

# The Economic Impact of Nonprofit Performing Arts on the City of Omaha



Produced for: The Holland Foundation  
and The Peter Kiewit Foundation  
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## Preface

This study was commissioned by the Holland Foundation and the Peter Kiewit Foundation in January 2007. The goal of the study is to measure the economic benefits created by Omaha's nonprofit performing arts. For the purposes of this study, metropolitan Omaha is defined as the Nebraska counties of Douglas, Sarpy and Washington. The impact of the for-profit performing arts, including performances at the Qwest Center, are not considered.

Chapter 1 of this study provides an overview of the history of the performing arts in Omaha. Chapter 2 discusses the relationship among arts, tourism and economic growth. Chapter 3 identifies statistical methods of measuring impacts. Chapter 4 estimates the impact of the performing arts on Omaha, identifying the impacts on the overall economy, earnings, self-employment income, jobs, and state and local tax collections.

All estimates and opinions contained herein are those of the Principal Investigator, Ernest Goss. Any errors, omissions or mis-statements are those of the author alone. Please address all correspondence to:

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## Executive Summary

# The Economic Impact of Nonprofit Performing Arts on the City of Omaha

### **According to the National Endowment for the Arts,**

- 92.4 million, or 46 percent, of the 199.8 million U.S. adult travelers in 2005 included a cultural, arts, heritage or historic activity while on a one-way trip of 50 miles or more.
- These travelers spend an average of \$38.05 per event in addition to the cost of admission— 75 percent more than their local counterparts—on event-related items such as meals, parking, and retail sales.

### **Government data show that between 1998 and 2004:**

- The 20 percent of states with the largest performing arts sector grew their jobs at a 9.5 percent rate, while the bottom quintile of states expanded their employment at a 6.3 percent pace.
- The 20 percent of states with the largest performing arts sector grew their establishments at a 7.8 percent rate, while the bottom quintile of states expanded their number of establishments at a 5.0 percent pace.
- In terms of the growth of the overall state economy, the top quintile, based on the size of the performing arts sector, grew by 38.1 percent, while the bottom quintile advanced by 33.6 percent.

### **Omaha's non-profit performing arts bring significant numbers of new visitors to the area.**

- For example, the musical, *The Lion King*, ran between January 11, 2007 and February 11, 2007. During this period, 143 cast members spent an estimated \$514,800 while over 40,037 visitors to the city spent an estimated \$6,672,832 in local businesses.
- Based on surveys of performing arts attendees, almost 42 percent are visitors to Omaha.
- Additionally, resident performing arts encourage Omaha residents to spend locally rather than traveling to other cities to attend events.

### **Based upon surveys of nonprofit performing arts patrons:**

- 41.6 percent come from outside of Omaha.
- 14.6 percent of those coming from outside of Omaha stay overnight in Omaha.
- 65.3 percent of performing arts patrons attended more than one performing event in the past year.

- 58.3 percent of performing arts patrons rate the Omaha performing arts events as excellent.
- Fewer than 5 percent of the attendees rated Omaha's performing arts offerings as adequate or less.
- 31.8 percent of Omaha performing arts patrons attended performing arts events in other cities in the last year.
- 58.4 percent of Omaha's performing arts attendees are over age 50.
- Less than 16 percent of Omaha's performing arts patrons are under age 20.
- 66.5 percent of Omaha's performing arts attendees are female.

**Omaha's performing arts injected an estimated \$117,927,195 to the city for 2006. This added spending generates or supports:**

- \$167,162,829 in overall economic activity.
- \$42,490,790 in wages and salaries.
- 2,087 jobs.

**Omaha's performing arts are an important producer of state and local taxes. Direct and indirect taxes produced for 2007 are:**

- \$8,484,493 in total state and local taxes.
- \$3,168,449 of the total goes to local taxing jurisdictions.
- \$5,316,044 of the total goes to state coffers.

**The impacts of Omaha's performing arts are widely distributed across industries with the creation or support of:**

- 497 jobs supported in lodging and food services, 363 in transportation and warehousing, 48 in construction, and the remaining 1,179 across fifteen broad industry categories.
- Wages and salaries of \$8,397,219 in retail trade, \$8,382,998 in lodging and food services, \$2,259,984 in health and social services and the remaining \$23,450,589 distributed across fifteen industries.
- Overall economic activity of \$25,909,754 in lodging and food services, \$25,543,034 in retail trade, \$4,415,641 in real estate and rentals and the remaining \$111,294,398 spread across fifteen industries.

**Results show that every \$1,000,000 added to the budgets of Omaha's nonprofit performing arts organizations produces:**

- \$3,661,266 in sales or overall economic activity,
- \$930,650 in wages and salaries,
- \$88,409 in self-employment income, and 46 jobs,
- \$185,831 in state and local taxes.

**For the latest year for which data are available, the City of Omaha provided \$250,000 to support the performing arts and \$2,530,951 to support the CWS via expenditures on Rosenblatt Stadium.**

- Given the level of taxes created, this indicates a rate-of-return of city funds for performing arts more than twenty-six times that for the CWS.

**While the Holland Foundation in Omaha ranked number twelve nationally among foundations providing financial support for the performing arts, private giving supporting Omaha's performing arts was well below that of the rest of the nation.**

- Nationally, private giving represented 48.8 percent of the budget of performing arts organizations. In Omaha, private giving accounted for only 12.8 percent of the budget of performing arts organizations.
- Nationally, box office receipts accounted for 43.2 percent of performing arts organization budgets while they represented 76.2 percent of the budgets of Omaha's performing arts organizations.

## Chapter 1

# Performing Arts in Omaha

## Introduction

This chapter reviews the evolution of the performing arts in Omaha with a special focus on nonprofit organizations. Herein, performing arts are defined as artistic disciplines such as dance, drama, and music that are performed before an audience. Research was gathered from sources including the Nebraska Arts Council, University of Nebraska at Omaha Library Archives, the Douglas County Historical Society, Omaha Public Libraries, numerous arts organization websites, and personal communications with organizational associates. Great effort was made to include as much information and as many organizations as possible. A 2001 study of the performing arts in America by the RAND Corporation provided ample context for this historical overview.

Omaha's performing arts history mirrors that of the nation. America evolved from largely rural communities, where the arts were mostly private productions, to cities boasting entertainment of cinema, radio and television in the 1920s, at which point live performances began to wither. In the mid-1900s, demographics shifted and funding for nonprofits and tax incentives were introduced, initiating the community arts movement of the 1960s. By the 1980s, each state was given support by the National Endowment for the Arts for a state arts council, including the Nebraska Arts Council which was established in 1974. This funding provided for an expanding performing arts scene in the 1970s and 1980s, opening more theatres, arts programming and educational opportunities than ever for the nation and the Omaha community.

The national recession in the early 1990s reduced federal funding for the arts causing many arts organizations to close. Though the 2000s have been similarly difficult for obtaining monetary support, Omaha has boasted great quality, growth and

sustainability of pioneer and new performing arts organizations and programming.

Omaha residents currently enjoy over 100 nonprofit performing arts organizations, groups and programs. Outlined on the following pages, Omaha's strong history and present offerings show tremendous potential for the future of the performing arts community.

## The Beginning of Omaha Performance

In 19<sup>th</sup> century America, the performing arts were provided to the public exclusively by commercial or amateur artists and organizations. There was essentially no government support for the arts and little tradition of upper-class patronage. Shows were generally performed by touring companies of musicians and actors, and performance took place in private homes.<sup>1</sup>

Since Nebraska's statehood in 1867, the successful industries from the railroad made life less primitive, creating leisure time, and the yearning for a place to hold dances, plays, concerts and other events.<sup>2</sup> Omaha was a tour stop for great touring performers for quite some time because of the railroad, and as such, the community had already been exposed to culture in its earliest years.<sup>3</sup>

Built in 1867 on the 13<sup>th</sup> block of Douglas Street, the Academy of Music is the earliest known permanent performance establishment, which housed drama, music and comedic performances. It remained until 1882 when competitive pressures from the Boyd Opera House ("opera house" was the term used for a multi-functional hall used for entertainment performances) forced its closing.<sup>4</sup>

The Creighton Theatre, named after "Count" John A. Creighton, a co-founder of Creighton University, was built in 1895 on Harney Street

between 15<sup>th</sup> and 16<sup>th</sup> Streets. The Creighton School of Dramatic Art performed for the first presentation of the theatre.<sup>5</sup> In 1906 the theatre was renamed The Orpheum.<sup>6</sup>

Several other theatres opened and closed, including Redick Opera House, Boyd Theatre, Brandeis Theatre, Exposition Hall, Eden Musee, Coliseum and Grand Opera House, hosting variety acts, vaudeville, comical theatre, and charitable performances.<sup>7</sup> The Boyd Opera House and Grand Opera House were destroyed by fire in the early 1890s.<sup>8</sup> Most theatres that survived through the 1920s converted to motion picture establishments<sup>9</sup>.

Omaha's earliest established musical performances, "Tuesday Musicals," housed its first concerts in 1892 in local homes and Omaha's Fontenelle Hotel Ballroom. In 1911 the organization became a nonprofit concert series open to all, expanded into local theatres, and became the "Tuesday Musical Concert Series."<sup>10</sup>

## Early 20<sup>th</sup> Century Performance and the Start of the Nonprofits

The nonprofits of the early 20<sup>th</sup> century were initially solely funded by patronage from the urban elite. By the 1920s, however, the expenses were too high for individuals alone to support, and the organizations began to adopt boards of directors that provided funding and general oversight of the financial health of the institution. The government played a small role in supporting these organizations. For example, adopting the income tax deduction for individual contributions to educational, health and cultural organizations in 1917 had little immediate impact.<sup>11</sup>

Omaha universities began to develop performing arts groups in the early 20<sup>th</sup> century. Creighton University's Glee Club started in the early 20<sup>th</sup> century with musical performances at the Orpheum; as did the University of Omaha, presently the University of Nebraska at Omaha, Dramatic Club, Glee Clubs, bands and orchestras first performing at Joslyn Hall.<sup>12</sup>

Despite the competition gleaned from the popularity of motion picture and radio in the 1920s, two performance organizations with bright futures surfaced. The Omaha Symphony, established in

1921, housed performances at the Orpheum, and played along with Creighton University's Glee Club for the "old" Orpheum's final performance in 1926.<sup>13</sup> The "new" renovated Orpheum, as it still stands today, opened in 1927 with a variety show. The Omaha Symphonic Chorus was founded as the Apollo Club by the Dean of the College of Music at the University of Omaha in 1946, and played at such theatres as the Orpheum and Joslyn Hall.<sup>14</sup>

At the same time, a group of Omaha actors joined together in 1924 to form the Community Playhouse "to raise drama from a purely amusement enterprise into an educational, and cultural force."<sup>15</sup> The first Playhouse theatre was built on Sarah Joslyn's cow pasture at 40<sup>th</sup> and Davenport in 1928, and housed performances throughout the 1930s, 40s and 50s. Many Playhouse actors went on to star in national motion pictures; among them Marlon Brando, Henry Fonda, and Fonda's children, Jane and Peter.

The theatre community developed further with the opening of the Omaha Junior Theatre in 1949, founded by Junior League of Omaha member Emmy Gifford. Volunteer actors performed children's theatre on any empty stage that would accommodate their productions.<sup>16</sup>

## Leveraged Funding and Expansion in the 50s and 60s

By the 1950s, America was the world's economic and political leader. The nation also sought comparable stature in the arts, as was the case in Omaha, in nearby urban centers Denver, Kansas City and Minneapolis. Leveraged funding was introduced by the Ford Foundation in the 1950s, a funding idea that initiated start-up grants to stimulate an ever-expanding base of funding from individuals and institutional funders. This led to a complex public-private partnership characteristic of the sector that remains today.<sup>17</sup>

Omaha's performing arts scene borrowed from New York City and opened opera, dance and school performance organizations. In 1958, the Omaha Civic Opera Society, an all-volunteer community opera association, began performing at The Orpheum.<sup>18</sup> The Omaha Area Youth Orchestras were formed through a joint partnership between metro area schools and the Omaha Symphony Guild, holding



the first concert in Joslyn Hall.<sup>19</sup> The University of Omaha's modern dance organization, Orchesis, emerged, as well as Grace University's Chorale singing group, both of which performed for community audiences.

