

# **The Economic Impact of Arts and Culture in Central Connecticut, New England, & the Nation**

A Brief Prepared by David Mardis  
Chairman of the Government Relations Committee of the



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This brief is comprised of studies from leading national non-profit arts organizations compiling data and analysis of the economic impact, the arts and culture industry has on a national, regional, statewide, and local level. Also included are thoughts and observations from leading business people, entrepreneurs, philanthropists, and politicians regarding the social, as well as economic advantages, communities experience that embrace and support arts and culture.

The purpose of this brief, is to shed light on the overwhelmingly positive impact the arts have in New Britain and the surrounding communities, and the role the arts and culture industry can play in stimulating our local economy, providing jobs, providing business opportunities, and expanding our tax base, as well as instilling community pride, and being a major contributor to a safer, and more vibrant City and region.

The mission of the Greater New Britain Arts Alliance is to promote the creative, performing and visual arts, to provide a unified voice for the arts organizations, to serve as a catalyst for arts-related collaborations, to nurture individual creative abilities, and to advocate the arts as vital to the economic health and quality of life in the region. The arts and culture deserve to be supported for their own sake. Nevertheless, the information in this brief provides compelling arguments for investing in the arts as economic activity with a proven track record of stimulating economic activity in other sectors.

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***In my own philanthropy and business endeavors, I have seen the critical role that the arts play in stimulating creativity and in developing vital communities. The arts have a crucial impact on our economy and are an important catalyst for learning, discovery, and achievement in our country.***

Paul G. Allen  
Philanthropist and Co-Founder, Microsoft

“Arts and culture are powerful tools in the economic and cultural development of public spaces. Numerous economic impact studies have shown that the arts can have a strong positive influence on the development and revitalization of downtown areas, as well as contributing to the tax revenue base, the public image of an area and the business and cultural diversity in a community. From major metropolitan areas to small rural towns, this research shows that the nonprofit arts and culture industry is an economically sound investment. It attracts audiences, spurs business development, supports jobs, and generates government revenue. Locally as well as nationally, the arts mean business.”

Source: “The Arts Mean Business: How the Arts Add Up in the River City” Paper presented at the annual meeting of the American Sociological Association. August 14, 2004

[http://www.allacademic.com/meta/p\\_mla\\_apa\\_research\\_citation/1/0/9/9/5/p109955\\_index.html](http://www.allacademic.com/meta/p_mla_apa_research_citation/1/0/9/9/5/p109955_index.html)

“Right now, cities around the world are competing to attract new businesses as well as our brightest young professionals. International studies show that the winners will be communities that offer an abundance of arts and culture opportunities. As the arts flourish, so will creativity and innovation—the fuel that drives our global economy.”

Source: “Arts & Economic Prosperity III”, a study by, Americans for the Arts

[http://www.americansforthearts.org/pdf/information\\_services/research/services/economic\\_impact/national\\_findings\\_summary\\_report.pdf](http://www.americansforthearts.org/pdf/information_services/research/services/economic_impact/national_findings_summary_report.pdf)

***Mayors understand the connection between the arts industry and city revenues. Besides providing thousands of jobs, the arts generate billions in government and business revenues and play an important role in the economic revitalization of our nation's cities.***

Douglas H. Palmer

Mayor of Trenton

President, The United States Conference of Mayors

“America’s nonprofit arts and culture industry generates **\$166.2 billion in economic activity** every year—\$63.1 billion in spending by organizations and an additional \$103.1 billion in event-related spending by audiences. The national impact of this activity is significant, supporting **5.7 million jobs and generating \$29.6 billion in government revenue.**”

#### **ECONOMIC IMPACT OF THE NONPROFIT ARTS & CULTURE INDUSTRY** (expenditures by both organizations and audiences)

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Total Expenditures	<b>\$ 166.2 billion</b>
Full-Time Equivalent Jobs	<b>5.7 million</b>
Resident Household Income	<b>\$ 104.2 billion</b>
Local Government Revenue	<b>\$ 7.9 billion</b>
State Government Revenue	<b>\$ 9.1 billion</b>
Federal Income Tax Revenue	<b>\$ 12.6 billion</b>

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Source: “Arts & Economic Prosperity III”, a study by, Americans for the Arts

[http://www.artsusa.org/pdf/information\\_services/research/services/economic\\_impact/aepiii/highlights.pdf](http://www.artsusa.org/pdf/information_services/research/services/economic_impact/aepiii/highlights.pdf)

“The arts and culture industry, unlike many industries, leverages a significant amount of event-related spending by its audiences. Attendance at arts events generates related commerce for local businesses such as restaurants, parking garages, hotels, and retail stores. Data collected from 94,478 attendees at a range of events reveal an average spending of **\$27.79 per person, per event—in addition to the cost of admission.** This spending generated an estimated **\$103.1 billion of valuable revenue for local merchants** and their communities in 2005. The findings also reveal that nonlocal attendees spend twice as much as local attendees (\$40.19 vs. \$19.53), demonstrating that when a community attracts cultural tourists, it harnesses significant economic rewards.”

