

<u>Domain B</u>

<u>Arts Participation</u>



Indicator B.5: What Does Consumer Spending in the Arts Look Like?

Introduction



Information on household expenditures for arts- and culture-related products and services helps to build a more complete profile of the nation's engagement with arts activities. Compared to data for other types of arts participation measures—for example, the frequency of arts participation, as shown in Indicator B.2: How Often Do People Attend and/or Consume Arts?—the data from the Consumer Expenditure Surveys (CE surveys) are collected and published annually. By comparing spending on all parts of household life, it is possible to put arts-related consumption in context and show how different demographic or economic groups allocate their financial resources. The CE surveys' time series also allows for tracking technological innovations and other factors prompting lifestyle changes in general. The rapid proliferation of streamed online content, for instance, undoubtedly has changed consumer preferences.

When reviewing arts-related household spending patterns in Indicator B.5, readers should be mindful of a bias inherent in the survey results. Specifically, data from the CE surveys offer the most insight into behavior among households with more discretionary funds for arts products and admissions to arts venues. Consequently, the CE surveys data may underestimate arts participation among households with fewer discretionary funds, and whose occupants may be more likely to seek out arts activities that are free to the public. Even with this bias, the CE surveys provide reliable information for examining spending patterns over time, and demographic patterns for arts- and culture-related spending.

Trends in annual household spending



On average, American households spent \$72,562 on various goods and services in 2022. The largest expenditures were for housing (\$24,343), transportation (\$12,140), and food (\$9,343). Expenditures for entertainment (\$3,430) were smaller than these major categories but larger than other important categories such as apparel and services (\$1,945) and education

Consumer Expenditure Surveys

or rents the home."

The **Consumer Expenditure Surveys** (CE surveys) integrate interview and diary information to provide very detailed information on the expenditures of consumer units—typically households—in the United States. A consumer unit, which typically represents a household, is the measurement unit used by the CE surveys. It includes single individuals, families, or groups of people living together who share financial responsibilities.^a Consumer units are referred to as households throughout this indicator. The CE surveys are administered by the U.S. Bureau of Labor Statistics and are the only Federal household surveys to provide information on the complete range of consumers' expenditures and incomes. In this indicator, all the demographic characteristics, such as age, race/ethnicity, and educational attainment, pertain to the characteristics of the head of the household. The reference person or head of household is defined as the first member mentioned by the respondent when asked to "start with the name of the person or one of the persons who owns

The CE surveys have items that ask about purchases of arts- and culture-related goods and services. Specific arts- and culture-related expenditure items include fees and admissions (e.g., plays, theater, opera, concerts, movies, parks, museums), reading (e.g., newspapers, magazines, books, digital book readers), musical instruments, photographic and audiovisual equipment, video game software and hardware, and video and audio streaming. The National Endowment for the Arts has published information from the CE surveys in previous reports, including Time and Money: Using Federal Data to Measure the Value of Performing Arts Activities and Expenditures on Admissions to the Arts, Movies, Sporting Events, and Other Entertainment.

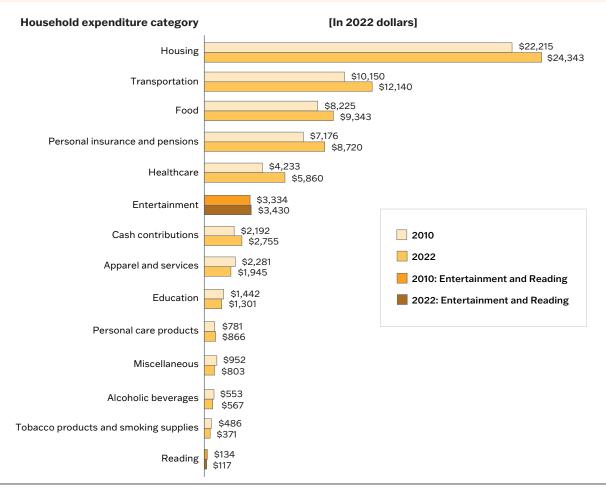
(\$1,301; **Figure B5-1**). Between 2010 and 2022, household spending increased by 13 percent (after adjusting for inflation),² but not all categories saw increases. Household spending on healthcare rose by 38 percent; transportation, by 20 percent; food, by 14 percent; and housing, by 10 percent. In contrast, household spending on apparel and services decreased by 15 percent. Spending on education and entertainment remained mostly unchanged.

a For more information on the definition of consumer units, refer to the Bureau of Labor Statistics' "Consumer Expenditures and Income: Concepts."

