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Research Division Note #38 - May 31, 1993

The Arts in the GDP: Admission Receipts for
Performing Arts Events in 1991 Experience
First Decline in Five Years

Based on data from the U.S. Department of Commerce's Bureau of Economic Analysis, consumer expenditures for admissions to performing arts events in 1991 amounted to \$4.7 billion, or 0.3% less than in 1990. Even at this level expenditures for performing arts surpassed that of motion pictures for the third consecutive year. Contrary to 1990, the performing arts figure fell below spectator sports in 1991. Performing arts admission receipts totaled \$4.7 billion in 1991, while admissions receipts for motion picture theaters stood at \$3.7 billion (or \$0.2 below the 1990 level), and admissions to spectator sports rose \$0.3 billion to \$4.8 billion. The Arts Endowment's Research Division has reported on annual admissions expenditures for select recreational activities since 1982.

Recent trends (in constant 1987 dollars) for performing arts, motion pictures, and spectator sports admission expenditures, as shown on the graph below, indicate that:

1) Admission to performing arts events marked its first decline in the last five years, which amounts to a 10 percent decline in constant dollar terms.

2) Admission to motion picture theaters also experienced a decrease of 10 percent in constant dollars, following a relative stable level since 1987.

3) Admissions to spectator sports have remained stable since 1988, fluctuating by only 3 percent, after experiencing a 6 percent increase between 1986 and 1987.

Arts in Education

Challenge &
Advancement

Dance

Design Arts

Expansion Arts

Folk Arts

International

Literature

Locals

Media Arts

Museum

Music

Opera/Musical
Theater

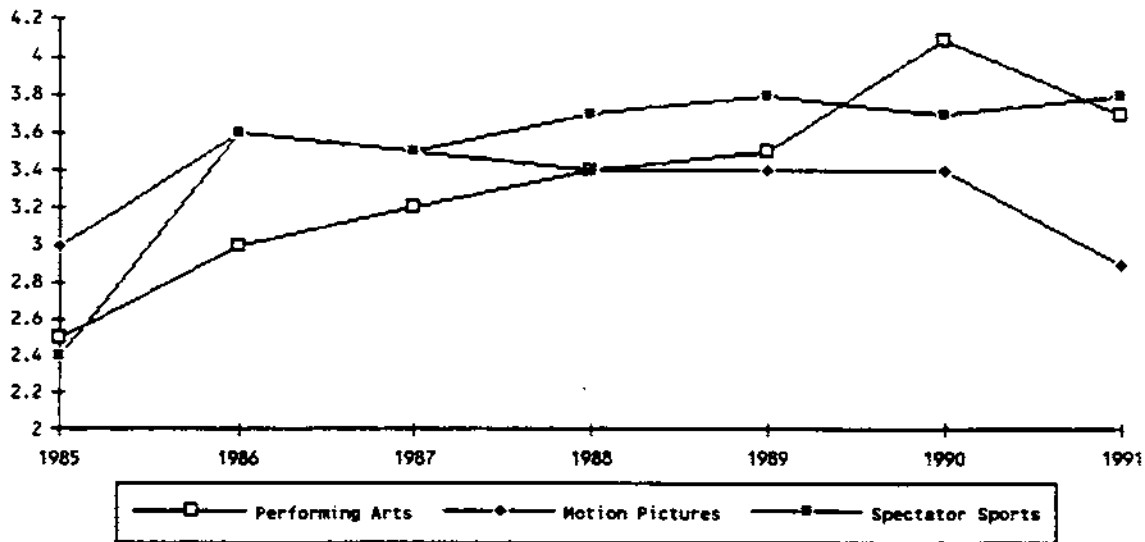
Presenting &
Commissioning

State & Regional

Theater

Visual Arts

**Consumer Expenditures for Admissions in Billions of
constant (1987) dollars**



As mentioned in Research Division Note #36, (March 31, 1992), the "Admissions to Performing Arts Events" category includes not only non-profit organizations, such as symphony orchestras or ballet companies, but also activities in the for-profit sector, such as Broadway theatre and rock music concerts. Further, admission receipts is a broad category which includes not only the price of a ticket, but also can include such receipts as concessions, etc.; therefore, admission receipts are not exclusively correlated with attendance. Despite these caveats, the data provide estimates of the overall magnitude and trends in admission receipts for performing arts events. This is especially significant in light of the growth in the availability of alternatives to live performances during the last decade.

