

## The U.S. Arts Economy in 2020: A National Summary Report

This report of the economic impact of arts and cultural industries is based on data from the U.S. Arts and Cultural Production Satellite Account (ACPSA), a product of the National Endowment for the Arts and the Bureau of Economic Analysis.

The new dataset covers 2020, the first year of the COVID-19 pandemic—a calamitous period for the nation and for many types of artists and arts and cultural industries. Between 2019 and 2020, the U.S. arts economy shrank at nearly twice the rate of the economy as a whole. Yet the arts and cultural sector is large and diverse. Acute

economic distress for industries such as performing arts, museums, film, and arts facility construction did not prevent the sector from contributing more than \$876 billion to U.S. GDP. Government did its part to help shore up the sector. Still, in a year of stay-at-home orders and shuttered venues, the only sizeable growth came from web streaming services and online publishers.

Below are summary findings on the arts economy. Click on a topic to go directly to that section of the document.

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## Executive Summary

### **1. The arts continue to represent more than 4 percent of the nation's economy. But this relative stability masks enormous declines for various subsectors of the arts.**

- In 2020, arts and culture added \$876.7 billion, or 4.2 percent, to national GDP.
- The amount remains greater than the value added by each of the following industries: agriculture/forestry/fishing; mining; utilities; outdoor recreation; and transportation and warehousing.
- Overall, however, the value added by arts and cultural industries fell by 6.4 percent, compared with a 3.4 decline in the overall economy.

### **2. In year one of the COVID-19 pandemic, few areas of the U.S. economy were harder hit than the performing arts.**

- Performing arts presenters and performing arts companies joined oil drilling/exploration and air transportation as the steepest-declining areas of the U.S. economy in 2020.
- After adjusting for inflation, the value added by performing arts presenters (including festivals) fell by nearly 72.8 percent between 2019 and 2020.
- In 2020, contributions to U.S. GDP by performing arts organizations contracted by 50.9 percent.

### **3. Other arts and cultural industries also saw steep declines in economic activity. They included: independent artists, writers, and performers; museums; the motion picture and sound recording industries; and arts-related construction.**

- From 2019 to 2020, the value added from new construction of arts and cultural facilities declined 24.3 percent.
  - Museums, as an industry, lost 22.0 percent of their value added to the U.S. economy.
  - The value added by independent artists/writers/performers fell by close to 21 percent.
  - Economic contributions from the motion picture and video production industries declined 17.9 percent.
- ### **4. Between 2019 and 2020, the arts economy shed more than half a million jobs (604,000 workers)—not counting self-employed artists and other cultural workers.**
- Forty percent of the decline in arts and cultural employment (salaried workers only) occurred in three industries: motion picture and video production; performing arts presenters; and performing arts companies.
  - Motion picture and video production lost the greatest number of workers in 2020—136,000.
  - Employment by performing arts presenters and performing arts organizations fell by 56,000 and 50,000 workers, respectively.
- ### **5. The only arts and cultural industry to have flourished over this period is web publishing and streaming. TV and radio broadcasting, another large industry, experienced only a minor setback during the pandemic.**
- Between 2019 and 2020, the value added by web publishing and streaming—already a growth industry—leapt by over 14 percent. Employment in this industry grew by 12,000 salaried workers.

- The economic contributions of TV and radio broadcasting fell by only 1.5 percent.
  - Value added by publishing industries changed little between 2019 and 2020. This outcome stems from growth in arts-related software publishing, rather than from publishing of books and newspapers, which actually declined in 2020.
- 6. Government production of arts and cultural goods and services also helped to cushion declines for the overall arts sector.**
- Across all industries, government (federal, state, or local) employs the largest number of salaried workers (1.2 million) for arts and cultural production.
  - Government’s arts and cultural contributions—both in terms of employment and in value added to GDP—remained fairly stable between 2019 and 2020.
  - Arts and cultural goods and services provided by government include: arts education in public schools; museums and nature parks; and federal, state, and local arts funding.
- 7. Other data sources suggest that while arts and cultural industries regained some ground during 2021, they have not risen back to 2019 levels.**
- The overall unemployment rate for artists in 2021 was 7.2 percent, down from 10.3 percent in 2020, but still greater than in 2019, when the rate was 3.7 percent.
  - Revenue earned by performing arts companies doubled from \$834 million in the third quarter of 2020 to \$1.7 billion in Q3 2021. Yet that amount remained far below the 2019 quarter, when performing arts companies earned \$12.7 billion.

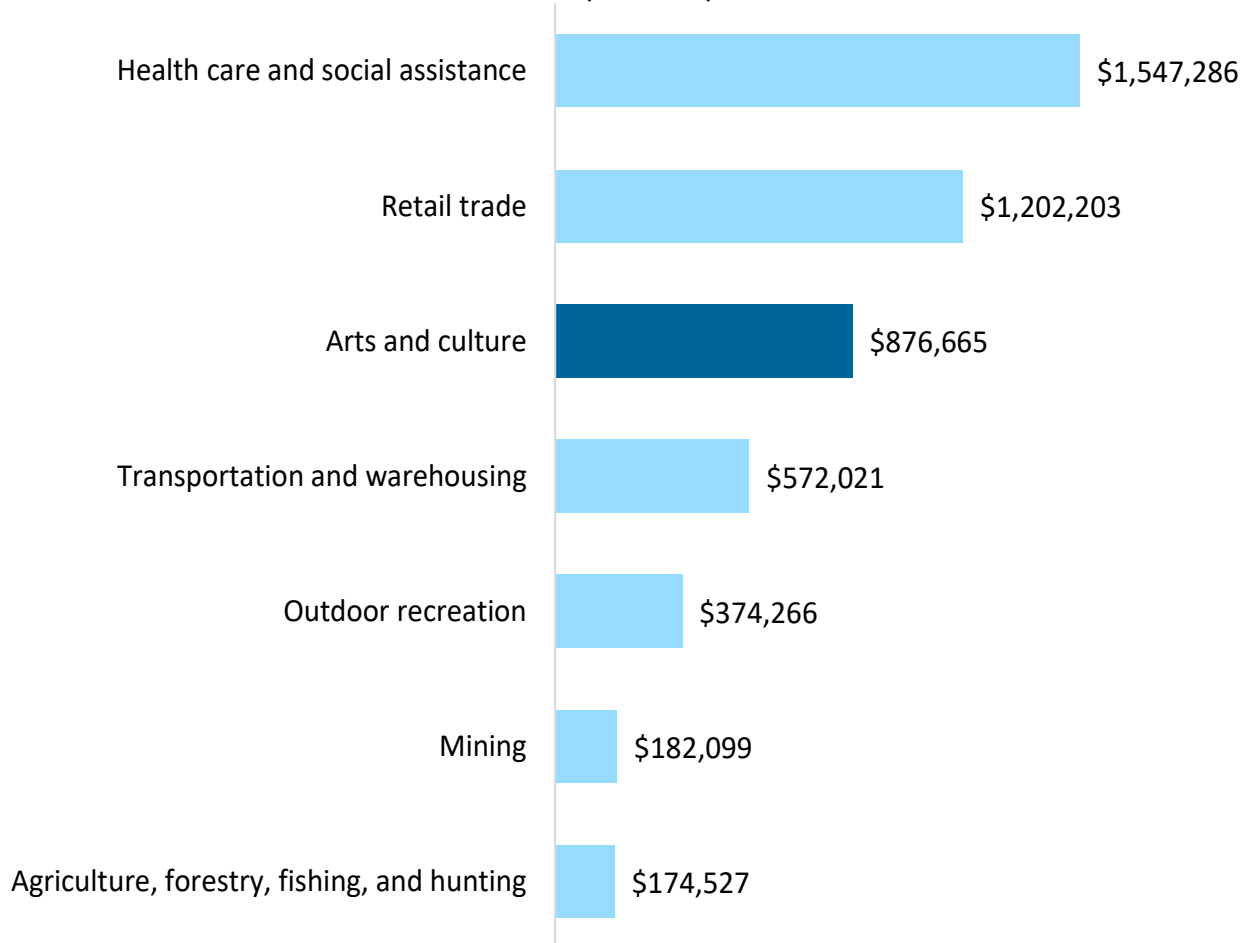
### Arts-Related GDP and Employment: Overview

In the face of the COVID-19 pandemic, U.S. arts and cultural industries managed to add \$876.7 billion, or 4.2 percent, to Gross Domestic Product in 2020. This share, while lower than the 4.4 percent originally reported for 2019, still represents a greater contribution than made by

many other sectors, including transportation, mining, and agriculture. (See Figure 1.) The comparably higher value added by the arts, relative to those other sectors, continues historical patterns.

