



Research Division
Note # 65
May 1998

Retail Art Dealers Continue Strong Growth in the Economic Census of 1992

The Census of Service Industries counted 4,543 retail art dealers in the 1992 census.¹ All 50 states and the District of Columbia have independent establishments (where sale of art is the primary activity).² The number of establishments has risen steadily since 1982. In 1987 the number (2,982) was up 91% from 1,563 establishments in 1982; between 1987 and 1992 the number grew by 52%. The growth in the number of establishments occurred throughout the country and was not concentrated in any one area.

	U.S. Retail Art Dealers		
	1982	1987	1992
Number of Establishments	1,563	2,982	4,543
Total Sales (\$1,000)	\$ 694,847	\$ 1,499,301	\$ 2,080,789
Average Sales	\$ 444,600	\$ 502,800	\$ 458,000
Average Sales adjusted for Inflation (Base year 1992)	\$ 633,300	\$ 605,100	\$ 458,000

The total sales of these establishments were \$2,080.8 million in 1992, up 39% from \$1,499.3 million in 1987 which was over twice the sales in 1982 (which were \$694.8 million). The average dealer sales were up somewhat from 1982 to 1987 but fell from 1987 to 1992. When adjusted for inflation average dealer sales have fallen over the 10 year period.

Although there was a boom in the 1980's in the price of highly valuable fine art, the increase in the national sales figure results from a broad growth in retail art sales. Because the inflation adjusted average total sales figure went down at the same time as the number of establishments went up, the growth of the industry can be attributed to sales from a larger number of dealers rather than just higher prices. Sales of art comprised approximately 95% of the total sales of dealers; this percentage has stayed the same during the entire period. Artist materials and supplies made up 0.7% of total sales in 1992; 1.3% in 1987; and 0.8% in 1982. Non-art sales make up the balance (about 4%).

¹ See the discussion at the end of this note for methodology, definition of terms, and other notes about the Census of Service Industries.

² Note: other organizations sell art such as museums, so the figures quoted here do not reflect all sales of art in the U.S. The term 'art' may include contemporary art, art of all previous periods, art of all media, antiques and collectibles, and objects d'art.

State Estimates

The five states with the highest number of establishments did not change between 1982 and 1992, although the order within the five did change between 1982 and 1987. Although the total numbers of establishments for the top five states went up from 1982 to 1992, the percentage in these five states of the total number of dealers for the country went down from 43.7% in 1982 to 41.9% in 1987 to 41.0% in 1992. Between 1982 and 1987 growth in the number of establishments was greatest in California (just over 125%) and Florida (123%). Between 1992 and 1987, of the five largest states, growth was highest in Florida (80%) and Texas (68%).

States with the Highest Number of Retail Art Dealers in 1982, 1987 and 1992

	1982		1987		1992	
	New York	209	California	463	California	612
	California	205	New York	344	New York	515
	Texas	108	Florida	183	Florida	330
	Florida	82	Texas	137	Texas	230
	Illinois	79	Illinois	121	Illinois	177
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	683		1,248		1,864	
Percent of total #	43.7%		41.9%		41.0%	

Appendix Table 1 gives a breakout by state for the number of establishments, their sales figures, and average dealer sales. Comparing with the 1987 Census information on Retail Art Dealers from Research Division Note #49, the growth in the number of dealers was significantly above the national average of 52% for the following states:

- The South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Texas, and Virginia
- The Northeast: New Hampshire, New Jersey, Pennsylvania, and Rhode Island
- The Midwest: Wisconsin
- The West: Oregon, Nevada, New Mexico, Washington, and Wyoming

Growth in the amount of sales was significantly above the national average of 39% for the following states:

- The South: Alabama, Arkansas, Delaware, Florida, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Texas, and Virginia
- The Northeast: Vermont
- The Midwest: Indiana, Iowa, Kansas, Michigan, Missouri, Nebraska, Ohio, and Wisconsin
- The West: Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Washington and Alaska

In 1992, eight states had higher average retail art dealer sales than the national average (\$458,000). This number has stayed about the same in all three censuses. New York (with \$1.1 million in average sales) remained the top state by a large margin.