¹ Differences between estimates (including trends over time) are stated only when they are statistically significant based on a 95 percent level of confidence. For more information see The Arts in the United States: Developing Key National Indicators of Arts Activity report.

² Expenditures have been adjusted to 2022 dollars using the Bureau of Labor Statistics' Consumer Price Index-All Urban Consumers.

Figure B5-1. Annual average household expenditures, by selected major expenditure categories: 2010 and 2022



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Surveys, 2010 and 2022.

Arts and cultural activities within the more general entertainment category include arts and cultural fees and admissions;³ audio and visual (A/V) equipment and services; toys, games, and arts and crafts; and photographic equipment, supplies, and services. In 2022, U.S. households spent an average of \$222 on arts and cultural fees and admissions; \$1,020 on A/V equipment and services; \$159 on toys, games, and arts and crafts; and \$50 on photographic equipment, supplies, and services (Figure B5-2). The average annual expenditure on reading materials (\$117) is counted as a separate category, not under entertainment.

After adjusting for inflation, household expenditures on arts and cultural fees and admissions,

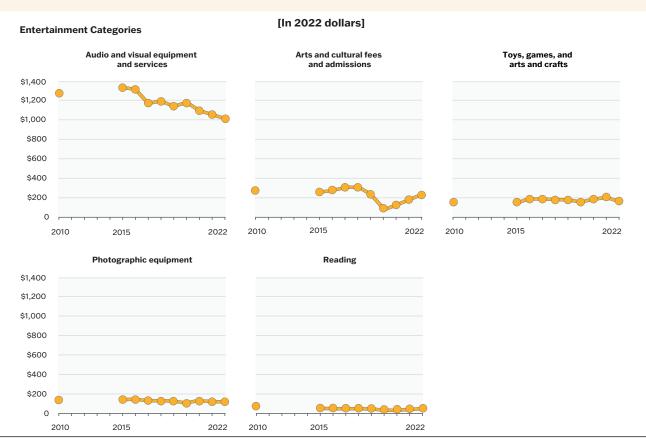
including fees and admissions for concerts, movies, museums, operas, parks, and plays, were lower in 2022 (\$222) than in 2010 (\$266). This movement partly reflects a large decrease in 2020 due to the COVID-19 pandemic, with some recovery since then. Average household spending on admissions and fees for plays, theater, operas, and concerts in 2022 (\$79) was not measurably different than spending in 2019. Similarly, average household spending on tickets to parks and museums (\$29) and movie and other admissions on out-of-town trips (\$88) in 2022 were not measurably different from spending in 2019. However, average annual household expenditures on tickets to local movies were lower in 2022 (\$26) than in 2019 (\$47).

³ This aggregated category includes plays, theater, operas, and concerts; tickets to movies; tickets to parks or museums; movie and other admissions on outof-town trips; and recreation expenses on out-of-town trips.

Household spending on A/V equipment and services is a major component of the broader entertainment category. After adjusting for inflation, A/V equipment and services expenditures decreased by 20 percent between 2010 and 2022, reflecting some changes in technology. The largest component of this category, cable and satellite television and radio services,⁴ decreased by 35 percent from \$856 to \$556 between 2010 and 2022. Average annual expenditures on tapes, disks, and records fell from \$55 to \$8, and expenditures on television equipment decreased from \$160 to \$108. In contrast, average annual expenditures on rental, streaming, and downloading audio and

video⁵ increased from \$40 to \$167 between 2010 and 2022. The annual household expenditures on musical instruments⁶ (\$24 in 2022); stereos, media players, radios, speakers, and other equipment⁷ (\$90); video games⁸ (\$68); and toys, games, and arts and crafts (\$159) were not measurably different from the comparable expenditures in 2010. Expenditures on photographic equipment and supplies decreased from \$73 in 2010 to \$50 in 2022. Overall, household expenditures on reading materials slipped from \$134 in 2010 to \$117 in 2022. That year, households spent \$26 on digital book readers, a category not included in the 2010 survey.