**Figure 1. Value added to U.S. GDP by selected sectors: 2020**

(millions)

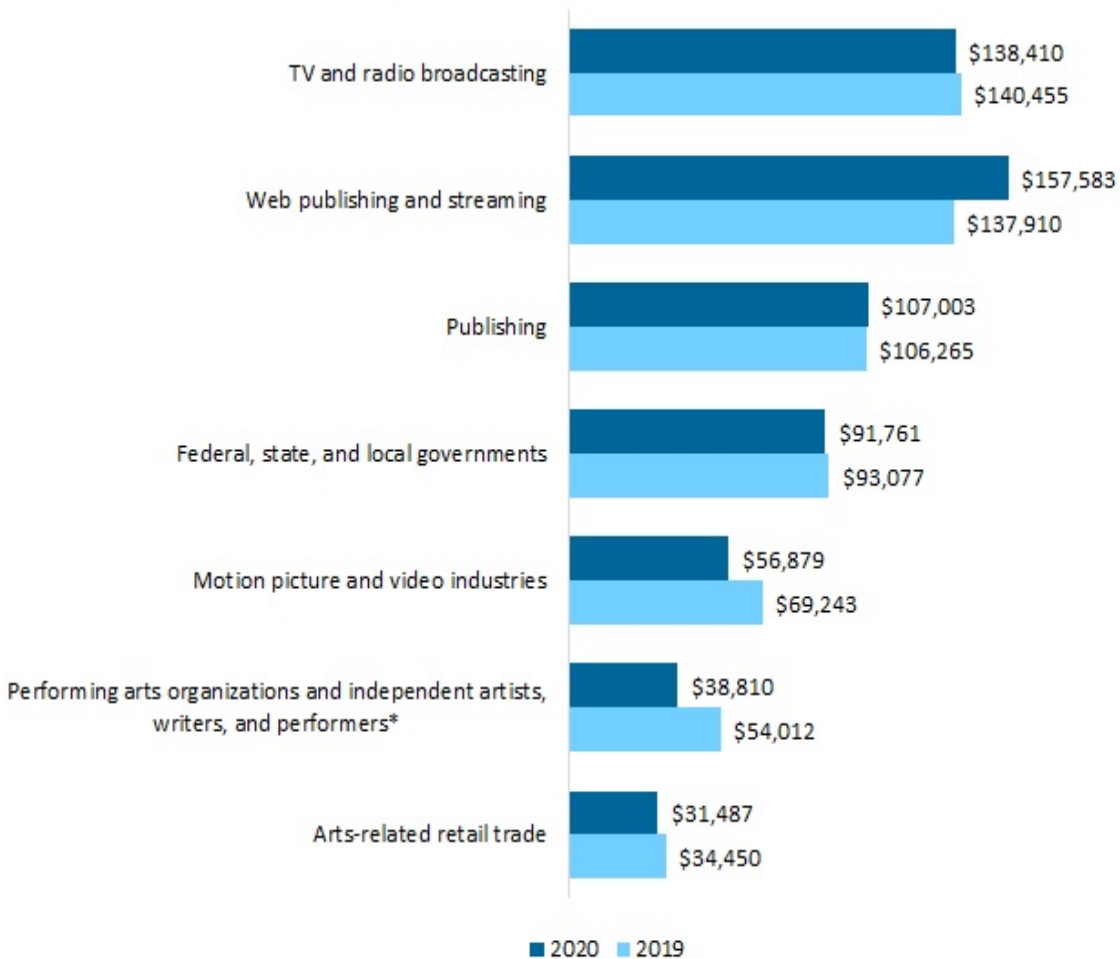


Data source: Value Added by Industry, U.S. Bureau of Economic Analysis

Also consistent with trends from prior years is the basket of arts and cultural industries contributing the greatest economic value. They include: TV and radio broadcasting; web publishing and streaming; federal, state, and local governments;

publishing; motion picture and video industries; arts-related retail trade; and, when combined, performing arts organizations and an industry called “independent artists, writers, and performers.” (See Figure 2.)

**Figure 2. Top contributors to arts and cultural GDP: 2019 and 2020**  
(Inflation-adjusted, in millions)



\* This figure combines production from two industries: (1) performing arts organizations and (2) independent artists, writers, and performers, with inflation-adjusted value added totaling \$6.6 billion and \$32.2 billion, respectively, in 2020.

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

While the top contributors to the U.S. arts economy were identical in 2019, the value contributed by motion picture and video industries and by the industry group consisting of performing arts organizations and independent artists, writers, and performers fell precipitously in 2020—by 17.9 percent and 28.1 percent, respectively. Most of the other top-ranking arts industries such as web publishing and government either grew or changed little from 2019.

The unique toll of the pandemic on performing arts-related industries will be examined later in this report. Regarding COVID-19's impact on the overall sector, 2020 marked the largest year-over-year decline in arts and cultural production in the entire 22-year period measured by the U.S. Bureau of Economic Analysis.<sup>1</sup> (See Figure 3.) The second largest decline occurred in 2009, reflecting the impact of the Great Recession of 2007-2009. In 2009, arts and cultural production fell by 5.0 percent from the 2008 level. From 2019 to 2020, by contrast, it fell by 6.4 percent, compared with a 3.4 dip in the nation's economy at large.

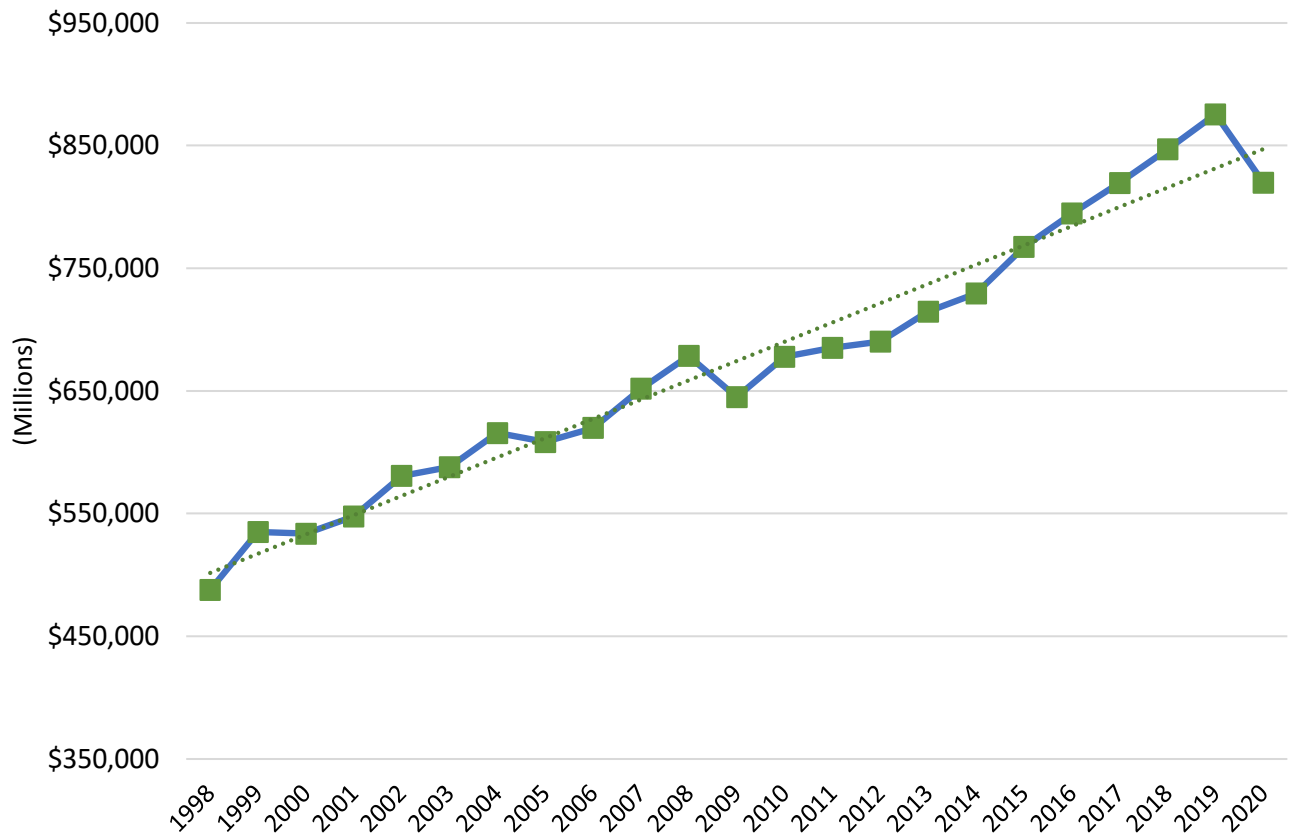
Steep declines are also evident in 2020 employment numbers for the sector. That year, arts and cultural industries together had 4.6 million workers on payroll, an 11.6 percent decline from the 2019 level. In 2009, reflecting the Great Recession, arts employment dropped by 7.2 percent from 2007. (The recession began that December.)

The 2019-2020 loss compares to a 6.1 percent decline in total U.S. employment over that period.<sup>2</sup>

The ACPSA employment data do not account for self-employed artists or other contracted workers, and so the declines in overall arts employment were likely even more substantial. (See Technical Notes, p. 22.)

