

The Role of Non-Profit Arts Organizations in Montana's Economy

ArtsMarket Inc.

NOTE:

The economic impact study titled "The Role of Nonprofit Arts in Montana's Economy" was sponsored by the Montana Arts Council and conducted by the Bozeman research firm ArtsMarket, Inc. The study surveyed Montana nonprofit arts organizations to assess how arts and cultural programs contribute to the state economy. Financial data collected on 137 Montana nonprofit arts institutions was used to calculate impacts. This data was provided by the Internal Revenue Service and supported by surveys conducted in the fall of 2002 by ArtsMarket, Inc. For a complete copy of "The Role of Nonprofit Arts in Montana's Economy" please contact the Montana Arts Council by email with your request and your mailing address. mac@mt.gov. The report is 84 pages. Questions concerning this research can be directed to Sean Becker, sbecker@artsmarket.com.

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*Awarded for the best overall research conducted for cities population 50,000-200,000

EXECUTIVE SUMMARY AND KEY FINDINGS

Like a cool summer breeze or the electricity that gives light to our homes, the arts are often taken for granted until their absence is felt. In as much as we all know it is easier to fill a pond before it is empty, it makes sense that we need to keep Montana's arts afloat, to prevent the dissolving of Montana's arts, particularly during questionable economic times.

Consider how much the arts add to the quality of life we enjoy, the education our children receive and the communities we share. The arts positively affect and unite Montanans in hundreds of ways. The arts also flow into our businesses, our jobs and our bank accounts in just as many ways. This research has been conducted to illustrate just a few of the ways the arts affect our economy through arts organization and audience spending. Here are a few key findings.

- **137 Montana nonprofit arts institutions have a total economic impact of \$85 million on the Montana economy**

The multiple impacts of the arts are a critical component of Montana's economy. The arts affect Montanans in so many ways that it is difficult to plumb the full depth of their impact. Even when only evaluating the impact Montana's individual nonprofit arts organizations and their attending audience has on the economy, the findings are robust. This study found that Montana's arts

organizations spent \$22.2 million on programming and operations during the 2001-2002 fiscal year. The total economic impact of the 137 organizations and their attending audience was \$85.1 million, generating the following:

- **1,949 full-time jobs paying an average of \$18,275 per job**
- **\$35.8 million in payroll income**
- **\$13.5 million in tax revenues with \$4 million staying local**
- **260,000 out-of-state visitors**

Montana's arts organizations invest in the Montana community. Last year, local arts organizations allowed only 12 percent of their annual operating budgets to leak from the state's economy yet attracted over 17 percent of their audience from out of state.

- **88 percent of dollars spent by arts organizations are spent locally**
 - **One-sixth of the Montana nonprofit arts audience travels from out of state**
- The arts draw upon an altruistic component of our communities that rarely exist in any other industry.** The arts potentially provide the largest non-reimbursed workforce in the state with each of the 6,600 volunteers giving an average of 30 hours a year.

- **6,600 volunteers contributed 200,000 hours to the arts**
 - **This is the equivalent of donating 200 full-time employees**
 - **Or donating \$1.8 million in payroll***

Montana's arts organizations are a great investment for the state. Close to one-third of the tax revenue stimulated by arts organization and audience expenditures stays in Montana and is used by local and state government agencies.

- **\$100,000 in tax revenue is generated by an average Montana arts organization for the federal government, the State of Montana and the local municipality or county**
- **\$13.5 million in tax revenue is generated by Montana's nonprofit arts**
 - **\$4 million in tax revenue stays in Montana**
 - **\$9.5 million in tax revenue goes to the U.S. Government**

An average nonprofit arts organization is exceptionally efficient and effective – serving thousands of people with an average operating budget of \$160,000. Montana's arts organizations are resourceful in touching the most lives possible. In order to do this, the Montana Arts Council's budget of \$1.5 million provides seed money towards the arts activities of 154 organizations. In 2002 alone, 331 grants were awarded that affected thousands of children and adults.

