



Research Division
Note #77
February 2001

The Arts in the GDP: Consumers Spend \$10.2 Billion on Admission Receipts for Performing Arts Events in 1999

Recently released data from the Bureau of Economic Analysis (BEA), a division of the U.S. Department of Commerce, show that consumers spent \$10.2 billion (or \$37.40 per capita) on admissions to performing arts events in 1999. Also, 1999 spending on performing arts events was \$2.8 billion greater than admissions to motion pictures and \$2 billion more than consumer spending on spectator sports. This note summarizes consumer spending on arts and entertainments and other types of recreation spending.

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

Table 1 shows estimates of admission receipts for performing arts events¹, motion pictures, and spectator sports from 1988 to 1999. Measured in chained 1996 dollars to control for inflation², real spending on performing arts events increased by 53 percent over this 12-year time period. More recently, between 1998 and 1999, real consumer spending on the performing arts increased by 5.7 percent—a gain of \$500 million. Spending on admissions to movie theaters and spectator sports also increased. Over the 12-year 1988 through 1999 period, real spending at the movies rose 26 percent; spending at spectator sports events grew 48 percent. Between 1998 and 1999, consumers increased their spending on movie admissions and spectator sports by \$100 million and \$200 million, respectively.

Chart 1 graphically shows growth patterns in these three components of recreation expenditures measured by the BEA. Between 1988 and 1991, real consumer spending on each of the admission categories tended to be comparable. In 1989, for instance,

¹ Admissions to performing arts events include not only performances by nonprofit organizations such as symphony orchestras and ballet companies, but also activities in the for-profit sector such as Broadway theater productions and rock music concerts. Further, admission receipts is a broad category of spending, and includes not only the price of a ticket, but can also include receipts from concessions.

² The BEA uses chain-type annual weighted indexes to measure real output and prices. For a detailed discussion of chain-type indexes, see BEA's *Chain Indexes, Time Series, and Measures of Long-Term Economic Growth*. Survey of Current Business, May 1997.

consumers spent \$5.7 billion on performing arts events, \$5.9 billion at movie theaters, and \$5.5 billion on spectator sports. Performing arts expenditures were only about 3.5 percent greater than sports and stood below motion picture expenditures by a similar percentage. However, beginning in 1992, real growth in performing arts increased by 11.3 percent. Spending on motion picture admissions dropped by 6.7 percent, and outlays for spectator sports increased by 3.6 percent. The remainder of the time series shows real spending on the performing arts well above expenditures on movie and spectator sports admissions. By 1999, real expenditures for performing arts events were 37 percent larger than spending at movie theaters and 24 percent greater than expenditures on spectator sports events.

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

Table 2 shows per capita spending on admissions to performing arts events, movie theaters, and spectator sports. Like Table 1, the data are presented in nominal and “real” (i.e., adjusted for inflation) dollar values. Among the findings are 1999 per capita spending on performing arts of \$37.40 (nominal dollars). This compares to \$27.10 on motion picture admissions and \$30.10 for spectator sports. On a per capita basis, therefore, spending on the performing arts in 1999 was 38 percent larger than spending at movie theaters and 24 percent greater than expenditures for spectator sports.

Over the past five years (1995-1999), real per capita expenditures on each of the three admission categories grew by 11 percent. On performing arts events, real per capita spending increased from \$30.40 in 1995 to \$33.70 in 1999; on movie theater admissions, expenditures rose from \$22.10 to \$24.60; while real per capita spending on spectator sports events grew from \$24.40 in 1995 to \$27.10 in 1999. Chart 2 of this Research Note shows a graphic representation of these trends.

