

By the Numbers:
Sacramento's Arts Economy

By Tim Foster

The Sacramento French Film Festival, Saturday night, opening weekend.

Hundreds of dapper film fans crowd the lobby of the historic Crest Theatre on K Street. The matinee shows are letting out and people are mingling, eagerly awaiting the 8:15PM showing of the French suspense classic, *Wages of Fear*. They browse the tables full of t shirts, posters and other memorabilia from festivals of years past that line the walls of the entryway, and there are long lines everywhere - at the candy counter, at the bar – and even more patrons line up at the outside ticket counter as showtime approaches.

I'm among them. I've come with my wife Liv and a group of our friends, including a filmmaker from San Francisco lured to Sac for the night with the promise of seeing George Clouzot's 1953 masterpiece on the big screen. The group of us had met up earlier in the evening for dinner at a new Thai restaurant in Midtown, and half of our party had finished out the evening with a nightcap in Old Sac after the film.

We each spent about \$15 at dinner, plus another \$5 or so for each of the four of us who enjoyed that latenight drink. Divide our total spending between the eight of us and we averaged \$17.50 each for the night, not counting the cost of admission to the Crest.

That amount of spending connected to attendance at an arts and culture event in Sacramento puts us right in line with the regional average of \$17.28 per event spent by an individual arts and culture 'consumer,' according to a recent study of the economic impact of the Arts and Culture industry in Sacramento County. Out of town visitors spent even more – an average of \$26.69 per person.

Conducted by Americans for the Arts in conjunction with the Sacramento Metropolitan Arts Commission, and published in May, the *Arts and Economic Prosperity IV* study includes data culled from 111 regional arts and culture nonprofits, and interviews with over 1400 patrons at Sacramento arts and culture events. The results are eye-opening:

- The 111 nonprofits surveyed supported **3,658 full-time jobs**
- An additional **783 full-time jobs** were attributed to the economic activity generated by their audiences
- Over **1.5 million** audience members attended arts and culture events
- The countywide economic impact of the surveyed groups was **\$112 million**

To put those numbers in perspective, that's more than *double* the annual economic impact generated by the Sacramento Convention Center (\$50 million) and close to the projected countywide impact (\$131 million) of a proposed Downtown Arena.

The study is Americans for the Arts' fourth look at the nonprofit arts and culture industry's impact on the economy. Covering results from the 2010 fiscal year, *Arts and Economic Prosperity IV* is the most comprehensive study ever conducted on the subject. *A&EPIV* features individualized reporting on 182 study regions, representing all 50 states, plus an estimate of the national economics of the industry. The nationwide findings are no less intriguing than the regional results.

A&EPIV found that a staggering 4.1 million full-time jobs – that's about one out of every 26 jobs in the US – are supported by nonprofit arts and culture organizations, or their audiences. The industry generated \$135 billion in economic activity in the period surveyed, not bad for a year that fell in the middle of the Great Recession. In fact, the arts and culture industry appears to have weathered the economic downturn remarkably well – the 2010 numbers are only 3% below those found in Americans for the Arts' 2005 survey.

But as intriguing as *Arts and Economic Prosperity IV*'s numbers are, the numbers missing from the Sacramento part of the study are equally interesting.

For one thing, the Crocker Art Museum, the county's single largest nonprofit arts institution, was closed from June to October of 2010 - half the period during which the data for the study was collected - as the museum completed the biggest expansion in its history. Since reopening, the Crocker has received 250,000 visitors per year – equal to one-sixth of the total attendance recorded by all institutions surveyed in the study.

Also absent from *Arts and Economic Prosperity IV* results are data from two other major regional arts institutions: The Mondavi Center, located in Yolo County, and Folsom's Harris Center/Three Stages which is both outside the Sacramento County lines, and which opened just after the survey had been concluded. While these performing arts centers are a crucial part of the region's current arts and culture scene, neither was counted for the study. (see sidebar)

But the most notable absence from the survey is the economic effect of Second Saturday, Sacramento's biggest arts event. While the monthly Midtown art festival draws crowds of up to 50,000 visitors each Second Saturday, its economic impacts fell outside the study's parameter - the freewheeling event is not affiliated with any specific nonprofit arts or culture group, so it simply wasn't covered. Ironically, the region's most significant arts and culture traffic-driver – an event that many Midtown businesses cite as a key to their economic health - is all but invisible in the study.

