

Research Division Note #56 - June 1995

The Federal agency
that supports the
visual, literary and
performing arts to
benefit all Americans

The Arts in the GDP: Admission Receipts for
Performing Arts Events Continue to Grow at
a Steady Rate

According to The Bureau of Economic Analysis (BEA), an internal division of the U.S. Department of Commerce, Americans spent \$5.5 billion on admissions to performing arts events in 1993. The Research Division of the Endowment has been reporting the annual statistics on these expenditures, and their significance to the arts community, since 1982. According to the most recently published figures concerning consumer spending on the arts and entertainment, the following can be stated (see Table 1.):

Arts in Education

Challenge &
Advancement

Dance

Design Arts

Expansion Arts

Folk Arts

International

Literature

Locals

Media Arts

Museum

Music

Operat/Musical
Theater

Presenting &
Commissioning

State & Regional

Theater

Visual Arts

- Americans increased their expenditures on the **performing arts** in 1993 by .3 billion, or 6%. This increase is smaller than the one between 1991 and 1992, which was approximately 11%.

- Expenditures in **spectator sports** totalled 5.7 billion in 1993, an increase of 8% from expenditures in 1992. This represents the largest increase in expenditures for sporting events since the .8 billion (14%) increase between 1989 and 1990.

- Admissions to **motion picture theaters** increased .7 billion between 1992 and 1993. This growth follows a small decrease in expenditures from 1991 to 1992.

These estimates provide trends in how Americans spend their discretionary income over time. Chart 1. presents the constant dollar data from Table 1. graphically to help illustrate these trends. The BEA statistics indicate:

- Annual expenditures in the **performing arts** have shown a growth rate of 41% from 1989-1993. This rate is not quite equal to that for motion picture theater admissions; but, it is greater than the rate of increase for spectator sports, thus narrowing the difference between the two from \$400 million to \$200 million.

- The most volatile shifts in expenditures are in the area of admissions to motion picture theaters. The largest year-to-year increase in any of the expenditures was .8 billion, approximately 21%, between the years 1989 and 1990. Furthermore, this is the only activity of the three to suffer any decreases in expenditures over the five year period, -.1 billion between 1991 and 1992.

- The smallest overall increase in expenditures during the five year period between 1989 and 1993 occurred in the category of sporting events (1.4 billion). The increase from 1989 to 1993 was only 33%.

As mentioned in Research Division Note #36, (March 31, 1992), the "Admissions to Performing Arts Events" category includes not only non-profit organizations, such as symphony orchestras or ballet companies, but also activities in the for-profit sector, such as Broadway theater and rock music concerts. Further, admission receipts is a broad category which includes not only the price of a ticket, but also can include such receipts as concessions; therefore, admission receipts are not exclusively correlated with attendance. Despite these caveats, the data provide estimates of the overall magnitude and trends in admission receipts for performing arts events. The increase in this expenditure category since 1989 is especially significant in light of the growth in the availability of alternatives to live performances during the last decade.

Table 1. also presents expenditures in terms of constant 1987 dollars. This helps present a more precise comparison of the data in terms of consumer purchasing power, since the inflation in prices in the economy is removed from the estimates. Looked at in this context, there are several notable implications:

- Although all three categories have experienced years of zero growth (0%) in constant dollar figures, admissions to performing arts events is the only category not to have suffered any negative change in expenditures. Therefore, it would be accurate to state that although the performing arts

have had a slower increase in revenues in current dollars than motion picture theaters, the arts have had the most stable growth rate of the three activities. In constant 1987 dollars, admissions to motion picture theaters suffered a 5% decrease between the years 1991 and 1992; and, admissions to spectator sporting events experienced a drop of 2% between 1990 and 1991.

- The smallest overall growth in constant dollar terms over the five year period was in the category of **spectator sporting events** which increased approximately 14%.

The data reported in Table 1. represent just a part of the recreation expenditures reported by the BEA. The complete data which the Bureau uses to define the GDP are known as the National Income & Product Accounts (NIPA). Aside from recreational services (such as admissions receipts), NIPA also tracks expenditures on recreational goods such as sporting equipment, pleasure vehicles, audio/video equipment, and computers.

Table 2. provides a breakdown of the expenditures in those categories which are closely related to the arts. Table 2. also presents the data from Table 1. as they relate to total recreational expenditures, and the GDP as a whole. A brief analysis of these figures indicates the following:

- Expressed as a percentage of the GDP, admissions receipts to all three recreational activities from Table 1. play a consistent, albeit minor, role - ranging from .08% to .09%.

- Personal consumption expenditures in audio/visual equipment, musical instruments, and personal computers have increased steadily since 1989. The data do not clarify the specific role of personal computer equipment expenditures in this increase as opposed to musical instrument purchases.

Table 3. combines information on expenditures on recreational activities with population estimates, providing an indication of per capita spending on these activities. As with Table 1., the data are presented in current and constant 1987 dollar values. Among the findings:

- After three years of stagnation or decreases in expenditures (in constant dollar terms), per capita consumer expenditures on recreational activities as a whole increased significantly in 1993 from \$45.41 to \$48.40, an increase of 7%.

