

# ARTS & ECONOMIC PROSPERITY 6

The Economic & Social Impact Study  
of Nonprofit Arts & Culture Organizations  
& Their Audiences in

## City of Frisco

Supporting **jobs**.  
Generating **revenue**.  
Building **community vibrancy**.



# ARTS AND CULTURE BUILDS

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Every day, more than 100,000 nonprofit arts and culture organizations in the U.S. are making their communities better places to live and work by beautifying cities, fueling creativity, celebrating diversity, and bringing joy to residents. Like all nonprofits, these organizations have a public purpose: to make their cultural product broadly accessible so everyone can share in these benefits. And, like all nonprofits, they count on financial support from government and the private sector to deliver on that promise. We are in a time, however, when many leaders feel challenged to fund the arts. Shrinking budgets, mandates to prioritize jobs and economic growth, and pressing community development issues make for difficult decision making. To those leaders, **Arts & Economic Prosperity 6** brings a welcome message: when you invest in the arts and culture, you are investing in an industry that strengthens your economy and builds more livable communities.

Arts & Economic Prosperity 6 (AEP6) is an economic and social impact study of the nation's nonprofit arts and culture industry. By every measure, the results are impressive. Nationally, the sector generated \$151.7 billion of economic activity in 2022—\$73.3 billion in spending by arts and culture organizations and an additional \$78.4 billion in event-related expenditures by their audiences. What was the impact of this economic activity? It supported 2.6 million jobs, provided \$101 billion in personal income to residents, and generated \$29.1 billion in tax revenue to local, state, and federal governments.

Investment in the nonprofit arts and culture industry builds the communities where people want to live and work. It is where entrepreneurs and creative economy businesses are launched and where nighttime economies flourish. When we prioritize diverse cultural expressions and traditions, it nurtures social connections, promotes community pride and identity, and boosts tourism by providing the authentic experiences that draw visitors to the community. If visitors have a positive experience, it may become a place to work—and ultimately one in which to live. **Creating livable communities is economic development.**

*“Mayors understand the connection between the arts industry and city revenues. Arts activity creates thousands of direct and indirect jobs and generates billions in government and business revenues. The arts also make our cities destinations for tourists, help attract and retain businesses, and play an important role in the economic revitalization of cities and the vibrancy of our neighborhoods.”*

— RENO MAYOR HILLARY SCHIEVE,  
President, The United States Conference of Mayors

# TOP AEP6 TAKEAWAYS

## in the City of Frisco

1. Arts & Economic Prosperity 6 (AEP6) is an economic and social impact study of the nonprofit arts and culture industry. In the City of Frisco, the sector generated \$21.3 million in economic activity during 2022—\$4.5 million in spending by arts and culture organizations and an additional \$16.8 million in event-related expenditures by their audiences. That economic activity supported 374 jobs, provided \$13.5 million in personal income to residents, and generated \$3.7 million in tax revenue to local, state, and federal governments.
2. Nonprofit arts and culture organizations are businesses. They employ people locally, purchase supplies and services from nearby businesses, and engage in the marketing and promotion of their cities and regions. Their very act of doing business—creating, presenting, exhibiting, engaging—has a positive economic impact and improves community well-being. In the City of Frisco, nonprofit arts and culture organizations spent an estimated \$4.5 million which supported 111 jobs and generated \$1.5 million in local, state, and federal government revenue.
3. Arts and culture drives commerce to local businesses. When people attend a cultural event, they often make an outing of it—dining at a restaurant, paying for parking or public transportation, enjoying dessert after the show, and returning home to pay for child or pet care. Overall, in the City of Frisco, attendees spend \$40.23 per person per event, beyond the cost of admission. These dollars represent vital income for local merchants and a value-add with which few industries can compete.
4. Arts and culture strengthen the visitor economy. In the City of Frisco, 9.7% of attendees are nonlocal visitors who traveled from outside Collin and Denton Counties; they spend an average of \$69.28. Additionally, 83.5% of nonlocal attendees reported that the primary purpose of their visit was specifically to attend the performance, event, exhibit, venue, or facility where they were surveyed.
5. A vibrant arts and culture community keeps local residents—and their discretionary dollars—in the community. When attendees were asked what they would have done if the event where they were surveyed had not been available, 46.1% of attendees who live in Collin and Denton Counties said they would have “traveled to a different community to attend a similar arts or cultural activity.”
6. Arts and culture organizations contribute to community pride in the City of Frisco.
  - 90.6% of arts and culture attendees agree that the activity or venue where they were surveyed “is inspiring a sense of pride in this neighborhood or community.”
  - 89.3% agree that “I would feel a great sense of loss if this activity or venue were no longer available.”
  - 87.6% agree that the venue or facility where they were surveyed is “an important pillar for me within my community.”