States with Average Dealer Sales above or at the National Average Dealer Sales

1982		1987		1992	
New York	\$ 1,085,000	New York	\$1,430,600	New York	\$ 1,101,500
Massachusetts	625,000	Hawaii	990,600	Hawaii	886,100
Texas	562,400	Nevada	668,900	New Mexico	732,100
California	553,300	Illinois	651,800	Nevada	700,700
Wyoming	522,800	California	590,700	Alaska	563,100
Illinois	468,700	Dist. Columbia	577,400	Illinois	507,200
Louisiana	460,100	Pennsylvania	501,700	California	502,500
				Dist. Columbia	480,900
				Louisiana	461,100
National Average	\$ 444,600	National Average	\$ 502,800	National Average	\$ 458,000

Metropolitan Estimates

The large metropolitan areas dominate the U.S. market. Figures A and B below show the distribution of total U.S. sales for selected metropolitan areas for 1992. From 1982 to 1987, the picture changed minimally. (See Appendix Table 2.) The five metropolitan areas that had the highest number of establishments in 1982 and 1987 were New York (with New Jersey Suburbs), Los Angeles/Long Beach, Chicago, San Francisco/Oakland, and Washington DC. In 1992 Detroit edged out Washington DC in total amount of sales; the top four cities stayed the same.

Figure A: Number of Dealers in Top Five Cities (1992)

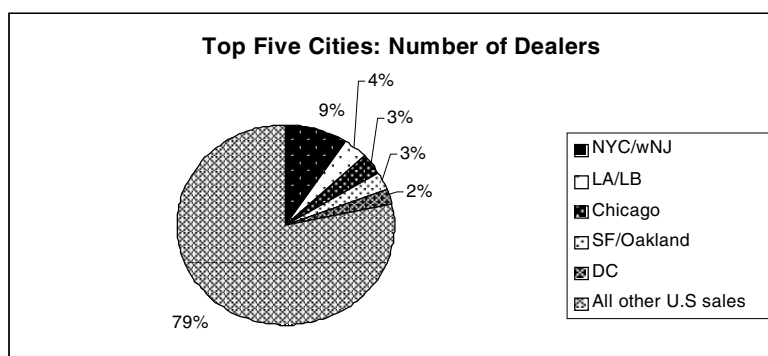
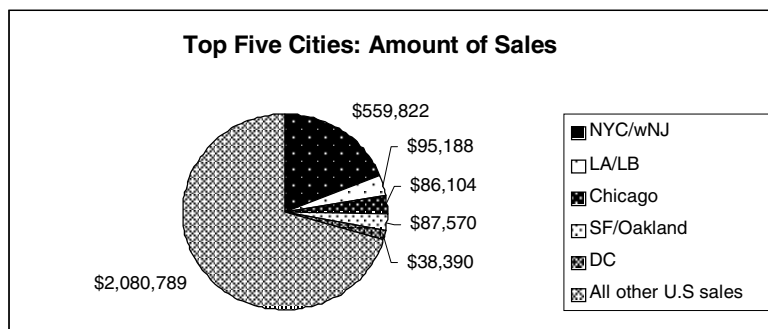


Figure B: Amount of Sales in Top Five Cities (1992)



The New York area had the largest sales by far (\$559.8 million) up from \$220.8 million in 1982; its percentage of national sales fell slightly from above 30% of the national total in 1982 and 1987 to 27% in 1992. The table below and Appendix Table 2 show that each of the other metropolitan areas showed a continuing decline of the national percentage of sales, giving further indication of the geographic dispersion of retail sales.

Total Sales for Five Largest Metropolitan Markets in 1982, 1987 and 1992

	1982		1987		1992	
	#	%	#	%	#	%
Number of Establishments						
New York City/New Jersey	189	12.1%	296	9.9%	420	9.2%
Los Angeles/Long Beach	60	3.8%	143	4.8%	165	3.6%
Chicago	70	4.5%	86	2.9%	152	3.3%
San Francisco/Oakland	50	3.2%	98	3.3%	121	2.7%
Washington DC	60	3.8%	73	2.4%	108	2.3%
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Sum of the top five areas	429	27.4%	696	23.3%	966	21.3%
Total Sales	\$(1,000)	%	\$(1,000)	%	\$(1,000)	%
New York City/New Jersey	\$ 220,777	31.8%	\$ 478,334	31.9%	\$ 559,822	26.9%
Los Angeles/Long Beach	48,105	6.9%	88,708	5.9%	95,188	4.6%
Chicago	35,696	5.1%	74,859	5.0%	86,104	4.1%
Washington, D.C.	20,767	3.0%	30,558	2.0%	87,570	4.2%
San Francisco/Oakland	28,284	4.1%	80,129	5.3%	38,390	1.8%
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Sum of top five areas	\$ 353,629	50.9%	\$ 752,588	50.2%	\$ 867,074	41.7%