- Of the three specific activities, **spectator sports** showed the smallest increases: 8% over the five year period in constant dollar terms, and 27% in current dollars.

- In current dollars, expenditures in the **performing arts** have increased 35% over the five year period. Moreover, there has been a 12% increase in constant dollars, as well.

Chart 2. illustrates in constant dollar terms, the data presented in Table 3. Note that from 1990-1991, both performing arts admissions, and spectator sports admissions suffered decreases, although the performing arts were not as affected. Furthermore, the performing arts' rate of growth, in terms of per capita spending, is far more stable than that of motion pictures. This also coincides with the expenditure patterns presented in Table 1.

Final Notes: The Survey of Current Business (which is used as a source publication for data regarding personal consumption expenditures, recreation expenditures, and per capita spending) is published by the Bureau of Economic Analysis, U.S. Department of Commerce. **Retrospective revisions** to these data for the two most recent years should be anticipated. The Statistical Abstract of the United States - 1994, used for the population estimates in Table 3. and Chart 2., was compiled by the U.S. Bureau of the Census, and published in September of 1994.

**TABLE 1. ADMISSIONS RECEIPTS FOR PERFORMING ARTS EVENTS,
MOTION PICTURES, AND SPECTATOR SPORTS, 1989-1993**

	<u>1993 \$ Millions</u> <u>current constant</u>		<u>1992 \$ Millions</u> <u>current constant</u>		<u>1991 \$ Millions</u> <u>current constant</u>		<u>1990 \$ Millions</u> <u>current constant</u>		<u>1989 \$ Millions</u> <u>current constant</u>	
Admissions Receipts to Specified Entertainments (change from previous)	16,800 (9%)	12,500 (7.8%)	15,400 (4.7%)	11,600 (.8%)	14,700 (5%)	11,500 (0%)	14,000 (15%)	11,500 (8.4%)	12,100 (9%)	10,600 (.9%)
Performing Arts	5,500 (6%)	4,100 (5%)	5,200 (11%)	3,900 (5%)	4,700 (4%)	3,700 (0%)	4,500 (15%)	3,700 (6%)	3,900 (8%)	3,500 (3%)
Motion Pictures	5,600 (14%)	4,200 (14%)	4,900 (-2%)	3,700 (-5%)	5,000 (6%)	3,900 (3%)	4,700 (21%)	3,800 (12%)	3,900 (8%)	3,400 (0%)
Spectator Sports	5,700 (8%)	4,200 (5%)	5,300 (6%)	4,000 (3%)	5,000 (2%)	3,900 (-2%)	4,900 (14%)	4,000 (8%)	4,300 (10%)	3,700 (0%)

Note: Constant (1987=100) \$ adjustments are based on implicit price deflators used for these expenditures by the Bureau of Economic Analysis, U.S. Department of Commerce.

Sources: July 1994 Survey of Current Business
Aug. 1993 Survey of Current Business

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CHART 1. ADMISSIONS RECEIPTS FOR PERFORMING ARTS EVENTS, MOTION PICTURES, AND SPECTATOR SPORTS IN CONSTANT 1987 U.S. DOLLARS, 1989-1993

