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**[U.S. Bureau of Economic Analysis and National Endowment for the Arts  
Release Preliminary Report on Impact of Arts and Culture on U.S. Economy](#)**

***Arts and Cultural Production Account for 3.2 Percent -- or \$504 Billion -- of Gross Domestic Product in 2011***

Washington, DC – The U.S. Bureau of Economic Analysis (BEA) and the National Endowment for the Arts (NEA) released prototype estimates today from the new Arts and Cultural Production Satellite Account (ACPSA). This is the first federal effort to provide in-depth analysis of the arts and cultural sector's contributions to current-dollar gross domestic product (GDP), a measure of the final dollar value of all goods and services produced in the United States. According to these new estimates, 3.2 percent -- or \$504 billion -- of current-dollar GDP in 2011 was attributable to arts and culture. In comparison, BEA's estimated value of the U.S. travel and tourism industry was 2.8 percent of GDP.

"The positive value of arts and culture on society has been understood on a human level for millennia. With this new effort, we are now able to quantify the impact of arts and culture on GDP for the very first time. Better utilizing this type of knowledge and information is part of the Department of Commerce's 'Open for Business Agenda,' through which we are seeking to provide more transparency and data to enhance decision-making, create more value, and better understand and grow our economy," said U.S. Commerce Secretary Penny Pritzker.

"Art and culture is a significant part of the U.S. economy. Not just its contributions of ideas and creativity to the innovation economy, but also as an important part of the labor force and our country's GDP," said NEA Senior Deputy Chairman Joan Shigekawa. "The Arts and Cultural Production Satellite Account is an unprecedented resource for detailed, reliable data on the economic value associated with arts and cultural activity."

The ACPSA is the latest in a series of BEA satellite accounts that complement BEA's core industry economic accounts with detailed data on industries such as travel and tourism, healthcare, transportation, and research and development. Satellite accounts are supplementary estimates that do not change the official U.S. economic accounts, including GDP. Rather, these satellite accounts provide greater detail than in the U.S. economic accounts and allow analysis of a particular aspect of the economy, such as arts and cultural production. BEA, a unit of the Commerce Department, produces statistics on the U.S. economy's performance.

The ACPSA provides national estimates for the years 1998-2011 on select arts and cultural commodities and industries (both for profit and nonprofit) that are currently reflected in GDP. These estimates consist of nominal industry output, direct and indirect employment (salaried and self-employed), compensation of employees, and "value added" by industry.<sup>i</sup> BEA will seek industry and public comment on the prototype ACPSA, which could lead to future refinements.

Among the key findings:

- **Arts and GDP** - For 2011, the value added from arts and cultural production (ACP) accounted for nearly 3.2 percent, or \$504 billion, of GDP. The leading contributing industries were motion picture and video production, advertising services, cable television production and distribution, publishing, and the performing arts.<sup>ii</sup>
- **Valuable arts commodities, from advertising to arts education** - For 2011, the gross output of ACP was \$916 billion. The table below shows the eight leading contributors to ACP output for 2011. Advertising (creative

