



Research Division
Note #79
April 2002

The Arts in the GDP: Consumers Spend \$9.8 Billion on Admissions to Performing Arts Events in 2000

Recently released data from the Bureau of Economic Analysis (BEA), a division of the U.S. Department of Commerce, show that consumers spent \$9.8 billion (or \$35.60 per person) on admissions to performing arts events in 2000. Also, 2000 spending on performing arts was \$1.7 billion greater than admissions to movie theaters and \$500 million more than spending on spectator sports. This note, #79, summarizes consumer spending on arts and entertainment and other types of recreation spending¹.

GROWTH IN ADMISSION RECEIPTS FOR PERFORMING ARTS EVENTS, MOTION PICTURES, AND SPECTATOR SPORTS

Table 1 shows estimates of admission receipts for performing arts events, motion pictures, and spectator sports in 1989 through 2000. Measured in chained 1996 dollars to control for inflation², real spending on performing arts events increased from \$5.7 billion in 1989 to \$8.4 billion in 2000—a 47 percent increase. Spending at movie theaters and spectator sports events also increased. Over the 12-year-period, consumer expenditures on these two categories grew by 15 percent and 45 percent, respectively.

More recently, however, spending on performing events exhibited a modest decline. The \$8.4 billion spent in 2000 was down \$100 million, or 1.2 percent, from the \$8.5 billion estimated for 1999. Spending in 2000 on admissions to movie theaters was also down \$100 million, or 1.4 percent, from the 1999 estimate. Expenditures on admissions to spectator sporting events was constant—\$8 billion in 1999 and 2000.

Chart 1 shows growth patterns in these three components of recreation expenditures measured by the BEA. Between 1989 and 1991, real consumer spending on each of the admission categories tended to be comparable. In 1989, for instance, consumers spent \$5.7 billion on performing arts events, \$5.9

¹ This note analyzes spending on admissions to the performing arts and other recreation spending in 1989 through 2000, the most current data available from the BEA. It does not address changes in spending that may have resulted from the 2001 economic recession and terrorist attacks in New York City and Washington, D.C.

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

billion at movie theaters, and \$5.5 billion on spectator sports. However, beginning in 1992, real growth in spending on 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” (i.e., adjusted for inflation) spending on the performing arts above expenditures on movie and spectator sports admissions. For example, in 1997, real expenditures for performing arts events were 38 percent and 22 percent larger than spending at movie theaters and sporting events, respectively. Though spending on performing arts admissions remains high, spectator sports admissions have gained ground in recent years. Following strong growth in 1998 and 1999, real spending on sports events was \$400 million, or 5 percent, below expenditures on performing arts admissions in 2000.

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, movies theaters, and spectator sports. Like Table 1., the data are presented in nominal and real dollar values. Among the findings are 2000 per capita spending on performing arts of \$35.60 (nominal dollars). This compares to \$29.40 on motion picture admissions and \$33.80 for spectator sports. On a per capita basis, therefore, spending on the performing arts in 2000 was 21 percent larger than spending at movie theaters and 5 percent greater than expenditures for spectator sports.

Over the past five years (1996-2000), real per capita expenditures on total admissions (i.e., all three categories) grew by 8 percent. On performing arts events, real per capita spending was \$30.20 in 1996 and \$30.50 in 2000—only a slight increase of about 30 cents. On movie theater admissions, expenditures rose from \$21.90 in 1996 to \$24.70 in 2000; real per capita spending on spectator sports increased from \$26.00 in 1996 to \$29.10 in 2000. 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 4.1 percent in 2000. In fact, 2000 marked the closing of a 10-year economic expansion that began in March 1991 and ended March 2001³. Between 1999 and 2000, percentage gains, albeit slower, were also recorded for real personal consumption expenditures (4.8 percent) and recreation expenditures (9.9 percent).

