



Office of Research & Analysis
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Arts Data Profile: State Estimates of the Arts' Economic Value and Employment: 2001-2015

Research Brief #3: Three Years of Fast-Growing Arts Industries

Between 2012 and 2015, the value added by arts and culture to the nation's economy grew by an average annual rate of 4.0 percent. But in 12 states, the average annual growth rate was 4.6 percent or greater.

The five states that have seen the sharpest growth in their arts economies are also states where arts and cultural production is gaining as a share of their total economies.

Washington state and Utah exhibited the fastest-growing arts economies. Between 2012 and 2015, the average annual growth rate in arts and cultural value exceeded 7 percent in each state.

Other fast-growing arts economies are found in Nevada, Louisiana, and Virginia. In all of these states, the share of arts and culture with respect to gross state product (GSP) increased by 0.2-to-0.5 percent over the three-year period.

This research brief uses data from the Arts and Cultural Production Satellite Account (ACPSA), produced jointly by the U.S. Bureau of Economic Analysis and the National Endowment for the Arts.

In reporting average annual growth rates at the state-level, only **nominal** values are given at this time; the figures do not currently adjust for inflation. (See "Definitions and Notes" on p. 3)

The ACPSA includes state-level employment and compensation figures for salaried workers in arts and cultural industries, and, for the first time, estimates of arts and culture's value added to each state's economy. [State-level fact-sheets, data dashboards, and other resources are available on this NEA webpage.](#)

The Fastest-Growing State Arts Economies

At 7 percent, the average annual growth rate of arts and culture in Washington and Utah is 3 percentage points higher than the national rate of arts and cultural value-added.

In Washington State, ACPSA production from arts-related retail trade (including online bookstores), relative to the state's total economy, is 8.4 times greater than the national share. This industry accounts for much of the state's growing arts economy. Between 2012 and 2015, national value added by arts-related retail trade grew by an average rate of 5.1 percent. In Washington State, the growth rate was 21.9 percent.

Between 2012 and 2015, value added by Utah's "other information services," which includes, chiefly, Internet publishing and broadcasting/streaming, increased from \$260 million to more than \$530 million. The corresponding *average* annual growth rate for Utah's other information services was 26.9 percent, more than 7 percentage points greater than the national rate.

In Nevada, Louisiana, and Virginia, average annual growth in arts and cultural value-added was between 5.6 and 5.9 percent. As with Utah, Nevada's growth was propelled by other information services, which grew at an average annual rate of 30.4 percent.

In both Louisiana and Virginia, value added by independent artists, writers, and entertainers contributed significantly to growing arts economies in the states.¹ In Louisiana, average annual growth in that industry approached 22.9 percent; in Virginia, it was 19.2 percent. Nationally, by contrast, value added by independent artists grew at an average rate of just 4.6 percent between 2012 and 2015.

Washington, Utah, Nevada, Louisiana, and Virginia have more in common than just fast-growing arts and cultural production. In each of these states, the arts compose an increasingly larger share of the overall state economy (GSP).

Between 2012 and 2015, the share of arts and culture with respect to GSP increased by approximately 0.5 percent in both Washington and Louisiana.

The share increased by more than 0.2 percent in Utah, Nevada, and Virginia.

Similarly, the arts have played an increasingly larger role in Connecticut's economy. Over the three-year period, the share of the state's GSP stemming from the arts grew 0.24 percent.

Connecticut's fastest-growing ACPSA industry was motion picture production. Between 2012 and 2015, value added by that industry grew from \$1 billion to \$1.6 billion, resulting in an average annual growth rate of 16.2 percent.

By comparison, the value added by motion picture industries grew at an average annual rate of just 1.4 percent for the nation as a whole.

In six other states with fast-growing arts economies, arts and cultural production as a share of each state's overall economy has remained stable. Those states were: North Carolina; California; Pennsylvania; Georgia; Florida; and Tennessee.

Growth in North Carolina's ACPSA value-added was boosted by construction of new cultural facilities such as libraries and museums—between 2012 and 2015, the average annual growth rate of North Carolina's ACPSA construction was nearly 32 percent. Nationally, arts and cultural construction grew at an average annual rate of just 1.7 percent.

In Georgia, the construction of new cultural facilities generated a similarly high average growth rate—37.1 percent.

Additionally, economic growth was propelled by: performing arts presenters (California, 29.3 percent, and Florida, 15.9 percent); broadcasting (Pennsylvania, 17.7percent); and independent artists, writers, and entertainers (Tennessee, 32.6 percent).²

Definitions and Notes

Value added: The contribution of an industry to gross state product (GSP), or the industry’s gross output minus intermediate inputs such as energy and raw materials.

In this research brief, all estimates of value-added are nominal—that is, not adjusted for inflation. At this time, the ACPSA does not report “real” value added at the state level. Consequently, the timeframe considered in this brief (2012-2015) has been kept short to minimize distortions that may be introduced by inflation (i.e., general increases in prices).

Gross state product: GSP is the market value of the goods and services produced by the labor and property located in a state. It is the state counterpart of the nation’s gross domestic product (GDP).

ACPSA industries: The ACPSA features 35 distinct industries that produce arts and cultural goods and services.³ As a satellite account, the ACPSA identifies the share of an industry’s value-added that is associated with arts production. That share ranges from nearly 100 percent of value added by industries such as performing arts companies and motion picture production, to just 2 percent of value added by the computer systems design industry. (This ACPSA industry supports production of movies/films and sound recordings.)⁴

Calculation of average annual growth rates: This brief examines three periods of year-over-year growth in state arts and cultural value added:

(2012-2013); (2013-2014); (2014-2015)

Average annual growth rates are calculated as:

$[(\text{Value added}_t / \text{Value added}_0)^{1/n} - 1] * 100$

Where:

Value added_t is the ending value (2015)

Value added₀ is the beginning value (2012)

n is the number of years/periods, 3 between 2012 and 2015

Endnotes

¹ACPSA value added includes earnings by self-employed artists.

²ACPSA broadcasting excludes sports.

³Arts and cultural goods and services produced by non-ACPSA industries are identified as “non-ACPSA related production.”

⁴For a list of ACPSA industries, see [Key to ACPSA industries](#).

Average annual growth in arts and cultural value-added: 2012-2015

Fastest-growing states

| | | Arts and cultural value-added in 2015 (billions) | Average annual growth rate of value-added: 2012-2015 ¹ | Change in arts and cultural share of the state economy: 2012-2015 |
|------|----------------|--|---|---|
| Rank | U.S. | \$763.6 | 4.0% | 0.00 |
| | Top states: | | | |
| 1 | Washington | \$35.6 | 7.28% | 0.46% |
| 2 | Utah | \$6.2 | 7.19% | 0.23% |
| 3 | Nevada | \$6.2 | 5.94% | 0.23% |
| 4 | Louisiana | \$7.7 | 5.75% | 0.50% |
| 5 | Virginia | \$16.8 | 5.57% | 0.25% |
| 6 | North Carolina | \$13.8 | 5.53% | 0.07% |
| 7 | California | \$174.6 | 5.50% | -0.01% |
| 8 | Pennsylvania | \$23.0 | 5.39% | 0.17% |
| 9 | Georgia | \$19.6 | 5.37% | 0.05% |
| 10 | Florida | \$33.4 | 4.94% | -0.02% |
| 11 | Tennessee | \$13.3 | 4.90% | 0.06% |
| 12 | Connecticut | \$9.0 | 4.64% | 0.24% |

¹ Estimates nominal, not adjusted for inflation.

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