit Organizations & Total Expenditures, by Budget Category – 2004**

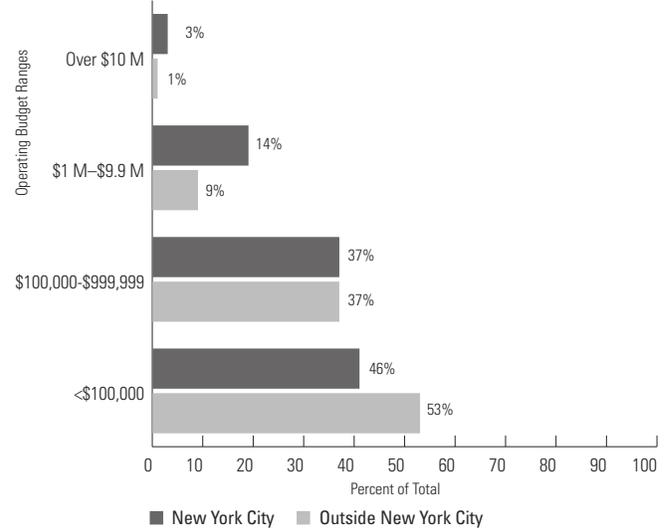


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While there are almost as many organizations in New York State outside New York City as there are in the city (1,216 compared with 1,412), New York City groups account for 84 percent of the total spending by nonprofit arts organizations in the entire state, as the city is home to most of the largest nonprofit cultural organizations.

The following charts illustrate the disparity in budget ranges in New York City and the rest of the state.

**Distribution of Nonprofit Cultural Organizations in New York City & Outside New York City, by Budget Range – 2004**

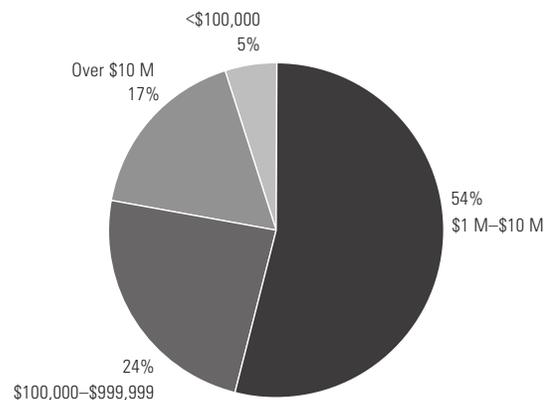


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Outside New York City, there were only seven organizations with budgets over \$10 million, and none with budgets over \$50 million in 2004. The expenditures of those organizations with budgets over \$10 million make up about 17 percent of the total expenditures outside New York City. The majority of spending outside New York City, 54 percent, comes from organizations with budgets of \$1 million to \$10 million.

**Expenditures of Nonprofit Cultural Organizations in New York State outside New York City, by Budget Range – 2004**

Total Expenditures: \$558 million



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### Expenditures by Discipline

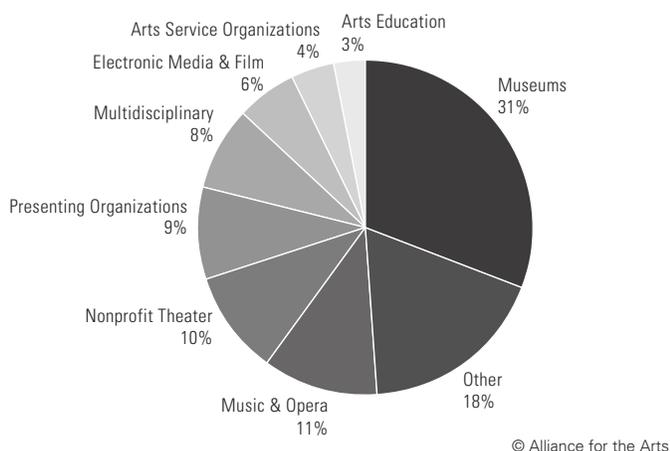
The pattern of expenditures by discipline in New York City is discussed in the New York City chapter on nonprofit culture.

Outside New York City, the share of total spending by museums is proportionally larger than in the city, with 31 percent of the total spending by discipline.

The second-largest spending category outside New York City is music and opera, which accounts for 11 percent of the total expenditures. While there are about the same number of music and opera organizations in New York State as in New York City, approximately 225, the spending of this sector in New York City is about six and a half times greater than that of the sector outside the city: \$403 million compared with \$62 million in 2004. There are more small music and opera organizations outside the city, 44 percent with budgets under \$50,000, as compared to 30 percent in New York City. Organizations with budgets of over \$1 million account for 93 percent of the spending in music and opera in New York City compared with 58 percent in the rest of the state.

### Expenditures of Nonprofit Cultural Organization of New York State outside New York City, by Discipline – 2004

Total Expenditures: \$558 million



Presenting organizations show greater relative importance outside New York City, evidenced by Shea's Performing Arts Center in Buffalo, the Saratoga Performing Arts Center in Saratoga Springs and Proctor's Theatre in Schenectady. Local arts councils and multidisciplinary organizations—such as the Chautauqua Institution or the Munson-Williams-Proctor Arts Institute in Utica—have a higher representation than is the pattern in New York City.

Outside the city, there are fewer large nonprofit electronic media and film organizations and fewer expenditures for literary organizations, zoos and botanical gardens.

### Analysis by Region

The majority of New York State's nonprofit activity is located in New York City, which is home to 1,412 organizations, more than half of all nonprofit arts organizations in the state. These were responsible for 84 percent of the direct expenditures of the state's nonprofit cultural sector, or \$2.8 billion in 2004. Most of the state's largest museums and music and nonprofit theater organizations are located in New York City, as is a substantial concentration of New York State's dance companies.

There are 1,216 nonprofit arts organizations in New York State outside New York City, with total expenditures for operations of \$558 million in 2004 dollars. These include a wide range of leading cultural institutions, from large museums such as the Albright-Knox Art Gallery in Buffalo and the Corning Museum of Glass in Corning and performing arts centers such as Shea's Performing Arts Center in Buffalo and the Syracuse Stage in Syracuse, to a variety of smaller museums and performing arts groups throughout the state.

The nonprofit arts organizations, especially the larger ones, tend to be clustered together, generally in urban areas. Outside New York City, cities with populations above 100,000, which include Buffalo, Rochester, Syracuse and Yonkers, are home to 14.7 percent of the total organizations but have 27 percent of the groups with budgets of over \$1 million. The organizations in these four cities are responsible for nearly 30 percent of the total expenditures outside New York City.

Nonprofit arts organizations can be found in all 57 counties outside New York City. The majority of these groups are small: 53 percent of the organizations outside New York City have total annual budgets of less than \$100,000, and 34 percent have budgets of less than \$50,000.

This section provides an analysis of the nonprofit cultural sector by geographic area in New York State, using 9 of the 10 areas designated as Economic Development Regions by New York State's Empire State Development Corporation. The 10th region, New York City, is discussed in the nonprofit section of the New York City chapter. Detailed tables and graphs for each of these regions are contained in Appendix B 1 and B 2.

# Nonprofit Culture

## *New York State*

### Capital Region



The 169 identified nonprofit arts organizations in the Capital Region reported direct expenditures of \$69.9 million in 2004. About a quarter of this region's organizations are in Albany, with smaller concentrations in Saratoga Springs, Schenectady, Troy, Hudson and Glens Falls. The organizations in these cities constitute 62 percent of the region's total and are responsible for 82 percent of the total expenditures. The largest proportion of spending was done by presenting organizations and museums, with each representing 22 percent of the total expenditures in the region. The next-largest disciplines were music and opera (10 percent of total spending); arts service organizations (9 percent); and nonprofit theater, dance, and electronic media and film (each with 8 percent).

Some of the major organizations in the region include the Saratoga Performing Arts Center in Saratoga Springs, Proctor's Theatre in Schenectady, the WAMC Performing Arts Studio in Albany, the Catskill Mountain Foundation in Hunter and the Olana Partnership in Hudson.

### Central New York



The 76 identified nonprofit arts organizations in the Central New York Region reported direct expenditures of \$30.4 million in 2004. About 40 percent of this region's organizations are located in Syracuse, and these account for 80 percent of the total expenditures in the region. The leading disciplines in the region are museums, as well as music and opera, each of which accounts for 26 percent of the region's total expenditures. The nonprofit theater and dance category was second (23 percent), followed by multidisciplinary organizations (11 percent) and arts councils (4 percent).

Some of the largest organizations in the region are the Syracuse Symphony Orchestra, Syracuse Stage, the Milton J. Rubenstein Museum of Science and Technology, the Red House and the Emerson Museum of Art—all of which are located in Syracuse.

### Finger Lakes



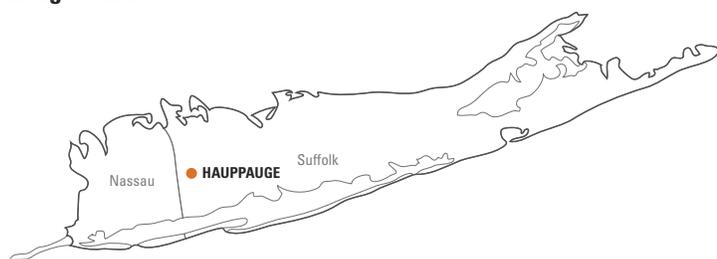
The 119 identified nonprofit arts organizations in the Finger Lakes Region reported direct expenditures of \$75.9 million in 2004. Rochester is home to 52 percent of the region's organizations, which are responsible for 87 percent of the total expenditures. Museums account for 35 percent of the region's



spending, led by such large institutions as the George Eastman House, the Strong Museum and the Rochester Museum & Science Center—all of which are located in Rochester. The second-largest discipline in the region is nonprofit theater (24 percent of the expenditures) followed by music and opera (14 percent) and arts service organizations, arts education, electronic film and media, and dance (3 percent each).

Some other major organizations in the area include the Rochester Broadway Theatre League, the Geva Theatre Center, the Memorial Art Gallery at the University of Rochester, the Rochester Philharmonic Orchestra, and Garth Fagan Dance in Rochester.

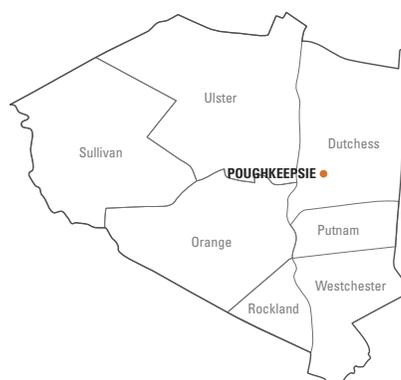
### Long Island



The 225 identified nonprofit arts organizations on Long Island reported direct expenditures of \$70.2 million in 2004. These organizations are dispersed throughout Nassau and Suffolk counties. Approximately 100 towns in Long Island have at least one cultural nonprofit organization, with 30 percent of those towns being home to three or more organizations. Towns with six or more organizations include East Hampton, Great Neck, Huntington, Smithtown and Sag Harbor. Museums account for 35 percent of the region's spending, followed by nonprofit theater and dance (11 percent). The next-largest disciplines in the region are music and opera (9 percent); arts centers and arts service organizations (7 percent each); and arts councils, arts education, and electronic media and film (each with 5 percent).

Some of the largest organizations in the area include the Cradle of Aviation Museum in Garden City; Friends for Long Island's Heritage in Syosset; the Bay Street Theatre in Sag Harbor; the Long Island Museum of American Art, History & Carriages in Stony Brook; and the Parrish Art Museum in Southampton.

### Mid-Hudson



The 288 identified nonprofit arts organizations in the Mid-Hudson Region reported direct expenditures of \$100.7 million in 2004, making this the region with the second-highest nonprofit arts expenditures outside New York City after the Western New York Region. The Mid-Hudson Region comprises the seven counties of Westchester, Dutchess, Orange, Putnam, Sullivan, Rockland and Ulster. Westchester County has 44 percent of the region's nonprofit arts organizations, and they account for 56 percent of the region's expenditures. Dutchess County is home to 15 percent of the region's organizations and has the next-highest expenditure level, accounting for 19 percent of the total spending in the Mid-Hudson Region. The largest concentration of nonprofit arts organizations in Dutchess County is in Poughkeepsie, where approximately 40 percent of the county's organizations are located and which account for 64 percent of the spending.

Museums in the Mid-Hudson Region account for 26 percent of the total expenditures of all nonprofit arts organizations, followed by presenting organizations (11 percent); arts education (9 percent); nonprofit theater, dance, architecture, planning and design (8 percent each); and music and opera (7 percent).

Some of the largest organizations in the region are Historic Hudson Valley in Tarrytown, which is a network of historic sites, including Kykuit, Sunnyside, Philipsburg Manor, Van Cortlandt Manor, Montgomery Place, Union Church and Lyndhurst; Dia:Beacon; Caramoor Center for Music & Arts in Katonah; the Jacob Burns Film Center in Pleasantville; the Music Conservatory of Westchester in White Plains; and the Hoff-Barthelson Music School in Scarsdale. The Bethel Woods Center for the Arts in Bethel, built on the site of the original 1969 Woodstock Festival, opened in July 2006.

# Nonprofit Culture

## *New York State*

### **Mohawk Valley**



The 37 identified nonprofit arts organizations in the Mohawk Valley Region reported direct expenditures of \$23.2 million in 2004. One-fourth of the region's arts organizations are located in Utica, and they account for about 60 percent of the total expenditures in the region. Multidisciplinary organizations, the largest of which is the Munson-Williams-Proctor Arts Institute in Utica, account for 52 percent of the region's spending. The second-largest discipline in the region consists of museums (28 percent), followed by nonprofit theater and dance (4 percent) and music and opera (3 percent).

Some of the other large groups in the region are the Adirondack Museum in Blue Mountain Lake, the Broadway Theatre League of Utica and the Utica Symphony Orchestra.

### **North Country**

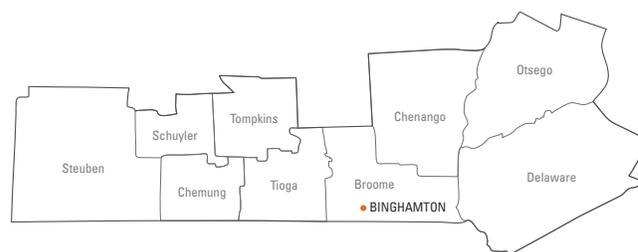


The 51 identified nonprofit arts organizations in the North Country Region reported direct expenditures of \$13.5 million in 2004. Approximately 30 towns in the region have at least one nonprofit arts group, and about one-fifth of these are home to

three or more organizations. Museums account for 42 percent of the total spending in the region, followed by nonprofit electronic media and film, with 32 percent. The next-largest disciplines are multidisciplinary (eight percent), nonprofit theater and dance (five percent) and music and opera (three percent).

Some of the region's largest organizations are the St. Lawrence Educational Television Council in Watertown; the Fort Ticonderoga Association in Ticonderoga; the Antique Boat Museum in Clayton; the Lake Placid Association for Music, Drama and Art; and the Frederic Remington Art Museum in Ogdensburg. The Natural History Museum of the Adirondacks opened in Tupper Lake in July 2006.

### **Southern Tier**



The 99 identified nonprofit arts organizations in the Southern Tier Region reported direct expenditures of \$70 million in 2004. About 36 percent of these expenditures were made by organizations in Cooperstown, home of the National Baseball Hall of Fame and Museum, the Glimmerglass Opera, the Fenimore Art Museum and the Farmers' Museum, among others. There are also concentrations of nonprofit arts groups in Corning, Ithaca, Binghamton and Oneonta, which together with Cooperstown account for over half of all organizations and 52 percent of the nonprofit arts expenditures in the region.