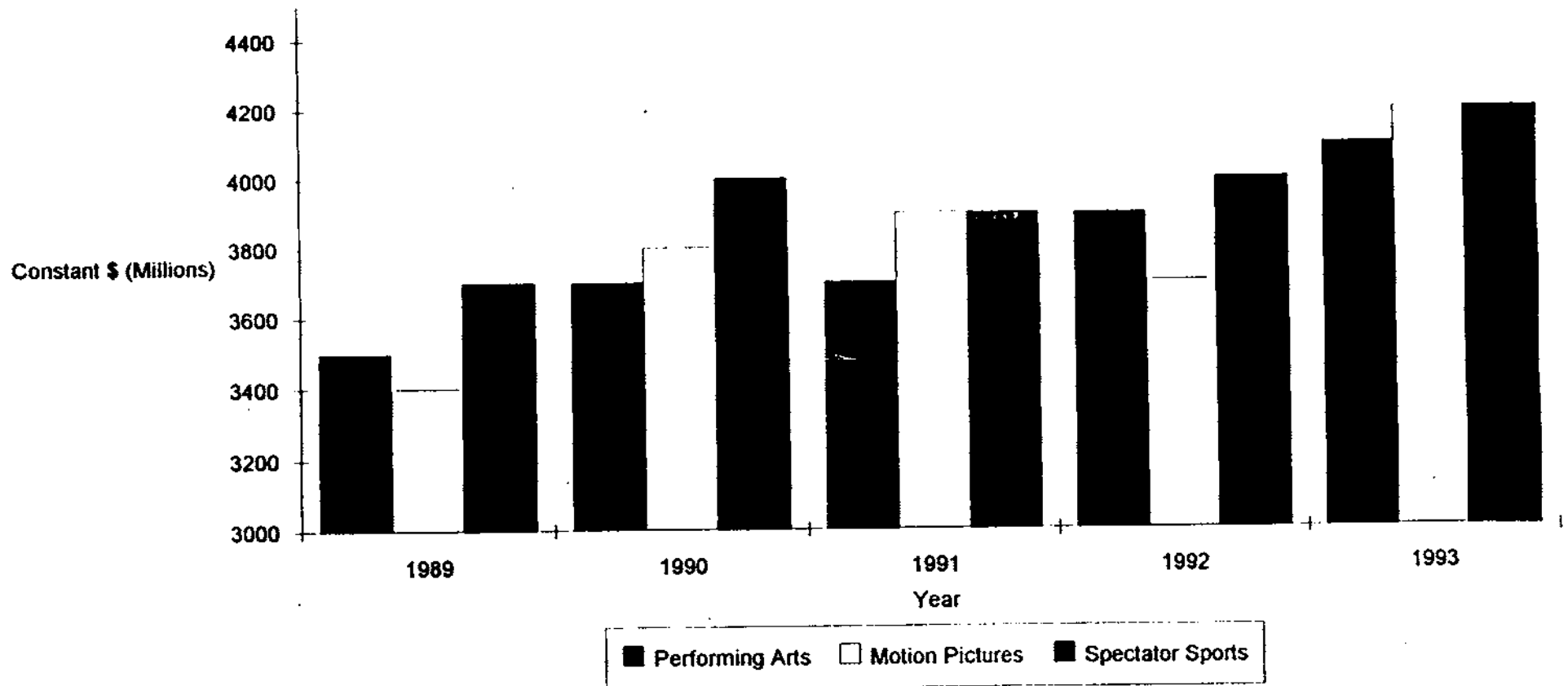


TABLE 2. TOTAL PERSONAL CONSUMPTION EXPENDITURES AND RECREATION EXPENDITURES AS A PERCENTAGE OF THE GDP, 1989-1993

	<u>1993</u>		<u>1992</u>		<u>1991</u>		<u>1990</u>		<u>1989</u>	
GDP in billions (current)	6,343.3		6,020.2		5,724.8		5,546.1		5,250.8	
Total Personal Consumption Expenditures as a % of GDP	69.0%		68.7%		68.2%		67.8%		67.1%	
Recreation Expenditures as a % of GDP	5.4%		5.3%		5.2%		5.2%		5.06%	
<u>Selected Recreation Expenditures as a % of GDP and of all Recreation Expenditures</u>	<u>GDP</u>	<u>Recr.</u>	<u>GDP</u>	<u>Recr.</u>	<u>GDP</u>	<u>Recr.</u>	<u>GDP</u>	<u>Recr.</u>	<u>GDP</u>	<u>Recr.</u>
Radio and T.V. Receivers, Records, Musical Instr. and Personal Computers	1.04%	19.3%	.98%	18.5%	.96%	18.4%	.91%	17.6%	.91%	17.78%
Books and Maps	.33%	6.1%	.33%	6.3%	.32%	6.1%	.32%	6.1%	.30%	5.93%
Admissions to Performing Arts Events	.09%	1.6%	.09%	1.6%	.08%	1.6%	.08%	1.6%	.07%	1.46%
Admissions to Motion Picture Theaters	.09%	1.6%	.08%	1.5%	.09%	1.7%	.08%	1.6%	.07%	1.46%
Admissions to Spectator Sports	.09%	1.7%	.09%	1.7%	.09%	1.7%	.09%	1.7%	.08%	1.61%

Sources: July 1994 Survey of Current Business
 Aug. 1994 Survey of Current Business

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**TABLE 3. PER CAPITA EXPENDITURES FOR SELECTED SUBDIVISIONS OF
PERSONAL CONSUMPTIONS FOR RECREATION, 1989-1993**

	<u>1993</u>		<u>1992</u>		<u>1991</u>		<u>1990</u>		<u>1989</u>	
	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>
Total Admissions Expenditures to Specified Entertainments \$ per capita	\$65.05	\$48.40	\$60.28	\$45.41	\$58.18	\$45.52	\$56.02	\$46.02	\$48.92	\$42.86
Performing Arts Admissions \$ per capita	\$21.30	\$15.88	\$20.36	\$15.27	\$18.60	\$14.64	\$18.01	\$14.81	\$15.77	\$14.15
Motion Picture Admissions \$ per capita	\$21.68	\$16.26	\$19.18	\$14.48	\$19.79	\$15.44	\$18.81	\$15.21	\$15.77	\$13.75
Spectator Sports Admissions \$ per capita	\$22.07	\$16.26	\$20.75	\$15.66	\$19.79	\$15.44	\$19.61	\$16.01	\$17.38	\$14.96

Note: Constant (1987=100) \$ adjustments are based on implicit price deflators used for these expenditures by the Bureau of Economic Analysis, U.S. Department of Commerce.

Sources: July 1994 Survey of Current Business
Aug. 1993 Survey of Current Business
Sep. 1994 Statistical Abstract of the United States

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CHART 2. PER CAPITA PERSONAL CONSUMPTION EXPENDITURES FOR SELECTED RECREATIONAL ACTIVITIES IN CONSTANT U.S. (1987) DOLLARS, 1989-1993