### IMPACT OF NONPROFIT ARTS & CULTURE AUDIENCES

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Total Expenditures	<b>\$ 103.1 billion</b>
Full-Time Equivalent Jobs	<b>3.1 million</b>
Resident Household Income	<b>\$ 46.9 billion</b>
Local Government Revenue	<b>\$ 5.1 billion</b>
State Government Revenue	<b>\$ 5.6 billion</b>
Federal Income Tax Revenue	<b>\$ 5.7 billion</b>

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Source: “Arts & Economic Prosperity III”, a study by, Americans for the Arts

[http://www.artsusa.org/pdf/information\\_services/research/services/economic\\_impact/aepiii/highlights.pdf](http://www.artsusa.org/pdf/information_services/research/services/economic_impact/aepiii/highlights.pdf)

*Across America, cities that once struggled economically are reinventing and rebuilding themselves by investing in art and culture, a proven catalyst for growth and economic prosperity. By creating cultural hubs, nonprofit arts businesses help cities define themselves, draw tourists, and attract investment. Federal support for America's nonprofit cultural organizations must go on if we hope to continue enjoying the substantial benefits they bring.*

Louise M. Slaughter  
U.S. House of Representatives (NY)  
Co-Chair, Congressional Arts Caucus

In 2008, a study on the economic impact of a single event, the Chihuly glass exhibit, held at the New Britain Museum of American Art yielded the following economic indicators:

Almost **\$1 million** in economic growth was generated in the region as the result of this highly successful exhibition at the New Britain Museum of American Art, according to a study just concluded by Central Connecticut State University tourism program.

Students at CCSU's tourism program under the direction of Dr. Richard Benfield, conducted and supervised exit interviews with visitors as they left the NBMAA during the Museum's presentation of *Contemporary Glass: Chihuly and Beyond*. The exhibition closed October 26, 2009, and generated a near record attendance of 26,000 visitors during the three months it was on view.

Data gathered during the study tracked the demographic characteristics, numbers, geographic origins, and particularly spending by visitors to the Museum. Based on that information, Benfield was able to determine the economic impact of the exhibition by calculating the direct financial impact of the exhibition and the indirect impact to the region by use of standard tourism economic multipliers.

***Based on precise revenue figures and conservative estimates of spending in areas like gasoline, meals, and accommodations, we can estimate a total impact in the order of one million dollars. A significant sum in any economy, but especially significant in this period of economic downturn***

Dr. Richard Benfield

Associate Professor of Geography, Central Connecticut State University

Dr. Benfield also estimates that using the same criteria for analysis, an organization such as the New Britain Symphony generates \$250,000 of economic impact to the greater New Britain area.

Arts and culture are an inherent treasure, in Connecticut, as throughout New England, and a major attraction for tourist and residents alike.

“Three New England states, Connecticut, Massachusetts, and Rhode Island rank in the top 10 in the country for the number of artists as a percentage of the workforce.”

Source: “*The Creative Economy, A New Definition*”, a study by, the New England Foundation for the Arts  
<http://www.nefa.org/sites/default/files/ResearchCreativeEconRptHighlights.pdf>

***There is no better indicator of the spiritual health of our city, its neighborhoods, and the larger region than the state of the arts. The arts deepen our understanding of the human spirit, extend our capacity to comprehend the lives of others, allow us to imagine a more just and humane world. Through their diversity of feeling, their variety of form, their multiplicity of inspiration, the arts make our culture richer and more reflective.***

Jonathan Fanton

President, MacArthur Foundation

“Furthermore, the role the arts can play in supporting causes such as the fight against cancer, AIDS, hunger, and disaster relief cannot be overstated. On January 12, 2010, a devastating earthquake struck the island of Haiti, claiming more than 200,000 lives. Ten days later, with no opportunity for advance marketing, numerous musicians and actors appeared and performed on a telethon 'Hope for Haiti Now,' that lasted for 2 hours. In that brief time, **57 million dollars** was raised to assist in the Haitian relief efforts. This does not include donations by corporations or via iTunes, where people are able to buy performances of the event for 99 cents each, or the entire album for \$7.99.

“This example is of an international event, but the impact of the arts on any and all fundraising can be translated to a local level also. A strong arts community can provide major assistance to local non-profits, and other worthy causes.”

Source: 2010 Associated Press

<http://www.msnbc.msn.com/id/35023278/ns/entertainment-celebrities/>

For further indication on the arts positive impact on our own community here in New Britain you need to look no further than our local businesses in our downtown.

*The arts community has had a tremendous impact on our business development. On nights when there are events at Trinity-on-Main and Hole in the Wall Theater, we see on average a 30% increase in our sales. As a result of this, we staff additional people on those nights.*

Rob Maffucci

Owner/Chef Vito's Tavern and Pizzeria

The powerful and positive effects of art and culture are felt across the public, private, and nonprofit business sectors, across racial and ethnic borders, to people of all ages and interests, in our schools, our jobs, and our daily activities. There are no words that can adequately express the importance of arts and culture to the human spirit, but it is the hope of the Greater New Britain Arts Alliance, that the content of this brief sheds light on the vital role arts and culture play in the economic revival of our great city.



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This brief is a work in progress. It is available online and will be periodically updated at [NewBritainArts.org](http://NewBritainArts.org) menu item “about” submenu “Arts Economic Impact Brief.” For more information on the arts in central Connecticut contact:

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