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Valley arts beat Cards in dollars generated

By John Villani

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7 DAY ARCHIVE

The Valley's non-profit arts scene generates the same money and jobs as some major corporations and has double the economic impact of the Arizona Cardinals.

That's according to figures compiled in a national survey by Americans for the Arts, a Washington, D.C.-based organization advocating increased support for the arts.

Non-profit arts organizations (live theaters, museums, dance companies, etc.) and their audiences in Maricopa County generated \$343 million during fiscal 2000-01, the report says. They also provided, directly or indirectly, 11,469 jobs.

"The \$343 million figure doesn't surprise me," said Dale Hedding, director of development for the Phoenix Symphony. "It speaks well of the ability of arts organizations to exert a broad range of impacts in a community."

The financial footprint is comparable to revenues of some of the state's top 25 publicly listed firms. For example, Inter-Tel, with 1,700 employees, had fiscal 2000 revenue of \$402 million. Hypercom, with 1,200 employees, had \$327 million in revenue during that period.

In 2000, Cardinals Vice President Michael Bidwill said his team's local financial impact was \$154 million. That figure came from a Valley accounting firm, which measured everything from sales tax to hotel stays. The Cardinals create approximately 1,600 full-time jobs, according to the state Tourism and Sports Authority.

Arts supporters are thrilled with the report, saying it provides a strong argument

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for continued arts funding. However, the AFA study covers a financially flush period. The recent slowdown has slowed arts funding and may reduce future financial impact.

Biscotti counts, too

The national survey measured spending by non-profit arts organizations and their audiences, from staff salaries, advertising and facilities rent to cash flows from ticket sales, travel to and from events and even the cost of a post-opera latté. (The results exclude other types of arts spending, such as school art programs, commercial art gallery revenues and art-supply sales.)

The Phoenix Arts Commission, which coordinated the survey locally on behalf of Americans for the Arts, asked 301 of the Valley's non-profit arts groups to participate. Executive Director Phil Jones said that 111 completed the questionnaire.

Because most of the Valley's larger arts groups participated, even 100 percent compliance by all 301 groups countywide would have raised the \$343 million economic-impact figure by only "about \$7 million," according to Jones.

Randy Cohen, vice president of research and information at Americans for the Arts, says economists from the Georgia Institute of Technology compiled the report's figures from 91 communities. Nationwide, the arts generate \$134 billion in economic activity. The Valley's total is similar to that of the Atlanta area, Houston or San Diego.

"The arts aren't a silver bullet for an economy, but they are an important component of a healthy, desirable community," Cohen said. "The survey tells an important story that quantifies what the arts mean to a community."

What the report doesn't deal with is alternatives, said Robert Franciosi, director of urban growth and economic development studies for the free-market-oriented Goldwater Institute.

"If the dollars directed into the arts were spent on professional sports or industry, what would those results be? The report fails to give us that information," he said.

According to Cohen, the report's methodology was "standard, rigorous and didn't take shortcuts." Franciosi, who reviewed the report, agreed it was "standard input/output analysis."

"Yes, the report makes some assumptions, but their validity is something for economists to debate at conferences," Cohen said.

In San Diego County, the national report, "Arts & Economic Prosperity," declared an annual economic impact of \$326 million. The findings will be used to "make sure our policymakers understand these results (measure) not only our

audiences but also the spending patterns of our cultural tourists," said Victoria Hamilton, executive director of the City of San Diego Commission for Arts and Culture.

At the Phoenix Arts Commission, Jones said the numbers send a strong message: "It is important for government, corporations and foundations to continue their support of the arts even during lean times. Investment in the arts yields a powerful return to our economy."

Culture equals cash

And the opposite is true, supporters say. If arts funding declines, so will the economic activity that the arts generate.

"We're all shuddering at the condition of the stock market and are waiting to see how it settles out," said Kristine Dahlberg, managing director of Arizona Opera, who says her current budget is "prudent."

Janet Arnold, founder and producing director of Arizona Jewish Theatre Company, said her group recently had to move to a less expensive space.

"Corporate contributions are down for us," she said.

Even Arizona Theatre Company, one of the state's largest performing-arts groups, is feeling the pinch.

"Last year we saw a downturn in corporate (fund-raising) response," said Jessica Andrews, ATC's managing director. "I am worried that the continued drop in the stock market will cause individuals to . . . become more conservative in their giving."

Valley-based foundations say they're doing what they can to maintain the arts.

The Flinn Foundation reports it is "sticking to" the \$1 million in contributions it gave last year. But the Nina Mason Pulliam Charitable Trust says that "across the board, all of our grantmaking will be reduced" by an undetermined amount that could exceed last year's 10 percent cut.

The Arizona Commission on the Arts, whose budget was reduced 3.1 percent by the state Legislature, has absorbed that hit through administrative cuts, rather than pass it along to the arts groups.

"We need to invest in these elements of our community to be attractive to workers and their companies," said Shelley Cohn, executive director of the commission. "These modest investments in the arts contribute to our economic development."

Reach the reporter at john.villani@arizonarepublic.com or (602) 444-