Direct Economic Activity	Organizations	Audiences	Total Expenditures
<b>Total Industry Expenditures (FY2022)</b>	\$4,474,668	\$16,823,712	<b>\$21,298,380</b>

**Economic Impact of Spending by Arts and Culture Organizations and Their Audiences**

<b>Total Economic Impacts</b> (includes direct, indirect, and induced impacts)	Organizations	Audiences	Total Impacts
Employment (Jobs)	111	263	<b>374</b>
Personal Income Paid to Residents	\$5,440,597	\$8,098,624	<b>\$13,539,221</b>
Local Tax Revenue (city and county)	\$263,400	\$430,335	<b>\$693,735</b>
State Tax Revenue	\$199,714	\$322,848	<b>\$522,562</b>
Federal Tax Revenue	\$1,062,771	\$1,415,230	<b>\$2,478,001</b>

**Event-Related Spending by Arts and Culture Audiences Totaled \$16.8 million**

Attendance to Arts and Culture Events	Local <sup>1</sup> Attendees	Nonlocal <sup>1</sup> Attendees	All Attendees
Total Attendance to In-Person Events	377,874	40,591	<b>418,465</b>
Percentage of Total Attendance	90.3%	9.7%	100.0%
Average Per Person, Per Event Expenditure	\$37.08	\$69.28	\$40.23
<b>Total Event-Related Expenditures</b>	<b>\$14,011,568</b>	<b>\$2,812,144</b>	<b>\$16,823,712</b>

**Nonprofit Arts and Culture Audiences Spend an Average of \$40.23 Per Person, Per Event**

Category of Event-Related Expenditure	Local <sup>1</sup> Attendees	Nonlocal <sup>1</sup> Attendees	All Attendees
Food and Drink	\$18.61	\$28.63	\$19.59
Retail Shopping	\$7.63	\$7.66	\$7.63
Overnight Lodging (one night only)	\$0.25	\$15.31	\$1.72
Local Transportation	\$2.56	\$7.48	\$3.04
Clothing and Accessories	\$4.28	\$3.87	\$4.24
Groceries and Supplies	\$1.41	\$1.79	\$1.45
Childcare	\$0.83	\$2.15	\$0.96
Other/Miscellaneous	\$1.51	\$2.39	\$1.60
<b>Overall Average Per Person, Per Event</b>	<b>\$37.08</b>	<b>\$69.28</b>	<b>\$40.23</b>

*Results from the AEP6 Study for the City of Frisco.*

# THE ECONOMIC & SOCIAL IMPACT OF THE NONPROFIT ARTS AND CULTURE INDUSTRY in the City of Frisco

**Arts and Economic Prosperity 6 (AEP6) provides compelling evidence that the nonprofit arts and culture sector is a significant industry in Frisco—one that generated \$21.3 million in total economic activity during 2022. This spending—\$4.5 million by nonprofit arts and culture organizations and an additional \$16.8 million in event-related spending by their audiences—supports 374 jobs, generates \$13.5 million in household income for local residents, and delivers \$3.7 million in tax revenues to local, state, and federal governments. This study sends a strong signal that, even in the aftermath of the COVID-19 pandemic and the resulting recession, the nonprofit arts and culture is a formidable industry. AEP6 demonstrates that when we support the arts, we are investing in Frisco's economic and community well-being.**