The sum of the top five areas accounted for just over half of the dollar amount of the retail sales in 1982 and 1987, but they accounted for less than 30% of the dealers in 1982 and less than 25% of the dealers in 1987. By 1992 those percentages had fallen even more to 21% of the dealers and 42% of the sales. Appendix Table 2 lists all the metropolitan areas provided in the Census data.

In the previous Research Division Note (#49) concerning retail art dealers, the growth in sales was compared with the growth in commercial real estate:

The growth in the number of dealers occurred at about the same time as the rise in the amount of commercial office space. This may suggest a relationship between the two. In 1982 both the Houston and Dallas-Fort Worth areas had much higher percentages of the national sales figures than in 1987. Both cities showed slight growth in the number of dealers from 1982 to 1987 while the volume of dollar sales dropped significantly. The average dealer sales in the two cities dropped from \$757,000 and \$775,000 in 1982 to \$427,000 and \$412,000 in 1987 respectively. The Texas commercial office real-estate market had begun its fall by the middle of the decade, earlier than the rest of the country, thus providing a possible explanation for the fall in sales. The rest of the country did not experience the office real-estate down-turn until the end of the decade. If there is a

connection between retail art sales and office real-estate, the 1992 Census results should show much slower growth nationwide.

Although there was slower growth between 1987 and 1992 than in the previous five year period, the growth was still substantial. The economy was only just coming out of a slump in 1992 and the amount of commercial real estate had not grown. Therefore, although there may be a link between the sale of art and the increase of the amount of commercial real estate, there are more reasons for the growth than the commercial real estate market.

Notes on the Census and about methodology: An Economic Census is conducted by the U.S. Bureau of the Census every five years. The reference years are the second and seventh year of the decade. The National Endowment for the Arts commissioned the Census Bureau to produce special tables of previously unpublished data collected in these censuses.

The universe of organizations that receive questionnaires is obtained from two sources: (1) filers of FICA reports (payroll tax report sent to the Social Security Administration) and (2) filers of IRS business income tax or informational reports (Form 990). The counts of numbers of organizations and their receipts/revenues in the tables and the analysis understate somewhat the actual levels of activity that occurred for two reasons. First, very small performing organizations are likely not to be included, because they have no personnel who are “employees” and do not file Form 990’s if their gross receipts are under \$25,000. Secondly, some performing organizations are operated as subsidiaries of organizations that are in a different industry (such as colleges and universities, art centers and museums). These subsidiary performing organizations would not be part of the Economic Census universe of performing arts organizations, but may be counted as part of the universe of higher education, entertainment facilities, or museums.

Because the Census Bureau releases only aggregated information, thus making it impossible to construct control groups of the same organizations from one census to the next, direct comparisons from one census to the next should be made with caution. It is the common experience of ongoing periodic surveys that the survey process, especially the development of the universe, improves with each survey. This probably results in more organizations being included each time. So an increase may be due in part to better coverage. Also, over time, more organizations may have become FICA report or Form 990 filers. It is not possible to sort out the relative importance of the various factors for increases in numbers; therefore, the characterizations of “growth” should be used cautiously.

Various terms are used interchangeably through this note. Although these terms have subtle differences in connotation, for this note, they can be thought of as synonyms. “Establishment” and “entity” are used for “organization”; “taxable” and “for profit” are interchangeable, as are “tax-exempt”, “not-for-profit” and “nonprofit”.

The difference between “receipts” (used for taxable establishments) and “revenues” (used for tax-exempt establishments) is that revenues include contributed (or unearned) income such as grants and contributions from individuals, corporations, and governments. These monies can be accounted for by the organization over a period of years, making comparisons with data from funders difficult.