- **10,000+ people were served by the average Montana nonprofit arts organization in the last year**

- **1,500,000 audience members were touched by 137 Montana arts organizations**
- **123,000 children were served by Montana Arts Council grant recipients in 2002**

Montana's nonprofit arts industry is a significant component of the state's economy. The total full-time equivalent employment impact of the arts of nearly 2,000 jobs generated would put the arts above 33 other Bureau of Economic Analysis sectors in Montana including data processing (832 jobs), waste management (808 jobs), fishing (893 jobs) and petroleum and coal products manufacturing (942 jobs).

- **Montana's arts have a greater employment impact than one-quarter of the state's top 100 industries**
- **1,959 full-time jobs are generated by the impact of 137 arts organizations**
 - **990 jobs are generated by arts organization operations**
 - **969 jobs are generated by audiences attending arts events**

INDIVIDUAL CITY KEY FINDINGS

BILLINGS

The nonprofit arts in Billings have a \$15.83 million dollar impact generating \$2.5 million in tax revenue and 365 jobs from \$4.1 million in operating budgets and 22,000 volunteer hours.

BOZEMAN

The nonprofit arts in Bozeman have a \$11.25 million dollar impact generating \$1.8 million in tax revenue and 259 jobs from \$2.9 million in operating budgets and 14,380 volunteer hours.

BUTTE

The nonprofit arts in Butte have a \$2.65 million dollar impact generating \$420,000 in tax revenue and 61 jobs from \$0.7 million in operating budgets and 3,720 volunteer hours.

GREAT FALLS

The nonprofit arts in Great Falls have a \$11.99 million dollar impact generating \$1.9 million in tax revenue and 277 jobs from \$3.1 million in operating budgets and 10,000 volunteer hours.

HELENA

The nonprofit arts in Helena have a \$15.67 million dollar impact generating \$2.5 million in tax revenue and 361 jobs from \$4.0 million in operating budgets and 4,300 volunteer hours.

KALISPELL - WHITEFISH

The nonprofit arts in Kalispell - Whitefish have a \$2.05 million dollar impact generating \$325,000 in tax revenue and 48 jobs from \$527,000 in operating budgets and 33,000 volunteer hours.

MISSOULA

The nonprofit arts in Missoula have a \$15.07 million dollar impact generating \$2.4 million in tax revenue and 347 jobs from \$3.9 million in operating budgets and 20,000 volunteer hours.

REST OF MONTANA EXCEPT THE TOP SEVEN CITIES

The nonprofit arts across the rest of Montana have a \$10.6 million dollar impact generating \$1.7 million in tax revenue and 241 jobs from \$2.9 million in operating budgets from 53 organizations with the help of 84,000 volunteer hours - nearly ½ of the volunteer hours in the state valued at \$770,000 in donated payroll.

ALL OF MONTANA

The nonprofit arts in Montana have an \$85.1 million dollar impact generating \$13.5 million in tax revenue and 990 jobs from \$22 million in operating budgets with the help of 200,000 volunteer hours.**

*The estimate of \$1.83 million in payroll is calculated by multiplying the average wage supported by the arts (\$18,275) by the number of full-time equivalent positions volunteered (100). This number is not part of the total impact of \$85.1 million that was generated by nonprofit arts organization and audience expenditures only. The impact of individual artists and the arts volunteer workforce is outside the scope of this study.

**Volunteer hours have not been included in this study as having any economic impact other than noting in the executive summary that the full-time equivalent reimbursement for donated time could equal \$1.8 million.

PARTICIPANT ORGANIZATIONS

- Alberta Bair Theatre
- Alpine Artisans
- American Computer Museum
- Archie Bray Foundation
- Art Center (The)
- Art Museum of Missoula
- Artists Group
- Association of Film Commissioners
- Bigfork Community Players
- Big Horn Arts and Crafts Association
- Big Sky Association for the Arts, Inc.
- Bigfork Art & Cultural Center
- Bigfork Center for the Performing Arts Foundation, Ltd.
- Billings Studio Theatre
- Billings Symphony Society
- Bitterroot Public Library Foundation, Inc
- Blaine County Arts Association (Northeastern Arts Network)
- Bozeman Friends of Music
- Bozeman Symphony Society
- Bridger Mountain Theatre Festival
- Butte Center for the Performing Arts, Inc.
- Butte Jazz Society
- Butte Silver Bow Arts Foundation
- Butte Symphony Association
- Carbon County Art Guild
- Center Stage Corp.
- Children's Museum of Montana, Inc.
- Chouteau County Performing Arts
- Classics for Kids Foundation
- Clay Studio of Missoula (The)
- C.M. Russell Museum
- Copper Village Museum & Arts Center of Deer Lodge County
- Cultural Alliance of Eastern Montana
- Custer Battlefield Historical and Museum Assoc
- Custer Co. Art Center
- District 7 HRDC Growth Thru Art
- Dragon's Tales Puppet Theatre
- Emerson Cultural Center
- Equinox Theatre Company
- First Night Missoula
- Flathead Lake Music Camp, Inc.
- Folkshop Productions
- Fort Peck Fine Arts Council
- Gallatin Performing Arts Center, Inc.