**Figure 3. Arts and cultural value-added: 1998-2020**

(Adjusted for inflation)



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

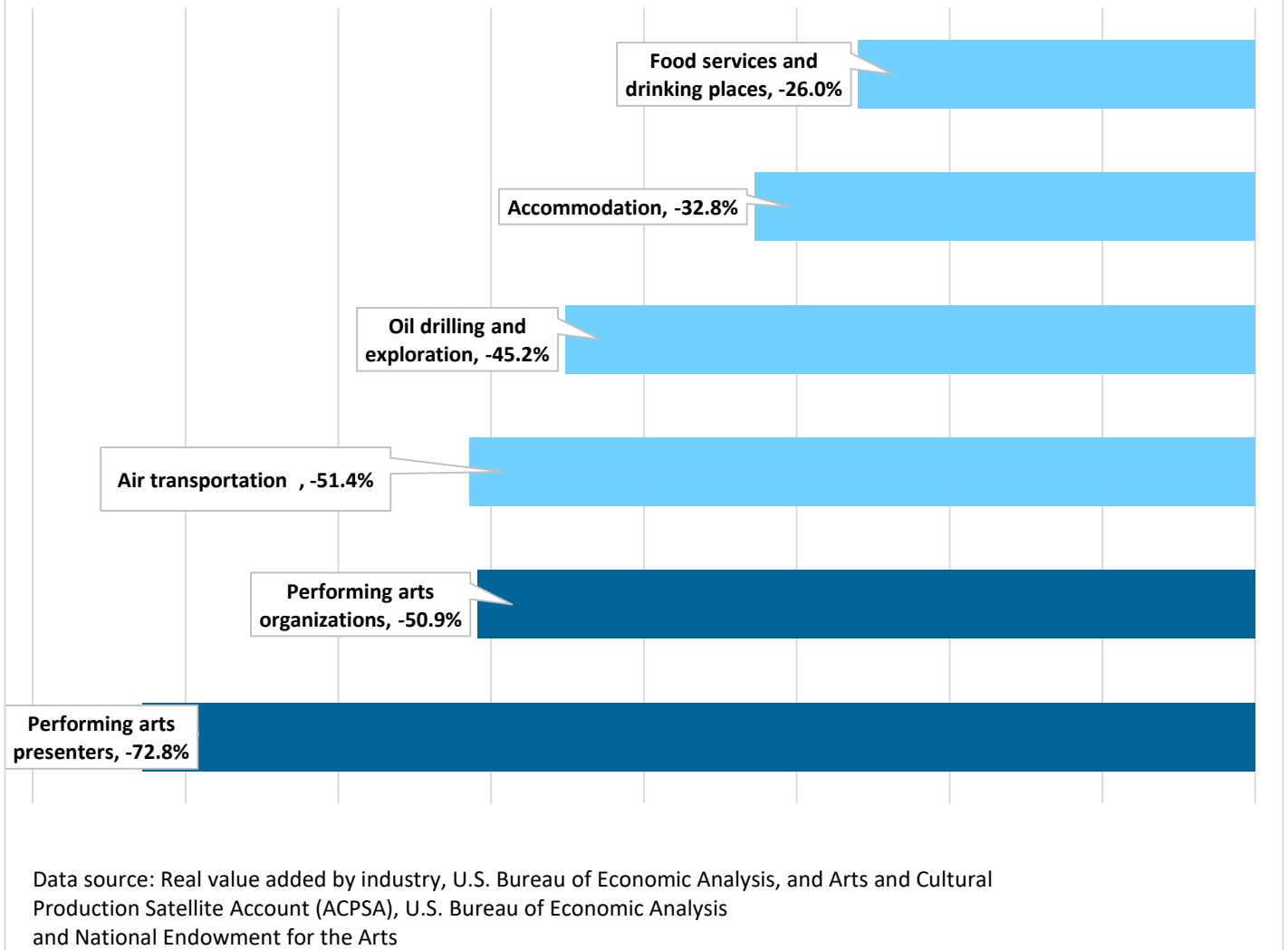
### Changes in Arts-Related GDP: Industry by Industry

Across all arts industries in 2020, the performing arts were disproportionately affected by the pandemic. Contributing factors include prohibitions on large gatherings, the temporary or permanent closing of many live arts venues, the public’s reluctance to travel or attend in-door events, and costly adjustments on behalf of arts organizations to adhere to safety protocols.<sup>3</sup>

Not only did the performing arts sustain the biggest setbacks of all arts industries—they also were among the most severely impacted of U.S. industries in general. From 2019 to 2020, the

value to GDP from performing arts presenters (including festivals) and performing arts organizations fell by 72.8 percent and 50.9 percent, respectively.<sup>4</sup> These figures place the performing arts among drilling/exploration and air transportation as the steepest-declining areas of the economy in 2020.<sup>5</sup> (See Figure 4.)

**Figure 4. Percent decline in "real" (i.e., inflation adjusted) value-added, by selected sectors: 2019-2020**



Other arts and cultural industries that saw sharp declines in GDP value included: fine arts education; arts-related construction (i.e., the building of new arts and cultural facilities); museums; independent artists/writers/performers; and the motion/video and sound recording industries.

The value to GDP from “fine arts education” — which refers to non-academic arts instruction such as music conservatories and dance schools—fell by 37.3 percent. Following close behind, by size of loss to economic value, were: agents and managers (-33.8 percent); arts-related construction

(-24.3 percent); museums (-22.0 percent); “independent artists, writers, and performers,” interior design services, and musical instrument manufacturers (each approximately -21 percent), and sound recording industries (-20.2 percent). Production also slowed significantly for industrial design services (-19.3 percent) and motion pictures and video industries (-17.9 percent). (See Table 1.)



On the other end of the scale, the only arts and cultural industry to experience sizeable growth was web publishing and streaming, which rose by 14.3 percent (to \$139 billion), in terms of value added to GDP. This advance conforms to a historic pattern of year-over-year increases for the industry. As noted earlier, the industry is now the second largest of all arts and cultural industries. In a COVID-19 year, moreover, demand for arts-related web content and streaming services accelerated. According to the ACPA, personal consumption expenditures on web publishing and streaming services increased from \$39.6 billion in 2019 to \$54.4 billion in 2020. After adjusting for inflation, that was a gain of 37 percent.

Several other large industries saw little change in their contributions to GDP from 2019 to 2020, a factor that partly accounts for the arts and cultural sector continuing to punch in at more than 4 percent to the U.S. economy. For example, the value to GDP from arts and cultural broadcasting—at \$150.8 billion—was comparable to the 2019 level. Similarly, the value added by publishing (\$100.4 billion) was relatively unchanged in 2020.

A comparison of commodity types can surface trends that may not be apparent when the unit of analysis is the industry as a whole. Although the economic value of publishing, as an industry, held stable from 2019 to 2020, the publishing of books, newspapers and periodicals, and art works and greeting cards waned over this period. Offsetting this decline, however, was the publication of arts-related software, including gaming software. Between 2019 and 2020, the gross output of these commodities grew from \$64.2 billion to \$72.8 billion.

Another industry worth tracking closely at the commodity level is government, which—whether

federal, state, or local—produces a variety of arts and cultural goods and services. Museums and historical sites, government arts agencies, construction of new cultural facilities, and even architectural services for historic restoration are examples of government-provided commodities covered by the BEA data.

In 2020, government's value added to the arts economy was \$114.6 billion, an amount down just 1.4 percent from the value it contributed in 2019, after adjusting for inflation. This modest decline may be due partly to the decrease in production of government services for museums and historical sites: in 2020, outlays for these services dipped by \$182 million.

By contrast, the provision of public school (K-12 and postsecondary) arts classes—which, as a commodity, remains the government's largest contribution to the arts economy—actually grew from \$115.9 billion in 2019 to \$118.3 billion in 2020. Production stemming from government arts and cultural agencies also increased—by \$523 million.

Rounding out the list of arts and cultural industries that showed little change is architectural services, which added just under \$24 billion to the 2020 economy. (For a table displaying changes in the economic value contributed by each arts and cultural industry between 2019 and 2020, see [Key to Arts and Cultural Industries](#).)

**Table 1. Arts and cultural industries that experienced declines in value added to GDP: 2019-2020**

Arts and cultural industry	Percent change from 2019 to 2020 (adjusted for inflation)	Change in value added (millions, current dollars)
Total arts and cultural value added	-6.4%	-\$53,587
Performing arts presenters	-72.8%	-\$12,194
Performing arts organizations	-50.9%	-\$7,525
Fine arts education	-37.3%	-\$1,309
Agents and managers for artists	-33.8%	-\$1,861
Arts-related construction	-24.3%	-\$3,733
Museums (excluding government-run museums)	-22.0%	-\$1,474
Interior design services	-21.2%	-\$2,536
Other design services (e.g., fashion design services)	-21.2%	-\$280
Musical instruments manufacturing	-21.0%	-\$187
Custom architectural woodwork and metalwork manufacturing	-20.7%	-\$524
Independent artists, writers, and performers	-20.6%	-\$8,997
Sound recording	-20.2%	-\$3,187
Industrial design services	-19.3%	-\$407
Arts-related unions	-19.2%	-\$213
Motion picture and video production	-17.9%	-\$13,448
Rental and leasing	-17.6%	-\$839
Graphic design services	-16.5%	-\$1,555
Grant-making and giving services	-14.0%	-\$136
Printed goods manufacturing	-12.4%	-\$708
Arts-related wholesale trade	-11.7%	-\$4,231
Arts-related retail trade	-8.6%	\$1,127
Jewelry and silverware manufacturing	-5.7%	-\$115
Creative advertising	-4.8%	-\$2,502
Private education services	-4.2%	-\$113
Other industries	-3.4%	-\$2,369
Broadcasting	-1.5%	-\$3,316
Government (including public education services)	-1.4%	\$1,393
Architectural services	-0.5%	-\$239
Computer systems design	-0.3%	-\$78

Notes: Percentage change in value added by broadcasting, government, architectural services, and computer systems design was small. Value added by these industries was relatively stable between 2019-2020.

