

## The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of South Dakota (Fiscal Year 2010)

<b>Direct Economic Activity</b>	<b>Arts and Culture Organizations</b>	+	<b>Arts and Culture Audiences</b>	=	<b>Total Industry Expenditures</b>
<b>Total Industry Expenditures</b>	\$36,204,342		\$60,456,028		<b>\$96,660,370</b>

### Spending by Arts and Culture Organizations and Their Audiences Supports Jobs and Generates Government Revenue

<b>Total Economic Impact of Expenditures (Direct &amp; Indirect Impacts Combined)</b>	<b>Economic Impact of Organizations</b>	+	<b>Economic Impact of Audiences</b>	=	<b>Total Economic Impact</b>
Full-Time Equivalent (FTE) Jobs Supported	1,299		1,690		<b>2,989</b>
Household Income Paid to Residents	\$30,185,000		\$36,460,000		<b>\$66,645,000</b>
Revenue Generated to <u>Local</u> Government	\$943,000		\$2,158,000		<b>\$3,101,000</b>
Revenue Generated to <u>State</u> Government	\$1,331,000		\$3,420,000		<b>\$4,751,000</b>

### Event-Related Spending by Arts and Culture Audiences Totaled \$60.5 million (excluding the cost of admission)

<b>Attendance to Arts and Culture Events</b>	<b>Resident* Attendees</b>	+	<b>Non-Resident* Attendees</b>	=	<b>All Cultural Audiences</b>
Total Attendance to Arts and Culture Events	3,000,450		325,991		3,326,441
Percentage of Total Attendance	90.2%		9.8%		100%
Average Event-Related Spending Per Person	\$14.19		\$44.77		\$17.20
<b>Total Event-Related Expenditures</b>	<b>\$39,085,944</b>		<b>\$21,370,084</b>		<b>\$60,456,028</b>

### Nonprofit Arts and Culture Event Attendees Spend an Average of \$17.20 Per Person (excluding the cost of admission)

<b>Category of Event-Related Expenditure</b>	<b>Resident* Attendees</b>	<b>Non-Resident* Attendees</b>	<b>All Cultural Audiences</b>
Meals and Refreshments	\$7.96	\$14.87	\$8.64
Souvenirs and Gifts	\$0.99	\$2.67	\$1.15
Ground Transportation	\$1.72	\$6.31	\$2.17
Overnight Lodging (one night only)	\$1.47	\$15.37	\$2.84
Other/Miscellaneous	\$2.05	\$5.55	\$2.40
<b>Average Event-Related Spending Per Person</b>	<b>\$14.19</b>	<b>\$44.77</b>	<b>\$17.20</b>

\* For the purpose of this study, residents are attendees who live within the State of South Dakota; non-residents live outside that area.

Source: *Arts & Economic Prosperity IV: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the State of South Dakota*. For more information about this study or about other cultural initiatives in the State of South Dakota, visit the South Dakota Arts Council's web site at [www.artscouncil.sd.gov](http://www.artscouncil.sd.gov).

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## About This Study

The *Arts & Economic Prosperity IV* study was conducted by Americans for the Arts to document the economic impact of the nonprofit arts and culture industry in 182 communities and regions (139 cities and counties, 31 multi-city or multi-county regions, and ten states, and two individual arts districts)—representing all 50 U.S. states and the District of Columbia. The diverse communities range in population (1,600 to more than 3 million) and type (rural to urban). The project economists, from the Georgia Institute of Technology, customized input-output analysis models for each participating study region to provide specific and reliable economic impact data about their nonprofit arts and culture industry—specifically (1) full-time equivalent jobs, (2) household income, and (3) local and (4) state government revenue.