GDP, Personal Consumption Expenditures, and Recreation Expenditures

The figures in Table 3 show that the economy, as measured by real gross domestic product (GDP), grew by 4.2 percent in 1999. In fact, in 1999, the near-record ninth year of economic expansion displayed “vigorous” real output and unemployment rates hovering around lows not seen since 1970³. This 1999 economic expansion included gains in real personal consumption expenditures (5.3 percent growth over 1998 spending), as well as an 11.9 percent increase in real recreation spending. However, Table 3 shows that even though spending on admissions to performing arts events, movie theaters, and spectator sports increased over the 1994-1999 period, spending on these activities actually fell as a share of all recreation spending. For example, in 1994, consumer spending on performing arts events made up 2.1 percent of all recreation spending. By 1999, this share fell to 1.6 percent. Similar declining patterns are found in movie theater and spectator sports spending. As a share of all recreation spending, outlays for movie theater admissions dropped from 1.6 percent in 1994 to 1.2 percent in 1998. Admissions to sporting events declined from 1.7 percent to 1.3 percent. Other

³ For more information about the U.S. economy in 1999, see *Monetary Policy Report to the Congress* in Federal Reserve Bulletin, August 1999.

categories of recreation spending also display declining shares. Spending on books and maps and gardening materials (flowers, seeds, and potted plants) fell as a share of all recreation spending. Between 1994 and 1998, consumption expenditures on magazines, newspapers, and sheet music dropped by 1.1 percentage points (7.3 percent in 1994 down to 6.2 percent in 1999).

Despite the growth in admissions to the performing arts, movie theaters, and spectator sports, from 1994-1999, they fell as a share of all recreation spending because they could not keep pace with the extraordinary growth of outlays on computers and software. For example, in 1994, consumer spending on computers and software constituted 2.7 percent of recreation expenditures. By 1999, this share increased by more than 600 percent to reach a share of 16.3 percent of recreation spending.

Final Notes

The Research Division of the National Endowment for the Arts has been reporting annual statistics on performing arts spending and other recreation expenditures and their significance to the arts community since 1982. A list of earlier notes on this subject can be found on the National Endowment for the Arts' Web site at www.arts.endow.gov. The figures published in this and early notes on performing arts admissions are taken from the BEA's National Income and Product Accounts (NIPA). The BEA regularly revises historical NIPA estimates. Therefore readers should rely on the numbers reported in the most recent Endowment research notes, and should not attempt to construct time-series' using figures reported in earlier Research Division notes. For more information see the BEA's web site at www.bea.doc.gov.

Table 1. Admission Receipts to Performing Arts Events, Motion Pictures, and Spectator Sports: 1988-1999

Measured in Billions

| <i>Year</i> | Total Admission Receipts to Performing Arts, Motion Pictures, and Spectator Sports | | Performing Arts | | Motion Pictures | | Spectator Sports | |
|-------------|--|--------|-----------------|-------|-----------------|-------|------------------|-------|
| | Nominal | Real | Nominal | Real | Nominal | Real | Nominal | Real |
| 1988 | \$11.9 | \$16.4 | \$4.4 | \$6.0 | \$3.9 | \$5.3 | \$3.6 | \$5.0 |
| 1989 | \$13.3 | \$17.1 | \$4.4 | \$5.7 | \$4.6 | \$5.9 | \$4.3 | \$5.5 |
| 1990 | \$14.8 | \$18.0 | \$5.2 | \$6.3 | \$5.1 | \$6.2 | \$4.5 | \$5.5 |
| 1991 | \$15.6 | \$17.9 | \$5.4 | \$6.2 | \$5.2 | \$6.0 | \$4.9 | \$5.6 |
| 1992 | \$16.1 | \$18.3 | \$6.0 | \$6.9 | \$4.9 | \$5.6 | \$5.1 | \$5.8 |
| 1993 | \$17.5 | \$19.7 | \$6.8 | \$7.7 | \$5.0 | \$5.6 | \$5.7 | \$6.3 |
| 1994 | \$18.2 | \$19.8 | \$7.2 | \$7.8 | \$5.2 | \$5.7 | \$5.8 | \$6.3 |
| 1995 | \$19.2 | \$20.2 | \$7.6 | \$8.0 | \$5.5 | \$5.8 | \$6.1 | \$6.4 |
| 1996 | \$20.7 | \$20.7 | \$8.0 | \$8.0 | \$5.8 | \$5.8 | \$6.9 | \$6.9 |
| 1997 | \$22.1 | \$21.5 | \$8.6 | \$8.4 | \$6.3 | \$6.1 | \$7.1 | \$6.9 |
| 1998 | \$23.6 | \$22.5 | \$9.1 | \$8.7 | \$6.9 | \$6.6 | \$7.6 | \$7.2 |
| 1999 | \$25.8 | \$23.4 | \$10.2 | \$9.2 | \$7.4 | \$6.7 | \$8.2 | \$7.4 |