"Other industries" refers to non-arts industries that produce arts and cultural goods and services. (Example: an engineering firm that produces industrial design services.)

Source: Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis and National Endowment for the Arts

### Changes in Arts Employment: Industry by Industry

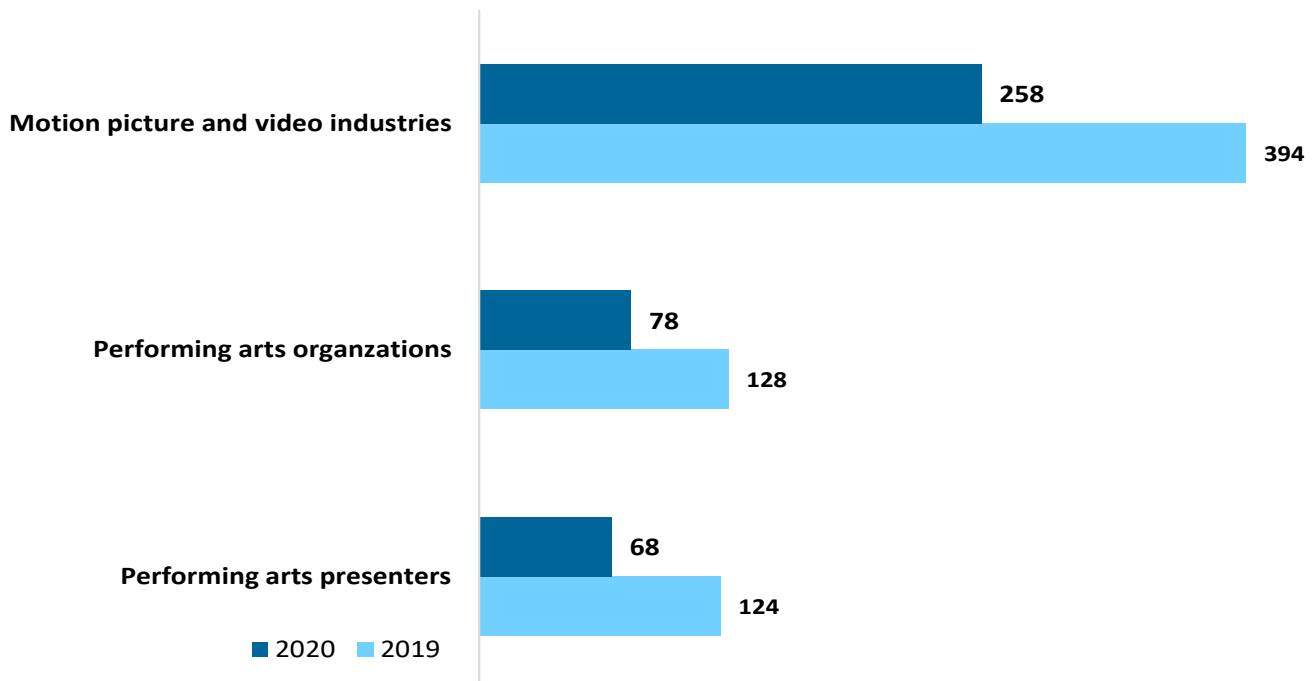
In 2020, the arts and cultural industries employing the greatest number of salaried workers were the same as in the previous year. Government (federal, state, and local) remains by far the largest employer of arts and cultural workers (1.2 million), followed by arts retail (579,000), broadcasting (392,000), publishing (299,000), the motion picture and video industries (258,000); web publishing and streaming (209,000), arts wholesale (194,000), and advertising (157,000).

As noted above, COVID-19 levied a 11.6 percent decline in overall arts and cultural employment, for a loss of 604,000 salaried workers. Just three industries accounted for 40 percent of the decline (-242,000 workers). They were: motion picture and video production (-136,000), performing arts

presenters (-56,000), and performing arts organizations (-50,000). (See Figure 5.) As was the case with the total economic output of these industries, the decline in their employment levels can be attributed to adverse conditions for live and in-person events in a pandemic year.

From 2019 to 2020, arts and cultural industries in which employment fell by at least 20 percent included: theatrical ticketing agencies; arts unions; photography and photo-finishing services, museums, and arts rental and leasing services. (See Table 2.) (For a table displaying changes in the economic value contributed by each arts and cultural industry between 2019 and 2020, see [Key to Arts and Cultural Industries](#).)

**Figure 5. Employment, motion picture and performing arts industries: 2019 and 2020**  
(thousands)



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

**Table 2. Arts and cultural industries that experienced declines in employment: 2019-2020**

Arts and cultural industry	Percent change from 2019 to 2020	Change in employment (thousands)
Total arts and cultural employment	-11.6%	-604
Performing arts presenters	-45.2%	-56
Performing arts organizations	-39.1%	-50
Arts-related construction	-37.4%	-49
Motion picture and video production	-34.5%	-136
Theatrical ticketing agencies	-33.3%	-1
Arts-related unions	-30.4%	-7
Photography and photofinishing services	-28.1%	-18
Museums (excluding government-run museums)	-22.6%	-35
Rental and leasing	-21.1%	-4
Jewelry and silverware manufacturing	-19.0%	-4
Agents and managers for artists	-18.8%	-3
Independent artists, writers, and performers	-18.5%	-10
Printed goods manufacturing	-17.6%	-12
Fine arts education	-17.5%	-25
Other industries	-14.2%	-22
Sound recording	-11.1%	-2
Advertising	-10.3%	-18
Other design services (e.g., fashion design services)	-10.0%	-1
Musical instruments manufacturing	-10.0%	-1
Graphic design services	-8.6%	-5
Arts-related wholesale trade	-8.1%	-17
Other goods manufacturing (e.g., pottery, stained glass)	-7.4%	-2
Custom architectural woodwork and metalwork manufacturing	-7.3%	-3
Interior design services	-6.5%	-3
Publishing	-6.0%	-19
Arts-related retail trade	-5.9%	-36
Broadcasting	-5.3%	-22
Industrial design services	-5.3%	-1
Architectural services	-4.1%	-6
Government (including public education services)	-3.6%	-44
Private education services	-1.0%	-1

Notes: "Other industries" refers to non-arts industries that produce arts and cultural goods and services. (Example: an engineering firm that produces industrial design services.)

Source: Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis and National Endowment for the Arts

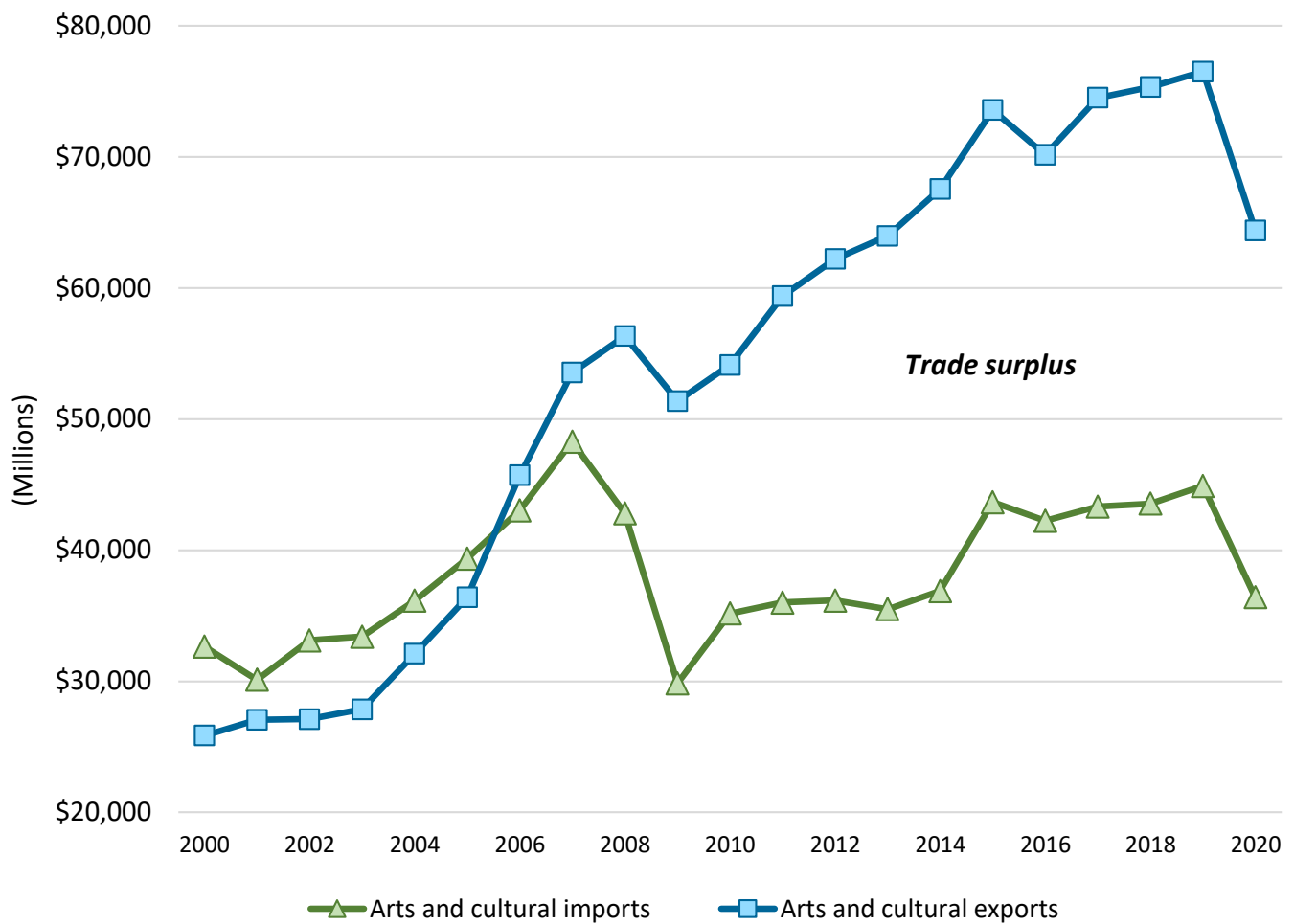
## Arts and Cultural Trade in a Pandemic Year

