

The arts' impact on area: \$1.3 billion, 40,000 jobs

A new study looks at what arts and cultural groups mean to the economy in Phila. and its Pa. suburbs.

By Stephan Salisbury

Inquirer Culture Writer

If money talks, arts groups should be shouting.

In a study to be released today, the Greater Philadelphia Cultural Alliance reports that arts and cultural organizations in Southeastern Pennsylvania generate about \$1.3 billion in annual expenditures.

About 40,000 jobs in Philadelphia and its four suburban Pennsylvania counties are tied to that spending, which also yields about \$158.5 million in state and local taxes.

"It's a huge economic impact," said Peggy Amsterdam, executive director of the alliance. "It's bigger than we expected."

The report, "Arts, Culture and Economic Prosperity in Greater Philadelphia," funded by Scannapieco Development Corp., is the last in a triad of alliance studies to parse the financial ecology of the area's cultural world.

The two previous reports, published within the last year, have examined the relatively low level of public funding support for the region's cultural organizations, the prevalence of deficits in arts budgets, the relatively high level of audience support, and the rapid growth in the number of organizations across the region in the last quarter century.

The report released today provides some key numbers, which alliance officials argue bolster the case not only for increased public arts funding, but also for some kind of dedicated regional funding mechanism.

"All of our research is geared to making the point that arts and culture organizations represent an important industry in the region and are in need of support," Amsterdam said. The reports, she said, make clear that the sector has "a critical place in economic development in the region," not simply Philadelphia.

For instance, the study shows that local governments receive \$5 in tax revenues in return for every \$1 of support invested in arts groups; the state receives \$2.50 for every \$1 invested.

The report is based on economic modeling using 2006 spending data from 177 arts and culture organizations and 2,324 audience surveys from across the region. While there are more than 1,300 arts and culture organizations in the five-county area, more than half have annual budgets of less than \$25,000. The 177 organizations in the study represent the lion's share of local arts economic activity.

The alliance began the three in-depth economic studies after the budget-related shutdown of the Philadelphia Office of Arts and Culture in 2004.

Julie Hawkins, alliance vice president for public policy, said the reports provide an opportunity for "re-envisioning what the office of arts and culture is in the city of Philadelphia." And beyond that, the studies provide a wealth of data for "re-engaging the case for regional economic development" from the perspective of the arts.

"There's a solid base of information now for elected officials and candidates," she said.

In Philadelphia, Michael Nutter, the Democratic mayoral candidate, said reopening the city's arts and culture office represented "a first step" in the process of tapping economic energies latent in the arts community.

Nutter supports increasing the amount of the city's culture fund - currently about \$2.1 million - by \$1 million within a year of his taking office and to "at least \$6 million" by the end of his first term.

Beyond that, he said, "Arts and culture is ultimately a regional issue." Though "trying to come up with a consensus will be a challenge," a regional funding mechanism can be found, he added.

"The arts are too important to the city and the region" to be ignored, he said.

Al Taubenberger, Nutter's Republican opponent, said he also recognized the economic importance of the region's arts organizations. In an e-mail message, Taubenberger proposed increasing the culture fund to \$10 million, which organizations could use for operations but not for "creative endeavors."

"We should help cover their fixed costs so they can spend time and energy coming up with new ideas that will bring more people to the city," he said. "Should there be a regional mechanism to support the arts? Good idea. But first we have to take care of ourselves."

The alliance report argues that money generated by arts spending flows between the city and its four suburban Pennsylvania counties, and among the counties themselves. "Employees of arts organizations live throughout the region and spend their salaries and pay taxes in towns and cities across the five counties," the report states.

In the suburbs, there is recognition of the importance of cultural organizations. Ruth S. Damsker, a Democratic commissioner in Montgomery County, said the arts could play a significant role in revitalizing the county's "older boroughs."

The issue of regional funding is largely at the talking stage. The idea was bandied about in the early 1990s, but ran aground when city and suburban officials failed to come up with a mutually acceptable framework.

But State Rep. Josh Shapiro (D., Montgomery County) believes "a more regional approach to how we fund the arts" makes sense. He is at work on legislation that would establish a "regional compact" in which state and county money would be combined into a cultural fund administered by representatives from the five counties.

What might make this possible, Shapiro said, is a change in attitudes that has occurred over the last decade: Elected officials and candidates now are increasingly looking at regionalism with favor, he said.

"The big goal is to get a regional fund," Amsterdam said. "That's the specific end result. In order to do that we needed time to gather specific data. We needed to be able to answer questions: How much are you going to need and why? What is the economic impact?"

"This [report] is to answer those questions."

Contact culture writer Stephan Salisbury at 215-854-5594 or ssalisbury@phillynews.com.

- [Today's Most Viewed](#)
- [Most Emailed](#)

- [UNBEELEEVABLE](#)
- [Offense erupts as Eagles rip Lions, 56-21](#)
- [Domowitch's Eagles-Lions Report Card](#)
- [Police officer headed into surgery after being shot](#)
- [A volatile market for Shore property](#)

» [More Most Viewed](#)

- [Pa. wants more say on Convention Center work](#)
- [A volatile market for Shore property](#)
- [One way Eagles can't lose](#)
- [What Is Your Home Worth?](#)
- [Spotlight on Pay, Care](#)

» [More Most Emailed](#)

MOST VIEWED IN THIS SECTION

- [What Is Your Home Worth?](#)
- [A volatile market for Shore property](#)