In response to the expansion of performing arts groups and theatres that opened in the 1950s, the Theatre Arts Guild was established in the 1960s "to raise awareness of and participation in live theatre in the metropolitan Omaha community through professional and educational development, recognition of contributions to the art form, and communication to the theatrical community and the community at large."<sup>20</sup>

In 1960, the state of New York took the pioneering step of establishing a State Council for the Arts, and the National Endowment for the Arts (NEA) was established in 1965. For the first time in U.S. history, the federal government assumed an active role in directly supporting the arts. This resulted from a number of factors including a desire to demonstrate the value of U.S. culture, the acceptance of a broader government role in supporting social goals more generally, the work of arts advocacy groups, and widespread belief that the arts and culture were important social assets that could not be sustained in the marketplace.<sup>21</sup>

Baumol and Bowen's influential 1966 analysis of the performing arts, which stated that the live performing arts could never entirely support themselves with earned income, proved an important intellectual foundation for both public and private subsidy of the arts.<sup>22</sup> Within 15 years of the formation of the NEA, every state had established an arts agency.

## Greater Diversity, the 70s and 80s

In 1972, the Mid-America Arts Alliance was created to stimulate cultural activity in Arkansas, Kansas, Missouri, Nebraska, Oklahoma and Texas, and to this day has worked to support, create and manage regional, national and international arts

programs. Shortly thereafter, in 1974, the Nebraska Arts Council (NAC) was established by an act of the Nebraska Legislature. Then and today, the NAC supports the arts primarily through a variety of grant programs that cover all disciplines of creative expression. Artists, arts organizations, schools and community groups use NAC funds and technical support to carry out a variety of art experiences statewide.<sup>23</sup>

This increase of financial support sparked corresponding increases in participation, and diversity of performing arts organizations.<sup>24</sup> Experimental theatres like the Magic Theatre in the Old Market emerged in the Omaha scene.

The Magic Theatre introduced a unique, experimental, audience-involved theatrical experience. Dinner theatres also opened, for example the Firehouse Dinner Theatre, and the Upstairs Dinner Theatre. The Omaha Community Playhouse expanded its audiences by establishing the Nebraska Theatre Caravan with the Nebraska Arts Council in 1975, performing in Nebraska, Kansas

and Wyoming, and ventured into programming for elementary and high schools.<sup>25</sup> In 1977, the Nebraska Wind Symphony, a community concert band, was founded by 70 adult amateur musicians.<sup>26</sup>

University programming was also growing. The renamed University of Nebraska at Omaha (UNO) formed the College of Fine Arts in 1968, and added its first performing arts center in 1970.<sup>27</sup> Creighton University's College of Fine and Performing arts was created during the 1960s, and "A Company of Dancers" was formed at Creighton in 1975.<sup>28</sup> The Nebraska Shakespeare Festival was started on Creighton's campus as an outside summer theatre program showcasing productions of playwright William Shakespeare. Grace University's Community Concert band also had its start in the late 1970s.

New ideas and definitions of the performing arts continued to surface in the 1980s. The Grande Olde Players



Courtesy of the Greater Omaha Chamber of Commerce. Patrons from Omaha and surrounding areas enjoy "Jazz on the Green" on the lawn of the Joslyn Art Museum.

Theatre was founded in 1984, focusing on “older adults” both on and off stage.<sup>29</sup> Experimental theatres, including Circle Theatre, Center Stage Theatre, Bellevue Little Theatre and Blue Barn Theatre opened in the 1980s, as well as modern dance organizations like Omaha Modern Dance Collective, and University of Nebraska at Omaha’s The Moving Company dance group.

A thread of nonprofit musical organizations formed in the mid-1980s, including the Intergeneration Orchestra of Omaha, the Organ Vesper Series, and the Soli Deo Gloria Cantorum. The Cathedral Arts Project was established during this period, “to promote and celebrate the performing and visual arts through the unique setting of Saint Cecilia’s Cathedral.”<sup>30</sup> The act of storytelling became popular, and as such, storytelling groups formed, including Nebraska StoryArts, performing for Omaha audiences for the first time in 1987.<sup>31</sup> Arts for All, Inc. was founded as Presbyterian Ministries School of the Arts, a nonprofit “educational program developed to be affordable for all,” providing classes, workshops, camps and cultural celebrations in the visual and performing arts.<sup>32</sup>

Other arts organizations expanded onto the performing arts scene, widening their audiences by providing performances as a part of their nonprofit programming. In the mid-1980s, Joslyn Art Museum, a nonprofit visual arts institution founded by Omahan Sarah Joslyn in 1931, started “Jazz on the Green” and “Thursday Night Live” (to become “First Friday JAM” in 1995), showcasing local and regional talent for Omaha audiences.<sup>33</sup>

Durham Western Heritage Museum, which opened in Omaha in 1975 to “to collect, preserve, interpret, and exhibit historical and cultural artifacts relating to the history and development of our nation’s western regions,”<sup>34</sup> was renovated in 1997 and thus began hosting musical, concert and other cultural performances for its visitors. El Museo Latino, one of the nation’s eleven Latino Museums, opened in Omaha in 1993, and has since hosted musical and other cultural performances at events and festivals.<sup>35</sup>

## Decreased Funding in the 1990s

In the past 15 to 20 years, America’s leveraged funding has proved difficult to sustain. Political controversy has caused a decline in federal funding of the arts, and the economic decline of the early 1990s affected private funding patterns as corporate sponsors moved away from unrestricted grants<sup>36</sup>. Individual contributions increased in the 1990s, however, and the number of nonprofit performing arts organizations increased by over 80 percent in America, most of them with revenues under \$100,000, relying heavily on unpaid labor.<sup>37</sup>

On average, American performing arts organizations receive only 5 percent of their revenues from government funding and there has been an almost 50 percent decrease in federal funding since the early 1990s. This explains the increased reliance on private contributions and ticket sales.<sup>38</sup>

Reflecting this national trend, many small revenue organizations came on the scene in the 1990s, relying heavily on unpaid labor and ticket sales. Small yet innovative theatrical organizations such as Snap! Productions, Shelterbelt Theatre, Brigit St. Brigit Theatre and Elkhorn Community Theatre emerged in the 1990s along with the musical organization, the South Omaha Arts Institute, housing several professional touring Mexican folk music groups.

A decrease in funding resulted in the mid-90s closing of the Metropolitan Arts Council of

Omaha, which had opened in the 1980s to support arts organizations and programming in the city. In 1998, The Nebraska Cultural Endowment was established by the Nebraska Legislature, to help “stabilize and enhance the arts and humanities in Nebraska.” The endowment, along with the Nebraska Arts Council and the Nebraska Humanities Council,<sup>39</sup> have helped moderate the impacts of the decrease in federal funding.

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**“From the Omaha Community Playhouse, to the fabulous Holland Performing Arts Center, to SaddleCreek Records and The Rose Theater, Omaha can easily be considered an emerging center for the performing arts,”**  
**said Mayor Mike Fahey.**

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## Performing Arts Boom: 2000-Today

The Omaha arts scene drastically changed after a 1997 study commissioned by the Omaha Symphony and completed by the city of Omaha, found the need for improvements in the Orpheum, as well as the establishment of a new performing arts center to provide for the increasing crowds at Orpheum performances.

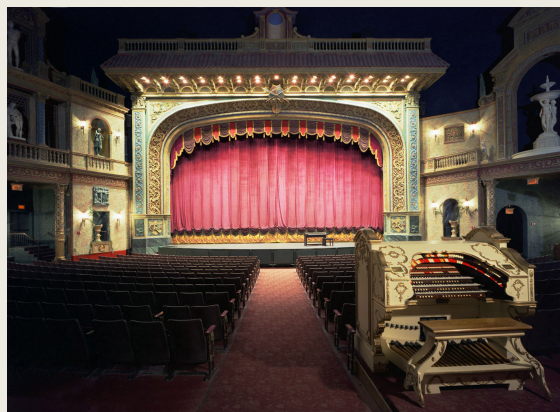
In 2001, a nonprofit organization, the Omaha Performing Arts Society, was formed to manage fundraising efforts for the renovation of the Orpheum Theatre and the construction of the Holland Center for the Performing Arts, named in recognition of a leadership gift provided by Richard and Mary Holland.<sup>40</sup> Located on 13<sup>th</sup> and Douglas Streets, The Holland Center opened its doors in 2005, a space of “acoustic perfection,”<sup>41</sup> and thus brought Omaha a cultural competitive edge in the region.

The center houses a 2,000-seat concert hall, a 450-seat recital hall, and a semi-enclosed, open-air outdoor performance and event courtyard, which has since hosted an array of symphony, opera, musical, and musical theatre productions as well as community events. The Orpheum is still actively operating as a host to performing arts productions, experiencing renovations in 1975, 1989, 1996, and 2002.<sup>42</sup>

Other excitement emerged in the arts scene in 2001, including the opening of the new Lauritzen Gardens. Through the Gardens, Omaha’s Botanical Center was established in 1982. The opening of the visitor and education center in 2001 initiated a rapid expansion of programming, including live music and dance performances at seasonal festivals.<sup>43</sup>

Other community arts organizations hosting performing arts productions and programming instituted in the 2000s include: Loves Jazz and Arts Center, showcasing and preserving the contributions of African American

artists named after Omaha-born saxophonist Preston Love<sup>44</sup>; John Beasley Theatre, showcasing multi-cultural live performances; R.E.S.P.E.C.T.2, an educational theatre organization, writing and producing professional productions for children and teens throughout Nebraska and Iowa; Poetry Menu, promoting poets and local poetry events; Bemis Center for Contemporary Arts, internationally renowned arts residency and educational organization founded in 1981, hosting artistic and musical performances; and Omaha Dance Project, providing original performances of choreography and ballets.<sup>45</sup>



Courtesy of the Omaha Chamber of Commerce. The Rose Children's Theatre.

Omaha’s colleges and universities have been a strong force in the performing arts in their role as educators to young artists and future audiences, presenters of live performance and catalysts for cultural awareness. Both the University of Nebraska at Omaha and Creighton University have offered quality programs in music, drama and dance since the 1960s.

Grace University’s band and chorus groups have captivated community audiences for decades, and the College of St. Mary has hosted performances in the Brigit St. Brigit Theatre on their campus since the early 1990s.

The most recent development in higher education is a theatre program at Metropolitan Community College (MCC) for students interested in theatre technology, playwriting and theatre performance. For ten years, MCC has been in partnership with the Omaha Community Playhouse offering a Theatre Technology Apprenticeship Program, giving high-school students the opportunity to learn and work in the theatre environment. Since the need has become stronger, MCC is expanding its role by developing their theatre program.

Another first for the community, in 2006, MCC instigated, hosted and oversaw the first annual Great Plains Theatre Conference through private funding,

providing panel discussions, workshops and other educational programs for attendees.

Along with the new, some of the pioneering organizations still thrive today. The former Omaha Junior Theatre, now the Omaha Theatre Company, found permanent residence at 20<sup>th</sup> and Farnam in 1993. In 1999, the Theatre created the Omaha Theatre Ballet, which now performs for audiences year-round and provides educational and outreach programs for the community. The Omaha Civic Opera Society, renamed Opera Omaha, now in its 50<sup>th</sup> year, has continued its commitment to high production standards, as well as presenting outreach programs in schools throughout the area.

The Omaha Community Playhouse, housed at 76<sup>th</sup> and Cass, was recognized in 1997 as one of America's top community theatres as measured by attendance, staff size and budget.<sup>46</sup> The Playhouse also offers classes, and continues with the Theatre Caravan and Theatre Technology Program. The Omaha Symphony performs at both the new Holland Center, the Orpheum, and other venues. The Nebraska Shakespeare Festival, now hosted at the University of Nebraska-Omaha campus, still operates during the summer.