Year to Year Percentage Change:

| <i>Year</i> | Total Admission Receipts to Performing Arts, Motion Pictures, and Spectator Sports | | Performing Arts | | Motion Pictures | | Spectator Sports | |
|-------------|--|-------|-----------------|-------|-----------------|-------|------------------|-------|
| | Nominal | Real | Nominal | Real | Nominal | Real | Nominal | Real |
| 1988 | 10.2% | 5.1% | 10.0% | 3.4% | 14.7% | 8.2% | 5.9% | 4.2% |
| 1989 | 11.8% | 4.3% | 0.0% | -5.0% | 17.9% | 11.3% | 19.4% | 10.0% |
| 1990 | 11.3% | 5.3% | 18.2% | 10.5% | 10.9% | 5.1% | 4.7% | 0.0% |
| 1991 | 5.4% | -0.6% | 3.8% | -1.6% | 2.0% | -3.2% | 8.9% | 1.8% |
| 1992 | 3.2% | 2.2% | 11.1% | 11.3% | -5.8% | -6.7% | 4.1% | 3.6% |
| 1993 | 8.7% | 7.7% | 13.3% | 11.6% | 2.0% | 0.0% | 11.8% | 8.6% |
| 1994 | 4.0% | 0.5% | 5.9% | 1.3% | 4.0% | 1.8% | 1.8% | 0.0% |
| 1995 | 5.5% | 2.0% | 5.6% | 2.6% | 5.8% | 1.8% | 5.2% | 1.6% |
| 1996 | 7.8% | 2.5% | 5.3% | 0.0% | 5.5% | 0.0% | 13.1% | 7.8% |
| 1997 | 6.8% | 3.9% | 7.5% | 5.0% | 8.6% | 5.2% | 2.9% | 0.0% |
| 1998 | 6.8% | 4.7% | 5.8% | 3.6% | 9.5% | 8.2% | 7.0% | 4.3% |
| 1999 | 9.3% | 4.0% | 12.1% | 5.7% | 7.2% | 1.5% | 7.9% | 2.8% |