## Surveys of Nonprofit Arts and Culture ORGANIZATIONS

Each of the 182 study regions attempted to identify its comprehensive universe of nonprofit arts and culture organizations using the Urban Institute's National Taxonomy of Exempt Entity (NTEE) coding system, a definitive classification system for nonprofit organizations recognized as tax exempt by the Internal Revenue Code. In addition, the study partners were encouraged to include other types of eligible organizations if they play a substantial role in the cultural life of the community or if their primary purpose is to promote participation in, appreciation for, and understanding of the visual, performing, folk, and media arts. These include government-owned or government-operated cultural facilities and institutions, municipal arts agencies and councils, private community arts organizations, unincorporated arts groups, living collections (such as zoos, aquariums, and botanical gardens), university presenters, and arts programs that are embedded under the umbrella of a non-arts organization or facility (such as a community center or church). In short, if it displays the characteristics of a nonprofit arts and culture organization, it is included. *For-profit businesses (e.g., Broadway and motion picture theaters) and individual artists were excluded from this study.*

Nationally, detailed information was collected from 9,721 eligible organizations about their fiscal year 2010 expenditures in more than 40 expenditure categories (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as about their event attendance. Response rates for the 182 communities averaged 43.2 percent and ranged from 5.3 percent to 100 percent. It is important to note that each study region's results are based solely on the actual survey data collected. No estimates have been made to account for non-respondents. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings in most of the individual study regions.

**In the State of South Dakota, 116 of the approximately 392 total eligible nonprofit arts and culture organizations identified by the South Dakota Arts Council participated in this study—an overall participation rate of 30 percent. The organizations that participated are listed below:**

Aberdeen Area Arts Council; Aberdeen Community Concert Association; Aberdeen Recreation & Cultural Center; ACT 2, Inc. dba Aberdeen Community Theatre; J.W. Parmley Historical Home Society; Leola Public Library; Marcus P Beebe Memorial Library; Northeast SD Celtic Faire, Inc; NSU Choral; NSU Northern Galleries; Yelduz Shrine Chanters; Dacotah Prairie Museum; American Institute of Graphic Arts (South Dakota Chapter); Augustana College/Performing and Visual Arts; Brandon Historical Society; Brandon Valley Performing Arts Center; Center for Western Studies; Centerville Community Arts Council; Dakota District Pipes and Drums, Ltd.; Downtown Sioux Falls; Garretson Area Historical Society; Groove, Inc.; Hurley Historical Society; Jubal Chapter of the American Harp Society; Lennox Area Historical Society; Minnehaha County Historical Society; Native American Council of Tribes Inc.; New Horizons Band of Sioux Falls; RTC Inc.; Sculpturewalk Inc; Singing Boys of Sioux Falls; Sioux Empire Community Theatre; Sioux Falls Arts Council; Sioux Falls Concerts Association; Sioux Falls Jazz & Blues Society; Sioux Falls Mariachi Inc.; Siouxland Heritage Museums; South Dakota Friends of Traditional Music; South Dakota Highlanders Pipe & Drum Inc.; South Dakota Rock and Roll Music Association; South Dakota Symphony Orchestra; Square Dancing / Shirts & Skirts; Ten Thousand Villages; The Ldn Spiritual Group; Washington Pavilion Management, Inc. (dba Washington Pavilion of Arts and Science); Groove, Inc.; National Music Museum; A.C.T./Pepsi Cola Theatre for the Performing Arts; Adams Museum & House, Inc.; Alcester Public Library; Allied Arts Fund; Artists of the Black Hills; Association of South Dakota Museums; Belle Fourche Arts Council; Bells of the Hills; Bennett County Library; BHSU Johanna Meier Opera Theatre; Bison Public Library; Black Hills Blues Society; Black Hills Chamber Music Society; Black Hills Symphony Orchestra; Brookings Community Theatre; Brookings Public Library; Capitol City Children's Chorus; Crystal Theatre Cultural Association; Custer Area Arts Council; Custer County Library; Dakota Prairie Playhouse & Conference Center (DSU); Dakota Territorial Museum; Dalesburg Scandinavian Association; Deadwood Public Library; Discovery Movement Theatre; Emil M Larson Library; Faith Public / School Library; Faulkton Area Arts Council; Gregory County Historical Society; Haakon County Public Library; High Plains Arts Council; Historic Deadwood Lead Arts Council; Langford Public Library; Madison Area Arts Council; Museum Alliance of Rapid City DBA The Journey Museum; Northern Hills Community Band; Northern Plains Watercolor Society; Potter County Free Public Library; Prairie Repertory Theatre, Inc.; Prairie Winds (BH Special Services); Rapid City Children's Chorus, Ltd.; Rapid City Municipal Band; Rapid City Ranger Band; SDSU Brookings Chamber Music Society; Sherwood Memorial Library; Short Grass Arts Council; South Dakota Art Museum - SDSU; South Dakota Arts Council; South Dakota Humanities Council; South Dakota Public Broadcasting; South Dakotans for the Arts; Sturgis Public Library; Suzie Cappa Art Center (Black Hills Workshop); The Rapid City Arts Council at the Dahl; Town Players; USD Vocal Performing Groups; Vermillion Area Arts Council; W.H. Over Museum; Yankton Area Arts Association; Black Hills Playhouse; Brookings Arts Council; Brookings Arts Festival; Hill City Arts Council; Lewis and Clark Theatre Co.; Olde Town Dinner Theatre; Pierre Players; Rapid City Fine Arts Council; Spearfish Center for the Arts & Human.; and The Heritage Center/Red Cloud Ind. School.

