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Note #83
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The Arts in the GDP

Consumers Spent \$10.6 Billion on Performing Arts Events in 2001

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The Bureau of Economic Analysis (BEA) reports that consumers spent \$10.6 billion, or \$37.20 per person, at performing arts events in 2001. This amount was \$1.9 billion more than outlays for tickets to movie theaters and \$500 million more than spending on admissions to spectator-sports events. Adjusted for inflation, spending on performing-arts entertainment increased 3.6 percent in 2001, even though the year was marked by an economic recession and the September 11th terrorist attacks.

Recent estimates of the number of adults attending arts events also show significant consumer demand for the arts. The Survey of Public Participation in the Arts (SPPA) reports that, in 2002, 39 percent of American adults, about 81 million people, attended a jazz or classical music concert, went to an opera, musical, play, or ballet, or visited an art museum. The 2002 SPPA results are discussed in Research Division Note #81. This note, #83, summarizes consumer spending on performing arts and other types of entertainment and recreation spending.

Growth in Spending on Admissions to Performing Arts, Movie Theaters, and Spectator Sports

Table 1 shows nominal and real (adjusted for inflation) spending on admissions to performing arts, movie theaters, and spectator sports.¹ Despite the 2001 recession, which ended the longest U.S. economic expansion on the record books, and the September 11th terrorist attacks, real consumer spending on tickets to performing-arts events increased from \$8.4 billion in 2000 to \$8.7 billion in 2001—a gain of 3.6 percent. Spending on tickets to movie theaters also increased, up 7.6 percent to reach \$7.1 billion. Spectator-sports expenditures remained unchanged—\$8.1 billion in 2000 and 2001.

Over a longer time period, real spending on tickets to performing arts increased from \$6.2 billion in 1991 to \$8.7 billion in 2001, a gain of 40.3 percent. Over this 11-year-period, consumer expenditures at movie theaters and spectator-sports events also increased; the two entertainment categories grew by 18.3 percent and 44.6 percent, respectively.

Chart 1 shows consumer spending for the three entertainment categories in 1991 through 2001. Throughout the 11-year-period, real spending on the performing arts exceeded expenditures for tickets to movies and spectator sports. In 1996, for example, consumers spent \$2.2 billion more on the arts than at movie theaters, and \$1.1 billion more than spending on admissions to spectator sports. In recent years, however, the gap between the three spending categories has narrowed, particularly between the performing arts and spectator sports. In 2001, consumer spending on the arts was only \$600 million more than spending at sporting events.

Per Capita Spending on Admissions to Performing Arts, Movie Theaters, and Spectator Sports

Table 2 shows per capita spending on tickets to performing arts, movie theaters, and sports events. Like Table 1, the data are shown in nominal and real-dollar values. In 2001, per capita spending on performing arts was \$37.20 in nominal dollars. This compares to \$30.50 for movies and \$33.50 for spectator-sports events. So, on a per capita basis, spending on the performing arts was about 22 percent greater than spending at movie theaters and 5 percent higher than expenditures at spectator-sports events.

Between 1991 and 2001, real per capita spending increased for all three entertainment categories. But the growth was much higher for performing arts (gain of 24.5 percent) and spectator sports (gain of 28.5 percent). Over this longer time period, real per capita spending at movie theaters increased by 5 percent.

¹ The BEA defines admissions as ticket purchases. The estimates exclude concessions and other types of spending at these events. Also, the Bureau defines performing arts events as legitimate theaters, opera, and entertainments of nonprofit institutions. The performing arts category includes rock concerts. Consumer spending on spectator sports consists of admissions to professional and amateur athletic events and racetracks. Also, real values are adjusted for inflation using chained 1996 dollars. For more information, see “BEA’s Chain Indexes, Time Series, and Measures of Long-Term Economic Growth.” *Survey of Current Business*, May 1997.

GDP and Total Consumer and Recreation Spending

Table 3 shows year-over-year percentage changes in gross domestic product (GDP, a broad measure of economic production), total personal consumption spending, and recreation spending (a subset of total consumer spending that includes outlays for tickets to performing arts, movie theaters, and sporting events, and other types of recreation spending). After increasing by annual rates of more than 4 percent during the late 1990s, real GDP growth slowed to 0.3 percent in 2001, reflecting a recession that ended the longest U.S. economic expansion tracked since the 1850s.

But, like spending on tickets to performing arts and movies, total consumer spending and recreation spending were more resilient to the recession in 2001. For the year, real consumer spending grew by 2.5 percent, and real spending on recreation increased by 6.6 percent.