## Omaha Performing Arts in Perspective

There are currently over 100 nonprofit performing arts organizations or programs in the Omaha community, the majority with budgets less than \$100,000. These organizations and programs are listed on the following pages and exemplify a growing cultural competitive edge in the region. Neighboring cultural-center cities such as Kansas City, Des Moines, Minneapolis and Denver, also have highly regarded performing arts scenes.

Kansas City recently broke ground on a new performing arts center, the Kauffman Center for Performing Arts, to open in 2009<sup>47</sup>. Kansas City is also home to the Kansas City Symphony, the Kansas City Ballet, the Lyric Opera and the KC Repertory Theatre, a nonprofit professional resident-theatre (a commodity that Omaha does not currently offer). Though the KC performing arts scene is substantial, Missouri's funding for arts decreased steadily from 2001 through 2005.<sup>48</sup>

The state's main source of funding, the Missouri Arts Council (MAC), survives by operating on funds from the MAC Trust, as the legislature zeroed out the council's general funds appropriation for several years. But in 2006, the council received \$500,000 from the state's general funds, an increase of \$50,181 from 2005. However, Missouri Citizens for the Arts expects these funds to be subject to a three percent governor's reserve. The council was authorized to spend up to \$4,682,959 from the trust fund, but this amount is subject to the approval of the Trust Board. Unfortunately, the state legislature has only appropriated a \$600,000 deposit into the trust fund.<sup>49</sup> In fact, the Kansas City Symphony is currently in a lawsuit against the state of Missouri, arguing that lawmakers since 1997 have severely under funded the Missouri Cultural Trust by \$83 million (including interest).<sup>50</sup>

Though Missouri's arts funding cuts have been detrimental, they are reflective of a national trend with state lawmakers cutting arts funding more than 20 percent between 2001 and 2003, according to the National Assembly of State Arts Agencies (NASAA).<sup>51</sup>

The Civic Center of Greater Des Moines, showcasing performing arts productions such as Broadway, theatre and music, was just recently ranked number 23 on the list of the Top 50 Theaters in the World by Pollstar, an information source for the music industry. The ranking was based on ticket sales in 2004, when the Civic Center sold 150,869 tickets – more than any other Midwest theatre – which Civic Center President Jeff Chelesvig said is largely due to the growing popularity of their Broadway Series.<sup>52</sup> Despite this major achievement, the Iowa Arts Council received \$1,157,486 from the state legislature in 2006, a \$192,100 decrease from 2005's appropriation of \$1,349,586. But, in addition to the general appropriation, the legislature added \$1,000,000 to the cultural trust again this year, and the Iowa Arts Council was given \$50,000 for grants to nonprofit music entities.<sup>53</sup>

Minneapolis' performing arts scene continues to be a regional and national cultural force. Walker Art Center hosts internationally known artists in all practices, including the performing arts, and is seen as a “model

of the future” for cultural institutions as it hosts exhibitions that link all disciplines and art forms. The University of Minnesota Library is home to a special archives section devoted to the history of the area’s performing arts.<sup>54</sup> The Minnesota Citizens for the Arts was able to protect the \$8,593,000 appropriation to the Minnesota State Arts Board in 2006 the same as 2005.<sup>55</sup>

In Colorado, the state arts agency received \$700,000 in state appropriations in 2006, a \$200,000 increase from 2005.<sup>56</sup> Denver is known for housing the second largest performing arts facility in the world. The Denver Performing Arts Complex (DPAC), second after New York City’s Lincoln Center, has ten performance spaces, hosting the Denver Center for the Performing Arts’ theatrical divisions, Broadway touring productions, contemporary dance, Colorado Ballet, chorales, the Colorado Symphony Orchestra, internationally-acclaimed Opera Colorado and more.<sup>57</sup>

Each of these cities has the support of a city arts council (Denver actually has two), whereas Omaha currently has none. There are over 45 city arts councils in the state of Nebraska, none of which reside in or support solely the cultural arts scene of its largest city.<sup>58</sup> As previously noted, the Metropolitan Arts Council of Omaha was active during the 1980s and 1990s, but closed due to a number of reasons including lack of support. The Nebraska Arts Council, as previously discussed, resides in Omaha, and supports arts programming throughout the state. The Nebraska Cultural Endowment, the Midwest Arts Alliance, and the Nebraskans for the Arts all bolster arts organizations and programs throughout the state, though none are sole supporters of Omaha.

A city arts council provides support in a number of ways: sponsors concerts and performances, sponsors artists residencies in schools or community settings, offers workshops for children or adults and arts activities for youth, operates an arts gallery or theatre space, coordinates fairs or festivals, offers a film series or a lecture series, supports a community choir, theatre or band, acts as an umbrella organization for community arts activities, coordinates public art projects, publishes a city-wide arts calendar, promotes arts education in local schools, supports artists’ projects, promotes local artists and arts

activities, and publishes a community arts resource website.<sup>59</sup>

The state appropriated a total of \$1,185,015 for the Nebraska Arts Council in 2006, a \$66,318 increase from 2005, which could be a good indication of the future.<sup>60</sup> The City Council adopted a \$2 ticket seat tax for maintenance of the Orpheum on January 30, 2007<sup>61</sup>. On February 23, LB429 was proposed to amend legislation passed in 2006 that exempts certain purchases by museums from sales and use tax. The amendment would also add performing arts venues to the definition of “museums” and would exempt items related to live production of performing arts from sales and use tax, including memberships,<sup>62</sup> which could encourage more private donations.

Omaha’s past and present performing arts history shows outstanding organizations and programs, tremendous growth, and a competitive edge in the regional cultural community. The following pages exhibit this with a list of currently operating nonprofit performing arts organizations, programs and groups in the Omaha community.<sup>63</sup> In a study of the Omaha theatre history done in 1988 by Charles Tichy of New York University, he writes, “...theatre had a great effect in Omaha. From the job opportunities it created to the journalistic and political influences it had, its presence was felt...the basic value of the theatre as a source of information and education was of great significance to the people of this city,” and is undoubtably still true today of theatre, music, dance and all of the areas of the performing arts.



# Performing Arts and Economic Growth

## Tourism and the Economy

Cultural tourism has become “big” business across the U.S. According to the National Endowment for the Arts, 92.4 million, or 46 percent, of the 199.8 million U.S. adult travelers in 2005 included a cultural, arts, heritage or historic activity while on a one-way trip of 50 miles or more. These travelers spend an average of \$38.05 per event in addition to the cost of admission—75 percent more than their local counterparts—on event-

that metropolitan Omaha expanded its private establishments providing cultural services by 5.8 percent and its cultural jobs by 42.7 percent.<sup>3</sup>

Despite this growth, data indicate that Omaha has lagged behind the rest of the U.S. in the growth of the arts. Table 2.1 compares U.S. and Omaha arts job growth between 1998 and 2004. As listed, Omaha had 0.30 percent of total U.S. jobs in 1998. Based on its share of all jobs, Omaha had less than its expected share of

**Table 2.1: Comparison of U.S. and Omaha Arts Jobs, 1998 and 2004**

U.S.	Omaha's Share of U.S. jobs, 1998	Growth, 1998-2004 Omaha	U.S.
All industries	0.30%	0.5%	2.9%
Art, entertainment & recreation	0.26%	4.8%	8.1%
Performing arts	0.30%	5.4%	9.9%
Promoters	0.09%	16.2%	13.1%
Agents & managers	0.15%	39.3%	26.4%
Independent artists, writers & performers	0.24%	12.9%	27.2%
Spectator sports	0.28%	22.3%	15.0%

Source: U.S. Census Bureau

related items such as meals, parking, and retail sales.<sup>1</sup> Our own research indicates that each \$1 million in cultural tourism creates approximately \$83 thousand in state and local taxes as well as supporting 32 jobs for the metropolitan area.<sup>2</sup>

Inspired by these impacts, cities across the nation have reacted and aggressively developed successful strategies linking the arts, tourism and economic growth. Not surprisingly, Omaha has joined other cities in efforts to grow its tourism sector via the cultural arts, including the performing arts. Between 1998 and 2004, U.S. Census data show

jobs in arts, entertainment & recreation, arts promoters, arts agents, independent artists, writers & performers and spectator sports. Only in performing arts did Omaha have its expected share of jobs.

Moreover, in terms of growth, Omaha lagged the rest of the nation in all arts categories, except promoters of arts, arts agents & managers, and spectator sports. Between 1998 and 2004, Omaha's performing arts growth of 5.4 percent was almost half the U.S.'s growth of 9.9 percent.<sup>4</sup>

**Table 2.2: Number of Arts Institutions, Businesses & Organizations, 2005**

Rank	State	Population	Per 10,000	Rank	State	Population	Per 10,000
1	District of Columbia	582,049	35.2	27	Tennessee	5,955,745	16.2
2	Washington	6,291,899	28.4	28	Michigan	10,100,833	16.1
3	Vermont	622,387	28.0	29	North Dakota	634,605	16.0
4	Colorado	4,663,295	25.9	30	Illinois	12,765,427	16.0
5	Connecticut	3,500,701	25.3	31	Pennsylvania	12,405,348	15.5
6	California	36,154,147	24.8	32	Iowa	2,965,524	15.5
7	New York	19,315,721	23.6	33	Virginia	7,564,327	15.3
8	Oregon	3,638,871	22.6	34	Delaware	841,741	15.2
9	New Hampshire	1,306,819	22.6	35	Arizona	5,953,007	15.2
10	Massachusetts	6,433,367	22.1	36	Nebraska	1,758,163	15.1
11	Hawaii	1,273,278	22.1	37	Missouri	5,797,703	14.9
12	Montana	934,737	21.7	38	Ohio	11,470,685	14.8
13	Rhode Island	1,073,579	21.3	39	North Carolina	8,672,459	14.6
14	Wyoming	508,798	20.7	40	Wisconsin	5,527,644	14.6
15	New Mexico	1,925,985	20.6	41	Kansas	2,748,172	14.5
16	Alaska	663,253	20.2	42	South Dakota	774,883	14.3
17	Maine	1,318,220	19.8	43	South Carolina	4,246,933	12.9
18	New Jersey	8,703,150	19.5	44	Louisiana	4,507,331	12.7
19	Florida	17,768,191	19.2	45	Oklahoma	3,543,442	12.1
20	Idaho	1,429,367	19.2	46	Indiana	6,266,019	11.9
21	Utah	2,490,334	19.0	47	Arkansas	2,775,708	11.3
22	Texas	22,928,508	18.8	48	Alabama	4,548,327	11.3
23	Minnesota	5,126,739	18.7	49	Kentucky	4,172,608	10.9
24	Nevada	2,412,301	18.0	50	Mississippi	2,908,496	9.0
25	Maryland	5,589,599	17.9	51	West Virginia	1,814,083	8.9
26	Georgia	9,132,553	16.5		United States	296,507,061	18.5

Source: Creative Industries, 2005

Supporting data in Table 2.1, Creative Industries found that Nebraska does not fare well in terms of the size of its arts community.<sup>5</sup> Table 2.2 ranks the states and the District of Columbia in terms of arts related businesses per 10,000 in population. As presented, Nebraska ranked number 36 in terms of arts related businesses per 10,000 in population in 2005.

Data in Table 2.2 indicate that the size of Nebraska’s arts sector is relatively smaller than expected. This result could stem from two sources. It could mean that Nebraska citizens have lower demand for art—that is Nebraskans are inclined to spend their incomes on non-arts products and services. Alternatively, it could mean that a high proportion of Nebraskans are going outside the city for their arts, or a small share of non-Nebraskans are coming to the state for arts experiences. This topic is further investigated in the next section. However, a thorough examination of this topic is beyond the scope of this study.