Museums dominate the spending of nonprofit arts organizations in the region, accounting for 65 percent of total expenditures. The second-largest discipline is music and opera (13 percent), followed by presenting organizations (5 percent) and nonprofit theater and dance (4 percent).

A list of the largest organizations in the region includes the Corning Museum of Glass, the Herbert F. Johnson Museum of Art at Cornell University, the Clemens Center in Elmira and the Museum of the Earth in Ithaca.



## Western New York



The 152 identified nonprofit arts organizations in Western New York reported direct expenditures of \$103.8 million in 2004, making this the region with the highest nonprofit arts expenditures for operations outside New York City. Buffalo is home to almost half of this region's organizations, which account for 68 percent of the total expenditures in the region.

Multidisciplinary organizations such as the Chautauqua Institution account for 19 percent of the region's total expenditures. The next-largest disciplines are presenting organizations (17 percent), which include such organizations as Shea's Performing Arts Center in Buffalo and the Center for the Arts at the University of Buffalo, and museums (17 percent), including the Albright-Knox Art Gallery, the Buffalo Museum of Science, the Burchfield-Penney Art Center at Buffalo State College and Frank Lloyd Wright's Darwin D. Martin House Complex. All are located in Buffalo. Music and opera are next (12 percent), followed by electronic media and film (11 percent) and nonprofit theater and dance (8 percent).

Major organizations outside Buffalo include the Chautauqua Institution, Artpark and Company in Lewiston and the Art Council for Chautauqua County in Jamestown.

## Sources of Income

Sufficient detail is available from the NYSCA data file to portray the patterns and sources of income of the nonprofit arts organizations in New York State during 2004. Based on the NYSCA sample of over 1,650 organizations, the total income of nonprofit arts organizations in New York State was \$2.93 billion in 2004. Of this total income, 44 percent was income earned from operations; 42 percent came from contributions, both public and private; and 14 percent came from other sources, including income from endowments.

A total of 43 percent of income in New York City came from contributions; 42 percent was income earned from operations, with 15 percent coming from other sources, primarily income from endowments. Earned income makes up a higher proportion of the total income in the rest of the state than in New York City, while New York City organizations have comparatively higher income from contributions, particularly from individuals. Outside New York City, 52 percent of the total income of organizations is from income earned from operations, while 38 percent comes from contributions.

The table on the next page shows the income patterns for New York State, New York City and nonprofit cultural organizations outside New York City.

# Nonprofit Culture

## New York State

### Sources of Income of All Nonprofit Cultural Organizations in New York State, by Location – 2004

	New York State	New York City	Outside New York City
<b>Earned Income*</b>	<b>44%</b>	<b>42%</b>	<b>52%</b>
<b>Contributions</b>	<b>42%</b>	<b>43%</b>	<b>38%</b>
Private	30%	31%	27%
Foundations	9%	9%	8%
Corporations	5%	5%	5%
Individuals	16%	17%	14%
Public	11%	12%	11%
Federal	2%	2%	2%
State	2%	2%	3%
Local	7%	8%	6%
<b>Income from Endowment &amp; Other Unearned Income</b>	<b>14%</b>	<b>15%</b>	<b>10%</b>
<b>Total Income</b>	<b>\$2.9 B</b>	<b>\$2.5 B</b>	<b>\$446.5 M</b>

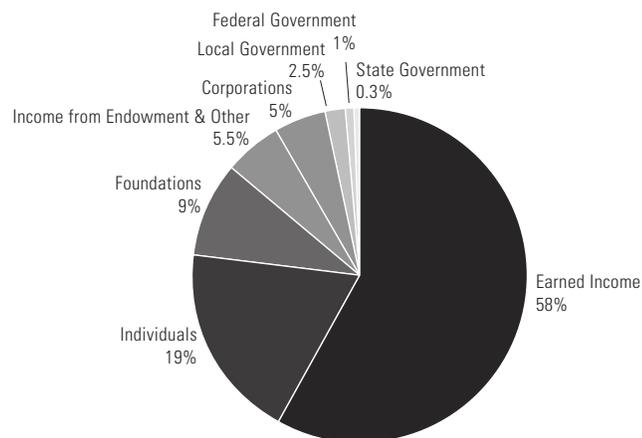
Source: NYSCA

\*Includes income from admissions, concessions and other sources of earned income.

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### Income Sources of Performing Arts Organizations in New York State – 2004

Total Income: \$1 billion

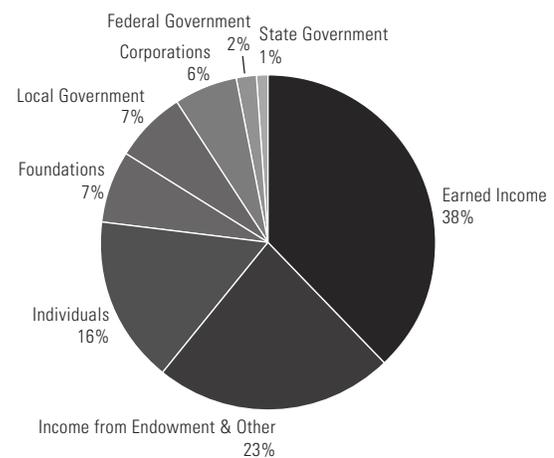


Source: NYSCA

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### Income Sources of Visual Arts Organizations in New York State – 2004

Total Income: \$729 million



Source: NYSCA

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### Sources of Income of New York State Nonprofit Performing & Visual Arts Organizations, by Location – 2004

	New York State		New York City		Outside New York City	
	Performing Arts	Visual Arts	Performing Arts	Visual Arts	Performing Arts	Visual Arts
<b>Earned Income*</b>	<b>58%</b>	<b>38%</b>	<b>58%</b>	<b>36%</b>	<b>61%</b>	<b>46%</b>
<b>Contributions</b>	<b>36%</b>	<b>39%</b>	<b>37%</b>	<b>40%</b>	<b>35%</b>	<b>37%</b>
Private	33%	29%	33%	29%	29%	26%
Foundations	9%	7%	9%	6%	7%	10%
Corporations	5%	6%	5%	6%	6%	5%
Individuals	19%	16%	19%	17%	16%	11%
Public	4%	10%	4%	10%	6%	11%
Federal	1%	2%	1%	2%	1%	2%
State	0.3%	1%	–	–	2%	3%
Local	2.5%	7%	3%	8%	3%	6%
<b>Income from Endowment</b>	<b>5.5%</b>	<b>23%</b>	<b>5%</b>	<b>24%</b>	<b>4%</b>	<b>17%</b>
<b>Total Income</b>	<b>\$1 B</b>	<b>\$729 M</b>	<b>\$908 M</b>	<b>\$597 M</b>	<b>\$137 M</b>	<b>\$132 M</b>
<b>Number of Organizations</b>	<b>619</b>	<b>223</b>	<b>434</b>	<b>89</b>	<b>185</b>	<b>134</b>

Source: NYSCA

\*Includes income from admissions, concessions and other sources of earned income. Percentages may not add to 100 due to rounding.

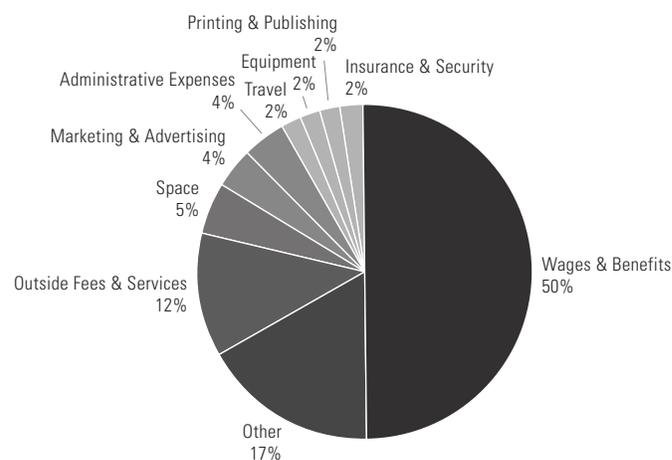
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### Income Sources by Discipline

As indicated in the table above, earned income consistently makes up a higher proportion of total income in the performing arts than it does in the visual arts, which rely more heavily on earnings from endowments as well as from local government. In New York State as a whole, earned income constituted 58 percent of the total income of performing arts organizations compared with 38 percent for visual arts organizations. Performing arts organizations received 10 percent of their income from government and other sources, including earnings from endowments, compared with 33 percent in the case of the visual arts.

### Expenditure Pattern of New York State Nonprofit Cultural Organizations – 2004

Total Expenditures: \$3.5 billion



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# Nonprofit Culture

## *New York State*

### **Pattern of Direct Expenditures**

Cultural organizations in New York State are labor-intensive, with 50 percent of total spending going to labor costs. An additional 12 percent is spent on outside professional services, which are also labor-intensive. The state's economy benefits from other major categories of expenditure, including space rental, advertising and administrative expenses.

### **Economic Impact of the Nonprofit Cultural Sector in New York State**

The economic impact of the nonprofit cultural sector in New York State totaled \$7.7 billion in 2005—the second-largest component of the arts in the state. The effect of the successive rounds of spending from \$3.5 billion in direct expenditures (in 2005 dollars) on wages and benefits or from building rentals, professional services and other purchases generated 55,100 jobs in the state and total wages of \$2.8 billion.

The multiplier for this component of the industry in the state is 2.2, which means that for every dollar of direct spending, another \$1.20 of economic activity is generated in New York State. This strong multiplier is based on the high proportion of workers who are residents of the state and on the activities of the many suppliers to nonprofit cultural institutions located within the state.

### **Industries Most Affected by the Operations of Nonprofit Cultural Institutions in New York State**

Based on the volume of sales, the industries in New York State most affected by the operations of nonprofit cultural organizations are finance and insurance, professional business services, real estate, retail trade, health services and hospitals, and restaurants.

Measured by the number of jobs generated, the industries in New York State most affected by the operations of nonprofit cultural organizations are retail trade, professional business services, restaurants, health services and hospitals, finance and insurance, and real estate.

### **Taxes Generated to New York State**

Taxes accruing to New York State from the full impact of the operations of the nonprofit cultural institutions are estimated at \$256 million in 2005 and comprise:

Personal Income Taxes	\$166 million
Business Taxes	\$16 million
Sales Taxes	\$74 million
<b>Total Taxes to New York State</b>	<b>\$256 million</b>

These taxes are based on taxes generated by direct, indirect and induced expenditures, with the exception of business taxes, which are not generally collected on the direct expenditures of nonprofit cultural organizations. However, business taxes would be generated from the indirect and induced rounds of spending.

### **Methodology**

The data used for discussion of nonprofit expenditures and for calculation of the economic impact of the arts nonprofit sector were compiled from individual records of organizations that applied for grants from the New York State Council on the Arts (NYSCA) in 2005, and reported on the year 2004. This was supplemented by data from IRS Form 990s, which provided a larger sample of institutions in the state, and by data obtained directly from such organizations as performance facilities at universities. Expenditure categories from both the NYSCA and IRS 990 data were incorporated into the total data set.

The disciplines used for categorization by discipline are drawn primarily from the NYSCA files and are the classifications by which the NYSCA categorizes its grant applicants, with certain modifications, including additional detail for zoos and botanical gardens.

Detailed definitions of the disciplines used in this study are presented in Appendix B.

### **Data Sources for Income Trends**

The 2004 NYSCA data set was used to calculate the income patterns of the nonprofit arts organizations. The performing arts and visual arts categories used in the income pattern analysis differ slightly from the related disciplines used in the expenditure analysis in that only organizations that are directly engaged in making or exhibiting performing or visual arts are included.



The operations of commercial theater in New York State—including commercial Broadway, commercial Off Broadway, expenditures by Broadway road companies returned to New York State and commercial theater outside New York City—generated a total value of \$2.2 billion in 2005. This includes the impact of spending for the production and operations of all commercial theater activity in New York State, as well as the impact of dollars that flow into the New York State economy from Broadway road activity outside New York.

<b>Commercial Theater in New York State – 2005</b>	
Economic Impact	\$2.2 billion
Jobs Generated	15,450
Wages Generated	\$815 million
Taxes to New York State	\$79 million

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This estimate does not include the impact of the ancillary spending of visitors who came to New York primarily to attend its cultural offerings, including Broadway. The economic impact of this visitor spending is discussed in the Visitors to the Arts chapter.

### Direct Expenditures of the Commercial Theater in New York State

The direct expenditures of the commercial theater in New York State were \$998 million in the 2004–2005 season and comprised:

- Commercial Broadway expenditures of \$703 million
- Expenditure flows to New York from Broadway road companies of \$189 million
- Commercial Off Broadway expenditures of \$76 million
- Commercial theater outside New York City expenditures of \$30 million

*Please Note: For data and trends on Broadway activity see the New York City section of this report.*

### Broadway Road Shows Benefit New York State

During the 2004–2005 season, Broadway touring companies played in 253 venues across the United States to audiences totaling 17.8 million. Many of these companies have links to Broadway in New York City. Touring company producers based in New York City who develop and supervise these shows hire New York–based services and draw from New York City’s deep talent pool for actors, musicians, directors and crews to travel with the show. Much of the royalties generated by Broadway road performances also flow back into the New York economy. In total, an estimated \$189 million was returned to the New York economy from the Broadway road in 2004–2005.

### Commercial Off Broadway

*Please Note: For data on Commercial Off Broadway and its activities see the New York City section of this report.*

### Commercial Theater outside New York City

Commercial theater in New York State outside New York City in 2004–2005 comprised 61 production companies or other theatrical establishments. Together these organizations made direct expenditures of \$30 million during the 2004–2005 season.

The largest single source of this activity lies in Broadway road productions, which account for 65 percent of the total. Thirteen Broadway road production companies played in Binghamton, Buffalo, Rochester, Schenectady, Syracuse and West Point. The number of playing weeks in each locality varied widely as shown in the table below. The total audience for these touring productions was 517,000 in 2004–2005.

### Broadway Road Attendance & Playing Weeks at New York State Venues – 2005

Location	Venue	Playing Weeks
Binghamton	Broome County Forum Theater	5
Buffalo	Shea’s Performing Arts Center	15
Rochester	Auditorium Center	9
Schenectady	Proctor’s Theatre	10
Syracuse	Crouse-Hinds Concert Theater	7
West Point	Eisenhower Hall Theater	4

# Commercial Theater

## *New York State*

The venues that the Broadway road uses in each of these localities are either nonprofit or public-sector facilities. In addition to hosting Broadway road productions, these organizations present other commercial theatrical offerings as well as host nonprofit performing arts companies. These venues are part of a network of 21 nonprofit presenting organizations across the state. Their expenditures, totaling \$50 million in 2005, are included in the segment of this report on nonprofit cultural organizations.

The remaining commercial theater outside New York City comprises small enterprises with ticket sales averaging about \$350,000. Many of these groups also perform in nonprofit venues, including but not limited to those listed earlier.