In the first year of COVID-19, declines in arts and cultural production registered not only in cuts to employment, but also in less import and export activity.<sup>6</sup> Nevertheless, as in prior years, the U.S. continued to export more arts and cultural goods and services than it imported. (See Figure 6.)

Arts and cultural imports totaled \$36.4 billion, while exports were \$64.4 billion—resulting in an arts trade surplus of nearly \$28 billion in 2020. Accounting for the largest arts and cultural

exports were the following commodities: creative advertising services (\$16.4 billion); movies and TV shows (\$13 billion); and arts-related software publishing (\$9.3 billion). Commodities that drove arts and cultural imports, meanwhile, included: jewelry and silverware (\$11.3 billion); movies and TV shows (\$8.9 billion); and “other arts goods” such as pottery and art supplies (\$6.8 billion).

**Figure 6. Imports and exports of arts and cultural goods and services: 2000-2020**



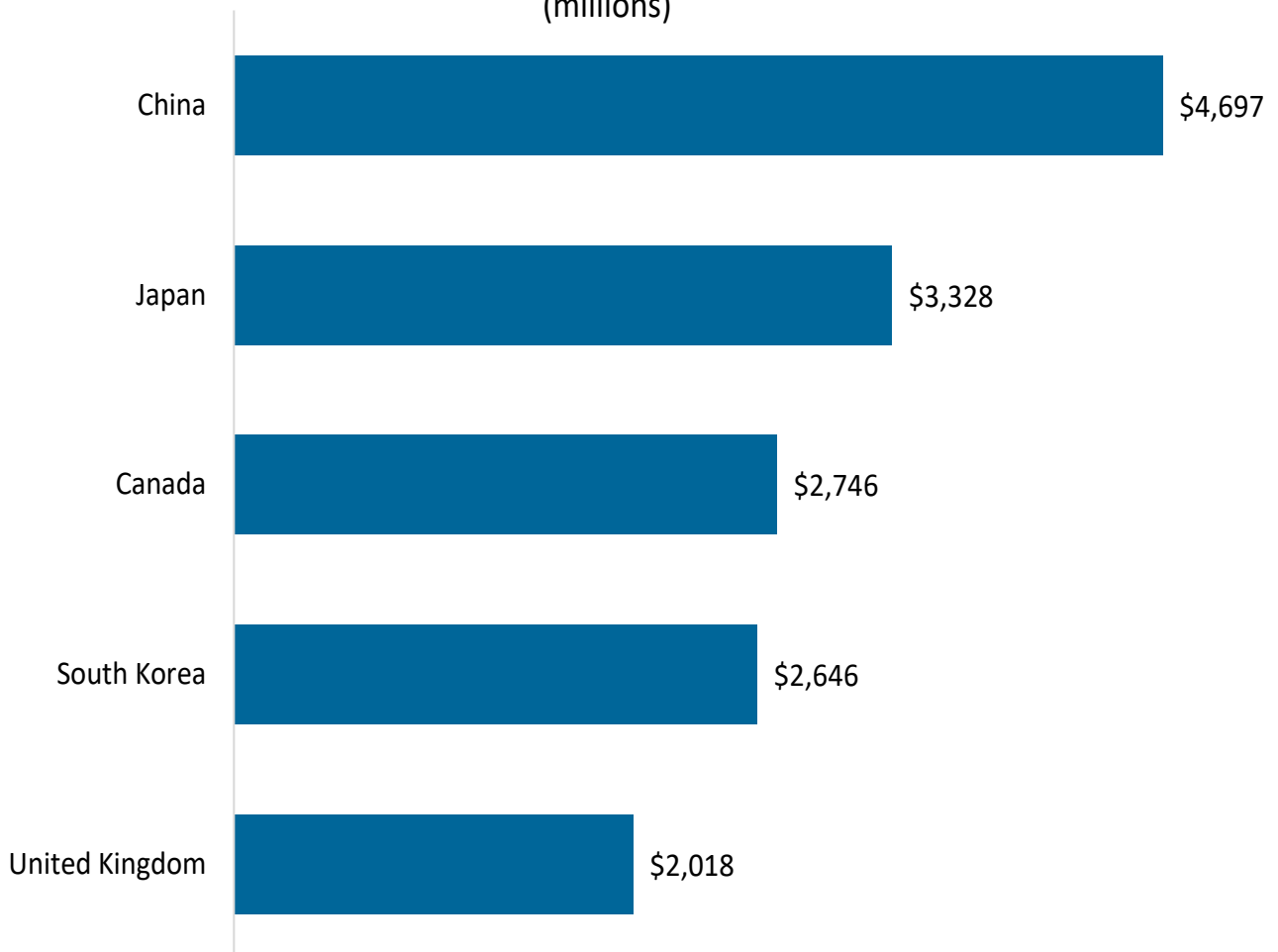
Data source: Arts and Cultural Production Satellite Account, U.S. Bureau of Economic Analysis and National Endowment for the Arts

Another data source from the Bureau of Economic Analysis can tell us which nations lead in the purchasing of U.S. licenses to reproduce or distribute audiovisual goods such as movies and TV programs, books and sound recordings, and broadcasts. This dataset, “U.S. Trade in Services,” includes some commodities not in BEA’s Arts and

Cultural Production Satellite Account—for example, TV broadcasts and programs that feature sports events.

In 2020, countries purchasing \$2 billion or more in U.S. licensing of such products were: China; Japan; Canada; South Korea; and the United Kingdom. (See Figure 7.)

**Figure 7. U.S. exports of licenses to reproduce or distribute audiovisual products, by countries purchasing \$2 billion or more: 2020**  
(millions)



Data source: U.S. Trade in Services, by Type of Service and by Country or Affiliation, U.S. Bureau of Economic Analysis

## The Slow Road to Recovery: 2021 and Beyond

Data from sources other than the Arts and Cultural Production Satellite Account suggest that the sector may have performed better in 2021, but that economic activity overall—especially for the industries hit hardest by the pandemic—has not recovered to 2019 levels.