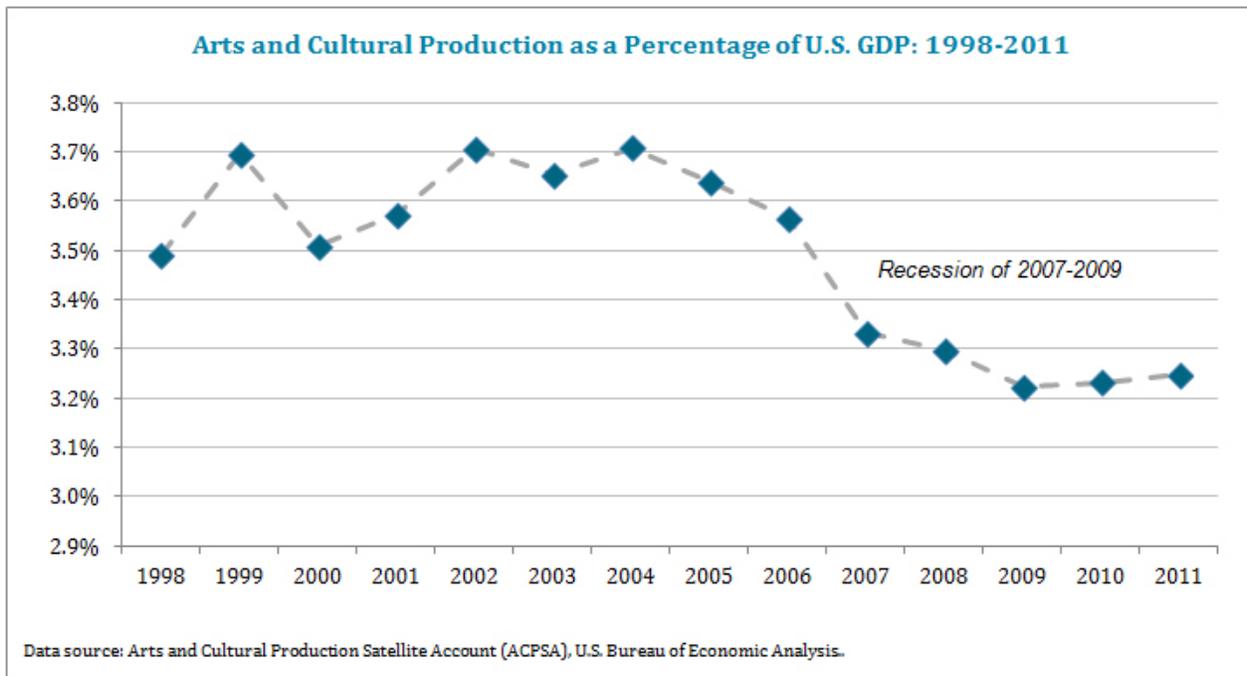
content only) output held the largest share of ACP with an output of \$200 billion, or 20 percent of all arts and cultural commodities. The second largest share was arts education (including post-secondary fine arts schools, fine arts and performing arts departments, and academic performing arts centers) with an ACP output of \$104 billion. Cable television production and distribution with \$100 billion in output and “motion picture and video goods and services” with \$83 billion in output had the third and fourth largest shares.

<b>The Value of Selected Arts and Cultural Goods and Services, 2011</b>	
Selected commodity	Gross output (in millions) <sup>1</sup>
<i>All arts and cultural commodities</i>	\$915,865
Advertising (creative content) <sup>2</sup>	\$199,609
Arts education <sup>3</sup>	\$103,960
Cable production and distribution	\$100,232
Motion picture and video goods and services	\$83,233
Independent artists and performing arts	\$48,930
Book, newspaper, and periodical publishing	\$41,477
Radio and television broadcasting	\$39,677
Design and selected architectural services <sup>4</sup>	\$27,578

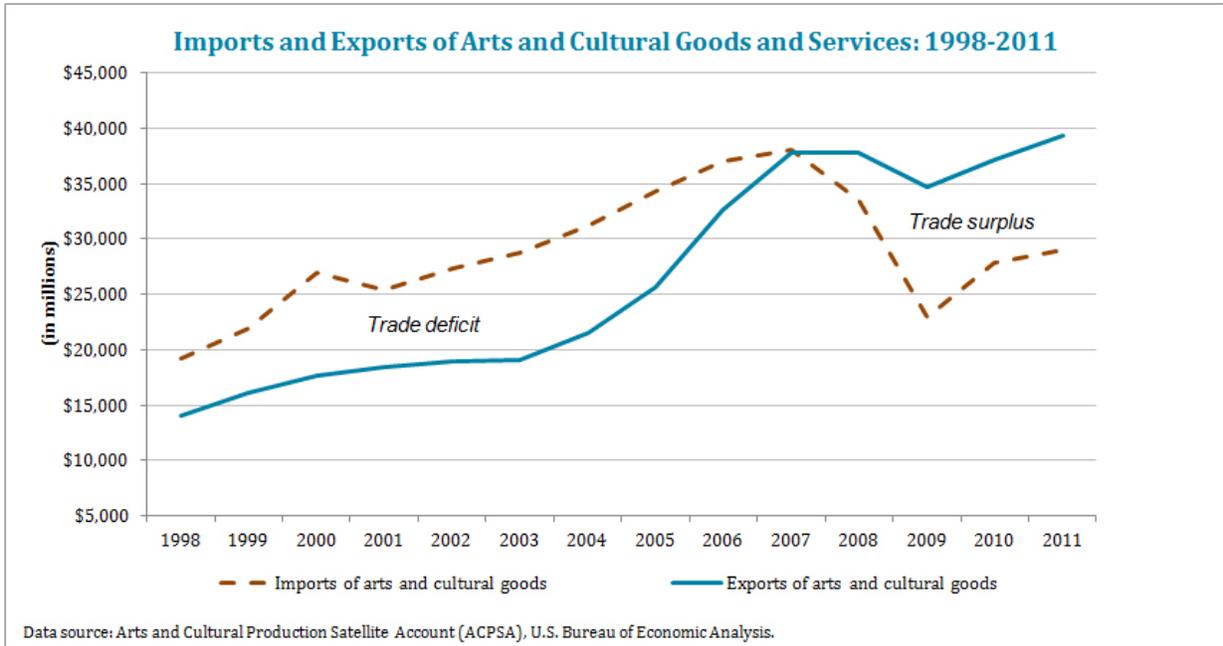
<sup>1</sup> Valued in producer's prices.  
<sup>2</sup> Excludes public relations work, distribution of ads (e.g., fliers), sign painting, and media buyers.  
<sup>3</sup> Includes fine art schools and academic performing arts and fine arts departments.  
<sup>4</sup> In addition to landscape architectural services, the ACPSA includes architectural services related to cultural structures.