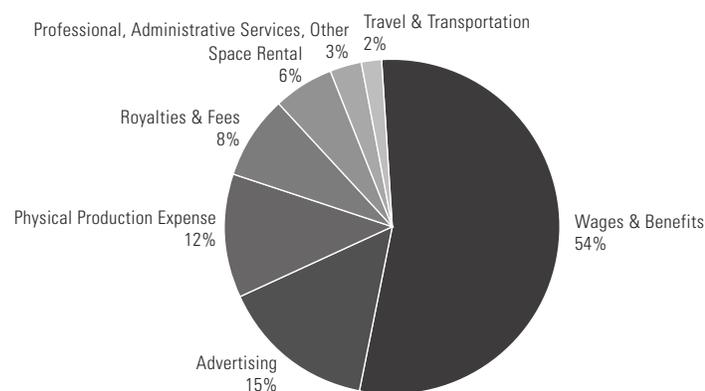
### **Total Direct Expenditures in Commercial Theater**

In total, commercial theater is a sector of the arts industry that is labor-intensive and interacts with a broad range of sectors in the state's economy. Major expenditures are made by commercial theaters in the following areas:

• Labor (including payroll taxes and benefits)	\$541 M
• Advertising	\$151 M
• Physical production (scenery, costumes, equipment)	\$119 M
• Royalties and fees	\$80 M
• Space rental	\$60 M
• Professional and administrative services	\$31 M
• Travel and transportation expenses	\$15 M

### **New York State Commercial Theater Expenditure Pattern – 2005**

Total Expenditures: \$998 million



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### **Links with Other Segments of the Arts in New York State**

Commercial theater in New York State is very closely linked to nonprofit theater. In New York City a producer holding the option to produce a play on Broadway may develop the play at one of a series of nonprofit theaters within or outside New York City before bringing it to Broadway.

Outside New York City the boundary between commercial and nonprofit is blurred with commercial productions often playing at nonprofit venues.

There are additional important links between the commercial theater and other segments of the arts industry in New York. The commercial theater shares labor pools of many kinds of talent, including actors, musicians, directors, set designers and special effects technicians, with nonprofit theater, other performing arts, and motion picture and television. It also shares specialized suppliers ranging from fabric stores to sound system designers and trucking companies that specialize in serving the various parts of the arts industry.

Finally, the impact of Broadway theater on tourism is very significant. As described in the study *Broadway's Economic Contribution to New York City, 2004–2005 Season*,<sup>1</sup> 3.25 million visitors came to New York City specifically to see a Broadway show in 2004–2005. Another 1.1 million extended a visit that was made for another purpose in order to go to a Broadway show. The ancillary spending of these visitors is described together with arts-motivated visitors to nonprofit cultural venues in the chapter on Visitors to the Arts.

### **Economic Impact of Commercial Theater in New York State**

The direct expenditures of \$998 million made by commercial theater in New York State generated a total economic impact in the state of \$2.2 billion in 2005.

The effect of the successive rounds of spending from direct expenditures on wages and from nonlabor purchases such as advertising services, costumes and scenery construction generated a total of 15,450 jobs in the state and total wages of \$815 million.

The economic impact multiplier for this industry is 2.2, which means that for every dollar of direct spending, \$1.20 of economic activity is generated in New York State.

<sup>1</sup> *League of American Theatres and Producers Inc., in association with the Alliance for the Arts, Feb 2006.*



### **Industries Most Affected**

The industries most affected by the operations of the commercial theater in New York State as measured by sales volumes are finance and insurance, theatrical services (including promoters, individual artists and writers), real estate, professional business services (including legal, advertising and design), retail trade, health services and hospitals, and restaurants.

As measured by the total number of jobs generated, the industries most affected in New York State are retail trade, restaurants, professional business services, health services and hospitals, theatrical services, finance and insurance, and real estate.

### **Taxes Generated for New York State from the Operations of Commercial Theater**

The operations of the commercial theater generated estimated taxes to New York State of \$79 million in 2004–2005 and comprise:

Personal Income Taxes	\$48 million
Business Taxes	\$9 million
Sales Taxes	\$22 million
<b>Total Taxes to New York State</b>	<b>\$79 million</b>

These are based on taxes generated on direct expenditures, as well as on indirect and induced expenditures.

### **Methodology**

The methodology by which the estimates of direct spending were derived for commercial Broadway, commercial Off Broadway and the Broadway road are detailed in the commercial theater chapter of the New York City section of this report. In order to estimate commercial theater activity outside New York City, data from the New York State Department of Labor and New York State Broadway road expenditures were analyzed.

# Art Galleries & Auction Houses

## *New York State*

In 2005, the operations of 718 commercial art galleries in New York City and New York State, together with the operations of the major auction houses located in New York City, generated the following results on the economy of New York State.

<b>Art Galleries in New York State – 2005</b>	
Economic Impact	\$1.6 billion
Jobs Generated	8,540
Wages Generated	\$490 million
Taxes to New York State	\$47 million

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### **Art Galleries in New York State**

Most of the art galleries included for this study (626, or 87 percent) are located in New York City. The four major auction houses are also located in New York City.

Of the 92 commercial art galleries identified in New York State and outside the city, the largest concentrations are in the Hamptons on Long Island, in Westchester County and in the Mid-Hudson Valley area, particularly in the emerging arts communities of Hudson and Beacon.

Most of these galleries are small, operating with an average of one full-time employee (who is sometimes the owner); about half operate with the assistance of part-time staff.

Based on the responses to the surveys conducted of the art galleries for this study, those located outside New York City reported 200,000 visitors during 2005. The number of sales was estimated at 4,200.

One-third of these sales were to clients residing in New York City, and half of the total sales were to residents from other parts of New York State. Sales to clients in other states accounted for 14 percent of the total, and less than 1 percent of sales were to international clients. Four-fifths of all sales were made in the galleries, with a small balance at art fairs. Ten percent of sales were made by other means, including catalog and Internet sales.

### **Direct Expenditures of Art Galleries & Auction Houses in New York State**

The economic impact of art galleries and auction houses is based on total direct expenditures of \$685 million for the operations of the art galleries and auction houses. Most of these expenditures are spent on the operations of galleries and auction houses located in New York City.

The pattern of direct expenditures is unique in this component of the arts industry: most galleries are small, with few employees, resulting in a smaller percentage of spending on personnel costs. Significant portions of the operating expenditures of the galleries as well as the auction houses are for the printing and publishing of catalogs, and for professional fees and insurance premiums. Spending for rent is substantial, at 24 percent of total operational costs, a reflection of the higher costs of renting in New York City.

The pattern for the total combined New York City and New York State spending on operations of art galleries and auction houses in 2005 was as follows:

	<b>Expenditures</b>	<b>Percent</b>
Wages & Benefits	\$256 M	37.4%
Rent	\$165 M	24.0%
Printing & Publishing	\$70 M	10.2%
Professional Fees	\$59 M	8.6%
Travel & Entertainment	\$39 M	5.7%
Insurance Premiums	\$38 M	5.6%
Shipping	\$33 M	4.9%
All Other	\$25 M	3.6%
<b>Total</b>	<b>\$685 M</b>	<b>100%</b>

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Almost all of the employees in this highly concentrated industry reside in New York State, and just over 90 percent of all payments are made to New York State vendors.

Capital expenditures by art galleries and auction houses, over and above the operational costs, are estimated to be \$30.2 million in 2005.



These operational expenditures supported total estimated sales of nearly \$5 billion in the auction houses and galleries during 2005. Most of these sales took place in New York City.

The role of the auction houses is crucial for this industry in New York City. The annual and monthly sales at the auction houses contribute to the stream of visitors to New York City's art galleries, reported by survey respondents to be 2.5 million visits during 2005.

### **Economic Impact of Art Galleries & Auction Houses in New York State**

The direct expenditures of \$685 million for operations of galleries and auction houses in New York City and New York State generated a total economic impact of \$1.6 billion in New York State in 2005. The combined effect of direct spending with indirect purchases by suppliers and induced purchases from the spending of wages generated a total of 8,540 jobs in New York State and total wages of \$490 million.

### **Benefits to New York State's Economy**

Art gallery and auction house activity is an important industry in New York State, even though most of the industry is concentrated in New York City. The state treasury benefits from taxes generated by operations and, along with the city, shares in the personal income taxes of employees in the industry, as well as the economic activity of suppliers to the industry, most of which are located within the state.

The multiplier for this industry in New York State is 2.3, the highest of any component of the arts industry. This means that for every dollar of direct expenditures, an additional \$1.30 of economic activity is generated in the state's economy.

The state also benefits significantly from the spending of the many thousands of visitors who come to New York City for the sales at the auction houses and art fairs, as well as from their purchases at commercial galleries. This is also one segment of the industry that does not receive direct subsidies or tax incentives from either the state or city governments.

### **Industries Most Affected**

The industries in New York State most affected by the operations of art galleries and auction houses, measured by sales, include finance and insurance, real estate, professional and business services (including legal, advertising and design), retail trade, the health sectors and restaurants.

Measured by the number of jobs generated, the industries in New York State most affected by the operations of art galleries and auction houses are real estate, restaurants, retail trade, professional and business services, and finance and insurance.

### **Taxes Generated for New York State from the Operations of Art Galleries and Auction Houses**

Based solely on the impact of activities from operations, the taxes generated to New York State were \$47 million in 2005. This does not include any sales taxes paid to New York State on the purchase of art.

Personal Income Taxes	\$29 million
Business Taxes	\$5 million
Sales Taxes*	\$13 million
<b>Total Taxes to New York State</b>	<b>\$47 million</b>

*\*Based solely on operating expenses; sales taxes on purchases of art are not included.*

### **Methodology**

In addition to the surveys conducted of galleries and auction houses in New York City, online surveys were sent to a wide representation of commercial art galleries in other cities and counties in New York State. These results, supplemented with personal interviews conducted in several communities, provided important insight as well on the characteristics and new developments of the art gallery industry in several New York State communities.

# Visitors to the Arts

## *New York State*

The direct expenditures of \$3.4 billion in 2005 of visitors who came to New York State because of the arts or who extended a trip made for another purpose to attend cultural activities generated a total economic impact in the state of \$5.8 billion.

### Visitors to the Arts in New York State – 2005

Economic Impact	\$5.8 billion
Jobs Generated	56,900
Wages Generated	\$2 billion
Taxes to New York State	\$491 million

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The effect of the successive rounds of spending from direct expenditures on wages and benefits and from such nonlabor purchases as building rentals, food purchases or laundry services generated a total of 56,900 jobs in the state and total wages of \$2 billion. Most of the visitor activity is concentrated at major arts venues in New York City.

### Arts-Motivated Visitor Expenditures at New York City Venues

As described in the New York City Visitors to the Arts chapter, 7.5 million visitors traveled to New York City in 2005 primarily for the arts or extended a trip made for another purpose because of the arts. These arts-motivated visitors made ancillary expenditures of \$3.7 billion during their trips. Of the 7.5 million, 5.7 million were from outside New York State and therefore are considered visitors to the state. These out-of-state arts-motivated visitors made ancillary expenditures of \$3.4 billion in New York State.

## I. All Visitors to the Arts at a Sample of Venues outside New York City

In addition to the surveys conducted in New York City, the findings of the surveys conducted at other state venues illustrate the extent to which cultural events draw visitors beyond their localities, including out-of-state visitors. The surveys also provided considerable detail on the ancillary spending patterns for all visitors and arts-motivated visitors from outside the state.

### Buffalo

In Buffalo, two cultural organizations participated in this study: the Albright-Knox Art Gallery, with a total annual attendance of 132,000, and the 15-week-long Broadway Season at Shea's Performing Arts Center, with attendance of 213,000 analyzed for this study.

The findings show these cultural organizations to be significant community resources.

- Nearly 90 percent of visitors at the Albright-Knox Art Gallery and Shea's Performing Arts Center's Broadway Season come from within New York State, with 66 percent coming from within 50 miles.
- Forty-two percent of visitors at the Albright-Knox Art Gallery ranked culture as an important reason for living in the Buffalo area. An equal number cited career opportunities, but this was less than the proportion citing family ties, 83 percent, or educational opportunities, which were 51 percent.
- At Shea's Performing Arts Center's Broadway Season, 72 percent of visitors from beyond 50 miles reported that the arts were an important factor in their decision to come to the area.

These visitors spent \$21.1 million on ancillary expenditures while in Buffalo. Visitors coming from within 50 miles spent an average of \$28 on ancillary expenditures, while those coming from farther than 50 miles spent an average of \$81. Visitors from within 50 miles constituted two out of three visitors, but their total ancillary spending constituted 43 percent of total ancillary spending. The largest category of expenditure was food, which accounted for 66 percent of these expenditures. Car expenses, including gas and parking, were the next largest category, accounting for 13 percent. The expenditures of visitors coming from farther than 50 miles was more dispersed among the categories than those of their counterparts from Buffalo and its immediate environs. Food was still the most important category of expenditure, accounting for 44 percent of the ancillary expenditures of this group. Shopping was the next-largest category, accounting for 20 percent of ancillary spending.



### Visitor Characteristics at Surveyed Venues outside New York City – 2005

	Saratoga	Albright-Knox	Purchase	Shea's Performing Arts
Total Attendance	113,000	132,000	49,000	213,000
Percent of Attendance from Area	54%	78%	62%	59%
Percent of Attendance from outside State	23%	11%	29%	16.30%
Attendees from outside State	25,980	14,520	14,337	34,692
Percent of Out-of-State Arts-Motivated Visitors	62%	40%	100%	57.4%

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#### Saratoga Performing Arts Center

Attendance at the Saratoga Performing Arts Center (SPAC) was 113,000 in the 2005 summer season. A total of 54 percent of these attendees came from within 50 miles of SPAC, 23 percent came from other parts of New York State, and 23 percent came from outside the state. The findings of the survey reveal that SPAC is an important community resource for residents of the area and a significant tourist draw.

Among attendees from within 50 miles of Saratoga Springs, culture was considered an important reason for living in the area by 61 percent of respondents. This was second only to family ties, which 76 percent reported was an important reason. Career opportunity was cited by 45 percent as an important reason for living in the Saratoga Springs area, and educational opportunities were cited by 25 percent.

These 61,000 area residents who went to SPAC in 2005 spent a total of \$3.9 million on ancillary expenditures, or \$64 on average per person. The major categories of ancillary expenditures among this group were food, 54 percent; car expenses, 16 percent; and shopping, 14 percent.

SPAC is also an important tourist destination. Among visitors from farther than 50 miles away, 62 percent reported that they were in the area to attend cultural activities; 26 percent cited visiting friends and relatives as the primary reason for their trip, followed by 4 percent who came for sightseeing. The median length of stay of these visitors was 2.6 days. These visitors from outside the area spent a total of \$26 million, or \$504 on average per trip and \$194 per day. The major categories of ancillary expenditures were hotels, which accounted for 34 percent of these expenditures; food, accounting for 31 percent; and shopping, accounting for 15 percent.

In total, visitors to SPAC spent \$30 million on ancillary expenditures in the Saratoga Springs area. Thirty-four percent of these expenditures were for food, 30 percent for hotel accommodations, 15 percent for shopping, 10 percent for transportation, and 8 percent for other types of entertainment.

#### Purchase College Performing Arts Center

The Purchase College Performing Arts Center had attendance of 49,437 in 2005. Seventy-one percent of these visitors were from New York State and 29 percent from Connecticut. Although the Purchase College Performing Arts Center draws a small percentage of its audience from more than 50 miles away, the surveys that were conducted during the 2005 season did not yield a sample of these visitors large enough to analyze separately.

Visitors at the Purchase College Performing Arts Center spent a total of \$1.8 million in the area on ancillary expenditures, or \$36 per person on average. Sixty-one percent of these expenditures were made on food.