## Arts and Economic Development

Arts are often viewed as a luxury for communities with sufficient resources to support arts and performing arts. However, data provided in Table 2.3 suggest that the performing arts actually support economic development. Data listed in Table 2.3 show that between 1998 and 2004, states with the largest share of their employment base in performing arts in 1998 out-performed, economically speaking, states with a smaller performing arts sector. For example, the 20 percent of states with the largest performing arts sector grew their jobs at a 9.5 percent rate, while the bottom quintile of states expanded their employment at a 6.3 percent pace. The 20 percent of states with the largest performing arts sector grew their establishments at a 7.8 percent rate, while the bottom quintile of states expanded their number of establishments at a 5.0 percent pace. In terms of the growth of the overall state economy, the top quintile, based on the size of the performing arts sector, grew by 38.1 percent, while

**Table 2.3: Comparison of Economic Performance & Relative Size of Performing Arts Sector, 1998-2004**

Job	Growth 1998- - 2004		Performing arts	
	Establishment	GDP	Per 10,000 workers, 1998	
9.5%	7.8%	38.1%	18.7	Top 1/5
6.5%	6.7%	36.0%	10.0	2nd Quintile
2.7%	3.4%	34.1%	8.5	3rd Quintile
6.8%	5.1%	31.8%	6.6	4th Quintile
6.3%	5.0%	33.6%	3.9	Bottom Quintile

Source: U.S. Bureau of Labor Statistics, Bureau of the Census, and Bureau of Economic Analysis

the bottom quintile advanced by 33.6 percent.

Data in Table 2.3 portray, at least superficially, a positive link between the size of the performing arts sector and subsequent growth. In order to further investigate this association, correlation coefficients are calculated and presented in Table 2.4. A correlation coefficient is a number between -1 and 1. If there is no relationship between two variables, the correlation coefficient is 0. The closer the correlation coefficient is to +1, the more likely the two variables move together (e.g. Fahrenheit and Centigrade temperature). The closer the correlation is to -1, the more likely the two variables are to move inversely (e.g. income and poverty). As the strength of the relationship between the two variables increases, so does the correlation coefficient. A correlation coefficient greater than 0.80 is generally described as strong, whereas a correlation less than 0.50 is generally described as weak.<sup>6</sup>

**Table 2.4: Correlation Coefficients Between the Performing Arts and Economic Performance**

Job Growth	Establishment Growth	GDP Growth
0.57	0.71	0.87

Source: author calculation based on data in Table 2.3

As listed in Table 2.4, there is a strong and positive relationship between the relative size of a state’s performing arts sector and job growth, establishment growth and overall economic growth.

With a correlation coefficient of 0.87, the strongest relationship is between performing arts and gross domestic product (GDP) growth.

In addition to the correlation coefficient, researchers use a variety of metrics to gauge the importance of an industry to an economic area. Location quotients (LQ) are one of the most widely used of these measures to judge the significance of an industry to a state, county or metropolitan area. A location quotient is a rather simple economic development tool that helps identify what are known as “basic” and “non-basic,” or service industries in the economy. Basic industries are those that draw money into the economy from outside its borders, while non-basic industries serve the needs of the populace and businesses within the state, county or metropolitan area border.

Mathematically, a location quotient is simply an industry’s share of area employment over the industry’s share of national employment. If the location quotient is 1.0, then the industry’s share of local employment is the same as the industry’s share nationally. A location quotient greater than 1.0 means the industry employs a greater share of the local workforce in the area than it does nationally. A location quotient less than 1.0 implies that the industry’s share of local employment is smaller than its share of national employment. Equation 2.1 shows the formula used to calculate Omaha’s tourism LQ.

$$LQ (\text{Omaha}) = (\text{Omaha Tourism Emp.} / \text{Total NE Emp.}) \div (\text{US Tourism Emp.} / \text{Total US Emp.}) \quad (2.1)$$

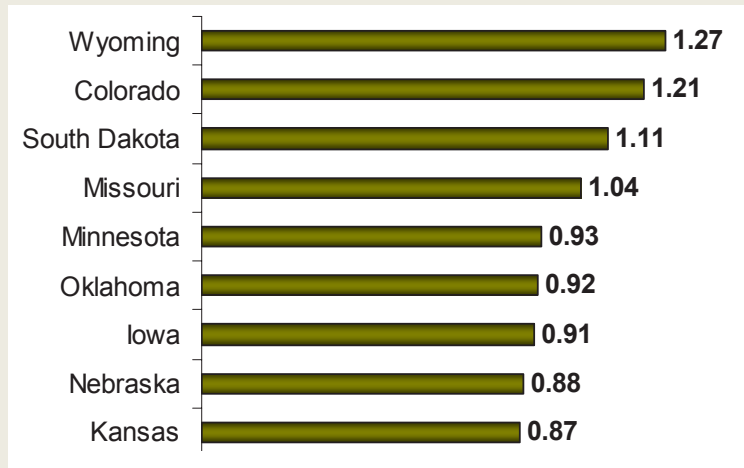


The more the location quotient exceeds 1.0, the greater the importance of the industry to the economic viability of the area. If a location quotient is less than one, it indicates that residents and businesses of an area purchase a higher proportion of services and goods from outside the area than residents and businesses of other areas of the nation. In such a case, economic development officials and legislators may wish to examine factors accounting for this

“out-of-area” buying. For example, is there local demand for a good or service that is not being met by local suppliers? If so, is there an opportunity for growth of that industry in the area?

Figures 2.1 and 2.2 compare Nebraska’s and Omaha’s tourism industry location quotients with that of neighboring, or competing, states and cities.

**Figure 2.1: Location Quotients for Leisure and Hospitality by State, 2005**



**Figure 2.2: Location Quotients for Leisure and Hospitality by City, 2005**

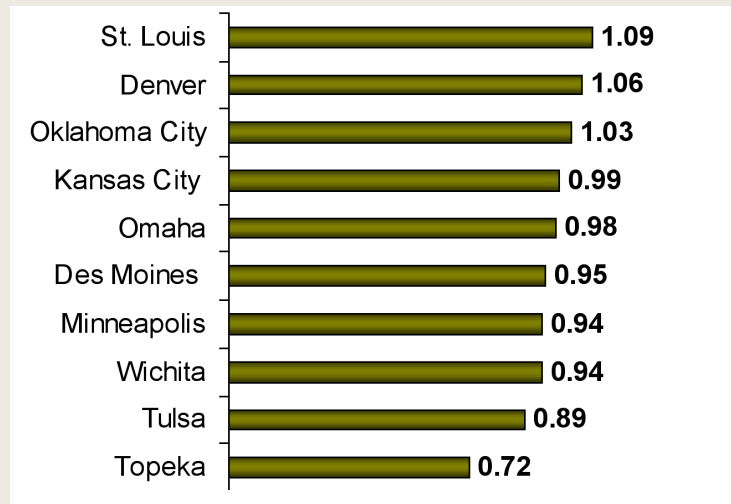


Figure 2.1 shows that four states, Wyoming, Colorado, South Dakota and Missouri, gain from tourism while five states, Minnesota, Oklahoma, Iowa, Nebraska and Kansas, lose tourism dollars to other states. According to the data, Wyoming is the biggest winner, while Kansas is the largest loser. The numerator of Equation (2.1)

is the percentage of Omaha’s employment in the tourism industry and the denominator is the percentage of nation’s employment in the tourism industry. A location quotient greater than 1.0 indicates that the industry is exporting goods or services out of the area and, in the process, bringing new dollars into

the area. Industries that bring dollars into the area help the local economy grow and are considered basic. Basic industries are those that are said to really turn the wheels of an economy.

Data indicate that Nebraska and Omaha have a lower share of overall employment concentrated in the tourism industry and that, by extension, Nebraska's and Omaha's tourism industry is losing dollars to other areas (e.g. sending tourism dollars to the rest of the region, nation and globe). In terms of cities, data in Figure 2.2 indicate that only St. Louis, Denver and Oklahoma City are exporting tourism services to other areas. On the other hand, Kansas City, Omaha, Des Moines, Wichita, Minneapolis, Tulsa and Topeka are sending net tourism

dollars to other areas. Both Figure 2.1 and 2.2 show that Nebraska and Omaha are exporting jobs and economic activity due to the net loss of tourism dollars.

Table 2.5 lists domestic travel expenditures by state for 2004. The data show much the same story with Nebraska receiving less than its share of tourism dollars. As indicated in Table 2.5, Nebraska has 0.59 percent of the nation's population, but only 0.56 percent of its domestic travel spending. According to data in Table 2.5, only Colorado, Missouri, South Dakota, and Wyoming receive more than their share of domestic travel spending based on population.

**Table 2.5: Domestic Travel Expenditures in State, 2004**

	Total	% of U.S. Travel spending	% of U.S. Population
Colorado	\$9,965,000,000	1.87%	1.57%
Missouri	\$9,465,000,000	1.78%	1.96%
Minnesota	\$8,494,000,000	1.60%	1.73%
Iowa	\$5,014,000,000	0.94%	1.01%
Oklahoma	\$4,456,000,000	0.84%	1.20%
Kansas	\$4,172,000,000	0.78%	0.93%
Nebraska	\$2,982,000,000	0.56%	0.59%
Wyoming	\$1,842,000,000	0.35%	0.17%
South Dakota	\$1,663,000,000	0.31%	0.26%
U.S.	\$532,355,000,000	100%	100%

Source: Travel Industry Association of America; U.S. Census Bureau

**Table 2.6: Nebraska's Loss of Travel Spending by Area, 2004**

	Share of Loss <sup>7</sup>	Loss
Hotels & motels	27%	\$43,120,755
Eating & drinking	23%	\$36,732,495
Attractions	3%	\$4,791,195
Gasoline stations	30%	\$47,911,950
Campgrounds	2%	\$3,194,130
Grocery / Convenience stores	8%	\$12,776,520
Other	7%	\$11,179,455
Total	100%	\$159,706,500

Source: Nebraska Department of Economic Development

<http://info.neded.org/tourfact.htm>

In fact, if Nebraska received its share of tourism spending based on its population, it would add almost \$160 million in domestic travel spending. Based on past spending patterns by Nebraska's tourists, the loss of spending by area is estimated and presented in Table 2.6. As indicated, Nebraska lost more than \$43 million in hotel and motel revenues in 2004 to other states. Based on average hotel charge and lodging taxes, this results in a loss of over \$5 million in state and local taxes coming from the lodging tax alone.

### Arts and Tourism

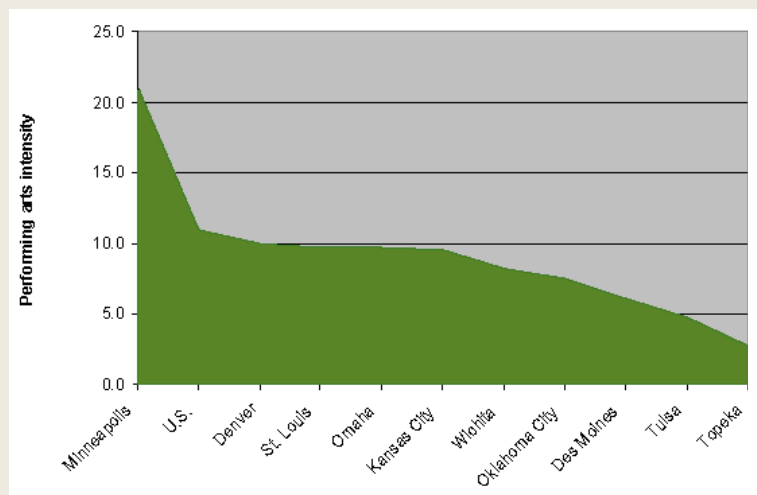
The availability of arts affects the degree to which an area experiences gains or losses from tourism. How does the size of Omaha's arts and performing arts sector compare to that of other

cities in the country's mid-section? Table 2.7 compares Omaha's arts and performing arts to that of competing cities. As presented, data indicate that in terms of performing arts per capita, Omaha lags Denver, Kansas City and Minneapolis, but surpasses Des Moines, Oklahoma City, St. Louis, Topeka, Tulsa and Wichita.