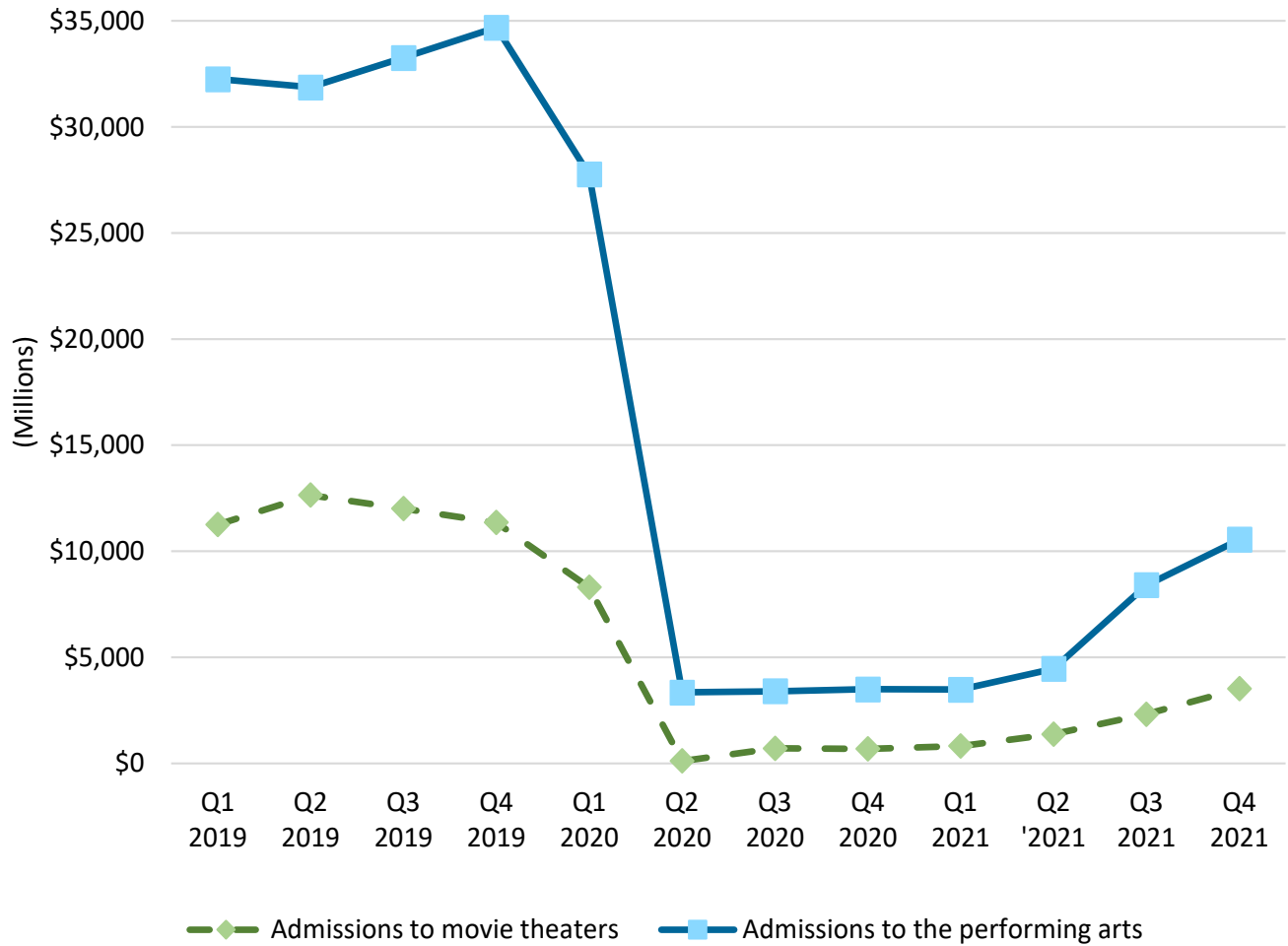
Consumer spending data, also from the Bureau of Economic Analysis, show some progress for the performing arts and motion picture and video industries, which, as seen in this report, rank among the arts and cultural industries that sustained the sharpest declines in production and employment in 2020.

In the second quarter (April-June) of 2019, U.S. consumers spent, in current dollars, \$37.0 billion on tickets to performing arts events. In the spring of 2020, that spending plummeted to \$4.0 billion. By the fall (Oct.-Dec.) of 2021, spending rose to \$13.0 billion, an improvement over 2020 outlays, but far below the \$40.7 billion that arts event-goers spent in the fourth quarter of 2019.

Personal consumption expenditures on admissions to movie theaters were also better in 2021, but not as good as in 2019. Fourth-quarter spending on movie tickets in 2021 was \$4.3 billion (better than in the fall of 2020, when it was \$809 million), but nowhere near the spending level from the comparable 2019 period (\$13.3 billion). (See Figure 8.)

**Figure 8. Consumer spending on admissions to the performing arts and movie theaters: Q1 2019 - Q4 2021**

(Adjusted for inflation and seasonality)



Data Source: Real Personal Consumption Expenditures by Type of Product, U.S. Bureau of Economic Analysis



Absent more recent data from the Arts and Cultural Production Satellite Account, another indicator of the sector's economic well-being is the total amount of revenue reported by nonprofit arts organizations. These data can be gleaned from the U.S. Census Bureau's Quarterly Services Survey, but only for certain subsectors.

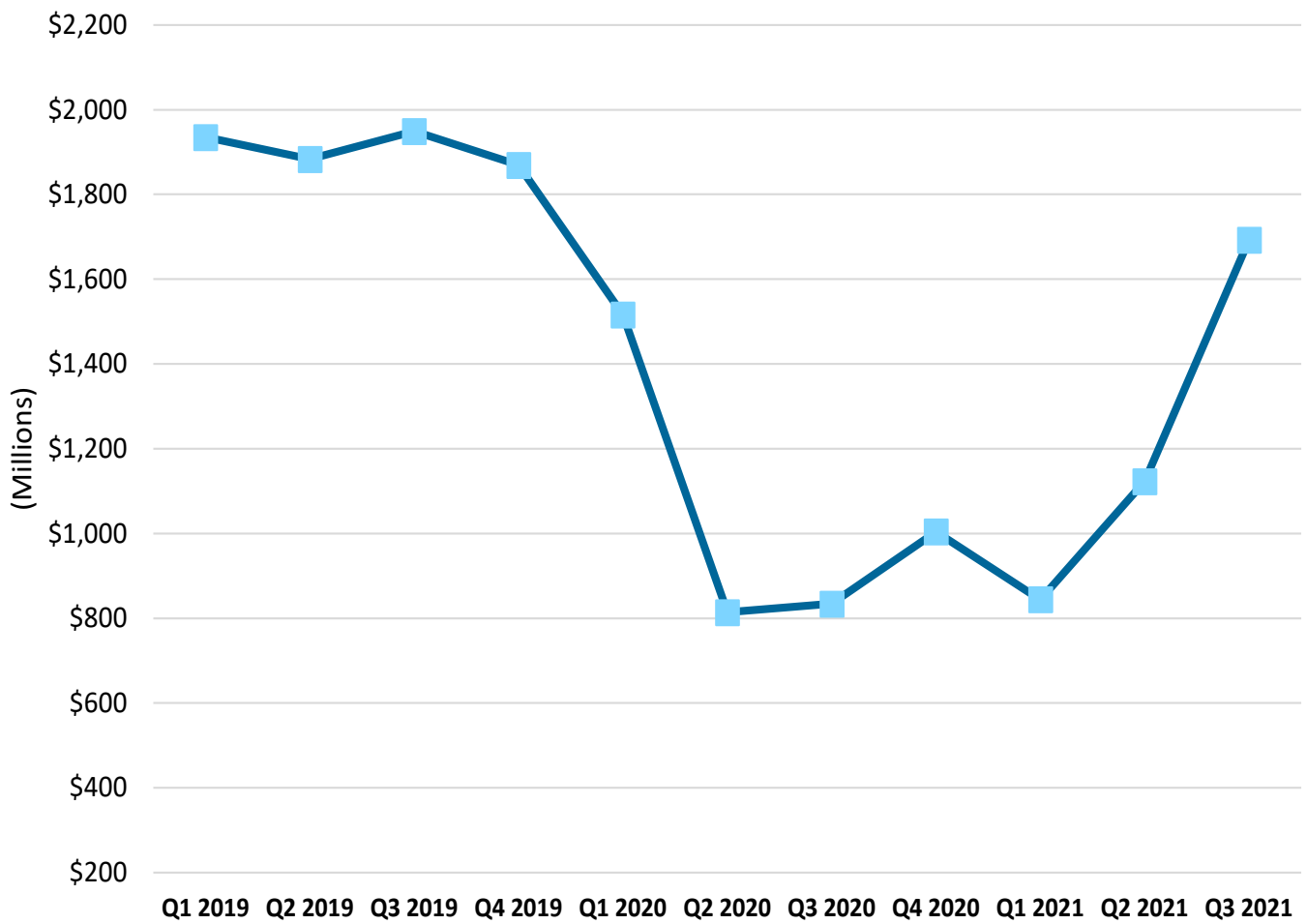
A review of data for nonprofit performing arts organizations, for example, shows that their total revenue improved in the second and third quarters of 2021 (accounting for the most recently available data, at the time of publication). In Q3 (July-Sept.) 2021, such organizations posted \$1.7 billion, up from \$834 million in the same quarter of 2020. With this gain, the total revenue of nonprofit performing arts groups far more closely approached, but still fell shy of, the Q3 2019 level (\$1.9 billion). (See Figure 9.)

Contributing to the partial recovery of nonprofit performing arts revenue in 2021 were factors such as the emergence of COVID-19 vaccines and the lifting of restrictions on public gatherings, more robust ticket sales for live arts events, the pursuit of alternative earned-income models, including admissions to digital or "hybrid" programs and events, and the availability of federal and philanthropic relief funds to the sector.

The Census Bureau's Small Business Pulse Survey shows that 34 percent of small businesses classified as "performing arts and spectator sports" adopted or expanded their use of digital technologies since March 2020.

Moreover, 51 percent reported receiving federal assistance from the Paycheck Protection Program.<sup>7</sup>

**Figure 9. Total revenue of tax-exempt performing arts companies:  
Q1 (Jan.-Mar.) 2020 through Q3 (Jul.-Sept.) 2021**  
(Adjusted for seasonality)



Data source: Quarterly Services, U.S. Census Bureau

Consumer expenditures and performing arts revenue tell only part of the tale of COVID-era economic hardships, and how they have been surmounted. The impact on arts and cultural workers—as shown in the Arts and Cultural Production Satellite Account data—remains dire, especially for specific artist occupations.