Yet, even with its limitations, *Arts and Economic Prosperity IV* provides compelling evidence that arts – and specifically the nonprofit arts and culture sector – are a significant industry in Sacramento County. Americans for the Arts President Robert Lynch offered his own summary in an introduction to the study: "The arts inspire us,

sooth us, provoke us, involve us, and connect us. But they also create jobs and contribute to the economy.”

If the substantive impact made by the arts and culture industry comes as a surprise to some, it will be no surprise at all to those who read social scientist Elizabeth Currid’s 2007 book, *The Warhol Economy*. Currid’s book examined the impact of the culture industry on New York City, the biggest local economy in the US. Her findings – including the revelation that arts and culture is the fourth-biggest industry in New York City – gave a lift to civic leaders who had long argued that cultural amenities were an undervalued civic asset.

One of Currid’s early fans was Rob Kerth, a former city councilman who served as the first Executive Director of the Midtown Business Association. “I had read her book,” he says, “and through her studies she added the intellectual rigor to some thoughts that I’d had about just how important fashion, the arts, and music are to a region’s economy.”

At Kerth’s request, Currid spoke about her work and its relevance to Sacramento at the Midtown Business Association’s Annual Gala in 2011. At the talk she noted that New York’s creative scene had flourished in part because of a nexus of creative work, affordable space and a close-knit arts community that encouraged networking - many of the same characteristics which exist in Sacramento. Some in the audience questioned whether lessons learned in New York could be applied in smaller regions like Sacramento, but Currid suggested that by pursuing policies that encouraged – or at least did not discourage – an active art scene, the city would reap clear economic benefits. Kerth agrees.

“We’ve seen the same thing happen here that she talked about in a few of the neighborhoods in New York. It wasn’t that many years ago in the big picture that Midtown was kind of a ghetto. The first people who went in were the art community and the gay community, and they turned it around... there was always something interesting to do, someplace to go, something to see.

“And then what followed them was the hospitality industry, and so once the hospitality industry was firmly established - bars, restaurants and night clubs - you began to see the small office spaces develop. There was a ‘layering in’ of economic activity that all rests on this very small group of artists and creative people.”

Kerth’s observations about the art community’s role in Midtown’s revival touches on another key takeaway from *Arts and Economic Prosperity IV* - that arts organizations tend to have local roots, and hire local people. Money spent by local arts organizations tends to stay in the region for a longer time, increasing the impact of each dollar spent.

“If you think about it,” Kerth said, “if you take out the word ‘artist’ and you put in the word ‘manufacturer,’ ...if you think about these [artists] as manufacturers who are producing a product that we sell all over northern California, it’s one of those basic industries that brings money into our micro-economy.... those are worth their weight in gold.”

SIDEBAR:

While Sacramento boasts a number of top-notch arts institutions, it has recently seen the emergence of two outstanding performing arts centers in its shadow: The Mondavi Center for the Performing Arts, which opened in Davis in 2002, and The Harris Center/Three Stages at Folsom Lake College, which opened in 2011. Though new to the scene, these projects have had a tremendous impact, both culturally and economically, on the region.

The Mondavi Center has a particularly high profile, hosting internationally known performers for 85-100,000 attendees each year. In just over ten years the Mondavi has established a reputation for excellence and is acknowledged as a jewel of the region's performing arts scene.

"I still don't think that to this day many people realize the quality - the level of quality - of the people they're bringing there," says Sactown Magazine Editor Rob Turner, who calls the Mondavi Center one of the key cultural institutions, not just in the Sacramento region, but in the entire Central Valley.

Turner laughingly admits that he may be biased – his early career included a stint at UC Davis Presents, a precursor to the Mondavi – but he also points to his experiences there as formative in developing a deep appreciation of performing arts. "It wasn't until I moved to New York that I realized how extraordinary some of these artists were, and how fortunate we were to have someone bringing them to Sacramento."

Forty miles east, the Harris Center is having its own impact on the fringes of the Gold Country. Local business owners there say that Three Stages' impact on the region can hardly be overstated.

"It made a big difference in our business," says Michael Visconti, owner of Visconti's Ristorante, a family-run Italian eatery that opened in Folsom in 1992. Twenty years of serving the same community gave him the perfect perspective to evaluate Three Stages' effect on Folsom businesses.

"We noticed a big increase right away... If it's an early show we get a rush after, if it's a late show we get a crowd before... It makes a huge difference," he told me, noting that the performance schedule is so important that it is posted in two spots in the back of the restaurant.

He couldn't be happier. "We get people coming from all over," he told me. "They say, 'we never knew you were here,' and then they come back!"