# Visitors to the Arts

## *New York State*

### II. Arts-Motivated Visitors at Venues Surveyed outside New York City

As indicated in the table on the previous page, each of the venues participating in the study outside New York City drew visitors from outside New York State whose primary trip purpose was to visit an arts event. These venues, with 507,226 in total attendance, attracted 89,528 visitors from outside New York State. Of these, 63 percent of the arts-motivated visitors, or a total of 56,400, indicated that they had come to New York State to attend cultural activities.

#### **Total Spending of Arts-Motivated Visitors in New York State**

The direct expenditures of all arts-motivated visitors at venues surveyed in New York City as well as across the state totaled \$3.4 billion. This is composed primarily of visitors to New York City, whose direct expenditures, excluding those of state resident visitors to the city, were \$3.4 billion. These expenditures, combined with \$8.5 million from arts-motivated visitors to other New York State venues, were made primarily on restaurants and hotels, each of which accounted for 32 percent. Shopping accounted for 15 percent, travel to New York 9 percent, other entertainment 5 percent, and local transportation 4 percent.

#### **Industries Most Affected by Arts-Motivated Spending**

The economic impact multiplier for this component of the arts industry is 1.7, which means that for every dollar of direct spending, another 70 cents of economic activity is generated in New York State. This is a relatively small multiplier and is based on the high proportion of lower-wage jobs in the hospitality and leisure sector. As in every industry segment, there is also some amount of leakage to areas outside the state from the wages of commuters and payments to suppliers that are based elsewhere.

The industries most affected by the full impact of the ancillary spending of arts-motivated visitors in New York State as measured by sales are air transportation, hotels and local transit, restaurants, finance and insurance, retail trade, real estate and other entertainment.

As measured by the total number of jobs created, the New York State industries most affected by visitors to the arts are restaurants, air transportation, hotels and local transit, retail trade, other entertainment, and health services and hospitals.

### **Taxes Generated to New York State**

Taxes accruing to New York State from visitor spending are estimated at \$491 million in 2005 and comprise:

Personal Income Taxes	\$118 million
Business Taxes	\$22 million
Sales Taxes	\$351 million
<b>Total Taxes to New York State</b>	<b>\$491 million</b>

These taxes are generated on direct, indirect and induced expenditures. In this sector of the arts, direct expenditures results in 82 percent of the taxes generated. This is due to the heavy sales tax component of much visitor spending, particularly the hotel tax, which generated \$148 million, and sales tax on meals, estimated at \$90 million.

#### **Methodology**

In order to estimate the ancillary spending of out-of-state visitors coming for the arts, surveys were conducted at venues with high out-of-state attendance. Most of these venues are in New York City. The description of the sample in New York City and detailed findings from the surveys are in the New York City Visitors to the Arts chapter.

Outside New York City, surveys were conducted at a sample of cultural venues across the state—in Buffalo at the Albright-Knox Art Gallery and Shea's Performing Arts Center, in Saratoga at the Saratoga Performing Arts Center and at the Purchase College Performing Arts Center. In total 1,846 completed surveys from these venues were analyzed.

# Arts as an Export Industry



The contribution of the arts industry to the economy of New York State is especially significant because of its capacity to draw purchasing power into the area from the rest of the nation and the world. For example, the arts can be considered as an export when they attract visitors who spend substantial amounts on local purchases of goods and services, including hotels and restaurants. Where locally made films and television programs are sold to national and global audiences, the vast majority of direct production expenditures becomes an export for the New York City and New York State economies.

In New York State, as much as \$8.2 billion, or 63 percent of total direct expenditures of \$13 billion, for the arts industry in 2005 could be considered as an export from the state.

Arts-motivated visitors and motion picture and television production provide the greatest share of exports for New York State. All arts-motivated visitor spending represents an export. More than four-fifths of film and television production expenditures are an export for the state. Three-fourths of commercial theater, which attracts a significant number of out-of-state visitors, as well as literally exporting productions on the Broadway road, and almost half of the patrons of art galleries and auction houses can be considered as generating exports for the state.

Nonprofit cultural organizations in New York State depend on earned income for 44 percent of total resources, and most of this income, from admissions and concessions, is from attendees drawn from nearby communities. Contributions from both government and private sources are also largely from within the state. Despite this, a substantial volume of direct expenditures, \$128 million, is estimated to be an export for New York State. This is based on spending for admissions and for the purchase of concession or retail items by out-of-state patrons.

## Export Component of Direct Expenditures of the Arts Industry in New York State – 2005

	Export Component	Percentage of Direct Expenditure
Arts-Motivated Visitors	\$3.4 billion	100%
Motion Picture & Television Production	\$3.6 billion	82%
Commercial Theater	\$750 million	75%
Nonprofit Culture	\$128 million	4%
Art Galleries & Auction Houses	\$329 million	48%
<b>Total</b>	<b>\$8.2 billion</b>	<b>63%</b>

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# New York State Economic Development Regions and Counties



Source: Empire State Development Corporation

The arts industry in New York State and New York City generates financial flows and productive activities that are integral and sizable parts of their economic bases. The stream of expenditures that originates with the activities of any particular arts institution or by arts-motivated visitors is the source for new payrolls, business purchases, consumer purchases by workers and arts visitors, and tax payments to government. Moreover, each dollar spent directly within the industry generates a multiplier effect that benefits many other sectors throughout the economies of New York City and New York State.

Direct expenditures for each component of the arts were estimated by using government and industry information supplemented with surveys and interviews. General government data sources included IRS Form 990 records, 2004; U.S. Census of Business, 2002; New York State Labor Department ES202, 2005; and NAICS information. Arts industry sources included New York State Council on the Arts 2005 applications reporting on the year 2004; aggregated motion picture and television budgets from the city and state tax credit incentive program in the film industry, 2005 and League of American Theatres and Producers information on new productions and playing week budgets and attendance, 2005 season.

Surveys were sent to 626 commercial art galleries. A total of approximately 12,000 visitor surveys from 11 different venues were analyzed. Extensive interviews were conducted in each sector and yielded specific data on suppliers and employment as well as interpretive insights. All direct expenditure estimates and economic impact findings are expressed in 2005 dollars; however, the details presented on nonprofit expenditures by discipline and size of organization are noted in 2004 dollars, the year of the data.

The direct expenditures of each component were analyzed by using the regional input-output model developed by the Port Authority of New York and New Jersey, which has been calibrated at the state and city geographic level for this analysis. The input-output method depicts the structure of sales and purchases throughout the various sectors of a given economy, tracing the ripple effect of direct expenditures from industry to industry. Each dollar of direct spending within New York State or New York City generates a multiplier effect that benefits many other sectors throughout that area's economy.

The multiplier, or ripple, effect comprises two distinct components:

- The indirect effect traces the additional economic activity from direct expenditures as suppliers ranging from fabric wholesalers to restaurants make their own purchases of materials and hire labor in response to the demand created by the direct expenditures.
- The induced effect traces the spending of wage earners at the arts institutions and hospitality venues on food, shelter, clothing and the like.

This multiplier effect continues to ripple through the economy of New York State and New York City in diminishing rounds of spending until all the dollars have either been spent within or leaked out of the area.

The results show the total impact, total earnings and total employment in New York State and New York City. Multipliers for each of these measures are expressed as total output, earnings or employment impact divided by the initial direct expenditures, earnings or employment. For example, an output multiplier of two means that for every dollar in direct spending, there is an additional dollar generated in indirect and induced spending within the impact area.

Tax revenues attributable to the arts sector are estimated by using effective tax rates at the level for New York State and for New York City.

# Appendix A

## Average Motion Picture & Television Expenditures in New York City & State – 2005

Average Expenditures		Expenditures by Geographic Location		
		New York City	Other New York	Outside New York
<b>Motion Pictures with Budgets Greater than \$10 M (18 in sample)</b>				
<b>Above the Line</b>	\$17,454,676	74.6%	7.7%	17.7%
<b>Production</b>	\$21,296,312	86.9%	7.9%	5.2%
<b>Post-Production</b>	\$5,407,988	39.4%	0.4%	60.2%
<b>Other</b>	\$2,362,133	30.4%	0.7%	68.8%
<b>Total</b>	\$46,521,109	73.9%	6.6%	19.5%
<b>Motion Pictures with Budgets Less than \$10 M (33 in sample)</b>				
<b>Above the Line</b>	\$765,396	69.8%	28.3%	1.9%
<b>Production</b>	\$1,944,312	75.2%	21.5%	3.3%
<b>Post-Production</b>	\$384,482	68.5%	19.6%	12.0%
<b>Other</b>	\$398,847	63.0%	28.4%	8.7%
<b>Total</b>	\$3,493,037	71.9%	23.6%	4.6%
<b>Television Series (18 in sample)</b>				
<b>Above the Line</b>	\$17,432,415.83	74.6%	2.4%	23.0%
<b>Production</b>	\$18,952,911.39	86.7%	6.1%	7.2%
<b>Post-Production</b>	\$2,726,675.61	22.4%	1.2%	76.4%
<b>Other</b>	\$2,603,328.11	67.6%	1.9%	30.5%
<b>Total</b>	\$41,715,330.94	75.3%	5.0%	19.7%
<b>Pilots (7 in sample)</b>				
<b>Above the Line</b>	\$1,450,561.86	81.8%	0.0%	18.2%
<b>Production</b>	\$3,395,730.73	97.6%	1.3%	1.1%
<b>Post-Production</b>	\$262,491.86	23.1%	0.0%	76.9%
<b>Other</b>	\$102,917.86	18.7%	0.0%	81.3%
<b>Total</b>	\$5,211,702.31	87.6%	1.1%	11.2%

### Definitions

<b>Above the Line</b>	story, producers, directors, talent
<b>Production</b>	production staff, set and costumes, camera and equipment and sound production staff, set and costumes
<b>Post-Production</b>	editing, music, visual effects
<b>Other</b>	insurance, publicity, general expense

Source: New York State Governor's Office for Motion Picture and Television Development

## Nonprofit Organization Disciplines

The disciplines used in this study are drawn primarily from NYSCA files and are the classifications by which the NYSCA categorizes grant applicants with some modifications, including the addition of zoos and botanical gardens.

**Architecture, Planning & Design:** Organizations focusing on architecture, landscape architecture, planning, historic preservation and/or graphic and industrial design

**Arts Service Organizations:** Organizations that foster the arts by supporting individual artists, nonprofit arts organizations and/or the commercial art sectors, including funding organizations, artist leagues and research and advocacy organizations, among others

**Art Centers:** Centers providing multidisciplinary arts programming for the surrounding community

**Arts Councils:** Organizations whose mission is to support, promote and develop the arts in a particular area

**Arts Education:** Art schools and other educational programs focusing on the arts, including those conducted in schools; service organizations that support and/or advocate for arts education

**Dance:** Dance companies, arts centers and performance facilities focusing on dance; service organizations and other organizations supporting dance through research, advocacy and/or financial support

**Electronic Media & Film:** A broad range of organizations including nonprofit film, video, radio, television, sound art and new media

**Folk Arts:** Organizations practicing or working to preserve traditional art forms such as music, dance, drama, crafts, visual arts and storytelling; festivals; service organizations and other organizations relating to traditional arts

**Literature:** A wide range of organizations including small presses, literary magazine publications, and arts centers; festivals; other organizations focusing on literature

**Multidisciplinary:** Multidisciplinary fairs, festivals, parades and performance groups, among others

**Museums:** Museums of any genre, historic sites and museum service organizations

**Music & Opera:** Musical performing groups, including opera and musical theater, as well as service organizations, performance facilities, arts centers, festivals and cultural series organizations focusing on music and opera

**Presenting Organizations:** Organizations that present professional performing artists, usually in their own facility

**Special Arts Services:** Arts centers and other organizations focusing on professional arts activities within and serving minority communities, including those focusing on distinct ethnic traditions

**Theater:** Theater companies, as well as service organizations, performance facilities, arts centers, festivals and cultural series organizations focusing on theater

**Visual Arts:** Nonprofit galleries and other exhibition spaces, workspace facilities, arts centers and a range of arts service organizations focusing on the visual arts

**Zoos & Botanical Gardens:** Zoos, aquariums and botanical gardens

**Other:** Those categories with too few organizations to be listed separately

# Appendix B 1

## Nonprofit Cultural Organizations – New York State

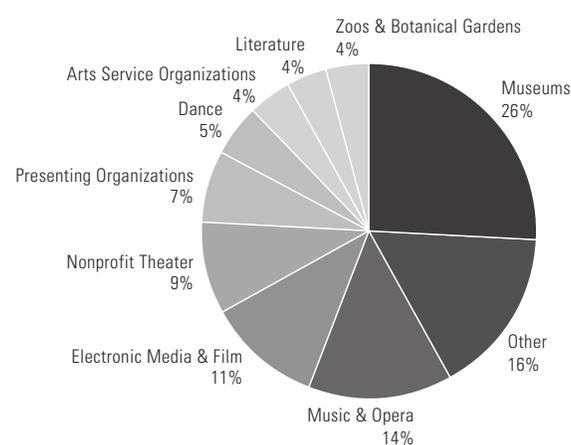
**Total Groups: 2,628 Number of Groups outside New York City: 1,216**

Aggregate Expenditure Patterns – 2004

Expenditure Category	Expenditures	Percent of Total
Personnel, Including Benefits	\$1,707,264,250	50.5%
Outside Artistic Fees & Services	\$180,502,517	5.3%
Other Outside Fees & Services	\$348,525,844	10.3%
Space	\$167,299,623	5.0%
Marketing & Advertising	\$136,573,720	4.0%
Supplies	\$73,837,604	2.2%
Printing & Publishing	\$82,089,453	2.4%
Travel	\$58,334,139	1.7%
Telephone, Postage & Shipping	\$63,030,090	1.9%
Equipment	\$54,860,364	1.6%
Regrants	\$45,503,024	1.3%
Interest	\$38,844,162	1.2%
Other	\$422,966,138	12.5%
<b>Total</b>	<b>\$3,379,630,928</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$3,379,630,928



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	720	27.4%	\$21,912,735	0.6%
\$50,000–\$99,999	496	18.9%	\$36,232,312	1.1%
\$100,000–\$499,999	773	29.4%	\$176,644,915	5.2%
\$500,000–\$999,999	209	8.0%	\$142,305,443	4.2%
\$1 M–\$9.9 M	379	14.4%	\$1,079,070,916	31.9%
\$10 M–\$49.9 M	40	1.5%	\$805,130,105	24.0%
Over \$50 M	11	0.4%	\$1,118,334,502	33.0%
<b>Total</b>	<b>2,628</b>	<b>100%</b>	<b>\$3,379,630,928</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

### Highlights outside New York City

**Largest Museums:** Corning Museum of Glass | National Baseball Hall of Fame and Museum, Cooperstown | Historic Hudson Valley, Tarrytown | Albright-Knox Art Gallery, Buffalo | George Eastman House, Rochester | Strong Museum, Rochester

**Largest Music Organizations:** Buffalo Philharmonic Orchestra Society | Rochester Philharmonic Orchestra | Glimmerglass Opera, Cooperstown | Syracuse Symphony Orchestra

**Largest Electronic Media & Film Organizations:** Western New York Public Broadcasting, Buffalo | WAMC Performing Arts Studio, Albany | Jacob Burns Film Center, Pleasantville

**Largest Theater Organizations:** Rochester Broadway Theatre League | Proctor's Theatre, Schenectady | Geva Theatre Center, Rochester | Syracuse Stage | Capital Repertory Theatre, Albany

