

# Economic Benefits of Michigan's Arts and Cultural Activities



## Introduction

The variety of Michigan's arts and cultural activities is vast, and include local symphonies, zoos, university performance halls, museums, community theaters, private performing companies, and more. These activities are provided by nonprofits, individuals and for-profit organizations. Regardless of the tax status, all of the individuals and institutions that offer arts and cultural activities significantly contribute to both Michigan's economy and the overall quality of life in the state. Since these activities play such a prominent role in the lives of those who live or visit the state, without these activities Michigan's quality of life would be dreary at best. Also, the failure to recognize the economic benefits of these activities means that key policy decisions regarding the future of the state are being decided without complete information. Commissioned by the Michigan Nonprofit Research Program, and developed by the W.E. Upjohn Institute for Employment Research, this research provides decision makers with critical information as they work to improve the state's economy.

## Highlights

**Michigan's arts and cultural activities promote jobs and significantly contribute to the state's economy:**

- Michigan arts and cultural activities currently support, directly and indirectly, more than 108,000 jobs in the state of Michigan. This includes 71,300 artists and individuals directly employed by Michigan's arts and cultural activities. This number also includes 37,100 individual jobs supported by the consumer spending of individual artists and the employees of art and cultural organizations and by the purchases of services and supplies by these organizations.

- If the arts and cultural activities disappeared tomorrow, some of these individuals would find work elsewhere, however due to the nature of funding and the demand for arts and culture, 30,000 jobs would not be retained in the state. Because of the lack of funding, without arts and culture, this state would lose \$811.2 million in personal income each year.
- Nearly two billion dollars are generated in Michigan each year by arts and cultural activities. Moreover, this underestimates the economic benefit of arts and cultural activities, as it does not include all of the arts and cultural activities that are conducted in the state at private venues such as clubs and performance places.
- Over \$1.5 billion in personal income is generated each year by Michigan residents who work for arts and cultural organizations or whose jobs are supported by arts organizations or through the personal consumer expenditures of arts organizations' employees.

**Michigan's residents and visitors strongly support the arts:**

- Nearly 40 percent of the surveyed households indicated they would travel outside the state for art and cultural activities if they were not available.
- 84% of surveyed Michigan households indicated that at least one member attended an arts or cultural event last year.
- In 2004 the average household expenditure was \$30.72 per month for arts and cultural activities.

- One-third of respondents felt that the quality and availability of arts and cultural activities in the community will play an important role in their next relocation decision.
- People visiting Michigan for arts and cultural activities are estimated to spend \$65.7 million dollars annually.

## Sources of Information and Methodology

The report's findings are based on three separate surveys: households, artists and art and cultural organizations. The indirect jobs generated by the arts and cultural activities in the state were estimated by using the Upjohn Institute's state-wide economic impact computer model.

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