Table 3 also shows select types of recreation expenditures as a percentage of total recreation spending in 1995-2000. As a share of total recreation spending, outlays on admissions to performing arts, movie theaters, and spectator sports declined throughout the six-year period. In 1995, for example, consumer spending on performing arts events made up 2 percent of all recreation spending. By 2000, this share fell to 1.4 percent. Over this period, movie theater admissions fell from 1.5 percent to 1.1 percent; spectator sports events dropped from 1.6 percent to 1.3 percent.

Shares of other types of recreation spending also fell. In 1995, 3.4 percent of recreation spending was on flowers, seeds, and potted plants. In 2000, the share was 2.8 percent. Similarly, spending on “commercial participant amusements” (a broad category that includes spending on site seeing, private flying, bowling, billiards, casino gambling, and amusements parks) dropped from 11.3 percent of recreation spending in 1995 to 10.1 percent in 2000.

In fact, most of the select forms of recreation spending shown in Table 3 fell as a share of all recreation spending because they could not keep pace with the high growth in spending on computers and software and video and audio goods. For example, in 1995, consumer spending on computers and software constituted 3.7 percent of recreation expenditures. By 2000, this share soared to 19.7 percent.

ANNUAL REVISIONS TO NIPA (NATIONAL INCOME AND PRODUCT ACCOUNTS)

The figures published in this and earlier notes on performing arts admissions were taken from the BEA’s National Income and Product Accounts (NIPA). The BEA annually revises historical NIPA estimates, including the revisions conducted in 2001, which are reported in this note⁴. For example, the 1999 estimate for real spending on admissions to performing arts was reported in Research Division Note #77, published in February 2001, as \$9.2 billion. The BEA revised this figure down to \$8.5 billion, as shown in Table 1 of this note. Estimates of 1999 real spending at movie theaters and spectator sports were revised upward by \$200 million and \$600 million, respectively.

³ For more information about the U.S. economy in 2000, see *Monetary Policy Report to the Congress* in Federal Reserve Bulletin, March 2001; and *New Economy, New Recession?* by Koenig, Siems, and Wayne, March 2002, Federal Reserve Bank of Dallas.

⁴ For more information on NIPA revisions, see *Annual Revision of the National Income and Product Accounts: Annual Estimates, 1998-2000, and Quarterly Estimates, 1998:I-2001:I*, Survey of Current Business, August 2001.

Due to annual NIPA revisions, 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 notes.

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 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.

For additional information about the economic and demographic figures reported in this note, see the following sites:

Bureau of Economic Analysis

www.bea.gov

Census Bureau

www.census.gov

Table 1. Admission Receipts to Performing Arts Events, Motion Pictures, and Spectator Sports: 1989-2000

Measured in Billions

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
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	\$23.4	\$22.3	\$8.7	\$8.3	\$6.9	\$6.6	\$7.7	\$7.4
1999	\$25.8	\$23.3	\$9.3	\$8.5	\$7.6	\$6.9	\$8.8	\$8.0
2000	\$27.3	\$23.2	\$9.8	\$8.4	\$8.1	\$6.8	\$9.3	\$8.0

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
1989	11.7%	4.3%	0.8%	-5.9%	17.7%	10.0%	18.3%	10.6%
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	5.9%	3.7%	1.2%	-1.2%	9.5%	8.2%	8.5%	7.2%
1999	10.3%	4.5%	6.9%	2.4%	10.1%	4.5%	14.3%	8.1%
2000	5.8%	-0.4%	5.4%	-1.2%	6.6%	-1.4%	5.7%	0.0%

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.