**Largest Presenting Organizations:** Shea's Performing Arts Center, Buffalo | Saratoga Performing Arts Center | Caramoor Center for Music and Arts, Katonah | Center for the Arts at the University at Buffalo

**Other Major Groups:** Chautauqua Institution | Munson-Williams-Proctor Arts Institute, Utica | Rochester Museum and Science Center | Adirondack Museum, Blue Mountain Lake | Studio Arena Theatre, Buffalo

# Appendix B 1.1

## Nonprofit Cultural Organizations – Capital Region

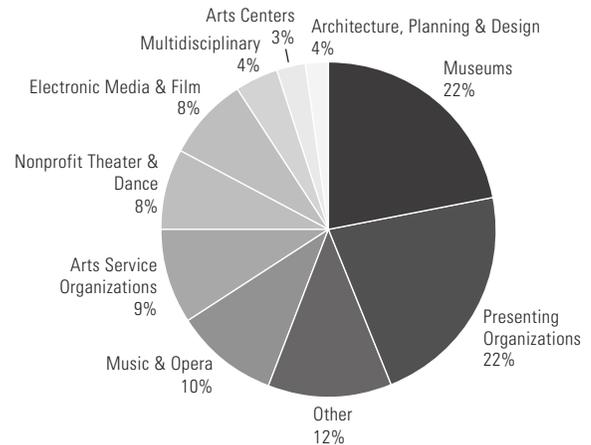
**Total Groups: 169**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$29,584,692	42.3%
Outside Artistic Fees & Services	\$9,542,563	13.6%
Other Outside Fees & Services	\$6,747,690	9.6%
Space	\$3,009,212	4.3%
Marketing & Advertising	\$3,615,042	5.2%
Supplies	\$1,285,989	1.8%
Printing & Publishing	\$2,420,147	3.5%
Travel	\$1,039,150	1.5%
Telephone, Postage & Shipping	\$1,472,198	2.1%
Equipment	\$1,169,502	1.7%
Regrants	\$605,056	0.9%
Interest	\$413,769	0.6%
Other	\$8,989,440	12.9%
<b>Total</b>	<b>\$69,894,450</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$69,894,450



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	53	31.4%	\$1,362,834	2.0%
\$50,000–\$99,999	29	16.6%	\$2,797,974	4.0%
\$100,000–\$499,999	61	36.1%	\$13,377,104	19.1%
\$500,000–\$999,999	9	5.9%	\$6,038,473	8.6%
\$1 M–\$9.9 M	17	10.1%	\$46,318,065	66.3%
<b>Total</b>	<b>169</b>	<b>100%</b>	<b>\$69,894,450</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Presenting Organizations:** Saratoga Performing Arts Center | Proctor’s Theatre, Schenectady | Palace Theatre, Albany

**Largest Museums:** Albany Institute of History & Art | National Museum of Racing and Hall of Fame, Saratoga Springs

**Largest Music Organization:** Albany Symphony Orchestra

**Other Major Groups:** WAMC Performing Arts Studio, Albany | Catskill Mountain Foundation, Hunter | Capital Repertory Theatre, Albany Yaddo, Saratoga Springs | Hyde Collection, Glens Falls | Olana Partnership, Hudson | Troy Savings Bank Music Hall | New York State Museum, Albany | National Museum of Dance & Hall of Fame, Saratoga Springs

# Appendix B 1.2

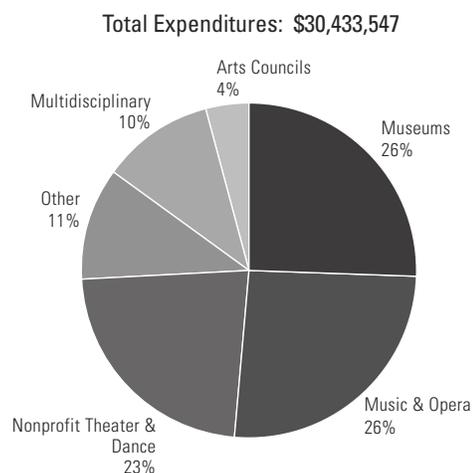
## Nonprofit Cultural Organizations – Central New York

**Total Groups: 76**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$14,379,145	47.2%
Outside Artistic Fees & Services	\$2,416,652	7.9%
Other Outside Fees & Services	\$4,177,144	13.7%
Space	\$1,251,572	4.1%
Marketing & Advertising	\$1,891,423	6.2%
Supplies	\$506,185	1.7%
Printing & Publishing	\$1,069,164	3.5%
Travel	\$547,011	1.8%
Telephone, Postage & Shipping	\$635,120	2.1%
Equipment	\$502,239	1.7%
Regrants	\$230,526	0.8%
Interest	\$142,944	0.5%
Other	\$2,684,422	8.8%
<b>Total</b>	<b>\$30,433,547</b>	<b>100%</b>

### Expenditures by Organization Discipline



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	25	32.9%	\$649,965	2.1%
\$50,000–\$99,999	14	18.4%	\$1,007,139	3.3%
\$100,000–\$499,999	24	31.6%	\$5,723,629	18.8%
\$500,000–\$999,999	3	3.9%	\$2,058,771	6.8%
\$1 M–\$9.9 M	10	13.2%	\$20,994,043	69.0%
<b>Total</b>	<b>76</b>	<b>100%</b>	<b>\$30,433,547</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Music Organizations:** Syracuse Symphony Orchestra | Syracuse Opera

**Largest Museums:** Milton J. Rubenstein Museum of Science & Technology, Syracuse | Everson Museum of Art, Syracuse  
Onondaga Historical Association, Syracuse

**Largest Theater Organizations:** Syracuse Stage | United States Institute for Theatre Technology, Syracuse

**Other Major Group:** The Redhouse, Syracuse

# Appendix B 1.3

## Nonprofit Cultural Organizations – Finger Lakes

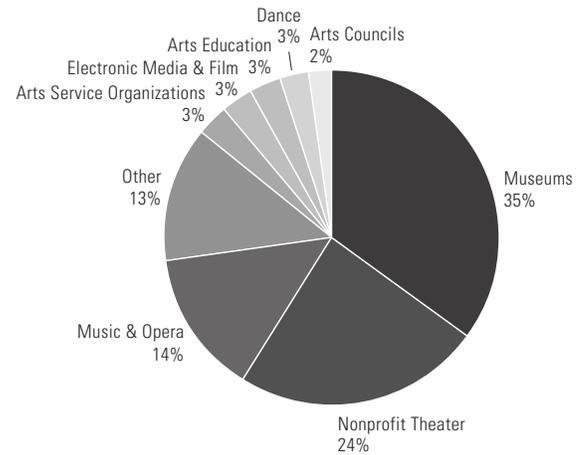
**Total Groups: 119**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$36,482,832	48.1%
Outside Artistic Fees & Services	\$11,629,934	15.3%
Other Outside Fees & Services	\$6,866,588	9.0%
Space	\$2,655,800	3.5%
Marketing & Advertising	\$4,080,167	5.4%
Supplies	\$1,306,053	1.7%
Printing & Publishing	\$1,940,175	2.6%
Travel	\$1,039,874	1.4%
Telephone, Postage & Shipping	\$1,267,133	1.7%
Equipment	\$1,069,247	1.4%
Regrants	\$273,705	0.4%
Interest	\$695,648	0.9%
Other	\$6,568,979	8.7%
<b>Total</b>	<b>\$75,876,135</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$75,876,135



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	39	32.8%	\$1,127,459	1.5%
\$50,000–\$99,999	22	18.5%	\$1,481,719	2.0%
\$100,000–\$499,999	40	33.6%	\$8,486,748	11.2%
\$500,000–\$999,999	6	5.0%	\$4,019,095	5.3%
\$1 M–\$9.9 M	11	9.2%	\$48,655,817	64.1%
\$10 M–\$49.9 M	1	0.8%	\$12,105,297	16.0%
<b>Total</b>	<b>119</b>	<b>100%</b>	<b>\$75,876,135</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** George Eastman House, Rochester | Strong Museum, Rochester | Rochester Museum & Science Center  
Memorial Art Gallery of the University of Rochester

**Largest Theater Organizations:** Rochester Broadway Theatre League | Geva Theatre Center, Rochester

**Largest Music Organization:** Rochester Philharmonic Orchestra

**Largest Dance Organization:** Garth Fagan Dance, Rochester

**Other Major Groups:** Genesee Country Village & Museum, Mumfordsville | Hochstein School of Music & Dance, Rochester  
Little Theatre Film Society, Rochester

# Appendix B 1.4

## Nonprofit Cultural Organizations – Long Island

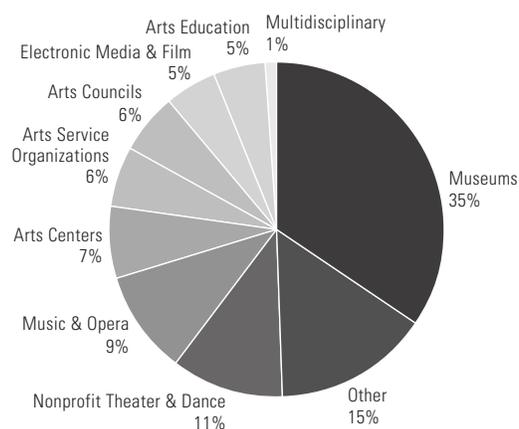
**Total Groups: 225**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$29,904,583	42.6%
Outside Artistic Fees & Services	\$6,228,812	8.9%
Other Outside Fees & Services	\$7,299,327	10.4%
Space	\$4,970,046	7.1%
Marketing & Advertising	\$4,250,726	6.0%
Supplies	\$1,073,359	1.5%
Printing & Publishing	\$2,778,747	4.0%
Travel	\$1,140,373	1.6%
Telephone, Postage & Shipping	\$1,590,000	2.3%
Equipment	\$1,248,927	1.8%
Regrants	\$852,938	1.2%
Interest	\$215,666	0.3%
Other	\$8,667,166	12.3%
<b>Total</b>	<b>\$70,220,670</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$70,220,670



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	92	40.9%	\$2,716,544	3.9%
\$50,000–\$99,999	41	18.2%	\$2,923,025	4.2%
\$100,000–\$499,999	59	26.2%	\$12,452,022	17.7%
\$500,000–\$999,999	13	5.8%	\$8,513,583	12.1%
\$1 M–\$9.9 M	20	8.9%	\$43,615,496	62.1%
<b>Total</b>	<b>225</b>	<b>100%</b>	<b>\$70,220,670</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Cradle of Aviation Museum, Garden City | Long Island Museum of American Art, History & Carriages, Stony Brook  
Parrish Art Museum, Southampton | Nassau County Museum of Art, Roslyn Harbor

**Largest Theater Organizations:** Bay Street Theatre, Sag Harbor | Broadhollow Players, East Islip

**Largest Music Organization:** Island Philharmonic Society, Melville

**Other Major Groups:** New York State School Music Association, Westbury | Guild Hall, East Hampton | Vanderbilt Museum, Centerport  
Cinema Arts Centre, Huntington | Westhampton Beach Performing Arts Center | Friends of the Arts, Locust Valley  
Inter-Media Art Center, Huntington | Pollock-Krasner House and Study Center, East Hampton

# Appendix B 1.5

## Nonprofit Cultural Organizations – Mid-Hudson

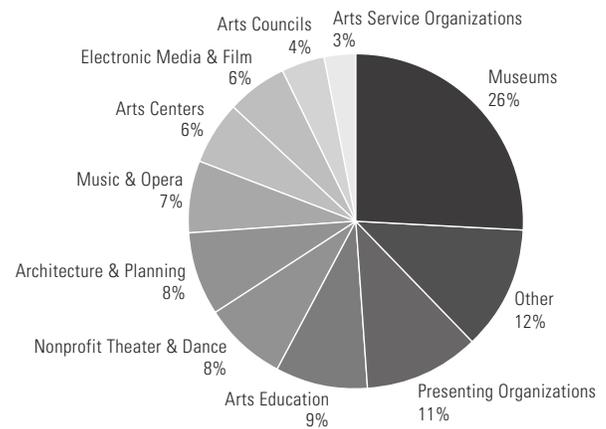
**Total Groups: 288**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$48,401,201	48.1%
Outside Artistic Fees & Services	\$7,797,313	7.7%
Other Outside Fees & Services	\$10,596,823	10.5%
Space	\$6,763,294	6.7%
Marketing & Advertising	\$5,995,152	6.0%
Supplies	\$1,444,467	1.4%
Printing & Publishing	\$3,626,346	3.6%
Travel	\$1,880,909	1.9%
Telephone, Postage & Shipping	\$2,084,023	2.1%
Equipment	\$1,640,060	1.6%
Regrants	\$1,718,674	1.7%
Interest	\$309,569	0.3%
Other	\$8,439,618	8.4%
<b>Total</b>	<b>\$100,697,449</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$100,697,449



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	95	33.0%	\$2,965,098	2.9%
\$50,000–\$99,999	57	19.8%	\$4,057,869	4.0%
\$100,000–\$499,999	90	31.2%	\$19,653,979	19.5%
\$500,000–\$999,999	25	8.7%	\$17,028,426	16.9%
\$1 M–\$9.9 M	21	7.3%	\$56,992,077	56.6%
<b>Total</b>	<b>288</b>	<b>100%</b>	<b>\$100,697,449</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Historic Hudson Valley, Tarrytown | Dia:Beacon | Hudson River Museum, Yonkers | Storm King Art Center, Mountainsville  
Katonah Museum of Art Katonah

**Largest Presenting Organizations:** Caramoor Center for Music and the Arts, Katonah | Fisher Center for the Performing Arts at Bard College, Annandale-on-Hudson

**Largest Arts Education Organizations:** Hoff-Barthelson Music School, Scarsdale | Dance Educators of America, Pelham

**Largest Theater Organizations:** Helen Hayes Theater Company, Nyack | Hudson Valley Shakespeare Festival, Cold Spring

**Other Major Groups:** Jacob Burns Film Center, Pleasantville | Music Conservatory of Westchester, White Plains  
Northern Westchester Center for the Arts, Mt. Kisco | Westchester Arts Council, White Plains | Bardavon 1869 Opera House, Poughkeepsie  
Neuberger Museum of Art, Purchase | Lyndhurst, Tarrytown | Performing Arts Center at Purchase College  
Frances Lehman Loeb Art Center at Vassar College, Poughkeepsie | Center for Photography at Woodstock

# Appendix B 1.6

## Nonprofit Cultural Organizations – Mohawk Valley

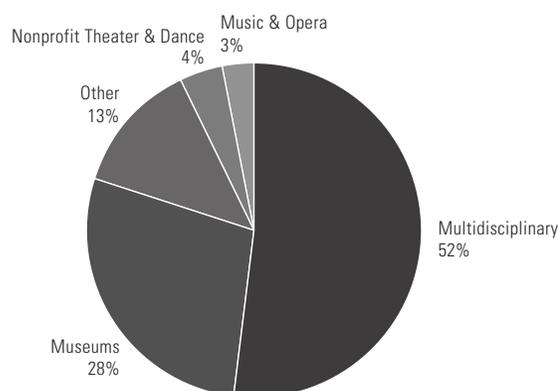
**Total Groups: 37**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$11,446,748	49.4%
Outside Artistic Fees & Services	\$1,218,231	5.3%
Other Outside Fees & Services	\$2,085,605	9.0%
Space	\$1,049,809	4.5%
Marketing & Advertising	\$1,066,308	4.6%
Supplies	\$629,577	2.7%
Printing & Publishing	\$611,293	2.6%
Travel	\$292,361	1.3%
Telephone, Postage & Shipping	\$448,338	1.9%
Equipment	\$366,349	1.6%
Regrants	\$84,466	0.4%
Interest	\$300,597	1.3%
Other	\$3,577,935	15.4%
<b>Total</b>	<b>\$23,177,617</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$23,177,615