To compare the real growth in revenues, receipts or expenses between censuses, the monetary figures in some of the analyses have been adjusted to account for inflation by using the Chain-type price index as published in *The Economic Report of the President 1997* (p. 304). The discussion uses the term “constant dollars” or “real growth” when figures have been adjusted for inflation. (“Nominal dollars” are figures not adjusted for inflation.) The year 1992 has been given the base of 100. The actual dollar figures for the years 1977, 1982 and 1987 can be inflated by dividing them as shown below.

year	inflater figure
1977	.475
1982	.702
1987	.831
1992	1.000

For more information and data on 1987 and 1982 censuses, see National Endowment For the Arts Research Notes #49 and #19. See below for citations.

For more details on the economic censuses and discussion about other arts organizations,
see other notes

Note # 62: Count of performing Arts Organizations Up over 30% in 1992
Note # 63: The Performing Arts Spread Out: the Geography of Performing Arts Organizations, 1992
Note # 64: Museums, Arboreta, Botanical and Zoological Gardens Report 18% Growth, 1987-1992
Note # 66: Theaters Report 22% Growth in Economic Census: 1987 -1992
Note # 67: Dance Organizations Report 43% Growth in Economic Census: 1987 -1992
Note # 68: Classical Music Organizations Report 22% Growth in Economic Census: 1987-1992

These notes are available through the National Endowment for the Arts Web site at <http://arts.endow.gov>.

Or see the report from which these notes came:

Counting Arts Organizations Using The 1992 Census Of Service Industries.

The report will be available June 1998 from:

Research Division
National Endowment for the Arts
1100 Pennsylvania Avenue, NW
Washington, DC 20506
Phone: 202-682-5432
Fax: 202-682-5677
E-mail: Bradshaw@tmn.com

Reports and Notes on previous Censuses are:

Arts Organizations and the 1987 Census of Service Industries, ERIC # ED410185

Note # 43: Census Reports Number of Performing Arts Organizations Up 11% from 1982 - 1987
Note # 44: U.S. Performing Arts organizations Increase by 11% (State and regional analysis)
Note # 45: Census Reports 28% Increase in Number of Nonprofit Theaters: 1982 - 1987
Note # 46: Census Reports 18% Increase in Nonprofit Dance Groups: 1982 - 1987
Note # 47: Census Reports 30% Increase in Nonprofit Classical Music Groups: 1982 - 1987
Note # 48: Census Reports 6% Increase in Art Museums and Art Galleries: 1982 - 1987
Note # 49: Census Reports 91% Increase in Retail Art Dealers: 1982 -1987

Note # 19: 1,563 Retail Art Dealers Report 1982 Sales of Nearly \$ 700,000,000
Note # 21: 8,322 performing Arts Organizations Report 1982 Receipts/Revenues of \$4,399,200,000
Note # 23: Geography of U.S. Performing Arts Organizations in 1982 (Part 1)
Note # 24: Geography of U.S. Performing Arts Organizations in 1982 (Part 2)
Note # 25: Geography of U.S. Performing Arts Organizations in 1982 (Part 3)
Note # 26: Aggregate Financial measures of Nonprofit Theater, Dance, and Classical Music Organizations in 1982

APPENDIX TABLE 1: U.S. RETAIL ART DEALERS AND THEIR SALES BY STATE (1992)

