



Research Division
Note #59
February 1997

The Arts in the GDP: Consumers Spent More Than \$9 Billion on Admission Receipts for Performing Arts Events in 1996

According to the Bureau of Economic Analysis (BEA), a division of the U.S. Department of Commerce, American consumers spent more than \$9 billion on admissions to performing arts events in 1996. Moreover, 1996 spending on performing arts events was roughly 1.5 times larger than spending on either admissions to motion pictures or spectator sports events. The Research Division of the National Endowment for the Arts has been reporting the annual statistics on these expenditures, and their significance to the arts community, since 1982¹. This Note summarizes recently issued estimates concerning consumer spending on the arts and entertainment.

Growth in Admission Receipts for Performing Arts Events, Motion Pictures, and Spectator Sports

Table 1 shows BEA historical estimates of admission receipts for performing arts², motion pictures, and spectator sports in 1992 through 1996. Using figures measured in 1992 dollars³, American consumers increased their spending on performing arts events by more than \$1 billion over this five year period, a gain of nearly 16 percent. This compares to more modest gains of roughly 3 percent in motion picture expenditures and 12 percent in spectator sports admissions, between 1992 and 1996.

¹ For a list of earlier Notes on this subject, visit the National Endowment for the Arts World Wide Website at arts.endow.gov.

² Admissions to performing arts events include not only non-profit organizations, such as symphony orchestras or ballet companies, but also activities in the for-profit sector, such as Broadway theater 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.

³ Beginning in December 1995, the Commerce Department changed its method of deflating current dollar estimates of National Income and Product Accounts from a fixed weight calculation to one of chained weights. Additionally, the base year was updated from 1987 to 1992. For a detailed discussion of this methodology, see the July 1995 issue of the *Survey of Current Business*.

Chart 1 graphically shows growth patterns in recreation expenditures measured by the BEA. However, the analysis here is extended to a larger 1982 through 1996 time period. Over this longer time span, real spending on performing arts more than doubled from \$3.8 billion in 1982 to \$7.9 billion in 1996—a gain of more than \$4 billion. Alternatively, motion pictures expenditures dropped by almost 7 percent (\$5.5 billion-1982 to \$5.1 billion-1996); and a comparatively low gain of 13 percent was recorded for spectator sports admissions.

The recreation spending trends shown in Table 1 and Chart 1 are supported by similar findings from the Endowment-sponsored Survey of Public Participation in the Arts (SPPA)⁴. For example, higher attendance levels were reported in the SPPA in 1992 compared to 1982 for each type of performing arts activity surveyed (see Table 2). By contrast, the participation rate in movie-going showed a drop over this ten-year span (63 percent in 1982 to 59 percent in 1992). Due to changes in the 1992 SPPA survey questionnaire, we cannot directly compare sporting events participation rates over this period. However, the SPPA does show that, in 1992, 7.5 million more people went to the symphony, ballet, art museum, etc., than attended sports events.

Despite these favorable trends in arts participation, however, BEA data indicate that small slowdowns occurred in expenditures on performing arts in 1995 and 1996. Table 1 shows a 1996 decline of 2.7 percent in real spending on the arts, compared to its estimated 1995 level; and a corresponding drop of 1.6 percent in 1995. Looking at the 1995 experience, BEA data reveal that spending declines were not limited to performing arts admissions. In fact, all three categories of real recreation spending tracked in Table 1 fell—a 2.5 percent drop for motion picture tickets and a decrease of 3 percent on spectator sports spending. In 1996, spending on motion picture tickets bounced back to a growth rate of almost 2 percent and spectator sports spending climbed to a nearly 12 percent gain over real 1995 spending. According to the BEA, labor strikes in both professional ice-hockey and baseball leagues were responsible for the comparatively large decline in spectator sports in 1995. The noticeable recovery in 1996 sports spending was due, in part, to ends to these strikes.

Major Benchmark Revisions to Estimates of Spending on Performing Arts

As new information becomes available, the BEA routinely makes revisions to its historical estimates of the National Income and Product Accounts (NIPA), that together sum to the nation's Gross Domestic Product (GDP). Consumption expenditures are one such account. In the case of consumption spending on recreation, data from the 1992 Census of Services were used to make amendments for the 1983-1994 time period. In particular, benchmark revisions to performing arts admissions spending are major and represent one of the most interesting findings reported in this Note.