Table 3 also reports select types of recreation spending as a share of total recreation spending in 1996 through 2001. Throughout the 6-year-period, spending on video and audio goods and computers and software grew to dominate total recreation spending. In 1996, for example, video and audio goods were 13.1 percent of recreation spending—by 2001, this share rose to 15.4 percent. Similarly, computers and software, for personal use, were 5.5 percent of total recreation outlays in 1996. In 2001, spending on these goods shot up to 23.7 percent of total recreation spending—a gain of more than 18 percentage points.

As spending on videos and computers increased as a share of total recreation spending, the other spending categories shown in Table 3 fell. Between 1996 and 2001, spending on tickets to performing arts went from 1.9 percent to 1.3 percent of recreation outlays. Tickets to movie theaters dropped from 1.4 percent to 1.1 percent. In 1996, spending on “commercial participant amusements” (a broad category that includes spending on site seeing, private flying, bowling, billiards, casino gambling, and amusement parks) was 11.2 percent of all recreation expenditures. By 2002, it dropped 1.3 percentage points to reach 9.9 percent of total recreation spending.

Annual Revisions to NIPA (National Income and Product Accounts)

The figures published in this note were taken from the BEA’s National Income and Product Accounts (NIPA). The BEA annually revises historical estimates, including the revisions made for the 2001 NIPAs reported in this note.² Readers should rely on numbers printed in the most recent Endowment Research notes, and should not attempt to construct time-series⁷ using figures reported in earlier Arts in the GDP notes.

² For more information about NIPA revisions, see “Annual Revision of the National Income and Product Accounts,” *Survey of Current Business*, August 2002.

Final Notes

The Research Division of the National Endowment for the Arts has been reporting annual statistics on consumer spending on the performing arts and other recreation expenditures since 1982. See the agency's Web site at www.arts.gov for a list of Research Division reports and notes, including newly released notes on the 2002 Survey of Public Participation in the Arts. For additional information about the economic and demographic figures reported in this note, see the following sites:

Bureau of Economic Analysis

www.bea.gov

U.S. Census Bureau

www.census.gov

National Bureau of Economic Research

www.nber.org

Table 1. Consumer Spending on Admissions to Performing Arts, Movies, and Spectator Sports: 1991-2001

Measured in Billions

Year	<i>Total Admissions to Performing Arts, Movies, and Spectator Sports</i>		<i>Performing Arts</i>		<i>Movies</i>		<i>Spectator Sports</i>	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
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	\$23.4	\$22.3	\$8.7	\$8.3	\$6.9	\$6.6	\$7.7	\$7.4
1999	\$25.0	\$22.6	\$8.9	\$8.1	\$7.6	\$6.9	\$8.5	\$7.7
2000	\$27.1	\$23.1	\$9.9	\$8.4	\$7.8	\$6.6	\$9.5	\$8.1
2001	\$29.4	\$23.9	\$10.6	\$8.7	\$8.7	\$7.1	\$10.1	\$8.1

Year-to-Year Percentage Change

Year	<i>Total Admissions to Performing Arts, Motion Pictures, and Spectator Sports</i>		<i>Performing Arts</i>		<i>Motion Pictures</i>		<i>Spectator Sports</i>	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
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	5.9%	3.7%	1.2%	-1.2%	9.5%	8.2%	8.5%	7.2%
1999	6.8%	1.3%	2.3%	-2.4%	10.1%	4.5%	10.4%	4.1%
2000	8.4%	2.2%	11.2%	3.7%	2.6%	-4.3%	11.8%	5.2%
2001	8.5%	3.5%	7.1%	3.6%	11.5%	7.6%	6.3%	0.0%

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

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Notes: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.
Detail may not add to total due to rounding.

Table 2. Per Capita Expenditures on Performing Arts, Movies, and Spectator Sports: 1991-2001