Data source: Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis.

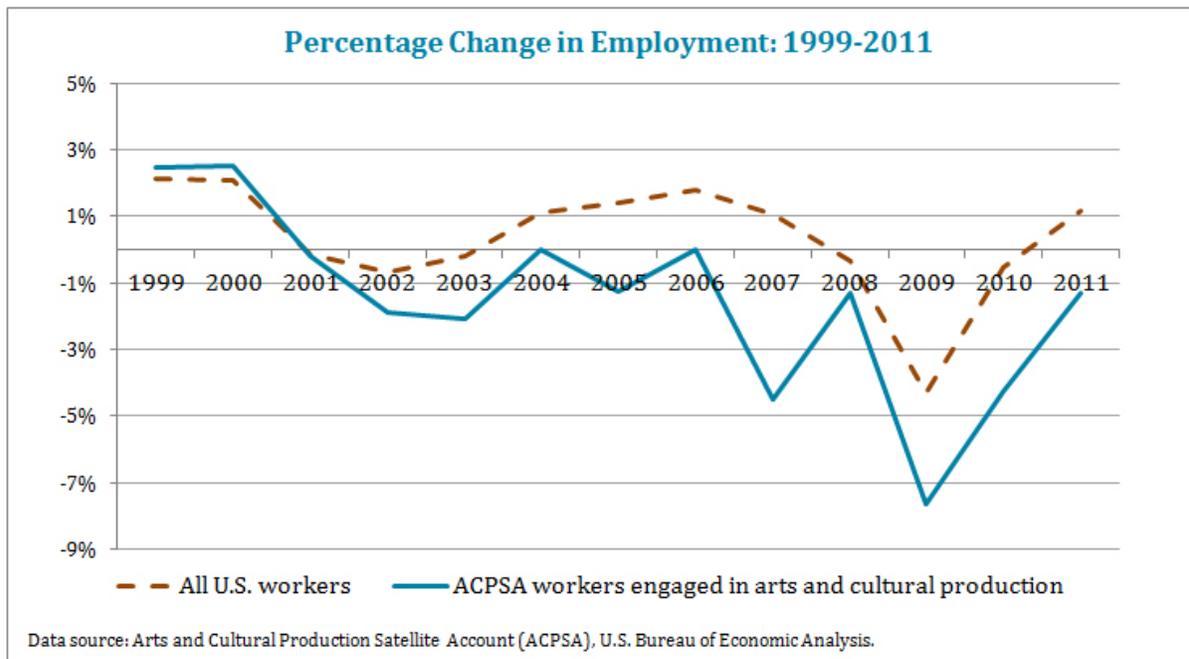
- Arts and the recession** - The arts suffered more than the overall economy during the great recession of 2007-2009. Between 1998 and 2006, the ratio of current-dollar value added for ACP to current-dollar GDP ranged between 3.5 and 3.7 percent. In 2007, the ratio fell to 3.3 percent of GDP, and dipped further to 3.2 percent in 2009 where it held steady through 2011.