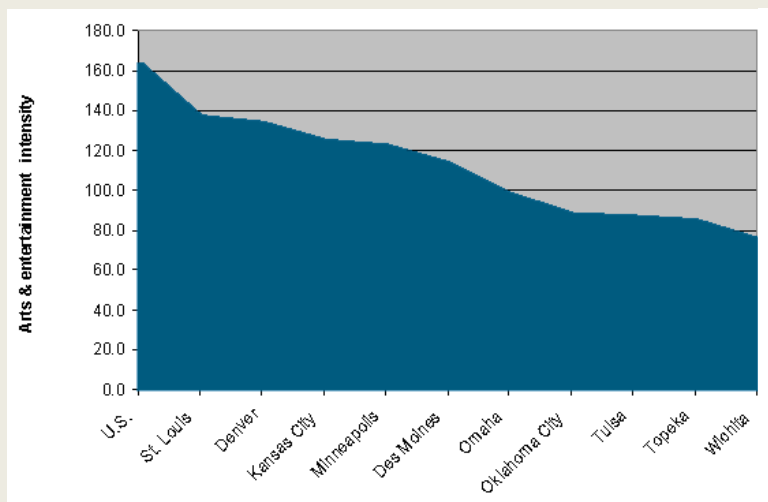
Data indicate a positive relationship between tourism and performing arts with most cities with a relatively large performing arts community experiencing a net gain of tourism dollars and cities with a relatively small performing arts sector suffering a loss of tourism dollars.

Figures 2.3 and 2.4 profile arts intensity by state as listed in Table 2.7.

**Figure 2.3: Performing Arts Intensity by City, 2004**



**Figure 2.4: Arts and Entertainment Intensity by City, 2004<sup>9</sup>**



**Table 2.7: Comparison of Performing Arts Among Omaha and Competing Cities, 2004**

Ranked by performing arts	Performing Arts	Arts and Entertainment
	Employees Per 10,000 <sup>8</sup>	Employees Per 10,000
Minneapolis, MN	21.1	122.1
Denver, CO	10.0	133.9
St. Louis, MO	9.7	137.1
Omaha, NE	9.7	98.4
Kansas City, MO	9.5	125.1
Wichita, KS	8.2	75.6
Oklahoma City, OK	7.5	88.3
Des Moines, IA	6.1	113.3
Tulsa, OK	4.8	86.9
Topeka, KS	2.7	84.9
U.S.	10.9	164.2

\*Number does not include promoters, agents, independent performers or government supported performers

Source: U.S. Census Bureau, 2004 County Business Patterns

## Arts and the Performing Arts: Financial Support for the Arts and the Performing Arts

Data in Table 2.8 show private foundation giving by category. As listed, almost thirteen percent of foundation giving is to arts and cultural organizations and individuals.

Table 2.9 lists the top 15 organizations in the U.S. providing performing arts grants in 2004. The Holland Foundation in Omaha was ranked number twelve in the nation with 46 grants providing \$8.4

million in financial support in 2004. This has certainly been an important stimulus to the performing arts in Omaha.

Not surprisingly, performing arts organizations have been very successful in obtaining private grants to support their operations and capital improvements and new construction projects. Table 2.10 lists total grants and grants per capita for 2004. As presented, Omaha topped all of its peers in terms of grants per capita at \$19.55. Topeka and Wichita had no grants reported.<sup>10</sup>

**Table 2.8: Private Foundation Giving by Category, 2004**

	% of total	Amount	# of Grants	Per Grant
Arts & culture	12.8%	\$1,979,541,000	18,516	\$106,910
Education	23.4%	\$3,625,448,000	25,689	\$141,128
Health	22.3%	\$3,447,203,000	16,208	\$212,685
Human Services	13.9%	\$2,146,396,000	32,294	\$66,464
Public Affairs/Society Benefit	13.0%	\$2,004,661,000	16,097	\$124,536
All other categories	14.7%	\$2,274,346,000	17,693	\$128,545
<b>Total all categories</b>		<b>\$15,477,595,000</b>	<b>126,497</b>	<b>\$122,355</b>

Source: U.S. Statistical Abstract

**Table 2.9: Top 15 U.S. Foundations Awarding Grants for Performing Arts 2004**

Rank	Foundation Name	State	Amount	No of Grants
1	The Annenberg Foundation	PA	\$33,095,818	51
2	The Crawford Taylor Foundation	MO	\$25,647,599	5
3	The Andrew W. Mellon Foundation	NY	\$18,841,600	58
4	The Shubert Foundation, Inc.	NY	\$12,870,000	269
5	The William and Flora Hewlett Foundation	CA	\$11,264,500	101
6	Overture Foundation	WI	\$11,233,150	3
7	The Starr Foundation	NY	\$10,540,000	59
8	El Paso Community Foundation	TX	\$10,356,800	4
9	The Peter Jay Sharp Foundation	NY	\$10,201,000	44
10	Doris Duke Charitable Foundation	TX	\$9,525,000	16
11	The James Irvine Foundation	NY	\$8,692,000	46
12	The Holland Foundation	NE	\$8,390,312	12
13	The Kresage Foundation	MI	\$8,231,400	12
14	The Walt and Lilly Disney Foundation	CA	\$8,000,000	1
15	The Ford Foundation	NY	\$7,916,700	68

Source: FC Stats Foundationcenter.org

## The Value of the Performing Arts<sup>11</sup>

The economic impact of the performing arts is a critical issue in tourism and overall economic development. But, ultimately, citizens, business, and government support the arts because they contribute to the local quality-of-life. As this is the

main motivation for support for the performing arts, it is natural in an economic study to attempt to quantify this quality-of-life contribution in terms of dollars. In a sense, it may not be possible to “monetize” all the ways that the performing arts contribute to our lives and our society. However, there are economic methodologies that can be used to provide at least partial estimates of the value that the public places on the performing arts.

**Table 2.10: Amount of Arts & Performing Arts Grants, 2004**

City	Total	Per Capita
Omaha	\$15,683,575	\$19.55
St. Louis	\$27,704,084	\$10.01
Minneapolis	\$29,071,787	\$9.34
Kansas City	\$16,142,625	\$8.38
Des Moines	\$1,235,000	\$2.41
Denver	\$4,939,000	\$2.12
Tulsa	\$689,850	\$0.78
Oklahoma City	\$500,000	\$0.44
Topeka	\$0	\$0.00
Wichita	\$0	\$0.00

Note: In general, data includes only grants above \$100,000

Source: Foundation Center foundationcenter.org

There have been research studies over the last few decades which have assessed the value of particular arts organizations, or particular types of arts organizations. For example, Martin<sup>12</sup> used a survey to estimate the value that the public placed on the public museum system in Quebec. Clark looked at property values in communities with and without different types of performing arts organizations and determined the effect of arts organizations on property values.<sup>13</sup> Lastly, Thompson *et al*<sup>14</sup> used a survey to assess the value that the public placed on maintaining the current level of arts events in the local area. This study in the state of Kentucky looked at arts events in general, rather than a particular performing arts organization. The results of Thompson *et al.* therefore

are more appropriate for considering the quality-of-life value that the public places on the performing arts overall. More specifically, the results indicate the value that the public places on continued private and government donations and other support for performing arts organizations.

Thompson et al. estimate how much the average household would be willing to pay to avoid either a 25 percent or 50 percent reduction in the number of arts events held in their community. These are the types of reductions, at a minimum, that might occur if government and the private sector significantly reduced their support, so that arts organizations had to rely primarily on ticket sales, and other earned revenue.

Based on the Thompson methodology, Table 2.11 indicates how much the average Omaha metropolitan area household would be willing to pay to avoid either a 25 percent or 50 percent reduction in the number of performing arts events in the area. We estimate that the average household would be willing to pay \$18 to avoid a 25 percent decline and \$40 to avoid a 50 percent decline. These estimates are adjusted for differences in per capita income and education levels in Omaha versus the state of Nebraska, as well as inflation.<sup>15</sup> The numbers represent 2006 estimates and only reflect the

Nebraska portion of the Omaha Metropolitan Area. The table also shows a current estimate of the number of households in Omaha and the total willingness-to-pay across all Omaha households.

These figures, particularly the figure for a 50 percent reduction, come closest to assessing the quality-of-life value that the public places on the performing arts in Omaha. Based on the 50 percent figure, Omaha metropolitan area households are willing to pay \$11.1 million annually to maintain the current level of arts events rather than face a substantial loss in the number of events. This is a useful indicator of the quality-of-life value that the community places on the performing arts.

**Table 2.11: Household Willingness to Pay to Support the Performing Arts in the Omaha Metropolitan Area (Nebraska Portion) 2006**

Scenario	Omaha Income, Education and Inflation Adjusted		
	Average Household Willingness-to-Pay	Number of Nebraska Households	Omaha MSA Willingness-to-Pay
Avoid 25% Loss in Arts Events	\$17.72	281,000	\$15.0 million
Avoid 50% Loss in Arts Events	\$39.33	281,000	\$11.1 million

# Measuring the Economic Impact of the Nonprofit Performing Arts

## Overview

To a large degree, nations, states and communities are judged by the quality and availability of their art. For example, one often assesses Russian society by its contributions to performing arts, especially its symphonic productions and ballet. Likewise, our assessment of New York City is affected by the Metropolitan Opera and Broadway. Other cities have been distinguished by their performing arts including the Cleveland Symphony, the Cincinnati Ballet, and of course Hollywood.

While the breadth of Omaha's performing arts does not rival that of London or New York, it does make significant contributions to both the area economy and the quality-of-life. As a result of the widespread distribution of performing arts, the industry's existence in the city affects the city economy in many ways.

First, direct expenditures by the performing arts, such as payroll, generate local jobs and income. Second, performing arts operations indirectly affect the overall level of community economic activity. For example, the office supplies industry provides jobs and income for workers in the region as a result of performing arts spending on pens and paper. Third, the presence of the performing arts increases the attractiveness of the community and, in the long run, encourages the startup and/or relocation of retail businesses and manufacturing firms to the region. Finally, the presence of the performing arts in the city brings business visitors and tourists to the area. If these individuals ultimately choose to move

to Omaha, or if these individuals influence others to move to Omaha, this contributes to the region's "brain gain."<sup>1</sup>

Past studies have validated the importance of the arts, including the performing arts. It was found that the cultural arts generated almost 20 percent of total Texas tourism.<sup>2</sup> Furthermore, high concentrations of artists are likely to produce agglomeration impacts where businesses, especially those in fast-growing creative industries are drawn to an area because of the availability of creative talent.<sup>3</sup>

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**“A strong arts community contributes to a city’s quality-of-life, which has a positive impact on its business environment and its ability to attract the talent that businesses need to grow in today’s economy,”**  
**said Dan Neary,**  
**Chairman and CEO,**  
**Mutual of Omaha.**

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Large portions of performing arts expenditures are made in the local economy. That portion spent locally adds to community income. Economic impacts that take place outside the local economy, for example spending in Des Moines, are called leakages and reduce overall impacts. They are excluded when estimating economic impacts for Omaha.

Additionally, the performing arts increase retail sales in the region as performing arts workers and visitors who reside outside Omaha spend a portion of their wages in the city. In other words, the performing arts contribute to the region's export of retail goods. These sales have a positive impact on the local area by adding jobs and income in the retail and related industries. Table 3.1 shows how the performing arts contribute to the economy and to the attractiveness of the community.

**Table 3.1: Impact of the performing arts on Omaha<sup>2</sup>**

Activity	Economic Benefit	Community Benefit
Direct involvement	Wages paid to employees	Increases sense of collective identity; Builds social capital
Audience participation	Tourists spend money at local venues	Builds community pride; interaction of diverse individuals
Presence of performing arts	Increase attractiveness of community to residents and visitors	Improves community image and status; Promotes neighborhood cultural diversity; Reduces neighborhood crime and delinquency
Philanthropic and government support	Brings new dollars to the community	Matching funds provide a multiple of the initial gift or grant

## Types of Impacts

### Direct Economic Impacts

Spending on the performing arts flowing into cities has direct economic effects on local economies through expenditures for goods and services and by paying employee salaries. The most obvious direct expenditures are payment of wages to workers employed by performing arts organizations. In addition, expenditures by business visitors to performing arts organizations in the area produce direct impacts on the region affecting primarily the retail trade and tourism-related industries. A diagram of sample impacts is presented in Figure 3.1 with direct economic impacts color coded blue.