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

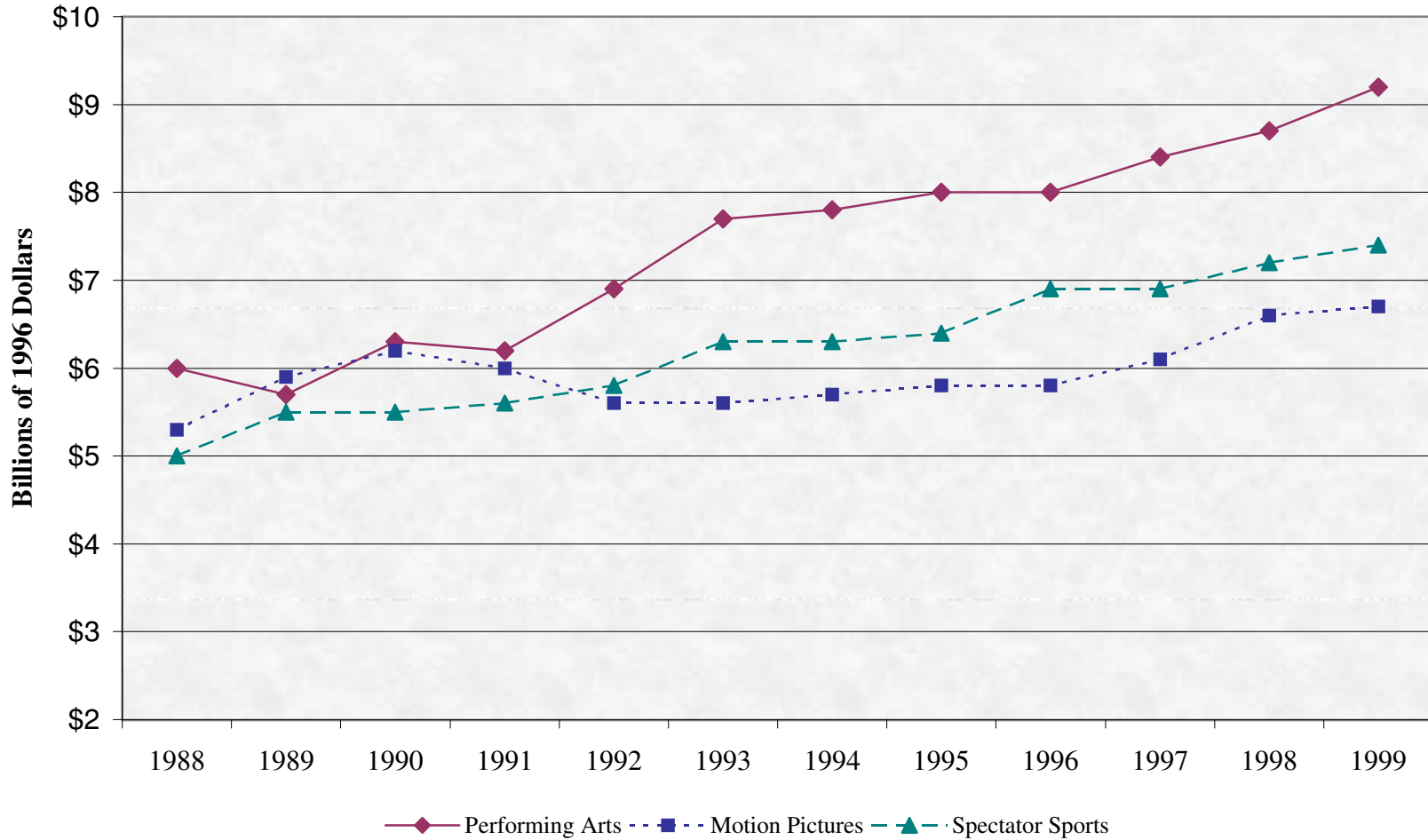
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Note: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.

Chart 1. Admission Receipts for Performing Arts Events, Motion Pictures, and Spectator Sports: 1988-1999 (in 1996 dollars)



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

Table 2. Per Capita Expenditures on Performing Arts Events, Motion Pictures, and Spectator Sports: 1988-1999