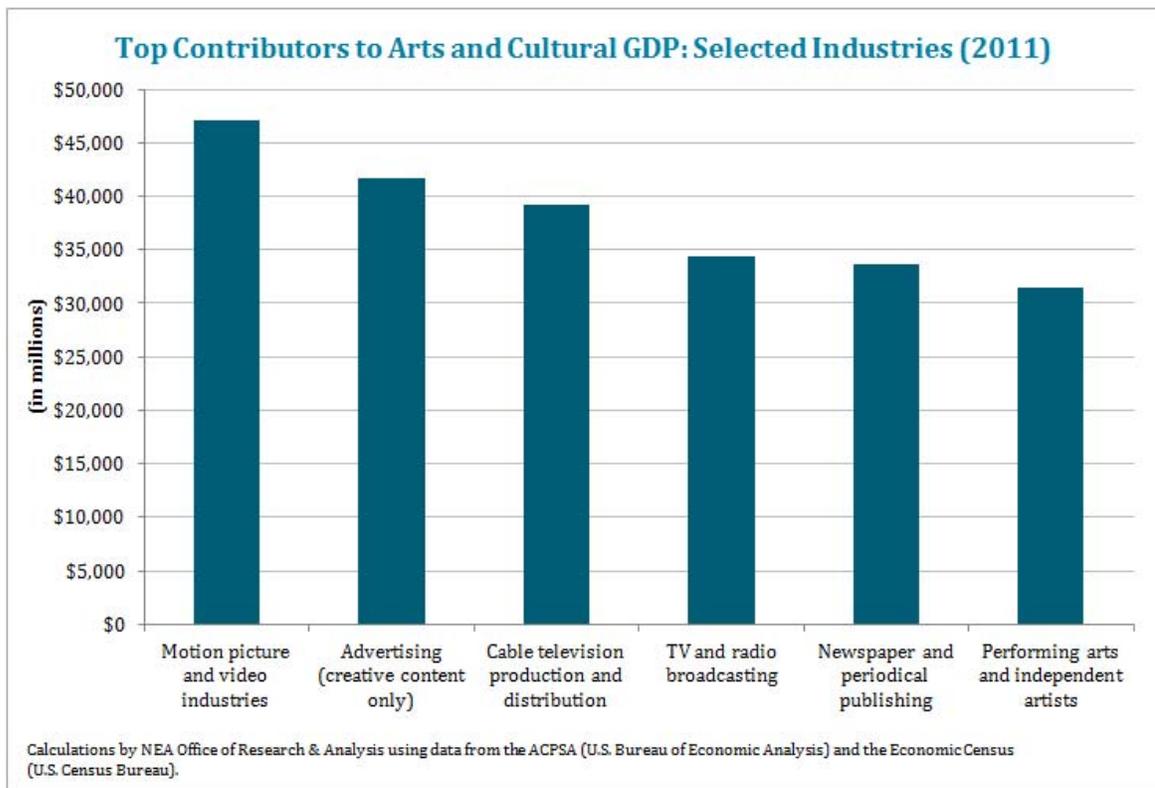
- ACP trade deficit reverses** - A 10-year trend of ACP trade deficits was reversed beginning with 2008, when the United States began posting trade surpluses in ACP commodities. In 2011, the United States exported \$10.4 billion more ACP commodities than it imported. Prior to 2008, however, the United States ran trade deficits in this sector, a trend that largely reflected the ACP commodities most often traded -- jewelry and silverware (50 percent of ACP imports) and motion picture and video goods and services (36 percent of ACP exports). During the 2007-2009 recession and its aftermath, imports of jewelry and silverware waned, while exports of movies, TV shows, etc., remained comparatively strong, despite the weak worldwide economy at that time.



- ACP employment** - In 2011, the production of arts and cultural goods and services employed 2.0 million workers and generated \$289.5 billion in employee compensation in the form of wages, salaries, and supplements. The largest share worked in the motion picture and video industry, which employed nearly 310,000 workers at \$25 billion in compensation. Museums and performing arts industries each employed roughly 100,000 workers who earned \$6 billion and \$8 billion, respectively. The 2007-2009 recession took a heavy toll on arts and cultural employment. In 2009 alone, ACPSA-related employment declined by more than 170,000.