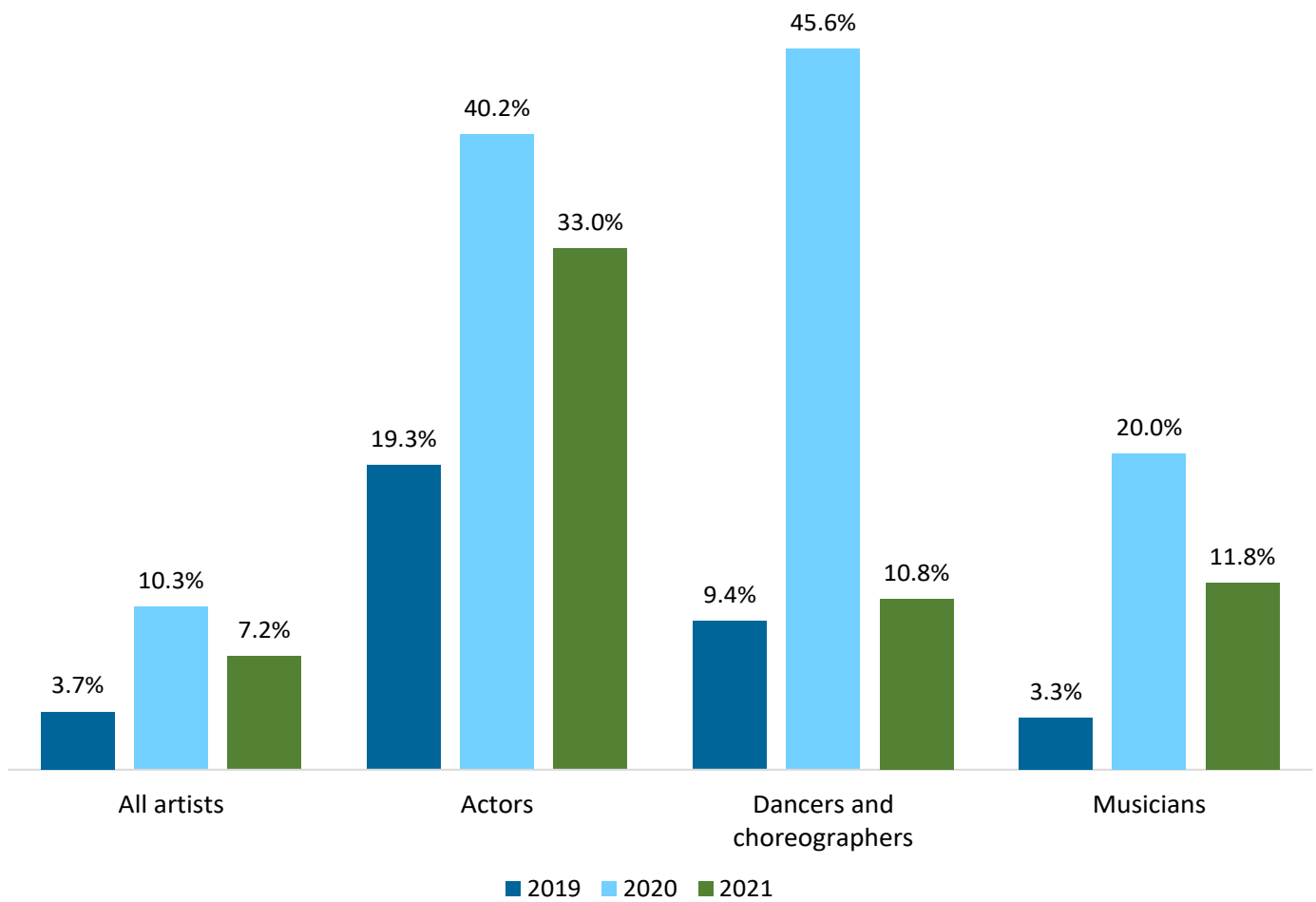
Based on data from the Current Population Survey, a product of the Census Bureau and the Bureau of Labor Statistics, the overall unemployment rate for U.S. artists in 2021 was 7.2 percent, down from 10.3 percent in 2020, but still greater than in 2019, when the rate was 3.7 percent.<sup>8</sup> (See Figure 10.)

Even performing artists, whose unemployment rates soared in 2020, experienced better labor market conditions in 2021 than in 2020. Still, their

unemployment rates had not returned to pre-pandemic levels. Actors, for example, tend to experience relatively high unemployment rates even in the best of economic times. But in 2020, the unemployment rate for these performers reached an astonishing 40.2 percent. Although, in 2021, that rate dropped to 33.0 percent, it still was 13.7 percentage points greater than in 2019.

Similarly, the unemployment rate for musicians was 11.8 percent in 2021, down from 20.0 percent in 2020, but still much higher than in 2019, when the rate was 3.3 percent.

**Figure 10. Unemployment rates, selected performing artists:  
2019-2021**



Data source: Current Population Survey, U.S. Bureau of Labor Statistics

## Conclusions

Analysis of the U.S. Arts and Cultural Production Satellite Account (ACPSA) data from 2020 offers a compelling economic portrait of how arts and cultural industries fared amid the first onslaught of the COVID-10 pandemic. Relatively small changes in the economic contributions of some of the sector's largest industries—e.g., TV and radio broadcasting, government services, and publishing—coupled with the outright growth of web and streaming services, present a stark contrast to the alarming declines that confronted the majority of arts industries, both in terms of production and employment. Nowhere is the pandemic-era damage more visible than in the 2020 data for performing arts organizations and performing arts presenters. Motion pictures and video production and theatrical ticketing agencies joined those industries in accounting for the largest proportional losses in employment across the arts and cultural sector.

The relative stability of some of the largest industries tracked by the ACPSA contributed to the arts adding more than 4 percent to the U.S. economy in 2020, as in previous years, and maintaining a healthy trade surplus—even while overall employment levels fell by nearly 12 percent. Indicators of the sector's economic well-being in 2021, not drawing from the ACPSA data, show that while the overall revenue of nonprofit performing arts organizations climbed much closer to the 2019 amount, consumer expenditures for performing arts activities—and unemployment rates for performing artists—still are not on parity with pre-pandemic levels. In the wake of the Omicron variant and its potential successors, it remains to be seen how the arrival of COVID-19 vaccines and boosters, along with the impact of federal and philanthropic relief funding, and the entrepreneurial and adaptive responses of arts organizations and artists nationwide, will shape the pattern of long-term recovery for the sector.

## Technical Notes

### *Gross Output Versus Value Added*

The analysis presented in this report 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.

The ACPSA measures the contribution to U.S. GDP from producing arts and cultural commodities (i.e., goods and services). For arts and cultural industries, the ACPSA reports both “gross output” (also called “industry output”) and the closely aligned “value added.”

Arts and cultural commodities are measured as gross output.

For example, in 2020, the U.S. economy produced \$16.3 billion in performing arts “commodities,” including \$2.2 billion in concerts by music groups/artists and \$8.5 billion in theater performances.

Most of the \$16.3 billion in performances were produced (i.e., staged) by performing arts organizations, but some performances were produced by performing arts presenters (nearly \$5 billion).

As an industry, performing arts organizations (including both taxable and tax-exempt troupes and companies) produced \$15.2 billion in gross output/industry output. Of that \$15.2 billion, \$8.1 billion was “value added,” or the amount performing arts organizations contributed to GDP.

Value added excludes intermediate goods and services needed produce the good. Energy costs, for example, are subtracted from gross output to calculate value added.<sup>9</sup>

### *How Self-Employed Workers Are Counted in the ACPSA*

Within the ACPSA, employment and compensation refer to workers on payrolls.

Earnings by self-employed workers (those employing no workers such as independent contractors and sole proprietors) are counted in ACPSA gross output and value added.

Of all the industries included in the arts economy, the industry labeled “independent artists, writers, and performers” contributes the largest value from non-employer/self-employed workers.

The National Endowment for the Arts’ Office of Research & Analysis estimates that half of this industry’s contribution to the arts economy is from non-employers. In 2020, that totaled roughly \$19 billion.

Of the remaining value, nearly 80 percent (approximately \$15 billion) is from independent artist/writer/performer establishments with fewer than five employees.<sup>10</sup>

## Endnotes

<sup>1</sup> Estimates are adjusted for inflation.

<sup>2</sup> This estimate refers to the percentage change in employment between 2019 and 2020 and is based on employment reported in the Quarterly Census of Employment and Wages (QCEW), U.S. Bureau of Labor Statistics.

<sup>3</sup> See Guibert, G. and Iain Hyde, "ANALYSIS: COVID-19's Impacts on Arts and Culture." *COVID-19 Weekly Outlook*, Argonne National Laboratory, Week of January 4, 2021. <https://www.arts.gov/sites/default/files/COVID-Outlook-Week-of-1.4.2021-revised.pdf>

<sup>4</sup> Performing arts organizations include both tax-exempt and taxable performing arts establishments such as theater companies, opera companies, dance companies, music groups and artists (including symphony orchestras and choral groups), and circuses.

<sup>5</sup> "Support activities for mining" is the industry label that covers drilling for oil as well as oil exploration. In 2020, travel dropped precipitously due to the pandemic, thereby reducing demand for oil and, with it, drilling and exploration.