STATE	Number of Retail Art Dealers		Sales of Art		TOTAL SALES		Average Dealer Sales
	#	%	\$ (1,000)	%	\$ (1,000)	%	\$ (1,000)
Alabama	28	0.6%	\$6,230	0.3%	\$6,807	0.3%	\$243.1
Alaska	17	0.4%	\$8,253	0.4%	\$9,573	0.5%	\$563.1
Arizona	135	3.0%	\$49,363	2.5%	\$52,225	2.5%	\$386.9
Arkansas	18	0.4%	\$2,612	0.1%	\$2,888	0.1%	\$160.4
California	612	13.5%	\$285,229	14.5%	\$307,559	14.8%	\$502.5
Colorado	108	2.4%	\$43,248	2.2%	\$47,482	2.3%	\$439.6
Connecticut	36	0.8%	\$9,012	0.5%	\$9,584	0.5%	\$266.2
Delaware	11	0.2%	\$4,476	0.2%	\$4,560	0.2%	\$414.5
Dist Columbia	37	0.8%	\$16,500	0.8%	\$17,792	0.9%	\$480.9
Florida	330	7.3%	\$97,439	5.0%	\$101,655	4.9%	\$308.0
Georgia	106	2.3%	\$25,019	1.3%	\$26,191	1.3%	\$247.1
Hawaii	59	1.3%	\$49,759	2.5%	\$52,282	2.5%	\$886.1
Idaho	16	0.4%	\$5,047	0.3%	\$5,334	0.3%	\$333.4
Illinois	177	3.9%	\$86,714	4.4%	\$89,772	4.3%	\$507.2
Indiana	42	0.9%	\$9,555	0.5%	\$10,058	0.5%	\$239.5
Iowa	47	1.0%	\$12,174	0.6%	\$12,875	0.6%	\$273.9
Kansas	29	0.6%	\$4,294	0.2%	\$4,538	0.2%	\$156.5
Kentucky	39	0.9%	\$5,611	0.3%	\$6,009	0.3%	\$154.1
Louisiana	60	1.3%	\$26,223	1.3%	\$27,665	1.3%	\$461.1
Maine	24	0.5%	\$4,626	0.2%	\$5,735	0.3%	\$239.0
Maryland	84	1.8%	\$20,435	1.0%	\$22,755	1.1%	\$270.9
Massachusetts	124	2.7%	\$39,863	2.0%	\$42,157	2.0%	\$340.0
Michigan	137	3.0%	\$55,061	2.8%	\$61,031	2.9%	\$445.5
Minnesota	102	2.2%	\$22,981	1.2%	\$25,328	1.2%	\$248.3
Mississippi	12	0.3%	\$3,046	0.2%	\$3,149	0.2%	\$262.4
Missouri	67	1.5%	\$20,484	1.0%	\$22,969	1.1%	\$342.8
Montana	33	0.7%	\$7,189	0.4%	\$7,606	0.4%	\$230.5
Nebraska	25	0.6%	\$3,867	0.2%	\$5,165	0.2%	\$206.6
Nevada	33	0.7%	\$22,715	1.2%	\$23,123	1.1%	\$700.7
New Hampshire	12	0.3%	\$1,738	0.1%	\$3,012	0.1%	\$251.0
New Jersey	121	2.7%	\$40,736	2.1%	\$42,436	2.0%	\$350.7
New Mexico	124	2.7%	\$88,187	4.5%	\$90,775	4.4%	\$732.1
New York	515	11.3%	\$584,037	29.7%	\$567,290	27.3%	\$1,101.5
North Carolina	87	1.9%	\$18,957	1.0%	\$20,932	1.0%	\$240.6
North Dakota	2	0.0%	(D)	(D)	(D)	(D)	(D)
Ohio	124	2.7%	\$27,509	1.4%	\$29,675	1.4%	\$239.3
Oklahoma	29	0.6%	\$4,358	0.2%	\$5,701	0.3%	\$196.6
Oregon	70	1.5%	\$14,527	0.7%	\$17,823	0.9%	\$254.6
Pennsylvania	131	2.9%	\$41,817	2.1%	\$48,342	2.3%	\$369.0
Rhode Island	14	0.3%	\$2,910	0.1%	\$3,004	0.1%	\$214.6
South Carolina	56	1.2%	\$9,922	0.5%	\$11,535	0.6%	\$206.0
South Dakota	5	0.1%	(D)	(D)	(D)	(D)	(D)
Tennessee	64	1.4%	\$12,197	0.6%	\$13,218	0.6%	\$206.5
Texas	230	5.1%	\$62,547	3.2%	\$68,312	3.3%	\$297.0
Utah	29	0.6%	\$6,202	0.3%	\$6,711	0.3%	\$231.4
Vermont	16	0.4%	\$5,334	0.3%	\$5,589	0.3%	\$349.3
Virginia	83	1.8%	\$18,249	0.9%	\$19,315	0.9%	\$232.7
Washington	141	3.1%	\$45,224	2.3%	\$47,759	2.3%	\$338.7
West Virginia	12	0.3%	\$2,715	0.1%	\$2,804	0.1%	\$233.7
Wisconsin	98	2.2%	\$19,504	1.0%	\$21,779	1.0%	\$222.2
Wyoming	32	0.7%	\$8,742	0.4%	\$9,757	0.5%	\$304.9
Total U.S.	4,543	100.0%	\$ 1,963,567	100.0%	\$2,080,789	100.0%	\$458.0

(D) Data has been withheld to avoid disclosure for individual dealers. The data is included in the total for the Total U.S.