The Recreation Expenditure category of the National Income & Product Accounts (NIPA) that make up the GDP includes a wide variety of recreation expenditures, such as: sports equipment, pleasure boats and planes, video cassette rentals, lottery receipts, expenditures at bowling alleys, and golf courses. The five components most closely related to the arts are as follows:

- 1) Consumer expenditures in 1991 for radios and TV sets, records, musical instruments, and personal computers are estimated at .88 percent of GDP and 17.3 percent of recreation expenditures. In the five year period covered in Table 2, this durable equipment component of the GDP continues to decline since its peak in 1988. However, this category maintains its place as the largest share of both the GDP and of recreation expenditures among all of the categories examined in this Note.

2) Consumer expenditures in 1991 for admission to performing arts events were .08 percent of the GDP and 1.62 percent of the recreation component. This component experienced its first decrease for both GDP and recreation expenditures over the five year period.

3) Consumer expenditures in 1991 for books and maps were .32 percent of the GDP and 6.31 percent of the recreation expenditures. Since 1987, expenditures for these items have experienced overall growth as part of both components.

4) Consumer expenditures in 1991 for admission to motion picture theaters were .06 percent of GDP and 1.27 percent of the recreation expenditure. This component had remained at a constant .07 percent since 1988, but in 1991 it experienced a decline to .06 percent. As a component of recreation expenditures, motion picture admissions also showed a decline from its 1990 level of 1.46 percent to its current level of 1.27 percent.

5) Consumer expenditures for admission to spectator sports events in 1991 were .08 percent of the GDP and 1.66 percent of the recreation expenditures. Admissions to sporting events has remained steady at .08 percent of the GDP since 1986. As a component of recreation expenditures, it experienced a slight increase to 1.66 percent compared to 1990 at 1.60 percent.

Table 3 illustrates another way of observing the changes in the three entertainment admissions categories. The increase in total expenditures will necessarily increase with the size of the population, even though the average individual may continue to spend the same amount. For an examination of the effect of increased population, per capita expenditures have been calculated for the five years covered in this Note, by dividing by the number of persons in the population for each time period. Unpublished tabulations from the Bureau of Economic analysis have been made available for more precise calculations of per capita expenditures. The table shows current dollar changes in the three categories and changes in constant dollar amounts which have been deflated to 1987 dollars.

Based on data from the Bureau of Economic Analysis in 1991, the average individual spent \$52.74 on admissions to specified entertainments, including performing arts events, motion picture theatres, and spectator sports. In constant dollar terms (1987=100), this was \$41.24.

1) Performing arts admission expenditures in 1991 were \$18.64 per capita. In constant dollar terms this was \$14.67 and compares to \$13.18 in 1987, an increase of 11 percent for the five year period.

2) Per capita expenditures for motion picture admissions were \$14.67 in 1991. This was \$11.50 in constant dollar terms and compares with \$14.41 in 1987, or a decrease of 20 percent.

3) Spectator sports admission expenditures per capita were \$19.03 in 1991. In constant dollar terms this was \$15.07 and compares with \$14.41 in 1987, a modest 4.5 percent increase over the last five-year period.

CAVEATS: This Note uses the latest annual data on recreation expenditures published in the Survey of Current Business, July 1992, and unpublished material obtained from the Bureau of Economic Analysis. Retrospective revisions for the two most recent years should be anticipated.

Note: Further research may reveal that the \$0.3 billion decrease in admission expenditures to performing arts events was caused by a lack of big name, popular music concerts that toured during 1991. In speaking with non-profit arts service organizations and representatives from commercial theater, they experienced a slight increase in 1991 admission expenditures compared to 1990. However, a representative from the popular music industry stated that there was a decrease in admission expenditures in 1991. The top grossing act of 1991 fell \$12 million below the 1990 top grossing act. He also mentioned that considerably fewer acts toured in 1991 than in 1990.