## Surveys of Nonprofit Arts and Culture AUDIENCES

Audience-intercept surveying, a common and accepted research method, was conducted in all 182 of the study regions to measure event-related spending by nonprofit arts and culture audiences. Patrons were asked to complete a short survey while attending an event. Nationally, a total of 151,802 valid and usable attendees completed the survey for an average of 834 surveys per study region. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging. Data were collected throughout 2011 (to guard against seasonal spikes or drop-offs in attendance) as well as at a broad range of both paid and free events (a night at the opera will typically yield more spending than a weekend children's theater production or a free community music festival, for example). The survey respondents provided information about the entire party with whom they were attending the event. With an overall average travel party size of 2.69 people, these data actually represent the spending patterns of more than 408,000 attendees, significantly increasing the reliability of the data.

**In the State of South Dakota, a total of 3,312 valid and usable audience-intercept surveys were collected from attendees to nonprofit arts and culture performances, events, and exhibitions during 2011.**

## Studying Economic Impact Using Input-Output Analysis

To derive the most reliable economic impact data, input-output analysis is used to measure the impact of expenditures by nonprofit arts and culture organizations and their audiences. This is a highly regarded type of economic analysis that has been the basis for two Nobel Prizes. The models are systems of mathematical equations that combine statistical methods and economic theory in an area of study called econometrics. They trace how many times a dollar is re-spent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for this study because it can be customized specifically to each study region. To complete the analysis for the State of South Dakota, project economists customized an input-output model based on the local dollar flow between 533 finely detailed industries within the economy of South Dakota. This was accomplished by using detailed data on employment, incomes, and government revenues provided by the U.S. Department of Commerce (County Business Patterns, the Regional Economic Information System, and the Survey of State and Local Finance), local tax data (sales taxes, property taxes, and miscellaneous local option taxes), as well as the survey data from the responding nonprofit arts and culture organizations and their audiences.

## Research Notes

1. To calculate the total estimated audience expenditures in the State of South Dakota, first the audience expenditure findings for the individual participating communities that are located within the State (the Greater Aberdeen Area and the Greater Sioux Falls Area) were summed. The State's residency percentages and the average per person arts-related expenditure for residents and non-residents then were applied to any additional attendance data collected from organizations located within the State but outside of the individual participating communities. Finally, the results were added to the aggregate of the individual participating communities. Therefore, the total audience expenditures for the State of South Dakota do not equal the State's average per person event-related expenditure for residents multiplied by the State's total estimated resident attendance plus the State's average per person event-related expenditure for non-residents multiplied by the State's total estimated non-resident attendance.

A comprehensive description of the methodology used to complete the national study is available at [www.AmericansForTheArts.org/EconomicImpact](http://www.AmericansForTheArts.org/EconomicImpact).