



**NATIONAL  
ENDOWMENT  
FOR THE ARTS**

1100 Pennsylvania Avenue N.W.  
Washington, D.C. 20506  
202-682-5400

Office of Research & Analysis  
Director, Sunil Iyengar  
Senior Research Officer, Tom Bradshaw  
Note #91  
August 2006

**CONSUMER SPENDING ON PERFORMING ARTS: OUTLAYS FLAT FOR 2005; NON-  
SPECTATOR CATEGORIES SHOW GROWTH**

By Bonnie Nichols

The year 2005 saw gains in U.S. gross domestic product (GDP) and personal consumption spending—but such growth eluded consumer spending on live arts events. Consumer expenditures on arts performances reached \$12.7 billion, but when adjusted for inflation, year-over-year spending held steady. For other spectator events, inflation-adjusted (“real”) spending declined from 2004 levels. In contrast, consumer spending grew for other forms of entertainment: books and video and audio goods.

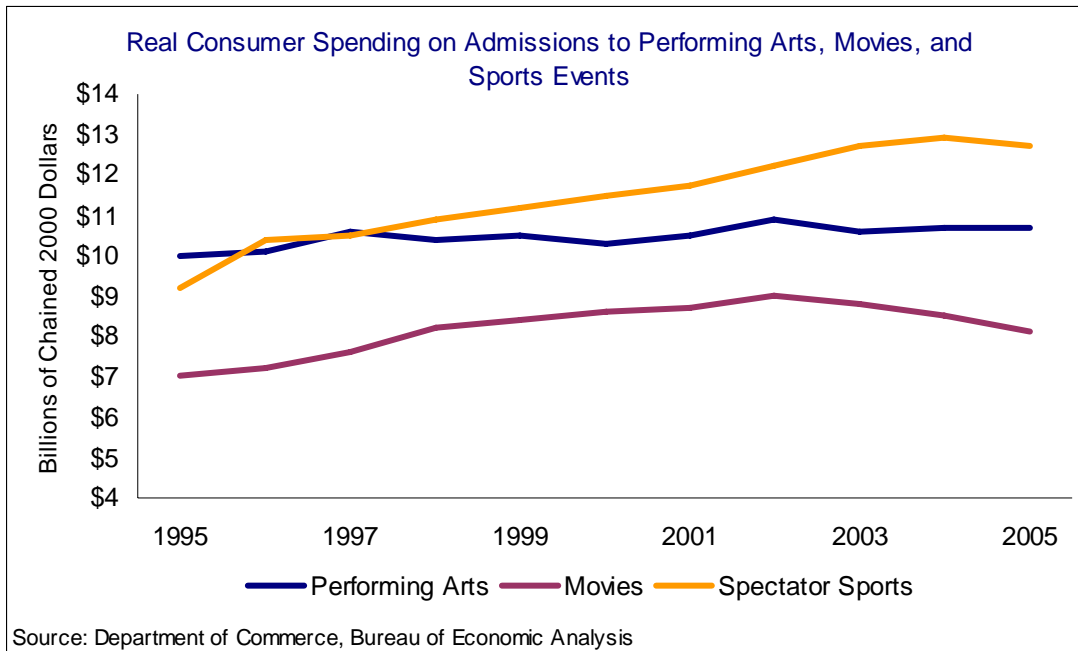
Consumer trends related to arts-and-entertainment event admissions and other types of recreation spending are discussed in this note, which draws on national income and product data issued by the Bureau of Economic Analysis (BEA) in August 2006. In estimating average household spending on admissions and other recreation categories, the note also relies on the Bureau of Labor Statistics’ 2004 Consumer Expenditure Survey.

Attached to the document are three tables. The first two tables detail consumer spending on arts, sports and film admissions, in terms of real and nominal dollars. Table 1 reports spending for the 1995-2005 time period, while Table 2 shows *per capita* outlays for 2001-2005. Table 3 reports the percentage change in real spending on selected recreation categories, as well as trends in real GDP and total consumer spending.

## Ticket Spending Declines For Films and Sports Events

In 2005, consumers spent nearly \$16 billion on sports admissions, or \$3.2 billion more than on performing arts events. Conversely, at \$9.7 billion, movie ticket spending trailed performing arts admissions by \$3 billion.<sup>1</sup> Per person, admissions spending totaled \$42.80 for performing arts, \$32.70 for movies, and \$53.60 for sporting events. Nominally, consumer spending on the three spectator categories was substantial, with combined expenditures topping \$38 billion in 2005.

Adjusting for inflation is essential to a year-over year comparison. In 2004, real spending on performing arts admissions crawled by 0.9%, followed by no growth in 2005.<sup>2</sup> Although real spending on sports admissions rose by more than 4% in 2002 and in 2003, the growth rate slowed to 1.6% in 2004. The next year, consumer spending on sports events actually declined, by 1.6%.<sup>3</sup> Outlays for movie tickets fell by 3.4% in 2004 and 4.7% in 2005.