Figure B5-2. Trends in annual average household spending on selected entertainment categories: 2010 and 2015–2022



 $SOURCE: U.S.\ Department\ of\ Labor, Bureau\ of\ Labor\ Statistics, Consumer\ Expenditure\ Surveys, 2010\ and\ 2015-2022.$

⁴ Includes cable and satellite television services, satellite dishes and installation, and installation of other video equipment or sound systems.

⁵ Includes rental, streaming, and downloading of videos and rental of video software.

⁶ Includes musical instruments and accessories and rental and repair of musical instruments.

⁷ Includes stereos, radios, speakers, and sound components including those in vehicles; phonographs; miscellaneous video equipment; sound equipment accessories; personal digital audio players; repair of televisions, radio, and sound equipment; rental of VCR, radio, and sound equipment; digital media players and recorders; VCRs and video disc players; miscellaneous video equipment; rental of video hardware/accessories; and installation of sound systems.

⁸ Includes video game software; video game hardware and accessories; and applications, games, and ringtones for handheld devices.

Average household expenditures in 2022, by selected characteristics of household head

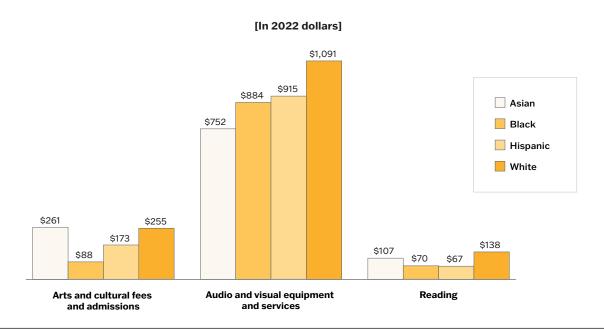
This section of the indicator compares several key arts and culture spending categories for 2022 across demographic characteristics of the household. The race/ethnicity, educational attainment, and age data are based on the characteristics of the head of household, or reference person. These analyses are designed to illustrate the range of spending across certain demographic categories, as well as key differences within categories. More complex analyses, including comparisons of demographic classifications controlling for the size and configuration of the household structure, are not provided in this indicator but would offer additional insights into household spending patterns.

Differences in arts- and culturerelated spending, by race/ethnicity

In 2022, the average expenditures on arts and cultural fees and admissions were lower for households

headed by Black persons (\$88) than for those headed by Hispanic (\$173), White (\$255), or Asian (\$261) persons (Figure B5-3). The expenditures on arts and cultural fees and admissions for households headed by White and Asian persons were greater than for Hispanic-headed households, but the averages for White- and Asian- headed households were not measurably different. Households headed by Asian (\$752) and Black (\$884) persons spent less on A/V equipment and services than households headed by White persons (\$1,091). However, the average expenditure among households headed by Hispanic persons on visual equipment and services (\$915) was not measurably different from the expenditure from other groups on these services. Household spending on reading materials in 2022 was higher for households headed by White persons (\$138) than for households headed by Black (\$70) or Hispanic (\$67) persons. Expenditures on reading materials among households headed by Asian persons were not measurably different from the reading-related expenditures of households led by people from other race/ethnicity groups.

Figure B5-3. Annual average household spending in arts- and culture-related spending categories, by head of household's race/ethnicity



NOTE: Race groups are mutually exclusive; persons of Hispanic ethnicity can be of any race. Data for some race categories are not available due to small sample size. SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Surveys, 2022.