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	10	27.0%	\$321,642	1.4%
\$50,000–\$99,999	7	18.9%	\$473,542	2.0%
\$100,000–\$499,999	16	43.2%	\$3,511,430	15.2%
\$500,000–\$999,999	1	2.7%	\$661,980	2.9%
\$1 M–\$9.9 M	2	5.4%	\$6,518,581	28.1%
\$10 M–\$4.9 M	1	2.7%	\$11,690,440	50.4%
<b>Total</b>	<b>37</b>	<b>100%</b>	<b>\$23,177,615</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Multidisciplinary Organization:** Munson-Williams-Proctor Arts Institute, Utica

**Largest Museum:** Adirondack Museum, Blue Mountain Lake

**Largest Theater Organization:** Broadway Theatre League of Utica

**Largest Music Organization:** Utica Symphony Orchestra

# Appendix B 1.7

## Nonprofit Cultural Organizations – North Country

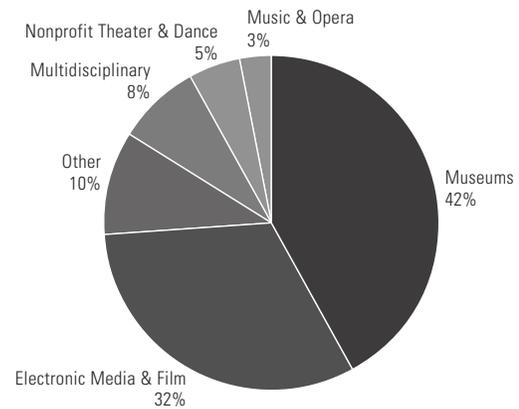
**Total Groups: 51**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$6,577,056	48.7%
Outside Artistic Fees & Services	\$918,719	6.8%
Other Outside Fees & Services	\$1,296,659	9.6%
Space	\$812,123	6.0%
Marketing & Advertising	\$676,714	5.0%
Supplies	\$189,072	1.4%
Printing & Publishing	\$553,711	4.1%
Travel	\$262,366	1.9%
Telephone, Postage & Shipping	\$310,619	2.3%
Equipment	\$243,093	1.8%
Regrants	\$177,602	1.3%
Interest	\$27,010	0.2%
Other	\$1,460,412	10.8%
<b>Total</b>	<b>\$13,505,156</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$13,505,156



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	19	37.3%	\$502,551	3.7%
\$50,000–\$99,999	10	19.6%	\$765,781	5.7%
\$100,000–\$499,999	15	29.4%	\$3,241,217	24.0%
\$500,000–\$999,999	3	5.9%	\$1,987,446	14.7%
\$1 M–\$9.9 M	4	7.8%	\$7,008,161	51.9%
<b>Total</b>	<b>51</b>	<b>100%</b>	<b>\$13,505,156</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museum Organizations:** Fort Ticonderoga Association | Antique Boat Museum, Clayton

**Largest Electronic Media & Film Organizations:** St. Lawrence Valley Educational | Television Council, Watertown

**Largest Multidisciplinary Organization:** Lake Placid Association for Music, Drama and Art

**Other Major Group:** Frederic Remington Art Museum, Ogdensburg

# Appendix B 1.8

## Nonprofit Cultural Organizations – Southern Tier

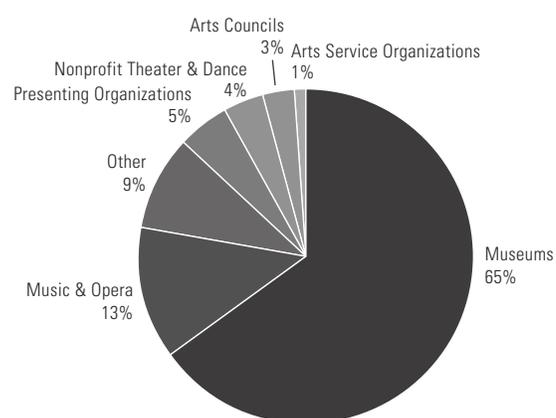
**Total Groups: 99**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$31,370,660	44.9%
Outside Artistic Fees & Services	\$2,754,951	3.9%
Other Outside Fees & Services	\$8,887,742	12.7%
Space	\$2,465,699	3.5%
Marketing & Advertising	\$2,855,873	4.1%
Supplies	\$1,689,518	2.4%
Printing & Publishing	\$1,918,879	2.7%
Travel	\$1,333,610	1.9%
Telephone, Postage & Shipping	\$1,330,894	1.9%
Equipment	\$957,798	1.4%
Regrants	\$295,096	0.4%
Interest	\$434,423	0.6%
Other	\$13,631,989	19.5%
<b>Total</b>	<b>\$69,927,132</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$69,927,132



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	25	25.3%	\$660,344	0.9%
\$50,000–\$99,999	19	19.2%	\$1,367,567	2.0%
\$100,000–\$499,999	33	33.3%	\$8,243,391	11.8%
\$500,000–\$999,999	6	6.1%	\$3,795,332	5.4%
\$1 M–\$9.9 M	14	14.1%	\$28,878,770	41.3%
\$10 M–\$49.9 M	2	2.0%	\$26,981,728	38.6%
<b>Total</b>	<b>99</b>	<b>100%</b>	<b>\$69,927,132</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Corning Museum of Glass | National Baseball Hall of Fame and Museum, Cooperstown  
Fenimore Art Museum, Cooperstown | Farmers' Museum, Cooperstown | Herbert F. Johnson Museum of Art at Cornell University, Ithaca

**Largest Music Organizations:** Glimmerglass Opera, Cooperstown | Tri-Cities Opera, Binghamton

**Largest Presenting Organizations:** Clemens Center, Elmira | Foothills Performing Arts Center, Oneonta

**Other Major Groups:** Museum of the Earth, Ithaca | Roberson Museum and Science Center, Binghamton  
Rockwell Museum of Western Art, Corning

# Appendix B 1.9

## Nonprofit Cultural Organizations – Western New York

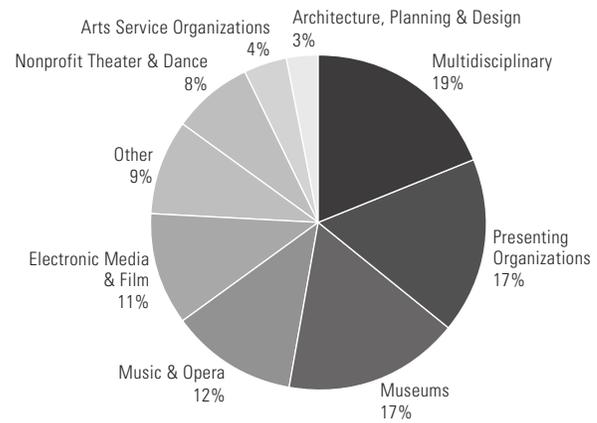
**Total Groups: 152**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$40,822,581	39.3%
Outside Artistic Fees & Services	\$11,319,350	10.9%
Other Outside Fees & Services	\$7,820,015	7.5%
Space	\$3,204,621	3.1%
Marketing & Advertising	\$6,031,117	5.8%
Supplies	\$2,090,978	2.0%
Printing & Publishing	\$2,809,108	2.7%
Travel	\$1,996,130	1.9%
Telephone, Postage & Shipping	\$1,904,292	1.8%
Equipment	\$1,572,422	1.5%
Regrants	\$469,455	0.5%
Interest	\$1,065,975	1.0%
Other	\$22,681,786	21.9%
<b>Total</b>	<b>\$103,787,830</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$103,787,830



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	55	36.2%	\$1,693,315	1.6%
\$50,000–\$99,999	32	21.1%	\$2,231,059	2.2%
\$100,000–\$499,999	39	25.7%	\$8,533,887	8.2%
\$500,000–\$999,999	12	7.9%	\$8,322,243	8.0%
\$1 M–\$9.9 M	11	7.2%	\$39,768,521	38.3%
\$10 M–\$49.9 M	3	2.0%	\$43,238,805	41.7%
<b>Total</b>	<b>152</b>	<b>100%</b>	<b>\$103,787,830</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Multidisciplinary Group:** Chautauqua Institution

**Largest Presenting Organizations:** Shea’s Performing Arts Center, Buffalo | Center for the Arts at the University at Buffalo

**Largest Museums:** Albright-Knox Art Gallery, Buffalo | Buffalo Museum of Science | Buffalo and Erie County Historical Society  
Burchfield-Penney Art Center at Buffalo State College

**Largest Music Organization:** Buffalo Philharmonic Orchestra

**Other Major Groups:** Western New York Public Broadcasting Association, Buffalo | Studio Arena Theatre, Buffalo  
Artpark and Company, Lewiston | Darwin Martin House, Buffalo

# Appendix B 2

## Nonprofit Cultural Organizations – New York City

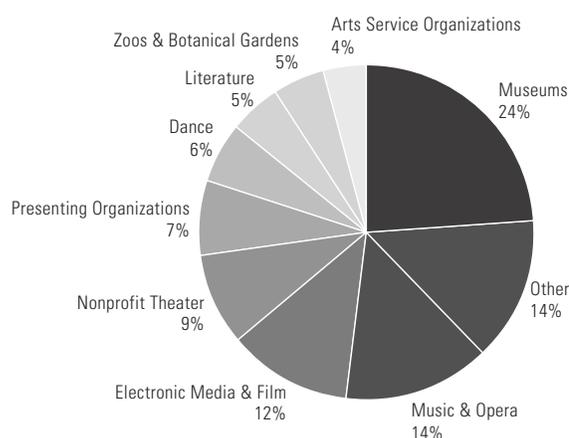
**Total Groups: 1,412**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$1,458,294,753	51.7%
Outside Artistic Fees & Services	\$126,675,991	4.5%
Other Outside Fees & Services	\$292,748,250	10.4%
Space	\$141,117,447	5.0%
Marketing & Advertising	\$106,111,198	3.8%
Supplies	\$63,617,285	2.3%
Printing & Publishing	\$64,346,881	2.3%
Travel	\$48,802,355	1.7%
Telephone, Postage & Shipping	\$51,979,059	1.8%
Equipment	\$46,084,140	1.6%
Regrants	\$40,795,506	1.4%
Interest	\$35,237,829	1.2%
Other	\$346,300,250	12.3%
<b>Total</b>	<b>\$2,822,110,945</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$2.8 B



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	307	21.7%	\$9,912,985	0.4%
\$50,000–\$99,999	265	18.8%	\$19,126,635	0.7%
\$100,000–\$499,999	396	28.1%	\$93,421,508	3.3%
\$500,000–\$999,999	131	9.3%	\$89,880,094	3.2%
\$1 M–\$9.9 M	271	19.1%	\$780,321,386	27.6%
\$10 M–\$49.9 M	31	2.2%	\$711,113,835	25.2%
Over \$50 M	11	0.8%	\$1,118,334,502	39.6%
<b>Total</b>	<b>1,412</b>	<b>100%</b>	<b>\$2,822,110,945</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Metropolitan Museum of Art | American Museum of Natural History | Museum of Modern Art  
Solomon R. Guggenheim Museum | Frick Collection | Brooklyn Museum | Whitney Museum of American Art

**Largest Music Groups:** Metropolitan Opera | New York Philharmonic | New York City Opera | Jazz at Lincoln Center

**Largest Electronic Media & Film Organizations:** Educational Broadcasting Corporation | Sesame Workshop | WNYC Radio

**Largest Theater Organizations:** Roundabout Theatre | Lincoln Center Theater | Manhattan Theatre Club | Public Theater

**Largest Dance Organizations:** New York City Ballet | American Ballet Theatre | Alvin Ailey American Dance Theater | Dance Theatre of Harlem

**Other Major Groups:** Lincoln Center for the Performing Arts | Carnegie Hall | New York Botanical Garden | Bronx Zoo  
Brooklyn Academy of Music | Brooklyn Botanic Garden | Museum of Jewish Heritage—A Living Memorial to the Holocaust  
New York City Center | New York Aquarium | New York Hall of Science | Museum of the City of New York

# Appendix B 2.1

## Nonprofit Cultural Organizations – Bronx

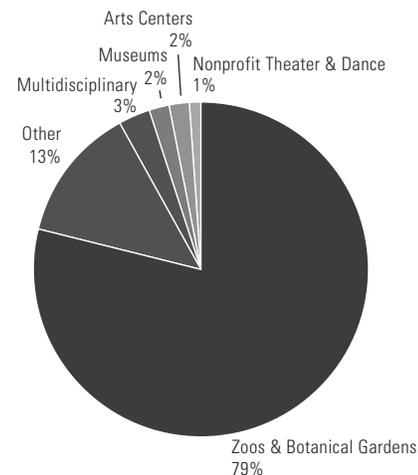
**Number of Groups: 38**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$67,031,726	55.8%
Outside Artistic Fees & Services	\$3,036,924	2.5%
Other Outside Fees & Services	\$9,256,904	7.7%
Space	\$2,940,182	2.5%
Marketing & Advertising	\$2,517,649	2.1%
Supplies	\$2,354,236	2.0%
Printing & Publishing	\$2,892,130	2.4%
Travel	\$1,557,553	1.3%
Telephone, Postage & Shipping	\$1,964,755	1.6%
Equipment	\$1,587,891	1.3%
Regrants	\$1,663,846	1.4%
Interest	\$1,020,426	0.9%
Other	\$22,264,135	18.5%
<b>Total</b>	<b>\$120,088,357</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$120,088,357



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	9	23.7%	\$250,144	0.2%
\$50,000–\$99,999	5	13.2%	\$417,057	0.3%
\$100,000–\$499,999	11	28.9%	\$3,198,078	2.7%
\$500,000–\$999,999	4	10.5%	\$3,114,935	2.6%
\$1 M–\$9.9 M	7	18.4%	\$22,080,012	18.4%
\$10 M–\$49.9 M	2	5.3%	\$91,028,131	75.8%
<b>Total</b>	<b>38</b>	<b>100%</b>	<b>\$120,088,357</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Zoos or Botanical Gardens:** New York Botanical Garden | Bronx Zoo | Wave Hill

**Largest Multidisciplinary Group:** Bronx Stage and Film Company

**Largest Museum:** Bronx Museum of the Arts

**Largest Arts Center:** Bronx River Art Center

**Other Major Groups:** Bronx Community Cable Programming Corporation | Bronx Council on the Arts | Lehman Center for the Performing Arts  
Bronx Arts Ensemble