AEP6 is the largest and most inclusive study of its kind. It documents the economic and social contributions of arts and culture in 373 diverse communities and regions representing all 50 states and Puerto Rico. The study areas range in population from 4,000 to 4 million. To measure industry spending, local and statewide research partners representing the 373 study regions collected expenditure and attendance data from 16,399 arts and culture organizations and the event-related spending information from 224,667 of their attendees. Using the IMPLAN economic modeling platform, input-output analysis models were customized for each study region to provide specific and reliable economic impact data for each.

**This unique report has been prepared for the City of Frisco in collaboration with our community research partner, the City of Frisco Cultural Affairs Division.**

## ECONOMIC IMPACT OF ARTS AND CULTURE

**During fiscal year 2022, spending by both the City of Frisco's nonprofit arts and culture organizations and their audiences totaled \$21.3 million.** The table below demonstrates the total economic impact of this economic activity.

To measure the impact of spending by nonprofit arts and culture organizations in the City of Frisco, the City of Frisco Cultural Affairs Division first identified the universe of eligible organizations that is located in the community. Those organizations were then asked to complete a survey about their fiscal year 2022 expenses and attendance. A total of 21 organizations participated in the survey. The findings in this report are based on the data provided only by those 21 organizations; no estimates or extrapolations have been made to account for non-participating organizations.

**During 2022, the 21 participating nonprofit arts and culture organizations in Frisco reported aggregate expenditures of \$4.5 million.** These direct expenditures generated total economic impacts (i.e., direct, indirect, and induced) of 111 jobs, \$5.4 million in resident

household income, and \$1.5 million in total tax revenue. This is the impact of just organizations—festivals, performing and visual arts organizations, history and heritage centers, public art programs, museums, community programs, living collections, and more. It does not take into consideration the spending by their audiences. The following table demonstrates the total economic impact findings of the direct spending by these organizations.

## **JOBS SUPPORTED ACROSS THE COMMUNITY**

**In Frisco, 98 of the 111 total jobs supported by the spending of nonprofit arts and culture organizations are a direct result of the organizations' initial expenditures** (i.e., direct impacts that exclude indirect and induced impacts).

## **ECONOMIC IMPACT BEYOND DOLLARS: VOLUNTEERISM**

While arts volunteers do not have an economic impact as defined in this study (because there are no direct expenditures), they do have an enormous impact on their community because their time and expertise help arts and culture organizations function as a viable industry. **During 2022, a total of 1,204 volunteers donated a total of 31,809 to Frisco's 21 participating organizations.** This represents a donation of time with an estimated aggregate dollar value of \$949,817.

## **VALUE OF IN-KIND CONTRIBUTIONS**

**In Frisco, the 21 participating organizations reported that they received in-kind contributions with an aggregate estimated value of \$457,088 during fiscal year 2022 (an average of \$21,766 per organization).**

## **NONPROFIT ORGANIZATIONS GENERATE TAX REVENUE**

**In the City of Frisco, spending by nonprofit arts and culture organizations generated a total of \$1.5 million in tax revenues.** In addition, event-related spending by arts audiences (e.g., food and drink, retail, lodging) is taxed in most communities, providing another stream of government revenue. **In the City of Frisco, spending by nonprofit arts and culture audiences generated a total of \$2.2 million in tax revenues.**

## **ARTS AND CULTURE AUDIENCES**

To measure the impact of spending by arts and culture audiences in Frisco, data was collected from 811 attendees between May 2022 and June 2023. Researchers used an audience-intercept methodology, a standard technique in which attendees to in-person performances, events, and activities are asked to complete a short survey about their spending related to that event, opinions about the social impact of the arts, ZIP code of their primary address, and basic socioeconomic information. Surveys took place only while attendees were attending the event.