TABLE 1. ADMISSIONS RECEIPTS FOR PERFORMING ARTS EVENTS,
MOTION PICTURES, AND SPECTATOR SPORTS, 1987-1991

	<u>1987 (\$ Millions)</u>		<u>1988 (\$ Millions)</u>		<u>1989 (\$ Millions)</u>		<u>1990 (\$ Millions)</u>		<u>1991 (\$ Millions)</u>	
	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>
<u>Admissions Receipts to Specified Entertainments</u> (change from previous year)	10,200 (6%)	10,200 (0%)	11,100 (9%)	10,500 (3%)	12,100 (9%)	10,700 (2%)	13,400 (11%)	11,000 (3%)	13,300 (-1%)	10,400 (-5%)
Performing Arts Events	3,200 (14%)	3,200 (7%)	3,600 (13%)	3,400 (6%)	3,900 (8%)	3,500 (3%)	5,000 (28%)	4,100 (17%)	4,700 (-6%)	3,700 (-10%)
Motion Pictures	3,500 (3%)	3,500 (-3%)	3,600 (3%)	3,400 (-3%)	3,900 (8%)	3,400 (0%)	3,900 (0%)	3,200 (-6%)	3,700 (-6%)	2,900 (-9%)
Spectator Sports	3,500 (3%)	3,500 (-3%)	3,900 (11%)	3,700 (6%)	4,300 (10%)	3,800 (3%)	4,500 (5%)	3,700 (-3%)	4,800 (6%)	3,800 (3%)

NOTE: Constant (1987=100) \$ values are based on implicit price deflators used for these expenditures by the Bureau of Economic Analysis, U.S. Department of Commerce in unpublished tabulations.

All data are based on the July 1992 Bureau of Economic Analysis (BEA) comprehensive revision of the U.S. National Income and Product Accounts.

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TABLE 2. TOTAL PERSONAL CONSUMPTION EXPENDITURES AND RECREATION EXPENDITURES AS A PERCENT OF GDP, 1987-1991

	<u>1987</u>		<u>1988</u>		<u>1989</u>		<u>1990</u>		<u>1991</u>	
GDP in Billions (current \$)	\$4,539.9		\$4,900.4		\$5,250.8		\$5,522.2		\$5,677.5	
Total Personal Consumption Expenditures as a % of GDP	67.23%		67.26%		67.09%		67.88%		68.47%	
Recreation Expenditures as a % of GDP	4.93%		5.04%		5.06%		5.08%		5.10%	
<u>Selected Recreation expenditures as a % of GDP and of all Recreation Expenditures</u>	<u>GDP</u>	<u>Recreation</u>	<u>GDP</u>	<u>Recreation</u>	<u>GDP</u>	<u>Recreation</u>	<u>GDP</u>	<u>Recreation</u>	<u>GDP</u>	<u>Recreation</u>
Radio and TV Receivers, Records, Musical Instruments and Personal Computers	0.86%	17.43%	0.91%	18.03%	0.91%	17.78%	0.89%	17.67%	0.88%	17.33%
Books and Maps	0.29%	5.81%	0.30%	5.92%	0.30%	5.93%	0.32%	6.20%	0.32%	6.31%
Admissions to Performing Arts Events	0.07%	1.43%	0.07%	1.46%	0.07%	1.46%	0.09%	1.78%	0.08%	1.62%
Admissions to Motion Picture Theaters	0.08%	1.56%	0.07%	1.46%	0.07%	1.46%	0.07%	1.46%	0.06%	1.27%
Admissions to Spectator Sports	0.08%	1.56%	0.08%	1.58%	0.08%	1.61%	0.08%	1.60%	0.08%	1.66%

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TABLE 3. PER CAPITA EXPENDITURES FOR SELECTED SUBDIVISIONS OF PERSONAL CONSUMPTION FOR RECREATION, 1987-1991

	<u>1987</u>		<u>1988</u>		<u>1989</u>		<u>1990</u>		<u>1991</u>	
	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>
Total Admission Expenditures to Specified Entertainments \$ Per capita	\$ 42.01	\$ 42.01	\$ 45.30	\$ 42.85	\$ 48.92	\$ 43.26	\$ 54.68	\$ 45.03	\$ 52.74	\$ 41.24
Performing Arts Admissions \$ per capita	\$ 13.18	\$ 13.18	\$ 14.69	\$ 13.87	\$ 15.77	\$ 14.15	\$ 20.10	\$ 16.49	\$ 18.64	\$ 14.67
Motion Picture Admissions \$ per capita	\$ 14.41	\$ 14.41	\$ 14.69	\$ 13.87	\$ 15.77	\$ 13.75	\$ 16.49	\$ 13.67	\$ 14.67	\$ 11.50
Spectator Sports Admissions \$ per capita	\$ 14.41	\$ 14.41	\$ 15.92	\$ 15.10	\$ 17.38	\$ 15.36	\$ 18.09	\$ 14.88	\$ 19.03	\$ 15.07

Note: 1987-1991 current and constant (1987=100) values were revised pursuant to unpublished tabulations obtained from the Bureau of Economic Analysis. Population estimates for 1987-1991 were taken from Statistical Abstract of the United States 1991, 111th Edition, Bureau of the Census, U.S. Department of Commerce, January 1991.

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