<sup>6</sup> The same was true of U.S. trade overall: between 2019 and 2020, U.S. imports of goods and services declined by \$410 billion, while exports fell by \$554 billion.

<sup>7</sup> The [Small Business Pulse Survey's](#) target population is all nonfarm, single-location employer businesses with between 1-499 employees and receipts of \$1,000 or more in the 50 states, District of Columbia, and Puerto Rico.

<sup>8</sup> "Artists," based on occupations captured by the Current Population Survey and the American Community Survey, include: architects; visual artists such as art directors, fine artists, and animators; designers; actors; producers and directors; dancers and choreographers; musicians; announcers and other entertainers such as comedians and acrobats; writers and authors; and photographers. These data are reported for occupations that accounted for the most number of hours worked by the survey respondents in a given week.

<sup>9</sup> For more information, see Section II. What Does the ACPSA Measure, in [NEA Guide to the U.S. Arts and Cultural Production Satellite Account](#).

<sup>10</sup> This estimate is based on analysis of the most recent available (2018) non-employer statistics, and data from 2018 County Business Patterns. Both data sources are produced by the U.S. Census Bureau.

Appendix: Intellectual Property, Travel and Tourism, and Outdoor Recreation in the First Year of the COVID-19 Pandemic

In addition to the Arts and Cultural Production Satellite Account (ACPSA), the U.S. Bureau of Economic Analysis (BEA) produces data on other “special topics,” including estimates on investments in intellectual property, as well other satellite accounts spanning topics as broad as healthcare and the space economy.<sup>1</sup>

Three of these special topics are arts-and-culture-related.

First, the Bureau measures private fixed investment in assets known as “entertainment, literary, and artistic originals.” They include theatrical movies, long-lived television programs (i.e., programs that have a lifespan of more than one year and can be broadcast for decades), and books and music.<sup>11</sup>

After an upward projection following the Great Recession of 2007-2009, investment in entertainment and artistic originals contracted by nearly 7 percent between 2019 and 2020. This marked the largest contraction in real investment in artistic assets in the years measured by the BEA.

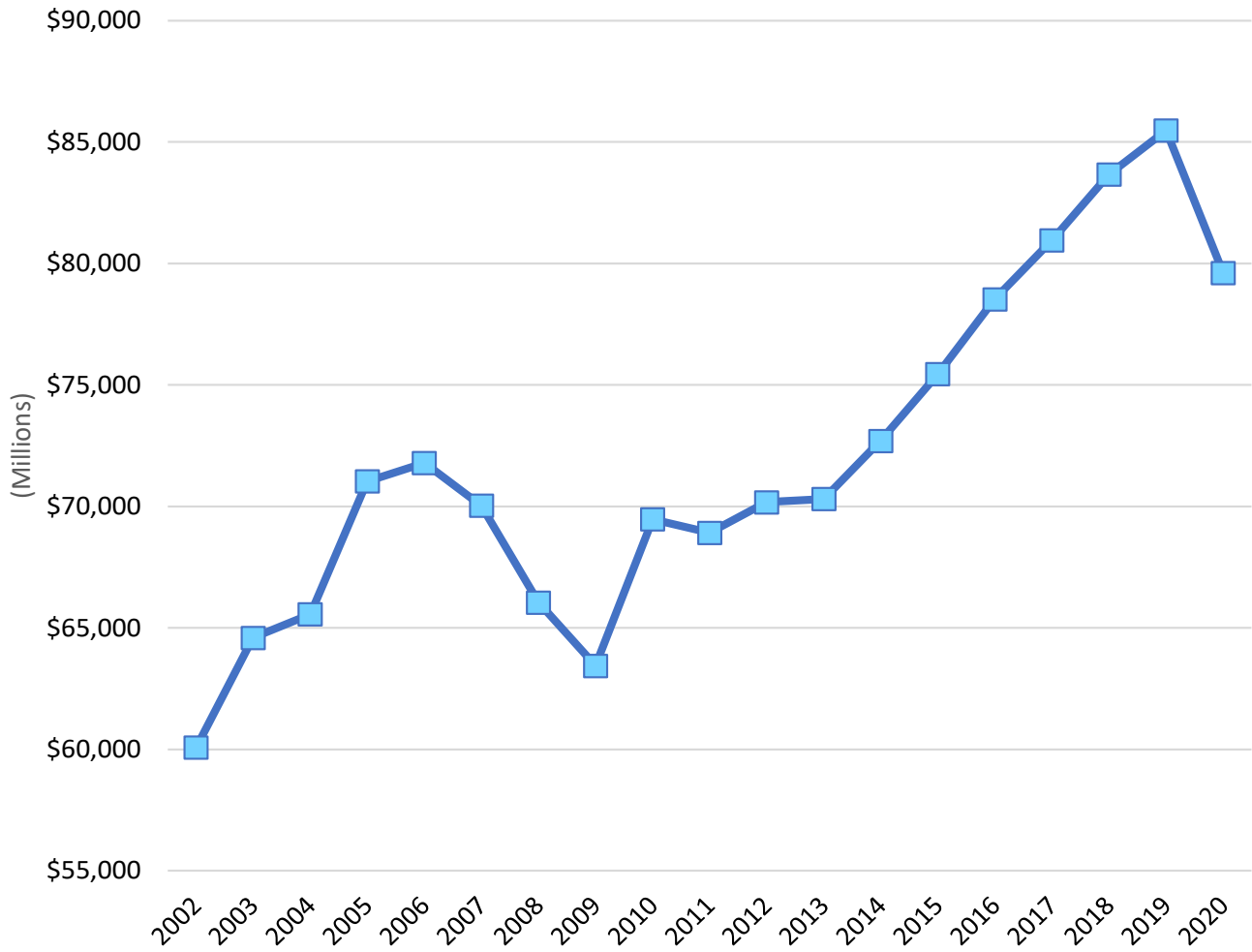
Investment in theatrical movies and television programs fell between 6.0 and 6.8 percent, while investment in books and music were down 7.3 percent and 5.0 percent, respectively.

Private fixed investment in intellectual property products: 2019-2020 (millions)	2019	2020	Change between 2019 and 2020*
Entertainment, literary, and artistic originals	\$92,661	\$87,448	-6.9%
Theatrical movies	\$18,746	\$17,880	-6.0%
Long-lived television programs	\$52,113	\$49,247	-6.8%
Books	\$9,536	\$9,029	-7.3%
Music	\$8,301	\$7,856	-5.0%
"Other" (e.g., musical scores, stock photography, greeting cards)	\$3,966	\$3,437	-14.4%
* Adjusted for inflation			
Data source: U.S. Bureau of Economic Analysis			



## Private fixed investment in entertainment, artistic, and literary originals: 2002-2020

(Adjusted for inflation)



Data source: Real Private Fixed Investment in Intellectual Property Products by Type, Chained Dollars, U.S. Bureau of Economic Analysis

The BEA’s satellite account on travel and tourism, which includes a portion of performing arts and motion picture production reports that travel and tourism contributed \$357 billion to the U.S. economy in 2020. After adjusting for inflation, value added by travel and tourism contracted by 48 percent compared with the value added by those industries in 2019. As the BEA noted: “This is the largest contraction in real output since the TTSA (Travel and Tourism Satellite Account) began measuring these statistics in 1998.”<sup>iii</sup>

Correspondingly, TTSA “direct” employment decreased 36.0 percent, to 3.9 million salaried workers.

The outdoor recreation economy includes activities such as bicycling, hiking, and gardening, as well as some arts and cultural-related events and activities such as outdoor concerts and festivals and outdoor photography.

As with the travel and tourism economy—and, indeed, similar to the situation with selected arts industries such as the performing arts and motion picture and video industries—the value added by outdoor recreation fell sharply during the COVID-19 pandemic. Between 2019 and 2020, real value added by this sector contracted 19.0 percent.

Outdoor recreational employment fell by 17.1 percent (to 4.3 million salaried workers in 2020). But the employment decline was even greater in: Hawaii (27.2 percent); Florida (24.9 percent); Wyoming (24.8 percent); and Maine (23.9 percent).

### Appendix Endnotes

<sup>i</sup> For more information, see the [BEA’s special topics site](#).

<sup>ii</sup> See Soloveichik, R. H., “[Research Spotlight: Artistic Originals as Capital Assets](#),” *Survey of Current Business*, June 2011, [https://apps.bea.gov/scb/pdf/2011/06%20June/0611\\_artistic.pdf](https://apps.bea.gov/scb/pdf/2011/06%20June/0611_artistic.pdf).

For more information on the accounting of long-lived television programs, see Soloveichik, R. H., “[Long-Lived Television Programs as Capital Assets](#),” U.S. Bureau of Economic Analysis, September 2013, <https://www.bea.gov/system/files/papers/WP2013-9.pdf>

<sup>iii</sup> Osborne, Sarah, “[U.S. Travel and Tourism Satellite Account for 1999-2020](#),” U.S. Bureau of Economic Analysis, February 2022, <https://apps.bea.gov/scb/2022/02-february/0222-travel-tourism-satellite-account.htm>