### Indirect Economic Impacts

The performing arts also produce indirect economic effects on the area economy. For example, office supply companies supplying performing arts organizations buy merchandise from area wholesalers. Furthermore, performing arts expenditures encourage the startup and expansion of other businesses related to the performing arts. The performing arts generate indirect effects by increasing: (a) the number of firms drawn to a community, (b) the volume of

deposits in local financial institutions and, (c) economic development. Examples of indirect economic impacts are color coded yellow in Figure 3.1.

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**T**he performing arts increase overall income and population, which produces another round of increased spending adding to sales, earnings and jobs for the area.

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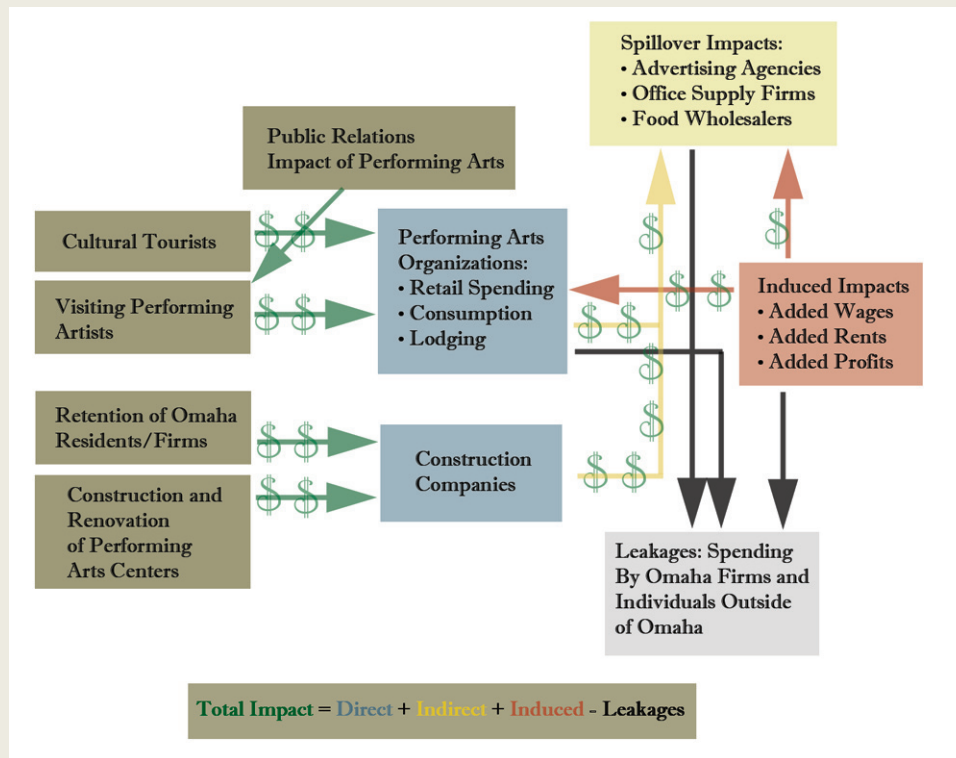
### Induced Economic Impacts

Induced impacts in the region occur as the initial spending feeds back to industries in the region when workers in the area purchase additional output from local firms in a second round of spending. That is, the performing arts increase overall income and population, which produces another round of increased spending adding to sales, earnings and jobs for the area. Examples of induced economic impacts are color coded red in Figure 3.1.

In terms of spillover, or indirect plus induced impacts, data indicate that for the Omaha area<sup>3</sup>, each \$1,000,000 of spending by performing arts organizations generates another \$960,800 across other industries with \$110,000 in health services, \$86,300 in retail trade and \$81,100 in finance and insurance.<sup>4</sup>



**Figure 3.1: Direct, Indirect and Induced Impacts of the Performing Arts**



## The Multiplier Effect

When performing arts employees spend their salaries within the community, this spending filters through the local economy causing increased overall spending greater than the initial spending. The impact of this re-spending is known as the multiplier effect.

Economic impacts that take place outside the local economy, for example Omaha arts employee spending in Kansas City or Des Moines, are called leakages and reduce the multiplier and overall impacts. They are excluded when estimating regional economic impacts. While the direct effects of the performing arts can be measured by a straightforward methodology, the indirect and induced effects of performing arts spending must be estimated using regional multipliers.

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**Cultural tourist dollars flowing into Omaha will have larger impacts than the same level of premiums flowing into Beatrice or South Sioux City.**

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Community characteristics that affect leakages, and consequently the multiplier include:

**Location.** Distance to suppliers affects the willingness to purchase locally. If Omaha firms are unable to provide performing arts supplies at competitive prices and there are alternative suppliers in Des Moines who are, then performing arts organizations will be encouraged to spend outside the community. This results in greater leakages, lower multipliers, and smaller impacts.

**Population size.** A larger population provides more opportunities for companies and workers to purchase locally. Larger population areas are associated with fewer leakages and larger multipliers. Thus, in general,

performing arts dollars flowing into Omaha will have larger impacts than the same level of spending flowing into Beatrice or South Sioux City.

**Clustering.** A community will gain more if the inputs required by local industries for production match local resources and are purchased locally. Thus, over time, as new firms are created to match the requirements of the performing arts, leakages will be fewer, resulting in larger multipliers and impacts. This issue is at the heart of economic development amplifying the impacts of the clustering of performing arts investment and jobs. As Omaha gains more and more of national performing arts investment and jobs, educators and training institutions become more proficient and focused on meeting the needs of the industry. Furthermore, suppliers unique to performing arts organizations are more likely to locate in close proximity to these organizations. This not only expands income and jobs in Omaha, it increases the size of multipliers related to the performing arts.

The next section discusses the selection of an estimation technique to measure the direct, indirect and induced impacts of the performing arts on the community and region.

## Choosing a Technique to Measure Impacts

The three most common types of impact models are economic base, econometric and input-output (I-O). Many types of public and private-sector decisions require an evaluation of probable regional effects. Since important impacts are often economic, this requirement has created a need for regional economic impact models. The three most common types of impact models are economic base, econometric, and input-output (I-O). Two of the three impact models have inherent disadvantages that markedly reduce their viability for estimating the impact of performing arts spending on the economy.

**Economic Base Model.** The economic base model divides the economy into two sectors—the local/service sector and the export sector. The economic base multiplier is an average for all the economy making it impossible to distinguish, for example, the impact of retail spending from that of a new manufacturing plant.

**Econometric Models.** Econometric models have

two major weaknesses. First, the time series data used in constructing econometric models are often unavailable at the state and metropolitan area level, thus precluding county-level analysis. This is especially true for rural counties and for counties with small populations. Second, econometric models are costly to build and maintain.

**Input-Output (I-O) Models.** I-O models are the most frequently used types of analysis tool for economic impact assessment. Input-output is a simple general equilibrium approach based on an accounting system of injections and leakages. Input-output analysis assumes that each sector purchases supplies from other sectors and then sells its output to other sectors and/or final consumers.

Historically, high development costs precluded the extensive use of I-O models in regional impact analysis. However, with the advent of “ready-made” multipliers produced by third parties, such as the U.S. Forestry Service, I-O multipliers became a much more viable option for performing impact analysis and will be used in this study.

All purely non-survey techniques or “ready-made” multipliers take a national I-O table as a first approximation of regional inter-industry relationships. The national table is then made region specific by removing those input requirements that are not produced in the region. This study will use the most widely recognized “ready-made” multiplier system, IMPLAN Multipliers.

### IMPLAN Multipliers

The Forestry Service of the U.S. Department of Agriculture developed the IMPLAN multipliers in the 1980s (U.S. Forest Service, 1985). For very populous areas, IMPLAN divides the economy into approximately 500 industrial sectors. Industries that do not exist in the region are automatically eliminated during user construction of the model (e.g. coal mining in Omaha). IMPLAN uses an industry-based methodology to derive its input-output coefficients and multipliers. Primary sources for data are County Business Patterns data and Bureau of Economic Analysis data.

Researchers have used IMPLAN to estimate the impact of changes in military spending on the Washington State economy.<sup>5</sup> IMPLAN and RIMS (Regional Input-Output

Modeling System) are two of the most widely used multiplier models. IMPLAN has been compared to other multiplier systems and found to produce reliable estimates.<sup>6</sup> Likewise in 1991, Crieffield and Campbell, in estimating the impacts of opening an automobile assembly plant, concluded that IMPLAN's outcomes are, on balance, somewhat more accurate than RIMS.

IMPLAN multipliers possess the following advantages over other I-O Multiplier Systems:

1. Price changes are accounted for in the creation of the multipliers.
2. Employment increases or decreases are assumed to produce immediate in or out-migration.
3. Multipliers are produced at reasonable costs by third party vendors.

In this case, the Minnesota Implan Group produces the multiplier system used in this study. The next chapter details the economic impacts of the performing arts.



The Holland Performing Arts Center is home to various nonprofit arts events, and is treasured for its architecturally engineered acoustic properties.

# Estimated Impact of the Nonprofit Performing Arts on Omaha

## Introduction

Omaha's performing arts are an engine producing significant tourism dollars for the area. For example the musical, *The Lion King*, ran between January 11, 2007 and February 11, 2007. During this period, 143 cast members spent an estimated \$514,800 while over 40,037 visitors to the city spent an estimated \$6,672,832 in local businesses.

Not only did this new spending produce significant impacts for the Omaha economy, *The Lion King* encouraged Omaha residents to attend the event in Omaha rather than another city. *The Lion King*, for example, will be playing in St. Louis from June 21, 2007 until July 29, 2007. Playing earlier in the year in Omaha reduced spending by Omaha residents in St. Louis. This is just one example of how the performing arts brought new dollars into the economy and retained Omaha residents' dollars in the city.

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**“The performing arts are important in the mix of attractions and events that bring visitors to Nebraska,” said Tom Doering, Research Coordinator, Nebraska Department of Economic Development.**

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In order to determine the proportion of performing arts attendees visiting from outside the city, surveys of audiences were administered over the period February 10, 2007 to March 24, 2007.

Table 4.1 presents the results. The surveys indicate that almost 42 percent of nonprofit performing arts attendees came from outside of Omaha. Furthermore, the survey shows that attendees were a highly mobile group with 31.8 percent responding that they regularly visit other cities to attend performing arts events. Importantly, 58.3 percent of respondents rated the Omaha performing arts as excellent. On the other hand, only 43.2 percent of those visiting other cities for the performing arts rated Omaha's performing arts as excellent.

**Table 4.1: Performing Arts Survey Results, 2007<sup>2</sup>**

Attendees from outside Omaha	41.6%
Attendees from outside Omaha staying overnight	14.6%
Attendees went to multiple events in Omaha	65.3%
Attendees visit events in other cities regularly	31.8%
Attendees rate Omaha performing arts excellent	58.3%
Attendees rate Omaha performing arts good	36.4%
Attendees the rate Omaha performing arts adequate	5.0%
Female Attendees	66.5%
Attendees Over 50	58.4%
Attendees 35-50 in age	24.3%
Attendees 20-35 in age	11.3%
Attendees under 20 in age	4.9%

Other important findings from the survey were that the attendees to Omaha performing arts events are more likely to be female, and over 50 years of age. Only 16.2 percent of the attendees were under age 35, while 58.4 percent were over age 50.<sup>1</sup>

As brought out in previous chapters, performing arts revenues derived from services and products provided to “out-of-area” customers are considered export revenues or injections. Thus, these surveys and other indirect measures are important methods of determining the amount of economic injections produced by the Omaha performing arts. These revenues add to community income to the extent that this money is spent locally on employee salaries, supplies, and services. Also, the performing arts,

by providing local residents with entertainment and cultural activities, make Omaha residents more likely to spend in the city rather than traveling to other cities to attend similar activities.