⁴ See *Arts Participation in America: 1982-1992*, Research Division Report #27, National Endowment for the Arts, October, 1993.

Table 3 shows 1982-1994⁵ pre-benchmark revisions, post-benchmark revisions, and the resulting net changes in performing arts, motion pictures, and spectator sports admissions spending. In 1994, for example, the BEA originally estimated that spending on performing arts was \$6.3 billion. Due to information from the Economic Census, however, the BEA now estimates this figure at \$8.7 billion--a considerable upward revision of \$2.5 billion or 39 percent. By contrast, 1994 spending on motion pictures and spectator sports admissions were revised downward by \$306 million and \$644 million, respectively.

While the 1994 modification to performing arts events spending was the most dramatic, consistent upward revisions were recorded in performing arts expenditures for the entire 1983-1994 period. Alternatively, the direction of BEA revisions to motion picture admissions were mixed. Between 1983 and 1987, for example, downward modifications in the tens of millions of dollars were made to this category of recreational spending. In 1988-1992, the order of the revisions changed to an upward direction--by as much as \$700 million in 1989. However, in 1993 and 1994, motion picture admissions spending was again revised downward by \$400 million and \$300 million, for each of these years, respectively. Beginning in 1985, the BEA records steady downward revisions to spectator sports admissions spending, with the largest decline occurring in 1994.

Recreation Expenditures As a Percentage of Real GDP

The data reported in Table 1 represent just a part of the recreation expenditures reported by the BEA. Table 4 shows a more comprehensive picture of recreation spending by reporting GDP, consumption expenditures as a percent of GDP, and total recreation expenditures as a share of GDP for the 1992-1996 period. The "total recreation" class of spending includes the admissions spending discussed throughout this Note (i.e., performing arts, motion pictures, and spectator sports) plus spending on many recreation activities such as video and audio equipment, books and maps, gardening activities, toys and sport supplies, and memberships to clubs and fraternal organizations. In addition, Table 4 also shows breakdowns of selected recreation spending categories both as ratios of GDP and total recreation spending. All the figures shown in Table 4 are measured in 1992 dollars.

A brief analysis of Table 4 indicates that performing arts admissions have hovered around 0.11 and 0.12 percent of GDP over the past five years. Admissions to movies and spectator sports have also been fairly consistent over this time period, with about 0.07 to 0.08 percent of GDP. Expressed as percentages of total real recreation spending, arts

⁵ No revisions were made to 1982 estimates of recreational spending. Data for this year are shown in Table 3 for reference purposes.

admissions have been fairly stable over this time period with percentages around 2 percent. Real motion pictures admissions spending has ranged from 1.6 percent of total recreation spending in 1992 to about 1.2 percent in 1996. Similarly, spectator sports were 1.5 percent of all recreation spending in 1992 and 1.3 percent in 1996.

While most of the selected categories of recreation spending percentages shown in Table 4 have changed very little over time, this is not true of the spending category labeled "video and audio products, computing equipment, and musical instruments." This category shows steady gains in recreation spending over the five-year period. For example, in 1996, expenditures on video and computing equipment, etc. were 30 percent of all recreation spending. This share was up from 27 percent in 1995 and 24 percent in 1994.

Per Capita Expenditures on Performing Arts, Motion Pictures, and Spectator Sports Admissions

Table 5 combines information on expenditures on recreational activities with population estimates, providing an indication of per capita spending on these activities. As with Table 1, the data are presented in current and "real" or 1992 dollar values. Among the findings are 1996 per capita spending on performing arts of about \$35 (current dollars). This compares to \$23 per person on motion picture admissions and \$24 for spectator sports. Hence, when standardized with per capita measurements, spending on the performing arts remains 1.5 times larger than movies or spectator sports expenditures.