- **High-ranking cultural industries** - In 2011, six industries accounted for 45 percent of ACP value added. They are motion picture and video industries, advertising services (creative content only), cable television production, TV and radio broadcasting, newspaper and magazine publishing, and the performing arts and independent artists.<sup>iii</sup>



### ACPSA tools and resources

The ACPSA offers far more detail than previous measures, which often aggregated arts industry data and combined them with other sectors, such as spectator sports. In addition to the core account data, the NEA and BEA offer several analytical resources. The NEA website, for instance, features many more tables with detailed information about ACPSA industries. Also on the NEA website, a series of issue briefs examine several aspects of the account, from GDP to production, and more. These resources provide specific examples, such as delving into particular performing arts categories from theater to symphonies to circuses. Readers will also learn about arts-related production in non-arts industries, such as the share of arts production in software publishing (for computer games, computer assisted design, and other arts-related software). Available online as part of the NEA's Arts Data Profile series, these resources include:

- Links to the satellite account tables for 1998-2011, including more detailed industry information.
- ACPSA "issue briefs" with key findings on GDP, the recession, imports and exports, arts workers, and select industries.
- An *NEA Guide to the U.S. Arts and Cultural Production Satellite Account*, a white paper which describes the rationale, methods, and goals of the account, and discusses similar international efforts to measure arts and the economy. This paper also sets forth classification and methods for computing the economic value of arts and cultural workers and volunteers.
- Links to other federal data sources.

In the fall of 2014, BEA will release revised ACPSA estimates for 1998-2012, and will publish the findings in *The Survey of Current Business*, BEA's monthly publication for leaders in economics and policy. Industry and public comment on the prototype ACPSA can be emailed to [ArtsandCulture@bea.gov](mailto:ArtsandCulture@bea.gov) Please address comments to Carol E. Moylan, associate director for Industry Economic Accounts at BEA.

## Defining "Culture" in the Context of Input-Output Tables for the Arts and Cultural Production Satellite Account (ACPSA)

Culture can be defined in a variety of ways to include language, traditions, beliefs, and values. For this new account, we defined arts and cultural production to be largely consistent with definitions used by the United Nations and the European Union. By following these guidelines our definition of arts and culture is narrowly tailored to include creative artistic activity, the goods and services produced by it, the goods and services produced in the support of it, and finally the construction of buildings in which it is taking place.

The Input-Output (I-O) table is a valuable tool to identify and then estimate the value of the "creative chain." This chain captures the economic value as we move from the creation of a cultural product (composing a symphony) to its production (the performance being recorded in a studio), then the distribution (by various modes), and finally the consumption (by the listener).

The framework used to produce these preliminary estimates is the 2002 Benchmark I-O table. These estimates will be updated using the 2007 Benchmark I-O table in late 2014.

### About NEA research

The NEA is the only federal agency to conduct periodic analyses of the value and impact of the arts in American life. For nearly 40 years, the NEA Office of Research & Analysis has produced research publications, conferences, and data sources on arts-related topics of interest to policy-makers, educators, journalists, cultural researchers and practitioners, and the general public. Many of these products have emerged in consultation or collaboration with other federal agencies such as the U.S. Census Bureau and the Bureau of Labor Statistics. In recent years, the NEA launched a new [research grant opportunity](#) to support research that investigates the value and/or impact of the arts

### About the National Endowment for the Arts

The National Endowment for the Arts was established by Congress in 1965 as an independent agency of the federal government. To date, the NEA has awarded more than \$4 billion to support artistic excellence, creativity, and innovation for the benefit of individuals and communities. The NEA extends its work through partnerships with state arts agencies, local leaders, other federal agencies, and the philanthropic sector. To join the discussion on how art works, visit the NEA at [www.arts.org](http://www.arts.org).

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<sup>i</sup> Value added is a measure of the incomes earned in production in each industry. As such, it is also a measure of an industry's contribution to GDP. The components of value added consist of compensation of employees, taxes on production and imports less subsidies, and gross operating surplus.

<sup>ii</sup> Advertising services includes only the creative content and excludes media buying, public relations, and direct mail.

<sup>iii</sup> Excludes government "art-support" such as government-operated libraries, museums, parks, and state college and university arts departments and performing arts centers