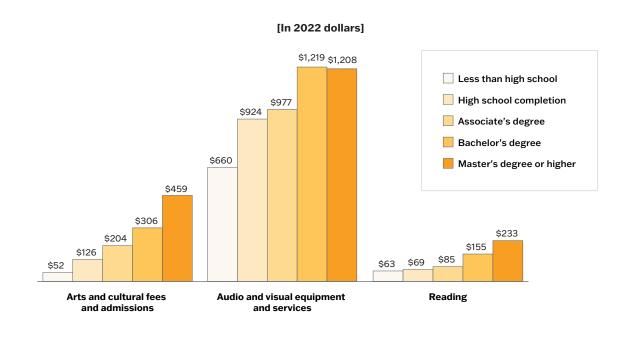
Differences in arts- and culturerelated spending, by educational attainment

Spending by households headed by persons with different levels of educational attainment may reflect the higher incomes for people with higher levels of educational attainment, but some of the differences may suggest different spending priorities as well. As the level of educational attainment among the heads of households increased, so did the amount of spending among persons in the household. For example, in 2022, households whose head had not completed high school spent less (\$660) on A/V equipment and services than households headed by persons with more education (Figure B5-4). Households headed by individuals who had completed high school (\$924) or an associate's degree (\$977) spent less on A/V equipment and services than those headed by individuals with a bachelor's degree or higher. However, spending by high school- and associate's degree-headed households on A/V equipment and services were not measurably different from each other. Also, the spending on A/V equipment and services in households headed by a bachelor's degree holder (\$1,219) was not measurably

different from those whose head had completed a master's degree or higher (\$1,208). Within the A/V equipment and services category, households spent more in the cable and satellite television and radio services subcategory than in any other subcategory. Expenditures on cable and satellite television and radio ranged from \$412 for households headed by a person who did not complete high school to \$601 for those headed by a person with a master's degree or higher.

In the arts and cultural fees and admissions spending category, households showed consistent and substantial differences in spending across education levels. In 2022, households headed by persons with a master's degree or higher spent more on arts and cultural fees and admissions (\$459) than did households headed by persons with other levels of educational attainment (the latter household groups spent between \$52 and \$306 in this expenditure category). The differences in spending by heads of households' education level was greatest for the arts and cultural fees and admissions category, with households headed by persons with master's degrees or higher spending approximately nine times the amount spent by households headed by persons who did not graduate high school.

Figure B5-4. Annual average household spending in arts- and culture-related spending categories, by head of household's educational attainment: 2022



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Surveys, 2022.

Household expenditures for reading materials were also positively related to the educational attainment of the head of the household. Households headed by persons who had a bachelor's degree (\$155) or master's degree or higher (\$233) spent more on reading materials in 2022 than households whose head had lower levels of education. Also, households headed by a master's or higher degree holder spent more on reading materials than households whose head held a bachelor's degree. Average household spending on reading materials was not measurably different for households whose head had not completed high school (\$63), completed high school (\$69), or completed an associate's degree (\$85).

Differences in arts- and culturerelated spending, by age

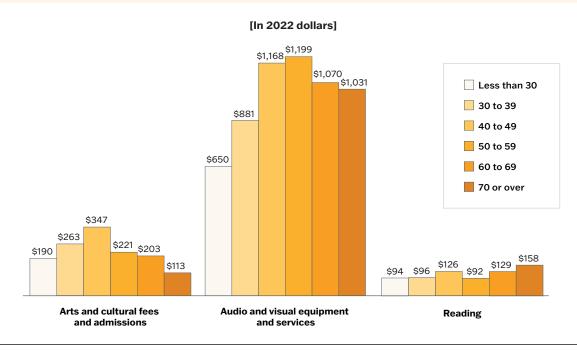
Household spending in arts- and culture-related categories, broken out by the age of the head of household, showed more complex patterns among previously presented demographic characteristics (Figure B5-5). In 2022, spending on arts and cultural fees and admissions increased according to the age of the head of household until they were in their 40s, and then spending in this category decreased. Households

led by persons aged 70 and over spent the least on arts and culture fees and admissions (\$113). At the other end of the age spectrum, expenditures on arts and cultural fees and admissions for households whose head was under age 30 (\$190) were lower than the expenditures for those households headed by persons in their 30s (\$263) or their 40s (\$347).

Households with heads of different age ranges showed relatively few differences in spending on reading materials in 2022. Household spending on reading materials was higher for households headed by persons aged 70 and over (\$158) than for households headed by persons under age 30 (\$94), in their 30s (\$96), or in their 50s (\$92).