In real terms, per capita expenditures grew from \$26.65 in 1992 to \$29.64 in 1996. Per capita motion pictures admissions were fairly flat over this period--\$19.57 in 1992 to \$19.39 in 1996; while admissions to spectator sports increased from \$18.71 to a little more than \$20, over this five-year period. The per capita data in Table 5 reveal a story similar to the data in Table 1. Specifically, on a per capita bases, real spending on performing arts admissions fell somewhat in 1996 and 1995, compared to 1995 and 1994 estimates. Spending on motion pictures remained somewhat constant in 1996, compared to its 1995 calculation and spectator sports increased to more than \$20 in 1996 over its \$18.22 per capita estimate of 1995 spending. As discussed earlier, some of the 1996 gain in spending on spectator sports admissions was due to ending ice-hockey and baseball league strikes.

Chart 2 illustrates, in 1992 dollars, the 1992-1996 data presented in Table 5. Notice that per capita performing arts expenditures show the most growth between 1992 and 1994--followed by small declines in 1995 and 1996. By contrast, per capita spending on motion pictures and spectator sports have remained reasonably flat over this period, with the exception of the 1996 recovery in spending on spectator sports admissions described above.

Final Notes: *The Survey of Current Business*, published by the Bureau of Economic Analysis, is used as the source publication of data regarding GDP, personal consumption expenditures, and recreational expenditures described in this Note. Retrospective revisions to these data are common and should be anticipated. The population estimates used in the per capita expenditures described in this Note were produced by the U.S. Census Bureau and are published on the Census Bureau's Internet site at www.census.gov.

Table 1. Admissions Receipts for Performing Arts Events, Motion Pictures and Spectator Sports: 1992-1996