In the City of Frisco, the 21 participating nonprofit arts and culture organizations reported that the aggregate attendance to their in-person events totaled 418,465 during 2022. **Event-related spending by these arts audiences totaled \$16.8 million in Frisco during fiscal year 2022,** excluding both the cost of admission as well as the cost of food and drink that was purchased

on-site during the event. Why exclude the cost of admission and on-site food and drink purchases? Those costs are paid directly to the arts and culture organizations themselves and are captured as expenses on the separate survey completed by those organizations. This methodology avoids “double counting” those dollars in the analysis.

## AVERAGE SPENDING BY ARTS AND CULTURE ATTENDEES

**The typical attendee to a nonprofit arts or culture event in Frisco spent \$40.23 per person per event as a direct result of their attendance** (not including the cost of admission, or food and beverage purchased on-site during the event).

Nonlocal attendees spent an average of 87% more than local attendees (\$69.28 vs. \$37.08, respectively) as a result of their attendance to nonprofit arts and culture events in the City of Frisco. As would be expected from a traveler, nonlocal attendees typically spend more in categories like lodging, meals, and transportation. When a community attracts cultural tourists, local merchants reap the rewards.

## THE ARTS DRIVE TOURISM

Each of the nonlocal survey respondents (i.e., those that live outside Collin and Denton Counties) were asked about the primary reason for their trip: **83.5% of nonlocal attendees reported that the primary purpose of their visit to Frisco was “specifically to attend the performance, event, exhibit, venue, or facility”** where they were surveyed.

The audience-intercept survey also asked nonlocal attendees if they would have traveled somewhere else (i.e., somewhere other than the City of Frisco) if the event where they were surveyed had not been available: **73.1% of nonlocal attendees responded “I would have traveled to a different community to attend a similar arts or cultural activity.”**

Additionally, 65.4% of the nonlocal attendees in the City of Frisco indicated that it was the first time they had ever attended the specific activity or visited the specific venue where they were surveyed.

Of the 9.7% of Frisco’s arts and culture attendees who are nonlocal, 15.2% reported an overnight lodging expense as a result of attending the event where they were surveyed. Not surprisingly, these attendees with a lodging expense spent considerably more money during their visit—an average of \$184.10 per person (as compared to \$69.28 per person for the average nonlocal attendee in Frisco). For this analysis, only one night of lodging expense is counted in the audience expenditure analysis, regardless of how many nights these cultural tourists actually spent in the community. This conservative approach ensures that the results from the AEP6 study are not inflated by non-arts-related lodging expenses.



Can you still get a hotel room for only \$15.31? This figure is an average of all survey responses collected from nonlocal attendees to nonprofit arts and culture events in Frisco—15.2% of those nonlocals reported an overnight lodging expense (the rest of the nonlocal responses reported \$0 for lodging).

Overall, nonlocal attendees to nonprofit arts and culture organizations reported that they spent an average of 0.4 nights in the City of Frisco specifically as a result of their attendance at the activity or venue where they were surveyed. (It is important to note that this figure is not limited to paid lodging—in can include nonlocal attendees who stayed at the home of family members or friends, and may include attendees who have a secondary residence that is located in Frisco.

## A VIBRANT ARTS SCENE KEEPS RESIDENTS' DOLLARS LOCAL

Finally, the audience-intercept survey asked **local** attendees if they would have traveled somewhere else (i.e., if they would have left the City of Frisco) if the event where they were surveyed had not been available: **46.1% of local attendees responded “I would have traveled to a different community to attend a similar arts or cultural activity.”**

Additionally, 42.1% of the local attendees in the City of Frisco indicated that it was the first time they had ever attended the specific activity or visited the specific venue where they were surveyed.

When taken all together, these cultural tourism findings demonstrate the economic impact of the nonprofit arts and culture industry in its truest sense. If a community fails to provide a variety of opportunities to experience the arts and culture, it risks not attracting cultural tourists and their valuable dollars as well as losing the discretionary spending of its own residents who will travel elsewhere in search of the diverse artistic expressions and authentic cultural experiences they seek.