<sup>1</sup> The BEA defines admissions as ticket purchases. The estimates exclude concessions and other types of spending at such events. Also, the Bureau defines performing arts events as legitimate theaters, opera, and entertainments sponsored by nonprofit institutions; the category includes rock concerts. Consumer spending on spectator sports consists of admissions to professional and amateur athletic events and racetracks.

<sup>2</sup> “Real” refers to estimates measured in chained 2000 dollars to control for inflation. For more information, see Jones, Charles I. “Using Chain-Weighted NIPA Data,” FRBSF Economic Letter, August 2, 2002.

<sup>3</sup> This decline may partly reflect the impact of the 2004-2005 National Hockey League lockout.

Remarkably, sluggish spending on spectator event admissions coincided with signs of a flourishing economy. In 2004 and 2005, real GDP grew by 3.9% and 3.2%, respectively. Although disposable personal income growth slowed to 1.2% in 2005, real personal consumption expenditures grew by 3.5%. (According to the Federal Reserve Governors, sharp increases in household wealth sustained consumer spending.<sup>4</sup>)

### Consumption Trends Favor Books and Computers

Although consumers spent less on arts performances, movies, and sporting events in 2005, they spent amply on other forms of entertainment. Total recreation spending, adjusted for inflation, grew by 8% in 2004, and by 7.8% in 2005. Real spending on video and audio goods was brisk—up 14.3% in 2004 and 12.7% in the following year. Also robust were outlays for non-durable toys and sporting supplies: real spending in this category surged by 11.7% in 2005.<sup>5</sup>

As a category of consumer recreation spending, computer purchases showed the strongest growth. Because computers experience rapid price changes, the BEA does not report real expenditures on “computers, peripherals, and software.” Still, real spending on computers grew by more than 24% in 2005, according to the Bureau’s quantity index (an implicit price deflator) for those items.<sup>6</sup>

The BEA also reports consumer spending on books and maps. In 2005, the category accounted for \$42.2 billion in consumer spending. Adjusted for inflation, this figure represents a 4.3% increase over 2004 spending levels. Real spending for books and maps has exceeded 4% every year since the 2001 recession ended; the growth rate for this category peaked in 2003, at just over 5%.

### Consumer Expenditure Survey: A One-Year Snapshot

The Consumer Expenditure Survey (CES), produced by the Bureau of Labor Statistics, provides additional information on household expenditures. Unlike the BEA’s *aggregate accounts*, the CES reports *average household expenditures*. For example, the CES shows that households spent an average of \$2,218 on entertainment in 2004, the most recent year for which data is available.

In 2004, American households typically paid \$92 for admissions to movies, theater, opera, and ballet, and spent about \$36 on sports admissions. The same year, households spent an average of \$18 on video game hardware and software, and \$43 on videotapes and disks.

---

<sup>4</sup> Board of Governors of the Federal Reserve System. “Monetary Policy Report to the Congress,” February 15, 2006.

<sup>5</sup> Examples of non-durable toys and sporting supplies include golf balls and golf clubs, baseballs and baseball bats, soccer balls, and ammunition for hunting.

<sup>6</sup> The quantity index for computers, peripherals, and software was 270.280 in 2004 and 336.313 in 2005.

Average household expenditures on reading were \$130, with \$50 spent on books (excluding purchases through book clubs) and \$42 on newspaper subscriptions.<sup>7</sup>

Average Consumer Spending, 2004  
Consumer Expenditure Survey

Selected entertainment categories:	
All entertainment	\$2,218
Admissions to movies, theater, opera, ballet	\$92
Admissions to sporting events	\$36
Video game hardware and software	\$18
Video cassettes and disks	\$43
Radios and sound equipment	\$135
Sports recreation and exercise equipment	\$133
All reading	\$130
Books	\$50
Newspaper subscriptions	\$42
Magazine subscriptions	\$15

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Notes

The Office of Research & Analysis (ORA) has reported statistics on performing arts admissions and other recreational expenditures since 1986. The data contained in Note #91 supersedes previous documents issued by the office. Readers should not attempt to construct time series of income and spending data from those earlier notes, since prior-year estimates are regularly revised.

For more information about the economic data presented in this revision, please consult the following sources:

Bureau of Economic Analysis  
[www.bea.gov](http://www.bea.gov)

Federal Reserve Board  
[www.federalreserve.gov](http://www.federalreserve.gov)

Consumer Expenditure Survey  
<http://www.bls.gov/cex/>

---

<sup>7</sup> The BLS does not publish average expenditures for many of the detailed items shown in this note, including admissions to movies, theater, opera, and ballet and sporting events. Due to few spending reports on detailed items, the Bureau cautions that estimates may be unreliable. For more information, contact the BLS' Division of Consumer Prices & Consumer Indexes.