Household spending on A/V equipment and services in 2022 was consistently lower for households headed by persons under age 30 (\$650) or in their 30s (\$881) than for households headed by older persons. The average expenditure on A/V equipment and services was higher for households headed by persons in their 40s (\$1,168) than for households headed by persons aged 70 and over (\$1,031), but not measurably different for households headed by persons in their 50s or 60s.

Figure B5-5. Annual average household spending in arts- and culture-related spending categories, by head of household's age: 2022



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Surveys, 2022.

Within the A/V equipment and services spending subcategories, there were substantial differences reflecting the preferences of different age groups. For example, spending on cable and satellite television and radio services for households headed by persons aged 70 and over (\$846) was higher than the averages for households in any other age group, which ranged from \$166 for households headed by persons under age 30 to \$760 for households headed by persons in their 60s.

In contrast, household spending on rental, streaming, and downloading audio and video was lower for households headed by persons in their 60s (\$111) or aged 70 and over (\$63) than for households headed by younger persons. Spending ranged from \$178 for households headed by persons under age 30 to \$243 for households headed by persons in their 40s. Household spending on video games was lower for households headed by persons in their 50s (\$42), 60s (\$36), or aged 70 and over (\$8), compared to spending by households with heads under age 30 (\$120), or who were in their 30s (\$109) or 40s (\$117).

Differences in arts- and culture-related spending, by household income level

The statistics and figures presented thus far have described spending patterns by demographic characteristics of the head of household. In contrast, the findings on arts- and culture-related spending by income levels use the aggregated income for all members in the household.

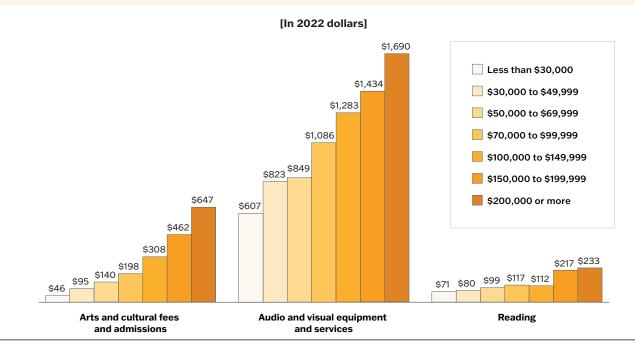
In 2022, household expenditures in arts- and culture-related spending categories showed the expected positive association with household income level (Figure B5-6). Households with a before-tax annual income under \$30,000 spent less on A/V equipment and services (\$607) than households with higher annual incomes. Spending ranged from \$823 for households with incomes of \$30,000 to \$49,000 to \$1,690 for households with incomes of \$200,000 or more. The largest single component of A/V equipment and services was cable and satellite television and radio services. Spending on these services ranged from \$441 for households with incomes of less than \$30,000 to \$766 for households with incomes over \$200,000.

Households with annual incomes of \$150,000 to \$199,999 and \$200,000 or more in 2022 spent more on reading materials (\$217 and \$233, respectively) than households with lower incomes. Spending on reading materials ranged from \$71 for households with incomes under \$30,000 to \$117 for households with incomes of \$70,000 to \$99,999. For households with annual incomes lower than \$70,000, no reliable incomegroup differences were found for spending on reading materials. Also, spending on reading materials for households with incomes of \$150,000 to \$199,999 and \$200,000 or more were not measurably different.

On the other hand, household spending on arts and cultural fees and admissions showed large differences across income groups. In 2022, households with incomes over \$200,000 spent an average of \$647 on arts and cultural fees and admissions, which was higher than for all other income groups. Spending for those other income groups in this category ranged from \$46 (for the below-\$30,000 income level) to \$462 (for the \$150,000 to \$199,000 income level).

In general, the CE surveys data suggest that the 18 percent of American households whose pre-tax annual incomes are \$150,000 or more account for about half of the spending on arts and cultural fees and admissions.

Figure B5-6. Annual average household spending in arts- and culture-related spending categories, by households' pre-tax income: 2022



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Consumer Expenditure Surveys, 2022.

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