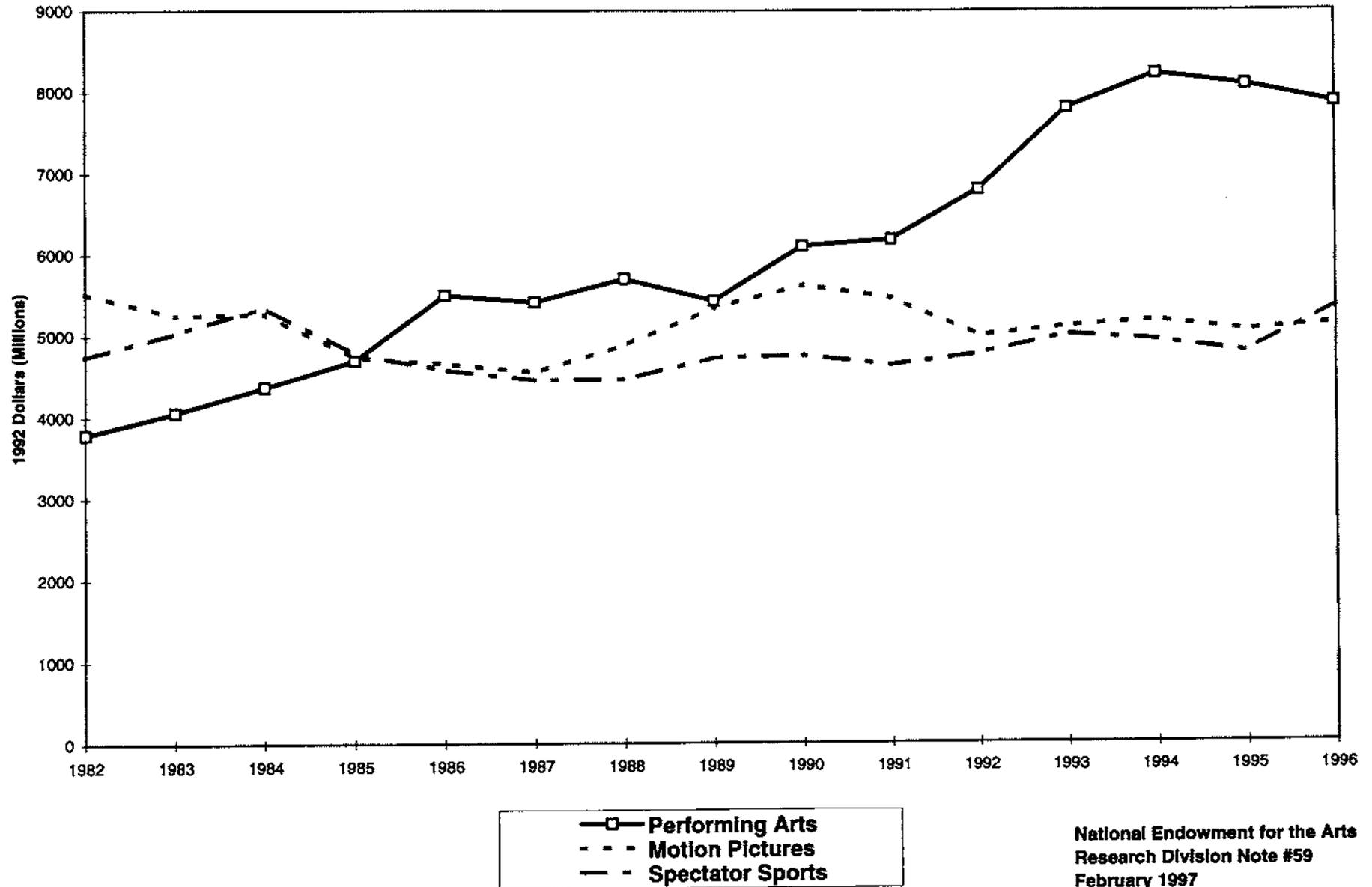
	1996 \$ Millions		1995 \$ Millions		1994 \$ Millions		1993 \$ Millions		1992 \$ Millions	
	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real
Admission Receipts to Specified Entertainments <i>(change from previous year)</i>	21,448 (8.0%)	18,365 (2.4%)	19,862 (1.7%)	17,929 (-2.2%)	19,522 (7.1%)	18,339 (2.4%)	18,221 (10.0%)	17,911 (8.2%)	16,559 (5.1%)	16,559 (1.8%)
Performing Arts	9,181 (2.6%)	7,864 (-2.7%)	8,952 (2.3%)	8,084 (-1.6)	8,747 (10.3%)	8,218 (5.4%)	7,930 (16.7%)	7,795 (14.7%)	6,796 (13.5%)	6,796 (10.0%)
Motion Pictures	6,007 (7.2%)	5,144 (1.8%)	5,604 (1.4%)	5,055 (-2.5%)	5,524 (6.3%)	5,185 (1.5%)	5,195 (4.1%)	5,106 (2.3%)	4,991 (-5.4%)	4,991 (-8.5%)
Spectator Sports	6,260 (18.0%)	5,357 (11.8%)	5,306 (1.0%)	4,790 (-3.0%)	5,251 (3.0%)	4,936 (-1.5%)	5,096 (6.8%)	5,010 (5.0%)	4,772 (6.4%)	4,772 (3.0%)

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Note: "Real" refers to expenditures measured in 1992 dollars. A "chained weight" method was used to adjust for inflation. For a detailed discussion of this methodology, see the July 1995 issue of the *Survey of Current Business*.

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Chart 1. Admission Receipts For Performing Arts Events, Motion Pictures, and Spectator Sports in 1992 Dollars: 1982-1996



Source: U.S. Department of Commerce, Bureau of Economic Analysis

**Table 2. Number of Adults Attending Performing Arts Events:
1982 and 1992**

Performing Arts Events	Number of Adults Attending (in millions)		Percentage Change 1982-1992
	1982	1992	
<i>Opera</i>	4.5	6.1	+35.6
<i>Ballet</i>	6.9	8.7	+26.1
<i>Jazz</i>	15.7	19.7	+25.5
<i>Plays</i>	19.5	25.1	+28.7
<i>Classical Music</i>	21.3	23.2	+8.9
<i>Musical Plays</i>	30.2	32.3	+5.9

Source: *Arts Participation in America: 1982-1992*, Research Division Report #27,
National Endowment for the Arts, October, 1993.