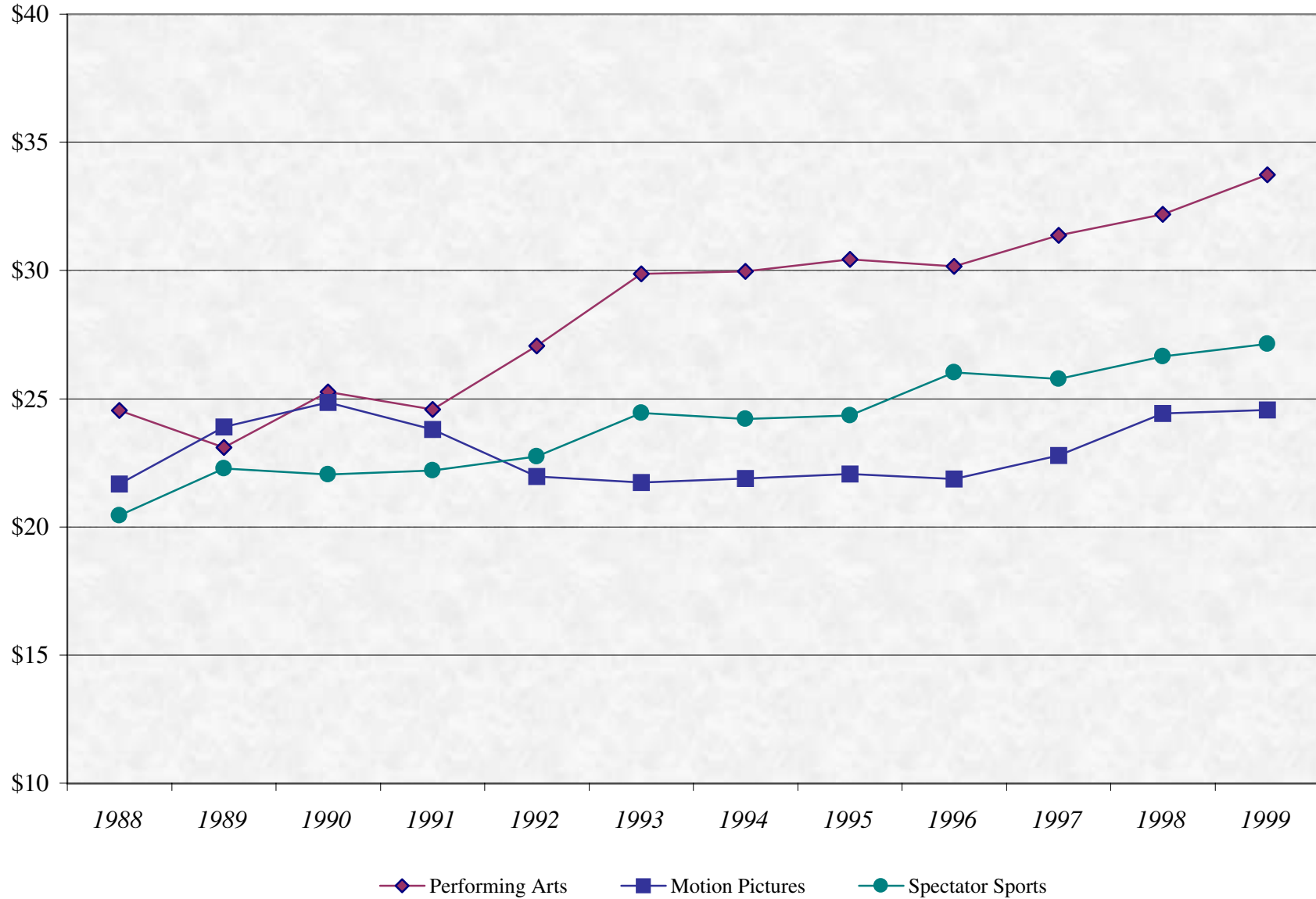
| Year | U.S. Resident Population (in millions) | Total Admission Receipts to Performing Arts, Motion Pictures, and Spectator Sports | | Performing Arts | | Motion Pictures | | Spectator Sports | |
|------|--|--|--------|-----------------|--------|-----------------|--------|------------------|--------|
| | | Nominal | Real | Nominal | Real | Nominal | Real | Nominal | Real |
| 1988 | 244.5 | \$48.7 | \$67.1 | \$18.0 | \$24.5 | \$16.0 | \$21.7 | \$14.7 | \$20.4 |
| 1989 | 246.8 | \$53.9 | \$69.3 | \$17.8 | \$23.1 | \$18.6 | \$23.9 | \$17.4 | \$22.3 |
| 1990 | 249.5 | \$59.3 | \$72.2 | \$20.8 | \$25.3 | \$20.4 | \$24.9 | \$18.0 | \$22.0 |
| 1991 | 252.2 | \$61.9 | \$71.0 | \$21.4 | \$24.6 | \$20.6 | \$23.8 | \$19.4 | \$22.2 |
| 1992 | 255.0 | \$63.1 | \$71.8 | \$23.5 | \$27.1 | \$19.2 | \$22.0 | \$20.0 | \$22.7 |
| 1993 | 257.8 | \$67.9 | \$76.4 | \$26.4 | \$29.9 | \$19.4 | \$21.7 | \$22.1 | \$24.4 |
| 1994 | 260.3 | \$69.9 | \$76.1 | \$27.7 | \$30.0 | \$20.0 | \$21.9 | \$22.3 | \$24.2 |
| 1995 | 262.8 | \$73.1 | \$76.9 | \$28.9 | \$30.4 | \$20.9 | \$22.1 | \$23.2 | \$24.4 |
| 1996 | 265.2 | \$78.0 | \$78.0 | \$30.2 | \$30.2 | \$21.9 | \$21.9 | \$26.0 | \$26.0 |
| 1997 | 267.8 | \$82.5 | \$80.3 | \$32.1 | \$31.4 | \$23.5 | \$22.8 | \$26.5 | \$25.8 |
| 1998 | 270.2 | \$87.3 | \$83.3 | \$33.7 | \$32.2 | \$25.5 | \$24.4 | \$28.1 | \$26.6 |
| 1999 | 272.7 | \$94.6 | \$85.8 | \$37.4 | \$33.7 | \$27.1 | \$24.6 | \$30.1 | \$27.1 |