Based on the data contained in Table 4.1 and budgets of Omaha performing arts organizations, Table 4.2 summarizes spending related to performing arts events in the city of Omaha for 2006. As listed, performing arts were responsible for injecting almost \$118 million into the Omaha economy in 2006. However a portion of the spending “leaks” to other areas of the state, region and nation. Based on regional purchasing coefficients provided by Implan which capture these leakages, it is estimated that \$75,774,436 is retained in Omaha.

**Table 4.2: New Spending in Omaha Due to the Performing Arts, 2006**

Industry	Total Spending	Percent Spent in Omaha <sup>3</sup>	Estimated Amount Spent in Omaha
Commercial construction	\$3,676,667	100%	\$3,676,667
Performing arts organizations	\$41,980,450	54.5%	\$22,879,345
Accommodation	\$17,111,442	41.8%	\$7,152,583
Eating & drinking	\$17,868,291	89.8%	\$16,045,725
Gasoline service stations	\$23,306,466	65.0%	\$15,149,203
Grocery & convenience stores	\$6,215,058	88.2%	\$5,481,681
Attractions	\$2,330,647	71.4%	\$1,664,082
Other retail	\$5,438,175	68.5%	\$3,725,150
<b>Total</b>	<b>\$117,927,195</b>	<b>64.3%<sup>4</sup></b>	<b>\$75,774,436</b>

Sources: Performing arts organization budgets, tourism visitor spending surveys; Implan

In order to estimate indirect or spillover impacts, data from Table 4.2 are input to the Implan model. The Implan model provides estimates of sales, earnings, jobs and taxes produced by the initial spending. Implan data show that approximately 64.3 percent of total spending occurs in Omaha while 35.7 percent occurs outside the city.<sup>5</sup> The next section presents estimated impacts resulting from the spending in Table 4.2.

## Economic Impacts

To estimate overall direct and spillover impacts, the IMPLAN multipliers are applied to performing arts data listed in Table 4.2. A summary of the estimated impacts is listed in Table 4.3.<sup>6</sup>

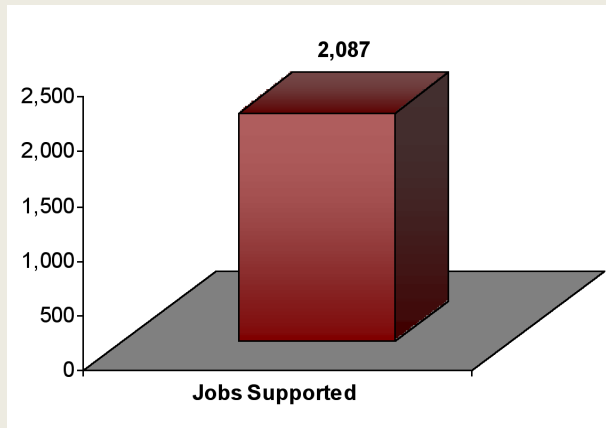
Figures 4.1, 4.2 and 4.3 show estimated jobs, wages and salaries and self-employment in-

**Table 4.3: Impacts for 2007<sup>7</sup>**

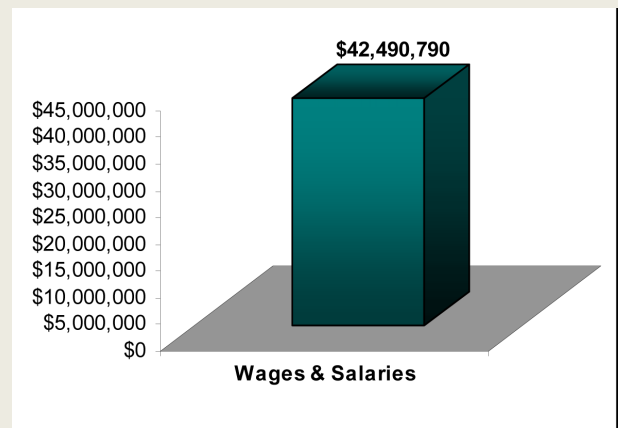
Overall	\$167,162,829
Wages & salaries	\$42,490,790
Self-employment income	\$4,036,493
State and local taxes	\$8,484,493
Jobs	2,087
Source: Implan Multiplier System, 2007	

come created or supported in 2007 by Omaha performing arts organizations. Figure 4.4 shows the overall 2007 impact of the non-profit performing arts on Omaha.<sup>8</sup>

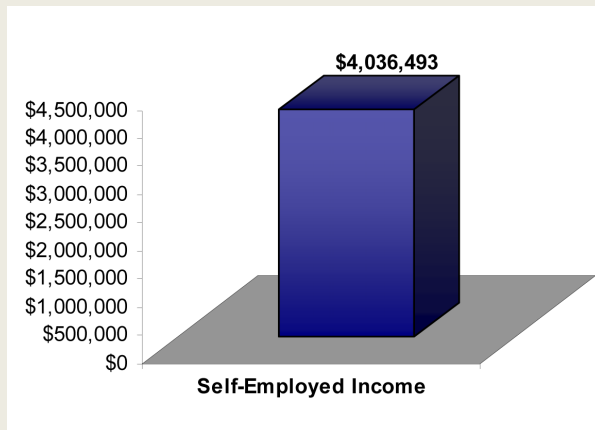
**Figure 4.1: Jobs Supported by Performing Arts Spending**



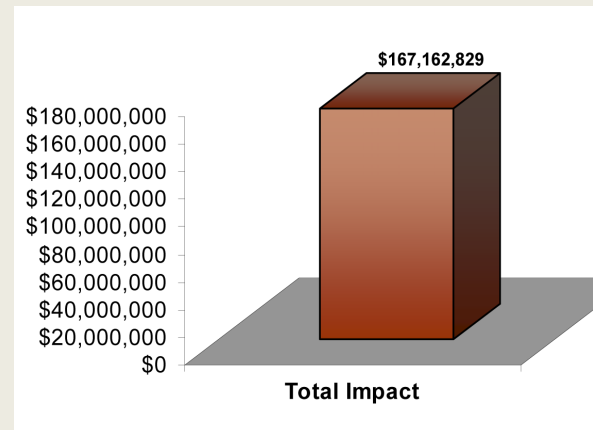
**Figure 4.2: Wages & Salaries Created by Area by Omaha Performing Arts, 2007**



**Figure 4.3: Self employment Income Created by Area by Performing Arts, 2007**



**Figure 4.4: Overall Impact Created by Omaha Performing Arts, 2007**



These estimates show that in 2007 approximately 2,087 jobs are supported by nonprofit performing arts spending. Fully 472 of the 2,087 jobs occurred as a result of indirect or second round spending. Data in Table 4.3 also indicate that the 2,087 jobs add more than \$42 million in wages and salaries, and roughly \$167 million in total sales for the city. The next section discusses impacts by industry demonstrating the spillover impacts of the initial spending.

Table 4.4 shows 2007 impacts broken down by industry. Of the 2,087 total jobs supported, the lodging and food ser-

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**The lodging and the food services industries are major beneficiaries outside of performing art with 109 jobs in lodging and 388 jobs in food services for a total 497 jobs added.**

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vices industries are major beneficiaries outside of performing arts with 109 jobs in lodging and 388 jobs in food services for a total of 497 jobs added.

As presented in Table 4.4, spending stemming from the existence of the Omaha performing arts had a large wage & salary spillover impact on the health services industry with more than \$2.2 million in wages and salaries created across 53 jobs for 2007.

**Table 4.4: Spillover Impacts of Nonprofit Performing Arts by Industry, 2007**

	<b>Output</b>	<b>Wages &amp; Salaries</b>	<b>Self-employment Income</b>	<b>Jobs</b>
Agriculture, Forestry, Fish & Hunting	\$83,580	\$5,462	\$5,275	1
Mining	\$5,710	\$727	\$135	0
Utilities	\$572,844	\$31,112	\$117,818	0
Construction	\$4,328,667	\$1,486,435	\$568,334	48
Manufacturing	\$3,913,039	\$685,560	\$10,341	14
Wholesale Trade	\$2,771,268	\$901,560	\$140,283	16
Transportation & Warehousing	\$1,698,702	\$727,344	\$59,409	19
Retail trade	\$25,543,034	\$8,397,219	\$491,776	363
Information	\$2,626,796	\$545,298	\$38,976	11
Finance & insurance	\$4,178,442	\$1,249,703	\$83,739	25
Real estate & rental	\$4,415,641	\$465,494	\$306,025	37
Professional- scientific & tech services	\$3,295,348	\$1,217,784	\$270,798	30
Management consulting	\$1,517,103	\$677,620	\$39	8
Administrative & waste services	\$2,205,275	\$998,209	\$55,076	41
Educational services	\$590,311	\$293,454	\$4,754	11
Health & social services	\$4,521,645	\$2,259,984	\$121,937	53
Arts- entertainment & recreation	\$32,669,884	\$12,826,248	\$1,443,420	870
Accommodation & food services	\$25,909,754	\$8,382,998	\$232,195	497
Other services	\$2,199,297	\$718,740	\$86,163	35
Government	\$5,310,465	\$619,839	\$0	8
<b>Total impacts</b>	<b>\$167,162,829</b>	<b>\$42,490,790</b>	<b>\$4,036,493</b>	<b>2,087</b>

**Table 4.5: Average Pay of Jobs Created by Performing Arts Spending Industry, 2007<sup>9</sup>**

	<b>Average 2007 pay</b>		<b>Average 2007 pay</b>
Agriculture, Forestry, Fish & Hunting	\$7,803	Professional- scientific & tech services	\$40,324
Utilities	\$103,707	Consulting/Management	\$83,657
Construction	\$30,775	Administrative & waste services	\$24,406
Manufacturing	\$48,969	Educational services	\$27,172
Wholesale Trade	\$57,424	Health & social services	\$42,401
Transportation & Warehousing	\$38,281	Arts- entertainment & recreation	\$14,750
Retail trade	\$23,133	Accommodation & food services	\$16,864
Information	\$51,443	Other services	\$20,361
Finance & insurance	\$50,801	Government	\$74,679
Real estate & rental	\$12,684	<b>Average pay all industries</b>	<b>\$20,365</b>

Table 4.5 lists average salary per job created by performing arts spending by industry in the city of Omaha. The top earning industries in terms of wages and salaries per job were utilities at \$103,707, management consulting at \$83,657 and government at \$74,679. In some of the industries the average appears below the industry mean. This is due to the fact that large shares of the jobs are part-time.

### Impact of Performing Arts on State and Local Tax Collections

Each year, the performing arts, in addition to creating jobs, salaries and sales for Omaha, generate both state and local taxes. Table 4.6 lists taxes created by the performing arts. As presented, the performing arts in Omaha contribute taxes to not only the local area, but to the state.

In addition to taxes paid directly by performing arts via taxes on ticket sales, taxes are created by the sale of products and services directly to performing arts attendees and indirectly via taxes paid by supplying firms ranging from sales to dividend taxes.

According to estimates using the IMPLAN multipliers, for 2007 the nonprofit performing arts will produce, directly and indirectly, approximately \$8,484,493 in tax collections for state and local governments in Nebraska. This number does not include taxes that support K-12 schools in the state. Depending on the school district, this tax impact could be considerable. Thus, data in Table 4.6 represent a conservative estimate of taxes ultimately generated by the nonprofit performing arts.

**Table 4.6: State and Local Taxes Created by Performing Arts, 2007<sup>10</sup>**

	2007
Corporate Profits Tax	\$212,996
Dividends	\$312,933
Indirect Bus Tax: Motor Vehicle License	\$52,809
Indirect Bus Tax: Other Taxes	\$475,293
Indirect Bus Tax: Property Tax	\$2,445,932
Indirect Bus Tax: S/L Non-Taxes	\$677,148
Indirect Bus Tax: Sales Tax	\$3,267,705
Indirect Bus Tax: Severance Tax	\$2,370
Personal Tax: Estate and Gift Tax	\$0
Personal Tax: Income Tax	\$859,767
Personal Tax: Motor Vehicle License	\$50,478
Personal Tax: Non-Taxes (Fines- Fees)	\$28,672
Personal Tax: Other Tax (Fish/Hunt)	\$30,168
Personal Tax: Property Taxes	\$22,295
Other taxes (unemployment insurance, etc)	\$45,927
<b>Total State &amp; Local taxes &amp; fees</b>	<b>\$8,484,493</b>

Source: Implan Multiplier System, 2007

Note: Taxes do not include taxes to support education.