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**Table 3. Admission Expenditures for Performing Arts, Motion Pictures, and Spectator Sports
Benchmark Revisions: 1982-1994**
(in millions of current dollars)

Year	Performing Arts			Motion Pictures			Spectator Sports		
	(A)	(B)	(C)	(A)	(B)	(C)	(A)	(B)	(C)
1982	2,152	2,152	0	3,134	3,134	0	2,692	2,692	0
1983	2,303	2,464	161	3,203	3,188	-15	3,038	3,062	24
1984	2,471	2,832	361	3,452	3,421	-31	3,436	3,472	36
1985	2,621	3,221	600	3,288	3,244	-44	3,325	3,279	-46
1986	2,799	3,940	1,141	3,399	3,338	-61	3,378	3,283	-95
1987	3,197	4,087	890	3,521	3,443	-78	3,516	3,365	-151
1988	3,591	4,534	943	3,605	3,892	287	3,864	3,556	-308
1989	3,936	4,667	731	3,884	4,591	707	4,260	4,060	-200
1990	4,486	5,603	1,117	4,671	5,168	497	4,864	4,367	-497
1991	4,706	5,988	1,282	4,998	5,274	276	4,988	4,486	-502
1992	5,159	6,796	1,637	4,910	4,991	81	5,330	4,772	-558
1993	5,506	7,930	2,424	5,599	5,195	-404	5,688	5,096	-592
1994	6,285	8,747	2,462	5,830	5,524	-306	5,895	5,251	-644

(A) Pre-benchmark

(B) Post-benchmark

(C) Net Change

Source: U.S. Department of Commerce, Bureau of Economic Analysis

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**Table 4. Total Personal Consumption Expenditures and Recreation Expenditures
As a Percentage of Real GDP: 1992-1996**

	1996		1995		1994		1993		1992	
	GDP	Recr.								
GDP <i>(billions of 1992 dollars)</i>	6,911.0		6,742.9		6,608.7		6,386.4		6,244.4	
Real Consumption as % of Real GDP	67.9%		67.9%		67.7%		67.9%		67.6%	
Real Recreation Expenditures as a % of Real GDP	6.2%		5.9%		5.6%		5.3%		5.0%	
Selected Recreation Expenditures as a % of Real GDP and of all Real Recreation Expenditures										
Video and Audio Products, Computing Equipment and Musical Instruments	1.86%	30.05%	1.57%	26.80%	1.35%	24.06%	1.15%	21.77%	0.98%	19.69%
Books and Maps	0.29%	4.62%	0.29%	4.91%	0.29%	5.16%	0.29%	5.46%	0.28%	5.69%
Admissions to Performing Arts Events	0.11%	1.84%	0.12%	2.05%	0.12%	2.22%	0.12%	2.31%	0.11%	2.19%
Admissions to Motion Picture Theaters	0.07%	1.19%	0.08%	1.29%	0.08%	1.41%	0.08%	1.51%	0.08%	1.61%
Admissions to Spectator Sports	0.08%	1.26%	0.07%	1.21%	0.07%	1.32%	0.08%	1.48%	0.08%	1.54%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Note: All figures based on 1992 dollars (see note on Table 1).

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Table 5. Per Capita Personal Consumption Expenditures For Selected Recreational Activities in 1992 Dollars: 1992-1996