# Appendix B 2.2

## Nonprofit Cultural Organizations – Brooklyn

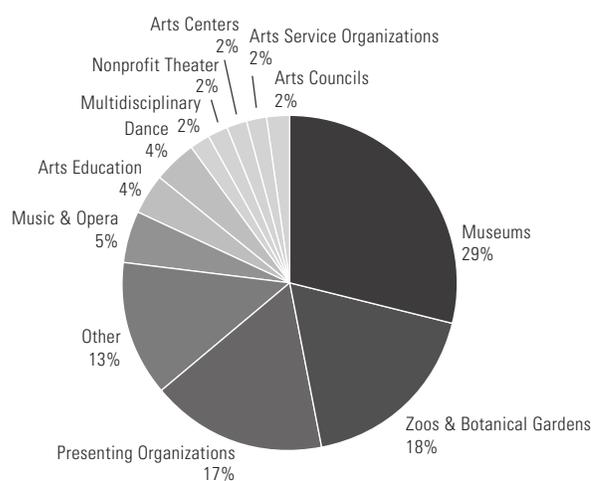
**Total Groups: 154**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$78,351,626	53.4%
Outside Artistic Fees & Services	\$11,577,990	7.9%
Other Outside Fees & Services	\$14,524,741	9.9%
Space	\$4,821,689	3.3%
Marketing & Advertising	\$5,613,449	3.8%
Supplies	\$3,247,122	2.2%
Printing & Publishing	\$3,902,445	2.7%
Travel	\$2,923,793	2.0%
Telephone, Postage & Shipping	\$2,666,460	1.8%
Equipment	\$2,159,001	1.5%
Regrants	\$881,796	0.6%
Interest	\$1,422,239	1.0%
Other	\$14,744,833	10.0%
<b>Total</b>	<b>\$146,837,184</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$146,837,184



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	40	26.0%	\$1,288,545	0.9%
\$50,000–\$99,999	37	24.0%	\$2,607,558	1.8%
\$100,000–\$499,999	40	26.0%	\$8,463,879	5.8%
\$500,000–\$999,999	12	7.8%	\$8,085,101	5.5%
\$1 M–\$9.9 M	22	14.3%	\$60,309,594	41.1%
\$10 M–\$49.9 M	3	1.9%	\$66,082,507	45.0%
<b>Total</b>	<b>154</b>	<b>100%</b>	<b>\$146,837,184</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Brooklyn Museum | Brooklyn Children’s Museum | New York Transit Museum | Brooklyn Historical Society

**Largest Zoos or Botanical Gardens:** Brooklyn Botanic Garden | New York Aquarium | Prospect Park Zoo

**Largest Presenting Organization:** Brooklyn Academy of Music

**Largest Music Organizations:** Brooklyn Philharmonic | Bargemusic | Brooklyn Youth Chorus

**Other Major Groups:** Prospect Park Alliance | Mark Morris Dance Group | Brooklyn Conservatory of Music | St. Ann’s Warehouse

# Appendix B 2.3

## Nonprofit Cultural Organizations – Manhattan

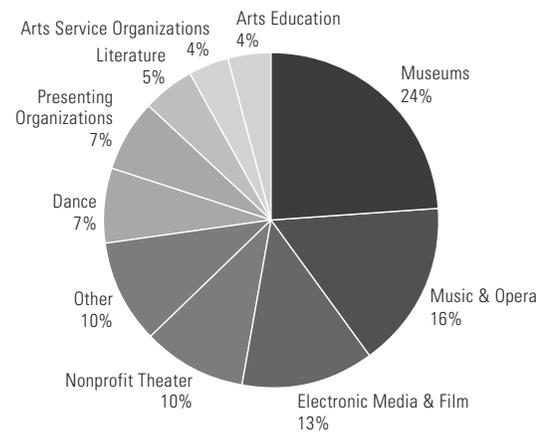
**Total Groups: 1,112**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$1,280,875,823	51.5%
Outside Artistic Fees & Services	\$107,791,400	4.3%
Other Outside Fees & Services	\$259,045,587	10.4%
Space	\$131,212,797	5.3%
Marketing & Advertising	\$95,637,937	3.8%
Supplies	\$56,728,053	2.3%
Printing & Publishing	\$54,884,950	2.2%
Travel	\$43,456,243	1.8%
Telephone, Postage & Shipping	\$45,757,069	1.8%
Equipment	\$41,078,428	1.7%
Regrants	\$35,397,162	1.4%
Interest	\$32,422,435	1.3%
Other	\$303,119,318	12.2%
<b>Total</b>	<b>\$2,487,407,202</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$2.5 B



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	227	20.4%	\$7,429,281	0.3%
\$50,000–\$99,999	199	17.9%	\$14,323,985	0.6%
\$100,000–\$499,999	320	28.8%	\$76,662,027	3.1%
\$500,000–\$999,999	105	9.4%	\$72,205,173	2.9%
\$1 M–\$9.9 M	222	20.0%	\$644,449,038	25.9%
\$10 M–\$49.9 M	28	2.5%	\$554,003,197	22.3%
Over \$50 M	11	1.0%	\$1,118,334,501	45.0%
<b>Totals</b>	<b>1,112</b>	<b>100%</b>	<b>\$2,487,407,202</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Metropolitan Museum of Art | American Museum of Natural History | Museum of Modern Art  
Solomon R. Guggenheim Museum | Frick Collection | Whitney Museum of American Art

**Largest Music Groups:** Metropolitan Opera | New York Philharmonic | New York City Opera | Jazz at Lincoln Center

**Largest Electronic Media & Film Organizations:** Educational Broadcasting Corporation | Sesame Workshop | WNYC Radio

**Largest Theater Organizations:** Roundabout Theatre | Lincoln Center Theater | Manhattan Theatre Club | Public Theater

**Largest Dance Organizations:** New York City Ballet | American Ballet Theatre | Alvin Ailey American Dance Theater

**Other Major Groups:** Lincoln Center for the Performing Arts | Carnegie Hall | New York City Center | Museum of the City of New York  
Studio Museum in Harlem | El Museo del Barrio | Museum of Jewish Heritage—A Living Memorial to the Holocaust

# Appendix B 2.4

## Nonprofit Cultural Organizations – Queens

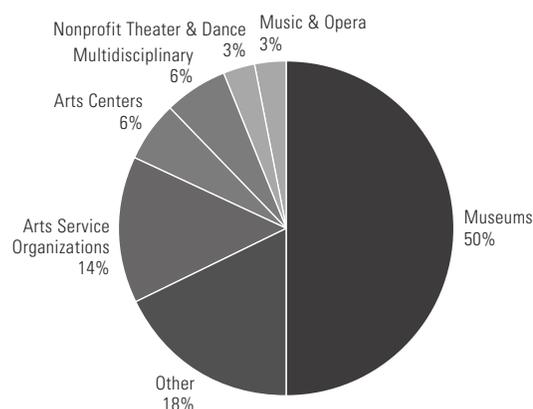
**Total Groups: 81**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$23,021,216	45.1%
Outside Artistic Fees & Services	\$2,746,809	5.4%
Other Outside Fees & Services	\$8,127,918	15.9%
Space	\$1,845,406	3.6%
Marketing & Advertising	\$1,740,521	3.4%
Supplies	\$987,976	1.9%
Printing & Publishing	\$1,789,081	3.5%
Travel	\$678,306	1.3%
Telephone, Postage & Shipping	\$1,098,084	2.2%
Equipment	\$873,236	1.7%
Regrants	\$2,701,413	5.3%
Interest	\$329,886	0.7%
Other	\$5,104,330	10.0%
<b>Total</b>	<b>\$51,044,182</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$51,044,182



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	26	32.1%	\$761,189	1.5%
\$50,000–\$99,999	17	21.0%	\$1,285,452	2.5%
\$100,000–\$499,999	19	23.5%	\$3,453,221	6.8%
\$500,000–\$999,999	7	8.6%	\$4,278,098	8.4%
\$1 M–\$9.9 M	12	14.8%	\$41,266,222	80.8%
<b>Total</b>	<b>81</b>	<b>100%</b>	<b>\$51,044,182</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** New York Hall of Science | Museum of the Moving Image | P.S.1 Contemporary Art Center | Noguchi Museum  
Museum for African Art | Queens Museum of Art

**Largest Arts Service Organization:** Cultural Collaborative Jamaica

**Largest Arts Center:** Flushing Town Hall

**Other Major Groups:** Queens Theatre in the Park | Queens Public Television | Queens Botanical Garden | Jamaica Center for Arts & Learning

# Appendix B 2.5

## Nonprofit Cultural Organizations – Staten Island

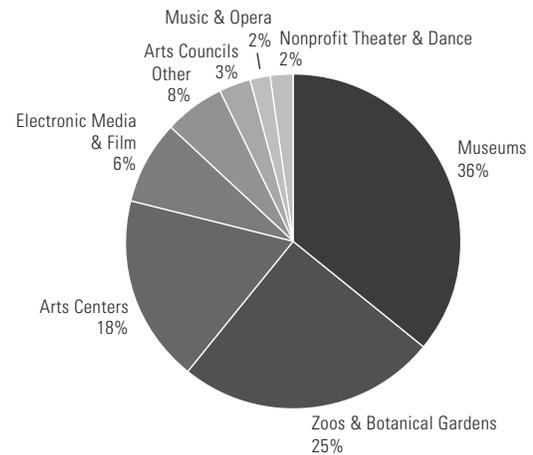
**Total Groups: 27**

Aggregate Expenditure Patterns – 2004

Expenditure Categories	Expenditures	Percent of Total
Personnel, Including Benefits	\$9,014,363	53.9%
Outside Artistic Fees & Services	\$1,528,887	9.1%
Other Outside Fees & Services	\$1,721,566	10.3%
Space	\$683,936	4.1%
Marketing & Advertising	\$605,371	3.6%
Supplies	\$234,276	1.4%
Printing & Publishing	\$686,095	4.1%
Travel	\$187,986	1.1%
Telephone, Postage & Shipping	\$384,882	2.3%
Equipment	\$301,212	1.8%
Regrants	\$153,408	0.9%
Interest	\$33,468	0.2%
Other	\$1,198,571	7.2%
<b>Total</b>	<b>\$16,734,021</b>	<b>100%</b>

### Expenditure by Organization Discipline

Total Expenditures: \$16,734,021



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### Expenditures by Organization Size

Budget Ranges	# of Groups	Percent of Total	Expenditures	Percent of Total
Under \$50,000	5	18.5%	\$183,827	1.1%
\$50,000–\$99,999	7	25.9%	\$492,584	2.9%
\$100,000–\$499,999	6	22.2%	\$1,644,303	9.8%
\$500,000–\$999,999	3	11.1%	\$2,196,787	13.1%
\$1 M–\$9.9 M	6	22.2%	\$12,216,520	73.0%
<b>Total</b>	<b>27</b>	<b>100%</b>	<b>\$16,734,021</b>	<b>100%</b>

Note: Percentages may not add to 100 due to rounding.

**Largest Museums:** Staten Island Children’s Museum | Staten Island Historical Society | Staten Island Museum

**Largest Zoos or Botanical Gardens:** Staten Island Zoo | Staten Island Botanical Garden

**Other Major Groups:** Snug Harbor Cultural Center | Staten Island Community Television | Noble Maritime Collection  
Conference House Association

# Appendix C

## Broadway Theater Expenditures – 1980, 1992, 1997, 1999, 2001, 2003, 2005 Seasons

### Total Production Costs (millions of 2005 Dollars)

Season	Musicals	Plays	Specials	Total
1979–1980	\$62.7 (25 new shows)	\$25.6 (36 new shows)	– (61 new shows)	\$88.3
1991–1992	\$55.5 (14 new shows)	\$16.6 (13 new shows)	– (27 new shows)	\$72.1
1996–1997	\$69.6 (11 new shows)	\$18.6 (19 new shows)	\$4.1 (6 new shows)	\$92.3
1998–1999	\$81.0 (15 new shows)	\$19.5 (19 new shows)	\$1.6 (4 new shows)	\$102.1
2000–2001	\$97.0 (11 new shows)	\$28.4 (16 new shows)	\$0.3 (1 new show)	\$125.7
2002–2003	\$96.4 (13 new shows)	\$35.4 (20 new shows)	\$2.7 (3 new shows)	\$134.5
2004–2005	\$133.7 (15 new shows)	\$31.4 (23 new shows)	\$0.1 (1 new show)	\$165.2

### Total Operating Costs (millions of 2005 Dollars)

Season	Musicals	Plays	Specials	Total
1979–1980	\$262.2 (786 weeks)	\$128.8 (755 weeks)	–	\$391.0 (1,541 weeks)
1991–1992	\$286.0 (580 weeks)	\$53.8 (201 weeks)	–	\$339.8 (781 weeks)
1996–1997	\$440.2 (886 weeks)	\$64.4 (437 weeks)	\$3.5 (22 weeks)	\$508.3 (1,345 weeks)
1998–1999	\$506.7 (1,026 weeks)	\$77.4 (387 weeks)	\$2.8 (28 weeks)	\$586.9 (1,441 weeks)
2000–2001	\$531.4 (1,092 weeks)	\$85.3 (382 weeks)	\$0.6 (10 weeks)	\$617.2 (1,484 weeks)
2002–2003	\$530.1 (1,014 weeks)	\$90.8 (498 weeks)	\$2.8 (32 weeks)	\$623.7 (1,544 weeks)
2004–2005	\$510.4 (1,040 weeks)	\$78.0 (427 weeks)	\$1.4 (27 weeks)	\$589.8 (1,494 weeks)

# Appendix D 1

## Commercial Art Gallery Questionnaire

Thank you for participating in this survey. Please be assured that all responses will be completely confidential.

1. Is your gallery
  - a. Uptown (Forties and above) \_\_\_\_\_
  - b. Chelsea \_\_\_\_\_
  - c. SoHo \_\_\_\_\_
  - d. Other Manhattan \_\_\_\_\_
  - e. Elsewhere in New York City \_\_\_\_\_  
(please specify Borough)
  - f. Outside of NYC \_\_\_\_\_  
(please specify County)
  
2. In what year was your gallery established? \_\_\_\_\_
  
3. How many people do you estimate came into your gallery in the last year? \_\_\_\_\_
  
4. How many people do you estimate purchased art from your gallery in the last year? \_\_\_\_\_
  
5. About what percentage of these clients would you estimate are from:
 

a. NYC	_____%
b. Rest of New York State	_____%
c. Rest of U.S.	_____%
d. International	_____%
Total	100%
  
6. About what percentage of your sales are made:
 

a. In your gallery	_____%
b. At art fairs in New York City	_____%
c. At other U.S. art fairs	_____%
d. At international art fairs	_____%
e. Other	_____%
Total	100%
  
7. How many people are employed in your gallery in 2005?
 

Full-time	_____%
Part-time	_____%

8. About what size is your current annual operating budget? (check one)
  - a. Under \$250,000 \_\_\_\_\_
  - b. \$250,000–\$499,999 \_\_\_\_\_
  - c. \$500,000–\$749,999 \_\_\_\_\_
  - d. \$750,000–\$1 million \_\_\_\_\_
  - e. Over \$1 million \_\_\_\_\_
  
9. About what percent of this budget was spent on the following categories?
 

a. Labor	_____%
b. Rent	_____%
c. Insurance	_____%
d. Printing and publishing	_____%
e. Other	_____%
Total	100%
  
10. About how much has been spent, or is planned to be spent, on permanent capital improvements (beyond expenditures included in your operating budget above) in 2003, 2004 and 2005 in each of the categories below?
 