**Table 4.7: Local and State Taxes Created, 2007<sup>11</sup>**

	<b>Total</b>	<b>Local</b>	<b>State</b>
Sales & use taxes	\$3,267,705	\$700,222	\$2,567,483
Income taxes	\$859,767		\$859,767
Property taxes	\$2,468,227	\$2,468,227	
Other taxes	\$1,888,794		\$1,888,794
Total state & local taxes	\$8,484,493	\$3,168,449	\$5,316,044

Source: Implan Multiplier System, 2007

Table 4.7 divides the state and local tax collections into the state's share and local government's share. According to the estimates, 62.7 percent of the tax collections accrue to the state government.

The impacts in the preceding tables and figures are quite significant. In order to benchmark them, the impacts from this study are compared to those from previous studies examining the impact of the arts. This comparison is contained in Table 4.8. Also included in Table 4.8 are the impacts from the 2003 College World Series.

Data in Tables 4.7 and 4.8 show that the performing arts produce \$3,168,449 in local tax receipts while the College World Series produces \$1,204,798 in local taxes. For the latest year for which data are available, the City of Omaha provided \$250,000 to support the performing arts and \$2,530,951 to support the CWS via expenditures on Rosenblatt Stadium. Given the level of taxes created, this indicates a rate-of-return of city funds for performing arts more than twenty-six times that for the CWS.

## Summary

Results presented in this chapter show the importance of the performing arts in producing jobs, sales, income and taxes in Omaha. Results show that every \$1,000,000 added to the budgets of Omaha's nonprofit performing arts organizations produces \$3,661,266 in sales, \$930,650 in wages and salaries, \$88,409 in self-employment income, and 46 jobs. An additional \$1,000,000 added to the budget would generate \$185,831 in state and local taxes. This significant multiplying effect occurs because of performing arts tourists to the area and to the retention of Omaha resident's spending.

### Table 4.8: Comparison of Arts Impact Studies

Area of analysis	Industry Focus	Population	Year of Study	Total New Spending	Jobs Created	Total Taxes Created	Impact per million dollars in spending	
							Jobs Created	Taxes
National estimates	Arts	288,125,973	2002	\$134,038,341,000	4,849,381	\$13,874,324,000	36	\$104
Anchorage, AK	Arts	260,283	2002	\$29,615,660	728	\$2,647,000	25	\$89
Broward County, FL	Arts and culture	1,623,018	2002	\$110,695,451	3,376	\$9,201,000	30	\$83
Columbus, OH	Nonprofit arts	711,470	2002	\$265,552,719	8,964	\$25,530,000	34	\$96
Denver, CO -cultural institutions	Arts and culture	2,359,994	2005	\$1,028,000,000	10,800	\$16,300,000	11	\$16
Detroit, MI	Arts	951,270	2002	\$430,609,248	11,755	\$42,623,000	27	\$99
Harris County, TX	Arts and culture	3,400,578	2002	\$328,073,435	9,647	\$26,619,000	29	\$81
Hartford, CT	Nonprofit arts	875,602	2004	\$244,073,484	7,381	\$23,490,000	30	\$96
Indianapolis, IN	Arts and culture	791,926	2002	\$294,414,474	10,412	\$32,036,000	35	\$109
Kansas City, MO	Arts and culture	1,591,828	2004	\$279,328,031	8,789	\$23,245,000	31	\$83
Mesa, AZ	Arts	396,375	2002	\$18,064,784	606	\$1,706,000	34	\$94
Miami-Dade, FL	Arts and culture	2,253,362	2002	\$401,573,549	13,645	\$40,236,000	34	\$100
Milwaukee, WI	Arts	1,502,302	2000	\$122,432,691	2,866	\$9,306,000	23	\$76
Minneapolis, MN	Arts and culture	2,981,129	2002	\$94,700,000	8,683	\$35,400,000	92	\$374
Minneapolis, MN	Nonprofit arts	2,981,129	2000	\$269,433,035	8,504	\$27,886,000	32	\$103
New Orleans, LA	Arts	484,674	2002	\$300,514,716	9,959	\$32,476,000	33	\$108
Omaha, NE	Performing arts	636,445	2007	\$117,927,195	2,087	\$13,141,74	18	\$111
Phoenix, AZ	Nonprofit arts	1,321,045	2002	\$260,116,919	8,467	\$26,521,000	33	\$102
San Diego, CA	Arts and culture	2,823,833	2002	\$326,125,367	9,956	\$42,131,000	31	\$129
St. Louis, MO	Nonprofit arts	2,701,834	2000	\$449,355,422	14,690	\$38,531,000	33	\$86
State of Maryland	Arts	5,615,727	2006	\$500,000,000	13,762	\$37,300,000	28	\$75
Omaha, NE	College World Series	636,445	2003	\$22,000,000	641	\$2,400,000	29	\$109

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## Biography - Ernest Goss



Ernest Goss is currently the Jack MacAllister Chair in Regional Economics at Creighton University. He was a visiting scholar with the Congressional Budget Office for 2003-04 and in the Fall of 2005, the Nebraska Attorney General appointed Goss to head a task force examining gasoline pricing in the state.

He has published over eighty research studies focusing primarily on economic forecasting and on the statistical analysis of business and economic data. His book, *Changing Attitudes toward Economic Reform during the Yeltsin Era* was published by Praeger Press in 2003 and his book *Governing Fortune: Casino Gambling in America* was published by the University of Michigan Press in March 2007.

He is a member of the Editorial Board of *The Review of Regional Studies* and editor of *Economic Trends*, an economics newsletter published three times per year. He is the past president of the Omaha Association of Business Economics, and the Nebraska Purchasing Management Association-Nebraska. He also serves on the Board of Directors of The Mosaic Foundation and the National Association of Purchasing Management.

Goss produces a monthly business conditions index for the nine state Mid-American region and the three state Mountain region. He also conducts a survey of bank CEOs in the rural areas of nine Mid-American states. Results from these three surveys appear in over 100 newspaper articles, 50-100 radio broadcasts and several television broadcasts each month.

### Goss and Associates: Consulting Contracts, 2003-2006

1. Spring 2007. Contract with national engineering firm to develop an economic development plan for the state of Nebraska to the year 2015.
2. Spring 2007. Contract with Alegent Health to examine the contribution to Alegent to the Nebraska and Iowa economies.
3. Summer 2006. Contract with ECI Investment Advisors to examine the impact of Omaha Mid-town redevelopment.
4. Summer 2006. Contract with the East-

- ern Development Council to examine the economic impact of restrictive land use policies on the city of Fort Collins, Colorado.
5. Fall 2006. Contract with Hamilton Telecommunications to examine the impact of telecommunications services on Allegany County, Maryland.
6. Fall 2006. Contract with the Nebraska Insurance Federation to examine the impact of the insurance industry on the state of Nebraska.
7. Fall 2006. Contract with ECI to examine the impact of Omaha Mid-town redevelopment.
8. Summer 2006. Contract with the Eastern Development Council to examine the economic impact of restrictive land use policies on the city of Fort Collins, Colorado.
9. Summer 2006. Contract with the University of Lincoln to produce a chapter in book examining the manufacturing industry in Nebraska.
10. Spring 2006. Contract with Hamilton Telecommunications to estimate the impact of relay services on Greene County, Missouri.
11. Spring 2006. Contract with Greater Omaha Packing to estimate the consequences of Darling Manufacturing's purchase of National By-Products.
12. Spring 2006. Contract with Nebraska Educational Finance Authority to estimate the impact of private higher education on the state of Nebraska.
13. Spring 2006. Contact with the City of Ralston to estimate the tax revenue from the implementation of a local option sales tax.
14. Fall 2005. Contract with the Isle of Capri to estimate the tax collections and social costs from operations of a Jefferson County, Missouri casino.
15. Fall 2005. Contract with Union College to estimate the impact of Union College on the state of Nebraska.
16. Summer 2005. Contract from the Lancaster Agricultural Society to determine the feasibility of expanding the Lancaster Event Center in Lincoln, Nebraska.
17. Spring 2005. Contract from the City of Omaha to estimate turnback taxes due the city from the state of Nebraska from the construction and operation of the Qwest Convention Center.
18. Summer 2004. Contract with Farm Credit Services of America (FC-SAmerica) to evaluate the purchase of FC-SAmerica by RaboBank of the Netherlands.
19. Summer 2003. Contract with College World Series, Inc. to estimate the economic impact of the 2003 College World Series.

# Endnotes

## Chapter 1

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63. Much effort and research was made in order to include as many operating nonprofit performing arts organizations in the Omaha community through the Nebraska Arts Council, Omaha Public Libraries, University of Nebraska-Omaha Library, the Nebraska Historical Society, web research and communications. If an organization or program is missing, please accept our apologies.

## Chapter 2

1. [http://www.artsusa.org/get\\_involved/advocacy/aad/issue\\_briefs/2006/advocacy\\_issuebrief\\_001.asp](http://www.artsusa.org/get_involved/advocacy/aad/issue_briefs/2006/advocacy_issuebrief_001.asp), data is for 2005 and website was accessed March 25, 2007.

2. Source: Implan multipliers.

3. According to U.S. Census data, in 1998 Omaha had 241 private firms and 3,472 jobs tied directly to cultural services. By 2004, the number of firms and jobs linked to cultural services in Omaha had grown to 255 and 4,954, respectively.

4. Post 2004 data will be available later in 2007.

5. [http://www.americansforthearts.org/pdf/information\\_resources/research\\_information/services/creative\\_industries/state\\_report.pdf](http://www.americansforthearts.org/pdf/information_resources/research_information/services/creative_industries/state_report.pdf) accessed March 25, 2007.

6. <http://mathbits.com/MathBits/TISection/Statistics2/correlation.htm>

7. Nebraska's Department of Economic Development has found that visitors to the state spend their travel budget according to the percentages in column 1 in Table 2.6.

8. Does not include promoters, managers, agents, or writers.

9. Includes sports entertainment.

10. Table 2.2 lists only the largest grants. In general, grants below \$50,000 are not considered.

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15. The Kentucky survey was completed in 1997.

## Chapter 3

1. In 1995, the Federal Reserve Bank of Kansas City estimated that the state of Nebraska loses over \$246 million per year as a result of the net out-migration of college educated workers (termed “brain drain”).

2. Adapted from Guetzkow (2002).

3. The Omaha Metropolitan Statistical Area (MSA) includes the Nebraska counties of Cass, Douglas, Sarpy and Washington. While Iowa’s Pottawattamie County is also part of the MSA, it is not included in the analysis contained in this study.

4. Source: Implan Multiplier System, 2004.

5. Data and software: Minnesota IMPLAN Group, Inc., IMPLAN System (data and software), 1725 Tower Drive West, Suite 140, Stillwater, MN 55082 [www.implan.com](http://www.implan.com)

## Chapter 4

1. Ages of respondents were estimated by the person interviewing the attendees.

2. Sample of 346 individuals attending performing arts events in Omaha.

3. Percentages are regional purchasing coefficients provided by Implan.

4. These estimates assume that roughly 64.3 percent of performing arts spending is made inside the city of Omaha. The remaining proportion is assumed to be spent outside the state thus having no impact on the city of Omaha. These local or regional purchasing coefficients (RPCs) are provided by the Implan Group.

5. Estimated impacts contained in this chapter take into account purchases by Omaha firms and organization which take place outside the city (leakages).

6. Estimates contained in this chapter take into account purchases by Omaha businesses and non-profit organizations which take place outside the state (leakages).

7. Estimates for 2006 are adjusted for inflation to produce 2007 numbers.

8. These are may not equal the number of jobs measured at any one point in time such as

that provided by the U.S. Census Bureau in its County Business Patterns.

9. Average pay by industry may differ substantially due to differences in the ratio of part-time to full-time workers by industry.

10. Does not include education taxes.

11. Does not include education taxes.