APPENDIX TABLE 2: METROPOLITAN SALES MARKETS IN 1982, 1987 and 1992

Number of Establishments	1982		1987		1992	
	#	%	#	%	#	%
New York City/New Jersey	189	12.1%	296	9.9%	420	9.2%
Los Angeles/Long Beach	60	3.8%	143	4.8%	165	3.6%
Chicago	70	4.5%	86	2.9%	152	3.3%
San Francisco/Oakland	50	3.2%	98	3.3%	121	2.7%
Washington DC	60	3.8%	73	2.4%	108	2.3%
Sum of the top five areas	429	27.4%	696	23.3%	966	21.3%
Denver/Boulder	28	1.8%	54	1.8%	46	1.0%
Minneapolis/St Paul	24	1.5%	50	1.7%	75	1.6%
Anaheim/Santa Anna	17	1.7%	49	1.6%	67	1.4%
Boston	36	2.3%	48	1.6%	76	1.6%
Seattle	15	1.0%	46	1.5%	93	2.0%
Detroit	34	2.2%	45	1.5%	78	1.7%
San Diego	31	2.0%	43	1.4%	59	1.2%
Dallas/Ft Worth	35	2.2%	41	1.4%	80	1.8%
Philadelphia	27	1.7%	38	1.3%	67	1.4%
Houston	32	2.0%	38	1.3%	53	1.2%
Nassau-Suffolk NY	15	1.0%	31	1.0%	57	1.2%
Baltimore	20	1.3%	32	1.1%	43	1.0%
Atlanta	16	1.0%	31	1.0%	68	1.4%
St Louis	14	0.9%	29	1.0%	48	1.1%
Sum of Metro Areas	773	49.5%	1,271	42.6%	1,876	41.2%
All U.S. dealers	1,563	100%	2,982	100%	4,543	100%
Total Sales	\$(1,000)	%	\$(1,000)	%	\$(1,000)	%
New York City/New Jersey	\$ 220,777	31.8%	\$ 478,334	31.9%	\$ 559,822	26.9%
Los Angeles/Long Beach	48,105	6.9%	88,708	5.9%	95,188	4.6%
Chicago	35,696	5.1%	74,859	5.0%	86,104	4.1%
San Francisco/Oakland	28,284	4.1%	80,129	5.3%	87,570	4.2%
Washington, D.C.	20,767	3.0%	30,558	2.0%	38,390	1.8%
Sum of top five areas	\$ 353,629	50.9%	\$ 752,588	50.2%	\$ 867,074	41.7%
Denver/Boulder	\$ 7,586	1.1%	13,751	0.9%	17,309	0.8%
Minneapolis/St. Paul	4,707	0.7%	18,374	1.2%	20,923	1.0%
Boston	27,884	4.0%	26,812	1.8%	31,049	1.5%
Anaheim/Santa Anna	5,656	0.8%	25,819	1.7%	27,196	1.3%
Seattle	3,681	0.5%	18,577	1.2%	37,701	1.8%
Detroit	11,469	1.7%	23,465	1.6%	48,923	2.4%
San Diego	15,280	2.2%	29,656	2.0%	24,501	1.2%
Dallas/Ft Worth	25,631	3.7%	16,884	1.1%	28,400	1.4%
Philadelphia	8,140	1.2%	26,071	1.7%	27,378	1.3%
Houston	24,220	3.5%	16,209	1.1%	13,984	0.7%
Nassau-Suffolk NY	3,247	0.5%	10,482	0.7%	26,373	1.4%
Baltimore	5,447	0.8%	6,884	0.5%	10,971	0.5%
Atlanta	3,412	0.5%	17,067	1.1%	19,942	1.0%
St Louis	2,418	0.3%	7,200	0.5%	16,936	0.8%
Sum of Metro Areas	\$ 502,407	72.3%	\$1,009,839	67.4%	\$1,218,660	58.6%
All U.S. sales	\$ 694,847	100%	\$ 1,499,301	100%	\$2,080,789	100