	2003	2004	2005
a. Expansion	\$ _____	\$ _____	\$ _____
b. Relocation	\$ _____	\$ _____	\$ _____
c. Refurbishment	\$ _____	\$ _____	\$ _____
  
11. Do you own or rent your gallery space? \_\_\_ own \_\_\_ rent
  
12. About how much were your total annual sales last year? (check one)
  - a. Under \$1 million \_\_\_\_\_
  - b. \$1 million–\$2,999,999 \_\_\_\_\_
  - c. \$3 million–\$4,999,999 \_\_\_\_\_
  - d. \$5 million–\$7,499,999 \_\_\_\_\_
  - e. \$7.5 million–\$9,999,999 \_\_\_\_\_
  - f. \$10 million–\$20 million \_\_\_\_\_
  - g. Over \$20 million \_\_\_\_\_

The Alliance for the Arts  
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# Appendix D 2

## Commercial Art Gallery Survey Findings – 2005

### Total Annual Sales by Budget Size

Annual Sales	Operating Budget	
	> \$500,000	< \$500,000
Under \$1 M	16%	81%
\$1 M–\$3 M	26%	15%
\$3 M–\$5 M	16%	2%
Over \$5 M	42%	2%
Total	100%	100%

### Expenditure Patterns by Budget Size

Expenditure Category	Operating Budget	
	> \$500,000	< \$500,000
Labor	38%	19%
Rent	22%	39%
Insurance	7%	8%
Printing & Publishing	10%	15%
Other	23%	19%
Total	100%	100%

### Residence of Clients by Gallery Budget Size

	Operating Budget	
	> \$500,000	< \$500,000
New York City	37%	53%
Rest of New York State	5%	9%
Rest of U.S.	45%	25%
International	13%	13%

### Size of Galleries by Area

	Operating Budget	
	> \$500,000	< \$500,000
Uptown	64%	36%
Chelsea	36%	64%
SoHo	100%	0%
Other Manhattan	0%	100%
Williamsburg	0%	100%

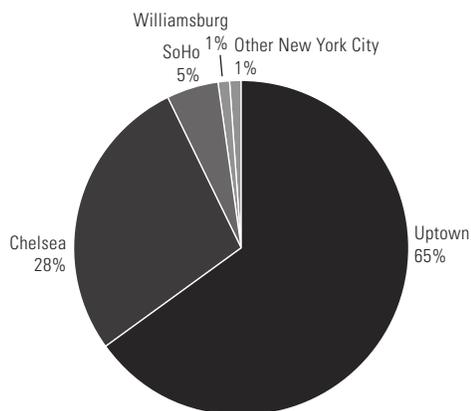
### Distribution of Visitors by Area

Uptown	27%
Chelsea	64%
SoHo	2%
Williamsburg	4%
Other New York City	2%

### Distribution of Clients by Area

Uptown	45%
Chelsea	37%
SoHo	12%
Williamsburg	4%
Other New York City	2%

### Total Sales by Neighborhood



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Note: Percentages may not add to 100 due to rounding.

# Appendix E 1



## The New York Arts Study Visitor Spending Survey

This survey is being conducted by the Alliance for the Arts in order to gain a better understanding of the importance of cultural activities to the economy of New York. Your responses, combined with the responses of those attending other venues in the city, will be used to estimate the economic impact of spending by visitors to New York City's cultural attractions, as part of the forthcoming New York Arts Study.

Please take a few minutes to fill out this questionnaire. Your participation is greatly appreciated.

### Introduction

1. Where do you live?

New York City

- Bronx
- Brooklyn
- Manhattan
- Queens
- Staten Island

New York State outside New York City

- New York City metropolitan area (Nassau, Suffolk, Rockland, Westchester or Putnam counties)
- New York State outside the metropolitan area

Other States

- New Jersey
- Connecticut
- Other Northeast
- South
- Midwest
- West

Outside United States

- Canada
- Europe
- Asia
- Central & South America
- Africa
- Other (please specify) \_\_\_\_\_

1a. If you live in the United States, what is your Zip code? \_\_\_\_\_

1b. If you live outside the United States, what is your country code? \_\_\_\_\_

2. Gender:  male  female

3. What age category are you in?

- Under 18     40–49     65 plus
- 18–29     50–59
- 30–39     60–64

If you live in New York City, please answer Section A: Questions 4–7

If you live outside of New York City, please answer Section B: Questions 8–17

### Section A – For Residents of New York City

4. Listed below are reasons people give for living in New York City. Please rank them in order of their importance to you by numbering them 1 to 5 with 1 = most important and 5 = least important.

- Educational opportunities
- Family ties
- Arts and cultural activities
- Career opportunities
- Other (please specify) \_\_\_\_\_

5. What was the main reason for being in this area today? (check only one)

- Work or go to school in this area
- Live in this area
- Attending this theater or other cultural event
- Sightseeing
- Shopping
- Other (please specify) \_\_\_\_\_

6. What expenses have you had or do you expect to have on today's trip?

	Amount	Number of People Paid For
Arts and cultural activities	\$ _____	_____
Bus/subway	\$ _____	_____
Car (gas, tolls, parking)	\$ _____	_____
Meals	\$ _____	_____
Snacks/cocktails	\$ _____	_____
Hotel	\$ _____	_____
Shopping	\$ _____	_____
Other entertainment	\$ _____	_____
Other	\$ _____	_____

# Appendix E 1

7. What is your annual household income?

- Under \$25,000                       \$100,000–\$149,999  
 \$25,000–\$49,999                 \$150,000–\$199,999  
 \$50,000–\$74,999                 \$200,000–\$300,000  
 \$75,000–\$99,999                 Over \$300,000

## Section B – For Visitors from outside of New York City

Please fill out this section whether you're visiting New York City for two hours or two weeks.

8. How long are you visiting New York City?

- Less than 1 day  
 1 day (including overnight)  
 2 days  
 3 days  
 4 days  
 5 days  
 more than 5 days (specify number of days \_\_\_\_\_)

9. Listed below are reasons people give for visiting the city.

What was your main reason for coming? (check only one)

- Business  
 Shopping  
 Attending cultural activities  
 Visiting relatives/friends  
 Sightseeing

*The questions below relate to expenses that you have made or expect to make for your whole party on this trip. Please do not record expenditures made by anyone else in your party.*

10a. Did you purchase a package tour?  yes  no

10b. If "yes," how much did you pay? Amount \$ \_\_\_\_\_

10c. Number of people you paid for: \_\_\_\_\_

10d. What does the package include?

- Museum admissions  
 Transportation  
 Meals  
 Hotel  
 Theater/concert tickets  
 Other (please specify) \_\_\_\_\_

11. If you did not purchase a package tour, or if you had or expect to have any expenses in addition to the tour package, please record your expenditures for the entire trip on:

	Amount (entire trip)	Number of People
Arts and cultural activities	\$ _____	_____
Round-trip transportation		
Airfare	\$ _____	_____
Bus	\$ _____	_____
Train	\$ _____	_____
Car (gas, tolls, parking)	\$ _____	_____
Hotel	\$ _____	_____
Shopping	\$ _____	_____
Other entertainment	\$ _____	_____

12. For the following items, please record the expenditures that you have made or expect to make today in New York City.

	Amount	Number of People
Meals (all)	\$ _____	_____
Snacks/cocktails	\$ _____	_____
Subway/bus	\$ _____	_____
Taxis	\$ _____	_____
Other (please specify)	_____	_____
	\$ _____	_____

13. Aside from your main trip purpose, is there another reason that you plan to spend some extra time in New York City? (check only one)

- Business  
 Shopping  
 Attending cultural activities  
 Visiting relatives/friends  
 Sightseeing

No, I am not staying longer than is necessary for my main trip purpose. (If "no," please skip to question 15.)

13a. If you are spending extra time here, for how many days are you extending your trip? \_\_\_\_\_ days

14. If you extended your trip (see question 13), please record your average daily expenditures for the period of the extension. (Please answer even if the amounts are the same as recorded above.)

	Average Daily Amount	Number of People
Meals (all)	\$ _____	_____
Shopping	\$ _____	_____
Hotel	\$ _____	_____

15. Including this event, please check each of the following cultural attractions that you have attended or have definite plans to attend on this trip. (check as many as apply)

- Metropolitan Museum of Art
- Broadway Theater
- Museum of Modern Art (MoMA)
- Lincoln Center
- American Museum of Natural History
- Carnegie Hall
- Guggenheim Museum
- The Cloisters
- Brooklyn Museum
- Zoos/botanic gardens
- Art galleries and auction houses
- New York Hall of Science
- Aaron Davis Hall
- Snug Harbor
- Other (please specify) \_\_\_\_\_

16. During your entire trip to New York, what areas of the city are you visiting in addition to this area? (check as many as apply)

- This general area only (Manhattan from Canal to 96th Street)
- Manhattan below Canal Street  
(including the World Trade Center site)
- Manhattan above 96th Street
- The Bronx
- Brooklyn
- Queens (other than the airports)
- Staten Island

17. What is your annual household income?

- Under \$25,000
- \$25,000–\$49,999
- \$50,000–\$74,999
- \$75,000–\$99,999
- \$100,000–\$149,999
- \$150,000–\$300,000
- Over \$300,000

# Appendix E 2

## The New York Arts Study Visitor Spending Survey\*

This survey is being conducted by the Alliance for the Arts in order to gain a better understanding of the importance of cultural activities to New York State's economy.

Please take a few minutes to fill out this questionnaire. Your participation is greatly appreciated.

BEFORE STARTING, PLEASE TELL US WHERE YOU LIVE.

If you are staying at your second residence, consider that to be your residence for the purposes of this survey.

New York State

- In Erie County (Please answer section A)
- Outside of Erie County but within 50 miles  
(Please answer section A)
- Farther than 50 miles  
(Specify county \_\_\_\_\_)  
(Please answer section B)

What is your Zip code? \_\_\_\_\_

Other States

- Connecticut
- New Jersey
- Pennsylvania
- Other (please specify \_\_\_\_\_)  
(Please answer Section B)

What is your Zip code? \_\_\_\_\_

Outside United States

- Canada
- Europe
- Asia
- Central & South America
- Other (please specify \_\_\_\_\_)  
(Please answer Section B)

*\* This survey, with minor adaptations, was conducted at the Albright-Knox Art Gallery, Shea's O'Connell Preservation, Saratoga Performing Arts Center and the Performing Arts Center at Purchase College.*

## Section A – For residents of area within 50 miles

1. Is this your primary residence?  
 yes  no
2. Listed below are reasons people give for living in this area. Please rank them in order of their importance to you by numbering them 1 to 5 with 1 = most important and 5 = least important.
  - Educational opportunities
  - Family ties
  - Arts and cultural activities
  - Career opportunities
  - Other (please specify) \_\_\_\_\_

3. What was the main reason for being in this area today? (please check only one)
  - Work or go to school in this area
  - Live in this area
  - Attending this theater/museum or other cultural event
  - Sightseeing
  - Shopping
  - Other (please specify) \_\_\_\_\_

4. The questions below relate to expenses that you have or expect to have on this trip to this area, both coming and returning home.

	Amount	Number of People Paid For
Theater tickets	\$ _____	_____
Museum admissions	\$ _____	_____
Bus/train	\$ _____	_____
Car expenses (gas, tolls, parking)	\$ _____	_____
Meals	\$ _____	_____
Snack/cocktails	\$ _____	_____
Hotel	\$ _____	_____
Shopping	\$ _____	_____
Arts and cultural events other than this event	\$ _____	_____
Other entertainment	\$ _____	_____
Other	\$ _____	_____
Did not personally incur any expenses on this trip		_____

5. Gender:  male  female

6. What age category are you in?

- |                                   |                                |                                     |
|-----------------------------------|--------------------------------|-------------------------------------|
| <input type="checkbox"/> Under 18 | <input type="checkbox"/> 40–49 | <input type="checkbox"/> 70 or Over |
| <input type="checkbox"/> 18–29    | <input type="checkbox"/> 50–59 |                                     |
| <input type="checkbox"/> 30–39    | <input type="checkbox"/> 60–69 |                                     |

7. What is your annual household income?

- Under \$25,000       \$100,000–\$149,999  
 \$25,000–\$49,999       \$150,000–\$199,999  
 \$50,000–\$74,999       \$200,000–\$300,000  
 \$75,000–\$99,999       Over \$300,000

**Section B – For visitors residing beyond a 50-mile radius**

1. How long are you visiting this area?

- Less than 1 day  
 1 day (including overnight)  
 2 days  
 3 days  
 4 days  
 5 days  
 Longer than 5 days (specify number of days\_\_\_)

2. Listed below are reasons people give for visiting this area.

What was your main reason for coming? (please check only one)

- Business  
 Visiting relatives/friends  
 Attending cultural activities  
 Shopping  
 Sightseeing  
 Outdoor activities  
 Other

3. The questions below relate to expenses that you have had or expect to have on this trip to this area, both coming and returning home.

	Amount	Number of People Paid For
Theater tickets	\$ _____	_____
Museum admissions	\$ _____	_____
Bus/train	\$ _____	_____
Car expenses (gas, tolls, parking)	\$ _____	_____
Meals	\$ _____	_____
Snack/cocktails	\$ _____	_____
Hotel	\$ _____	_____
Shopping	\$ _____	_____
Arts and cultural events other than this event	\$ _____	_____
Other entertainment	\$ _____	_____
Other	\$ _____	_____
Did not personally incur any expenses on this trip		_____

4. Gender:  male  female

5. What age category are you in?

- Under 18       40–49       70 or Over  
 18–29       50–59  
 30–39       60–69

6. What is your annual household income?

- Under \$25,000       \$100,000–\$149,999  
 \$25,000–\$49,999       \$150,000–\$199,999  
 \$50,000–\$74,999       \$200,000–\$300,000  
 \$75,000–\$99,999       Over \$300,000

# Appendix E 3

## Supplemental Findings from the Visitor Surveys – 2005

### Out-of-Town Visitors to the Arts – Trip Characteristics

Characteristic	All Visitors to the Arts	Metropolitan Area	U.S.	International
Length of Stay	3.5 days	< 1 day	3.5 days	6.4 days
Number of Cultural Venues Attended	2.6	1.4	2.9	3.6
Average Age	46	49	47	42

### Areas of New York City Visited\*

Manhattan below Canal Street	53%	19%	47%	75%
Manhattan above 96th Street	25%	11%	19%	37%
Bronx	6%	5%	5%	9%
Brooklyn	19%	5%	15%	30%
Queens	7%	3%	3%	13%
Staten Island	12%	6%	5%	21%

\*Findings from surveys at the American Museum of Natural History, Avery Fisher Hall, the Metropolitan Museum of Art, the Metropolitan Opera, the New York City Opera and the Solomon R. Guggenheim Museum are included.

### NYC Residents – Characteristics and Spending of Audiences at Selected Venues

It should be noted that these findings are based on a limited sample of the venues used in the visitor survey and therefore are not representative of either the entire New York City audience for the arts or New York City residents as a whole. However, the results of these questions reveal interesting insights as to the attendees' reasons for living in New York City and their expenditure patterns on a trip to a cultural event.

Average Age	52	<b>Main Reason for Being in the Area Today</b>	
<b>Borough of Residence</b>		Work or go to school in this area	6%
Bronx	6%	Live in this area	16%
Brooklyn	15%	Attending this theater or other cultural event	63%
Manhattan	66%	Sightseeing	4%
Queens	12%	Shopping	0%
Staten Island	1%	Other	11%
<b>Important Reasons for Living in New York City*</b>		<b>Expenses Incurred Composite per Person</b>	
Educational Opportunities	28%	Cultural Activities	\$ 53.77
Family Ties	48%	Bus/Subway	\$ 3.35
Arts and Cultural Activities	76%	Car	\$ 2.65
Career Opportunities	58%	Meals	\$ 24.53
Other Reasons	18%	Shopping	\$ 3.80
		Other Entertainment	\$ 0.86
		Other	\$ 0.98
		Total	\$ 89.94
		<b>Median Household Income</b>	\$ 83,000

\*Rated as "1" or "2" on a 5-point scale, with "1" equaling most important.