- Gallatin Writers, Inc.
- Garage Theater
- Garden City Ballet Company
- Glacier Orchestra and Chorale
- Glasgow Arts Council (Northeast Arts Net.)
- Grandstreet Theatre
- Great Falls Community Concert Association
- Great Falls Native American Art Association
- Great Falls Symphony Association
- Great Falls Young People's Choir
- Hamilton Players
- Helena Presents
- Helena Symphony Society
- Helena Television Coalition, Inc.
- Helena Youth Choirs, Inc.
- Hockaday Museum of Art
- Holter Museum of Art
- Hot Springs Artists Society
- Illustrated Theatre Company
- Intermountain Opera Association
- International Choral Festival
- International Wildlife Film Festival
- Jawbone Players
- Judith Arts Society
- Lesman Memorial Community Arts Studio Inc.
- Lewistown Art Center
- Liberty Village Arts Center and Gallery
- Little Rockies Arts Association (Northeastern Arts Net.)
- Live at the Civic, Inc. — Community Concerts of Helena
- Livingston Depot Foundation
- Mansfield Center for the Performing Arts (Civic Center)
- Miles City Community Orchestra
- Mission Valley Friends of the Arts
- Missoula Children's Theatre
- Missoula Cultural Council
- Missoula Dance Academy, Inc.
- Missoula Folklore Society
- Missoula Symphony
- Missoula Writing Collaborative
- Mondak Heritage Center
- Montana Art Gallery Directors Association
- Montana Artist Refuge
- Montana Arts
- Montana Asian American Center
- Montana Association of Symphony Orchestras
- Montana Ballet Co.

- Montana Chorale
- Montana Committee for the Humanities
- Montana Dance Arts Association
- Montana Indian Art & Culture Association, Inc.
- Montana Mandolin Society (The)
- Montana Performing Arts Consortium
- Montana Preservation Alliance
- Montana Rep Montana Shakespeare in the Parks
- Montana State Old-Time Fiddlers Assoc.
- Montana Theatre Works
- Mo-Trans Dance Co.
- New Crystal Theatre, Inc.
- Ninepipes Museum of Early Montana
- North Valley Music School
- Northeastern Arts Network
- Northern Lights Institute
- Northern Showcase
- Old Trail Museum
- Paris Gibson Square Museum of Art
- Park County Friends of the Arts
- Park County Theatre Guild
- People's Center (The)
- Performing Arts League, Inc.
- Pondera Players
- Powell County Museum & Arts Foundation
- Prop Foundation, Inc.
- Rattlesnake Production, Inc.
- Red Lodge Music Festival
- Redwater Company of Theatre and Arts, Inc.
- Rialto Community Theater, Inc.
- Rimrock Opera Company
- Rocky Mountain Ballet Theatre
- Ruby Valley Chorale
- Sandpiper Gallery
- Schoolhouse History and Art Center, Inc.
- Sidney Performing Arts Council (Northeastern Arts Network)
- Signatures from Big Sky
- Sleeping Giant Swing and Jazz Jubilee
- Southwest Montana Arts Council
- String Orchestra of the Rockies
- Sunburst Community Service Foundation
- Sweet Pea Festival of the Arts
- The Studio
- Townsend Area Chamber Of Commerce (Friends of the Arts)
- Valley County Community Foundation, Inc.
- Venture Theatre, Inc.

- Vigilante Theatre Co.
- VSA Arts of Montana
- Whitefish Theatre Co.
- World Museum of Mining, Inc.
- Yellowstone Art Museum
- Young Audiences of W. Montana