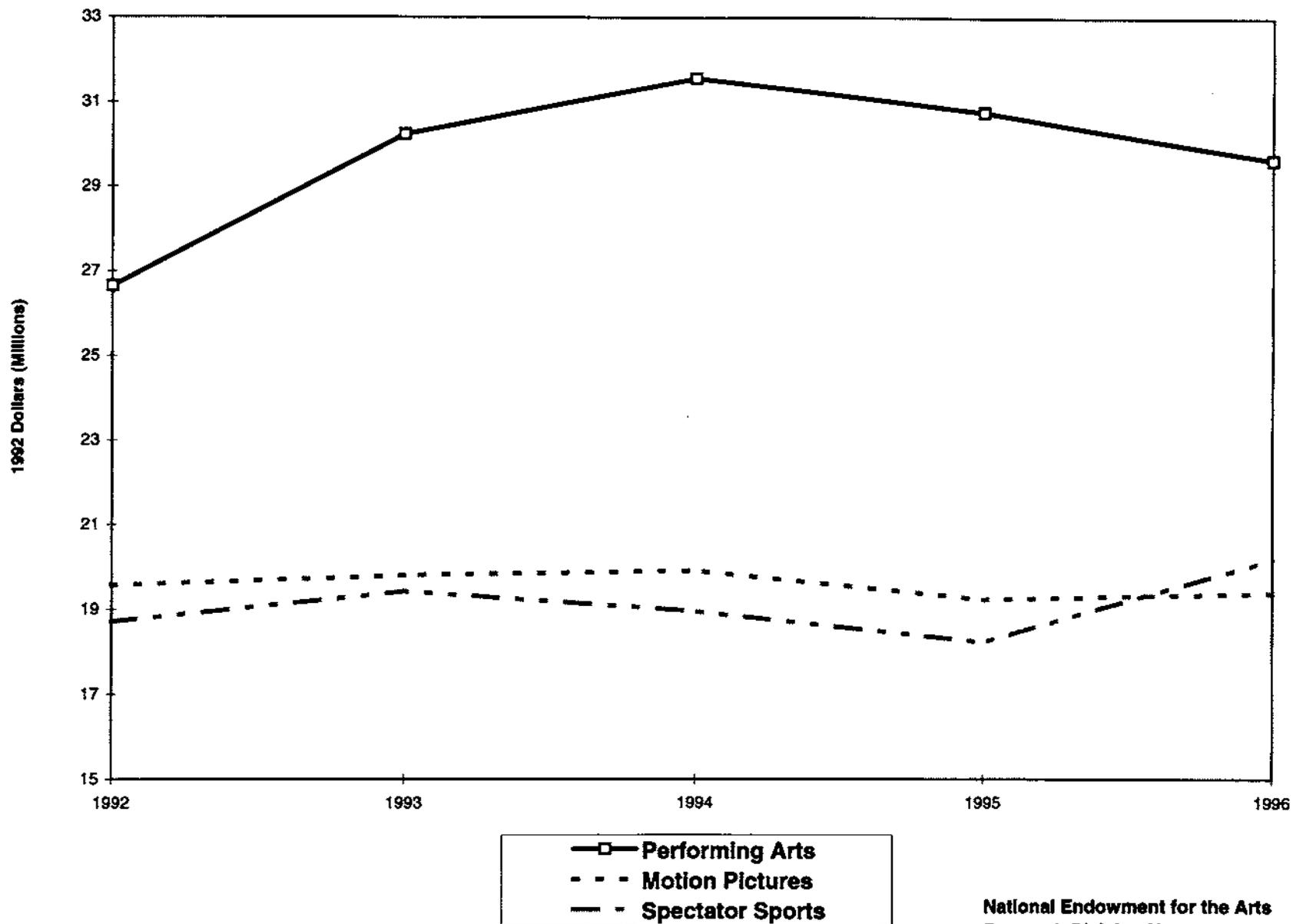
	1996		1995		1994		1993		1992	
	Current	Real								
<i>Total Admissions Expenditures to Specified Entertainments \$ per capita</i>	\$80.85	\$69.23	\$75.55	\$68.20	\$74.98	\$70.43	\$70.68	\$69.48	\$64.93	\$64.93
<i>Performing Arts Admissions \$ per capita</i>	\$34.61	\$29.64	\$34.05	\$30.75	\$33.59	\$31.56	\$30.76	\$30.24	\$26.65	\$26.65
<i>Motion Picture Admissions \$ per capita</i>	\$22.64	\$19.39	\$21.32	\$19.23	\$21.22	\$19.91	\$20.15	\$19.81	\$19.57	\$19.57
<i>Spectator Sports Admissions \$ per capita</i>	\$23.60	\$20.19	\$20.18	\$18.22	\$20.17	\$18.96	\$19.77	\$19.43	\$18.71	\$18.71

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census

Note: "Real" refers to estimates measured in 1992 dollars (see note on Table 1).

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Chart 2. Per Capita Personal Consumption Expenditures For Selected Recreational Activities in 1992 Dollars: 1992-1996



Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census

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