**Table 1. Consumer Spending on Admissions to Performing Arts, Movies, and Spectator Sports**

*Billions of Nominal and Real Dollars*

Year	Total Admissions to Performing Arts, Movies, and Spectator Sports		Performing Arts		Movies		Spectator Sports	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1995	\$21.1	\$26.2	\$8.1	\$10.0	\$5.6	\$7.0	\$7.4	\$9.2
1996	\$23.5	\$27.8	\$8.6	\$10.1	\$6.1	\$7.2	\$8.9	\$10.4
1997	\$25.0	\$28.7	\$9.2	\$10.6	\$6.6	\$7.6	\$9.2	\$10.5
1998	\$26.2	\$29.5	\$9.2	\$10.4	\$7.2	\$8.2	\$9.8	\$10.9
1999	\$28.4	\$30.2	\$9.9	\$10.5	\$7.9	\$8.4	\$10.6	\$11.2
2000	\$30.4	\$30.4	\$10.3	\$10.3	\$8.6	\$8.6	\$11.5	\$11.5
2001	\$32.2	\$30.9	\$10.9	\$10.5	\$9.0	\$8.7	\$12.4	\$11.7
2002	\$34.8	\$32.1	\$11.7	\$10.9	\$9.6	\$9.0	\$13.5	\$12.2
2003	\$36.0	\$32.1	\$11.9	\$10.6	\$9.9	\$8.8	\$14.3	\$12.7
2004	\$37.4	\$32.1	\$12.4	\$10.7	\$9.9	\$8.5	\$15.1	\$12.9
2005	\$38.3	\$31.5	\$12.7	\$10.7	\$9.7	\$8.1	\$15.9	\$12.7

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

Notes: "Real" refers to estimates measured in chained 2000 dollars to control for inflation.

Figures may not add to exact total, due to rounding.

National Endowment for the Arts  
Office of Research & Analysis, Note #91  
August 2006

**Table 2. Per Capita Spending on Admissions to Performing Arts, Movies, and Spectator Sports**

Year	U.S. 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
2001	285.1	\$112.9	\$108.4	\$38.2	\$36.8	\$31.6	\$30.5	\$43.5	\$41.0
2002	288.0	\$120.8	\$111.5	\$40.6	\$37.8	\$33.3	\$31.3	\$46.9	\$42.4
2003	290.9	\$123.8	\$110.4	\$40.9	\$36.4	\$34.0	\$30.3	\$49.2	\$43.7
2004	293.7	\$127.4	\$109.3	\$42.2	\$36.4	\$33.7	\$28.9	\$51.4	\$43.9
2005	296.4	\$129.2	\$106.3	\$42.8	\$36.1	\$32.7	\$27.3	\$53.6	\$42.8

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

Notes: "Real" refers to estimates measured in chained 2000 dollars to  
control for inflation.

Figures may not add to exact total, due to rounding.

National Endowment for the Arts  
Office of Research & Analysis, Note #91  
August 2006

**Table 3. Percentage Change in Real GDP and Consumer Spending**

	2001	2002	2003	2004	2005	2001-2005
Gross Domestic Product	0.8%	1.6%	2.5%	3.9%	3.2%	11.7%
Personal consumption spending	2.5%	2.7%	2.8%	3.9%	3.5%	13.5%
Recreation consumption spending	4.5%	5.8%	6.3%	8.0%	7.8%	31.1%
Admissions to performing arts events	1.9%	3.8%	-2.8%	0.9%	0.0%	1.9%
Admissions to movie theaters	1.2%	3.4%	-2.2%	-3.4%	-4.7%	-6.9%
Admissions to spectator sporting events	1.7%	4.3%	4.1%	1.6%	-1.6%	8.5%
Books and maps	1.5%	4.1%	5.1%	4.8%	4.3%	19.6%
Magazines, newspapers, and sheet music	-2.0%	-1.5%	1.5%	5.8%	7.7%	14.0%
Nondurable toys and sport supplies	6.0%	8.8%	8.3%	8.9%	11.7%	43.3%
Flowers, seeds, and potted plants	-2.8%	-0.6%	0.0%	-0.6%	7.5%	6.3%
Video and audio goods	6.5%	9.0%	8.3%	14.3%	12.7%	52.1%
Commercial amusements	1.8%	3.1%	6.0%	7.6%	3.4%	21.6%

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

Note: Percentage change calculations were made using estimates measured in chained 2000 dollars to control for inflation.

National Endowment for the Arts  
Office of Research & Analysis, Note #91  
August 2006