Year	U.S. Resident Population (in millions)	Total Admissions to Performing Arts, Movies, and Spectator Sports		Performing Arts		Movies		Spectator Sports	
		Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1991	253.0	\$61.7	\$70.8	\$21.3	\$24.5	\$20.6	\$23.7	\$19.4	\$22.1
1992	256.5	\$62.8	\$71.3	\$23.4	\$26.9	\$19.1	\$21.8	\$19.9	\$22.6
1993	259.9	\$67.3	\$75.8	\$26.2	\$29.6	\$19.2	\$21.5	\$21.9	\$24.2
1994	263.1	\$69.2	\$75.2	\$27.4	\$29.6	\$19.8	\$21.7	\$22.0	\$23.9
1995	266.3	\$72.1	\$75.9	\$28.5	\$30.0	\$20.7	\$21.8	\$22.9	\$24.0
1996	269.4	\$76.8	\$76.8	\$29.7	\$29.7	\$21.5	\$21.5	\$25.6	\$25.6
1997	272.6	\$81.1	\$78.9	\$31.5	\$30.8	\$23.1	\$22.4	\$26.0	\$25.3
1998	275.9	\$84.8	\$80.8	\$31.5	\$30.1	\$25.0	\$23.9	\$27.9	\$26.8
1999	279.0	\$89.6	\$81.0	\$31.9	\$29.0	\$27.2	\$24.7	\$30.5	\$27.6
2000	281.4	\$96.3	\$82.1	\$35.2	\$29.8	\$27.7	\$23.5	\$33.8	\$28.8
2001	284.8	\$103.2	\$83.9	\$37.2	\$30.5	\$30.5	\$24.9	\$35.5	\$28.4

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

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

Resident population excludes Armed Forces overseas.

Resident population estimate for 2000 is for April 1; data for other years are estimates as of July 1.

Table 3. GDP and Consumer and Recreation Spending: 1996-2001

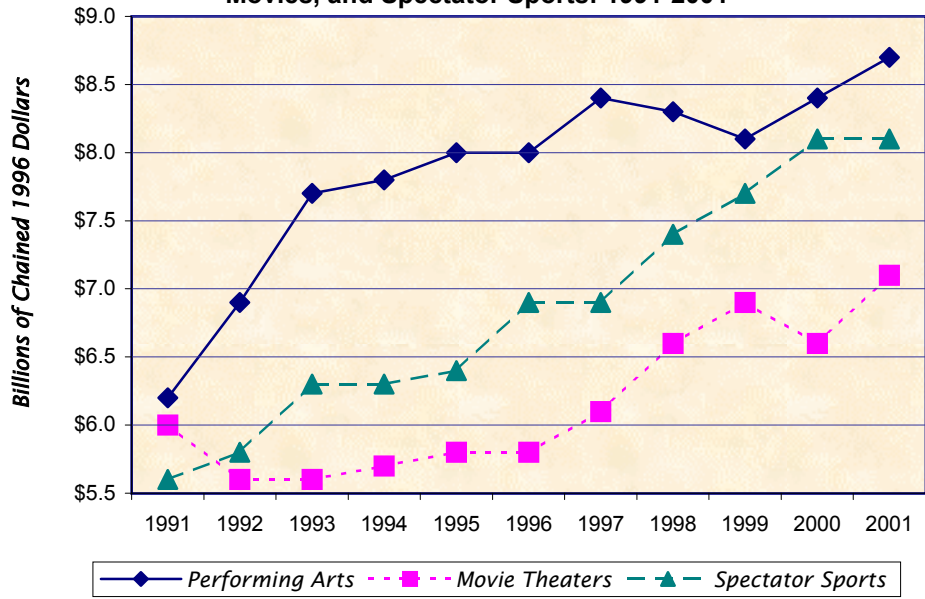
	1996	1997	1998	1999	2000	2001
<i>(billions of 1996 dollars)</i>						
Real GDP (change from previous year)	3.6%	4.4%	4.3%	4.1%	3.8%	0.3%
Real personal consumption expenditures (change from previous year)	3.2%	3.6%	4.8%	4.9%	4.3%	2.5%
Real recreation expenditures (change from previous year)	7.8%	7.9%	9.2%	10.3%	8.3%	6.6%
<i>Select Spending as a % of All Real Recreation Expenditures</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>
Admissions to performing arts events	1.9%	1.8%	1.6%	1.5%	1.4%	1.3%
Admissions to movie theaters	1.4%	1.3%	1.3%	1.2%	1.1%	1.1%
Admissions to spectator sports events	1.6%	1.5%	1.5%	1.4%	1.3%	1.3%
Books and maps	5.8%	5.6%	5.4%	5.4%	5.4%	5.3%
Magazines, newspapers, and sheet music	6.4%	6.2%	5.9%	5.5%	5.3%	5.0%
Flowers, seeds, and potted plants	3.5%	3.4%	3.2%	3.1%	2.9%	2.8%
Video and audio goods and musical instruments	13.1%	13.0%	13.3%	14.0%	15.0%	15.4%
Computers and software	5.5%	8.2%	12.0%	16.3%	20.2%	23.7%
Commercial amusements	11.2%	11.1%	10.8%	10.5%	10.2%	9.9%

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.
**Consumer Spending on Admissions to Performing Arts,
Movies, and Spectator Sports: 1991-2001**



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