

NATIONAL
ENDOWMENT
FOR
THE ARTS

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A Federal agency advised by the
National Council on the Arts

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THE ARTS IN THE GNP

The Gross National Product (GNP) figures for the years 1976 through 1981 were revised this summer. Over the six-year period, the proportion of total Personal Consumption Expenditures remained about the same despite small fluctuations every year. The section of Personal Consumption Expenditures for Recreation declined slightly over the six-year period, from 4.22% of the GNP in 1976 to 3.99% in 1981.

Ten components make up the Recreation section and four are of particular interest to the Arts Endowment. These are: admissions to nonprofit theaters, opera and other entertainments of nonprofit institutions; admission to motion picture theaters; purchase of books and maps; and purchase of radio and TV receivers, records and musical instruments. A fifth, admissions to spectator sports, is also of interest because spectator sports are often compared with the arts in terms of public participation and expenditures.

These five components of Recreation are compared on the attached table for the six years in terms of their percent of the GNP, and their percent of all Recreation expenditures. Some interesting trends show up in the weights given to these selected expenditures by the Bureau of Economic Analysis.

1. The proportion of admissions to nonprofit theaters, opera and other entertainments of nonprofit institutions increased over the six years; and by a greater degree than any of the others. This component is the smallest, but it has the most consistent growth trend.

2. Admissions to motion picture theaters rose during the first part of the period to a high in 1978 in terms of percent of GNP and percent of all Recreation expenditures and then declined to about the same levels in 1981 as in 1976.

3. The proportion of the purchase of books and maps increased slightly.

4. The proportion of the purchase of radio and TV receivers, records and musical instruments declined slightly.

5. Admissions to spectator sports fluctuated slightly from year to year but remained at approximately the same proportion as a percent of the GNP and percent of all Recreation expenditures over the six-year period.

6. Admissions to spectator sports and admissions to nonprofit performing arts are converging. In 1976, spectator sports were twice as great as nonprofit performing arts in terms of their percent of all Recreation expenditures. The ratio dropped steadily over the six-year period to about one and a half times as great in 1981.

Caveat: The GNP is an estimate and is subject to error. The Bureau of Economic Analysis revises the GNP estimate retrospectively, often going back many years in each revision. The components of expenditures that are used in the imputation of the GNP, such as the selected Recreation expenditures, are subject to greater estimating errors than the aggregate GNP. These errors tend to be greatest for the most recent years which have received the fewest retrospective revisions and corrections.

TOTAL PERSONAL CONSUMPTION EXPENDITURES AND RECREATION EXPENDITURES AS A PERCENT OF GNP

	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>						
GNP in Millions (current \$)	\$1,718,018	\$1,918,324	\$2,163,863	\$2,417,759	\$2,633,108	\$2,937,716						
Total Personal Consumption Expenditures as a % of GNP	63.11%	62.79%	62.23%	62.34%	63.32%	62.74%						
Recreation Expenditures as a % of GNP	4.22	4.14	4.14	4.09	4.06	3.99						
<u>Selected Recreation Expenditures as a % of GNP and of all Recreation Expenditures</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>
Radio and TV Receivers, Records and Musical Instruments	0.90%	21.56%	0.88%	21.22%	0.86%	20.70%	0.86%	21.10%	0.84%	20.61%	0.82%	20.39%
Books and Maps	0.23	5.33	0.23	5.67	0.25	6.07	0.25	6.18	0.26	6.40	0.26	6.50
Admissions to Nonprofit Theaters, Opera and Other Entertainments of Nonprofit Institutions	0.04	1.07	0.05	1.09	0.05	1.10	0.05	1.24	0.05	1.34	0.06	1.41
Admissions to Motion Picture Theaters	0.10	2.40	0.12	2.99	0.13	3.14	0.12	3.01	0.11	2.71	0.09	2.35
Admissions to Spectator Sports	0.09	2.14	0.09	2.19	0.09	2.15	0.09	2.14	0.09	2.16	0.08	2.09

SOURCE: Tables 1.1 and 2.4, "Revised Estimates of National Income and Product Accounts," Survey of Current Business, Bureau of Economic Analysis, U.S. Department of Commerce, July 1982.

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