Sources: U.S. Bureau of the Census and Bureau of Economic Analysis
(both agencies are part of the U.S. Department of Commerce).

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Note: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.

Chart 2. Real Per Capita Expenditures on Performing Arts Events, Motion Pictures, and Spectator Sports: 1988-1999



Note: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.

Sources: U.S. Bureau of the Census and Bureau of Economic Analysis, both agencies are part of the U.S. Department of Commerce.

Table 3. GDP, Consumption Expenditures, and Recreation Expenditures: 1994-1999

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| <i>(billions of 1996 dollars)</i> | | | | | | |
| Real GDP | \$7,347.7 | \$7,543.8 | \$7,813.2 | \$8,159.5 | \$8,515.7 | \$8,875.8 |
| (change from previous year) | 4.0% | 2.7% | 3.6% | 4.4% | 4.4% | 4.2% |
| Real Personal Consumption Expenditures | \$4,928.1 | \$5,075.6 | \$5,237.5 | \$5,423.9 | \$5,678.7 | \$5,978.8 |
| (change from previous year) | 3.8% | 3.0% | 3.2% | 3.6% | 4.7% | 5.3% |
| Real Recreation Expenditures | \$365.2 | \$398.7 | \$429.6 | \$463.7 | \$507.3 | \$567.5 |
| (change from previous year) | 8.0% | 9.2% | 7.8% | 7.9% | 9.4% | 11.9% |
| <i>Selected Expenditures as a % of All Real Recreation Expenditures</i> | | | | | | |
| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
| Admissions to Performing Arts Events | 2.1% | 2.0% | 1.9% | 1.8% | 1.7% | 1.6% |
| Admissions to Motion Picture Theaters | 1.6% | 1.5% | 1.4% | 1.3% | 1.3% | 1.2% |
| Admissions to Spectator Sports | 1.7% | 1.6% | 1.6% | 1.5% | 1.4% | 1.3% |
| Books and Maps | 6.0% | 6.0% | 5.8% | 5.6% | 5.3% | 5.1% |
| Magazines, Newspapers, and Sheet Music | 7.3% | 6.8% | 6.4% | 6.2% | 6.2% | 6.2% |
| Flowers, Seeds, and Potted Plants | 3.6% | 3.4% | 3.5% | 3.4% | 3.3% | 3.2% |
| Video and Audio Goods and Musical Instruments | 13.5% | 13.4% | 13.1% | 13.0% | 13.4% | 13.9% |
| Computers, Peripherals, and Software | 2.7% | 3.7% | 5.5% | 8.2% | 12.0% | 16.3% |

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

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