Table 2. Per Capita Expenditures on Performing Arts Events, Motion Pictures, and Spectator Sports: 1989-2000

Year	U.S. Resident Population (in millions)	<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
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	\$86.6	\$82.5	\$32.2	\$30.7	\$25.5	\$24.4	\$28.5	\$27.4
1999	272.7	\$94.6	\$85.4	\$34.1	\$31.2	\$27.9	\$25.3	\$32.3	\$29.3
2000	275.1	\$99.2	\$84.3	\$35.6	\$30.5	\$29.4	\$24.7	\$33.8	\$29.1

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

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

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Table 3. GDP, Consumption Expenditures, and Recreation Expenditures: 1995-2000

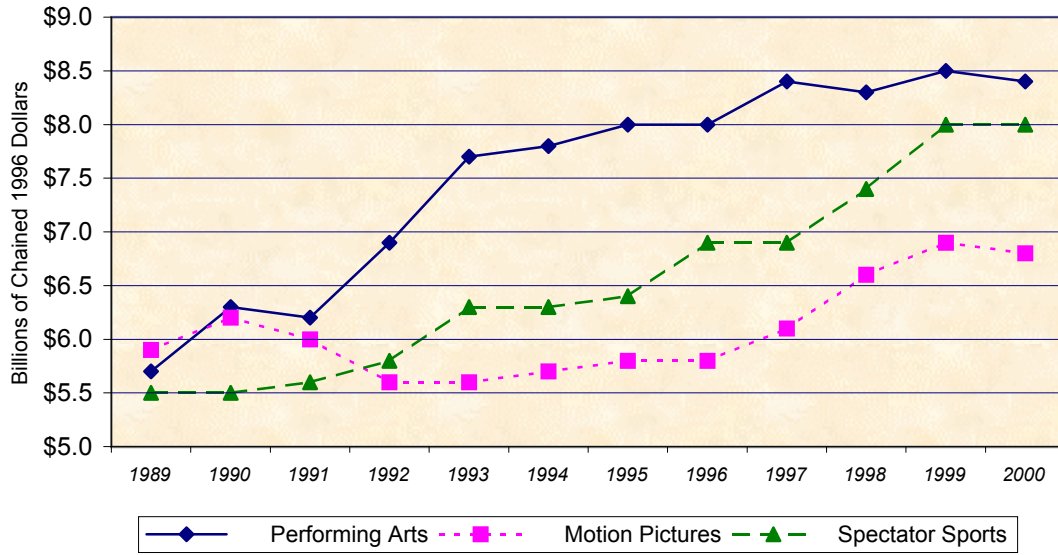
	1995	1996	1997	1998	1999	2000
<i>(billions of 1996 dollars)</i>						
Real GDP (change from previous year)	\$7,543.8 2.7%	\$7,813.2 3.6%	\$8,159.5 4.4%	\$8,508.9 4.3%	\$8,856.5 4.1%	\$9,224.0 4.1%
Real personal consumption expenditures (change from previous year)	\$5,075.6 3.0%	\$5,237.5 3.2%	\$5,423.9 3.6%	\$5,683.7 4.8%	\$5,968.4 5.0%	\$6,257.8 4.8%
Real recreation expenditures (change from previous year)	\$398.7 9.2%	\$429.6 7.8%	\$463.7 7.9%	\$506.3 9.2%	\$559.6 10.5%	\$614.9 9.9%
<i>Select Expenditures as a % of All Real Recreation Expenditures</i>						
	1995	1996	1997	1998	1999	2000
Admissions to performing arts events	2.0%	1.9%	1.8%	1.6%	1.5%	1.4%
Admissions to motion picture theaters	1.5%	1.4%	1.3%	1.3%	1.2%	1.1%
Admissions to spectator sports events	1.6%	1.6%	1.5%	1.5%	1.4%	1.3%
Books and maps	6.0%	5.8%	5.6%	5.4%	5.4%	5.4%
Magazines, newspapers, and sheet music	6.8%	6.4%	6.2%	5.9%	5.6%	5.6%
Flowers, seeds, and potted plants	3.4%	3.5%	3.4%	3.2%	3.1%	2.8%
Video and audio goods and musical instruments	13.4%	13.1%	13.0%	13.3%	14.0%	14.9%
Computers, peripherals, and software	3.7%	5.5%	8.2%	12.0%	16.2%	19.7%
Commercial participant amusements	11.3%	11.2%	11.1%	10.8%	10.5%	10.1%

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

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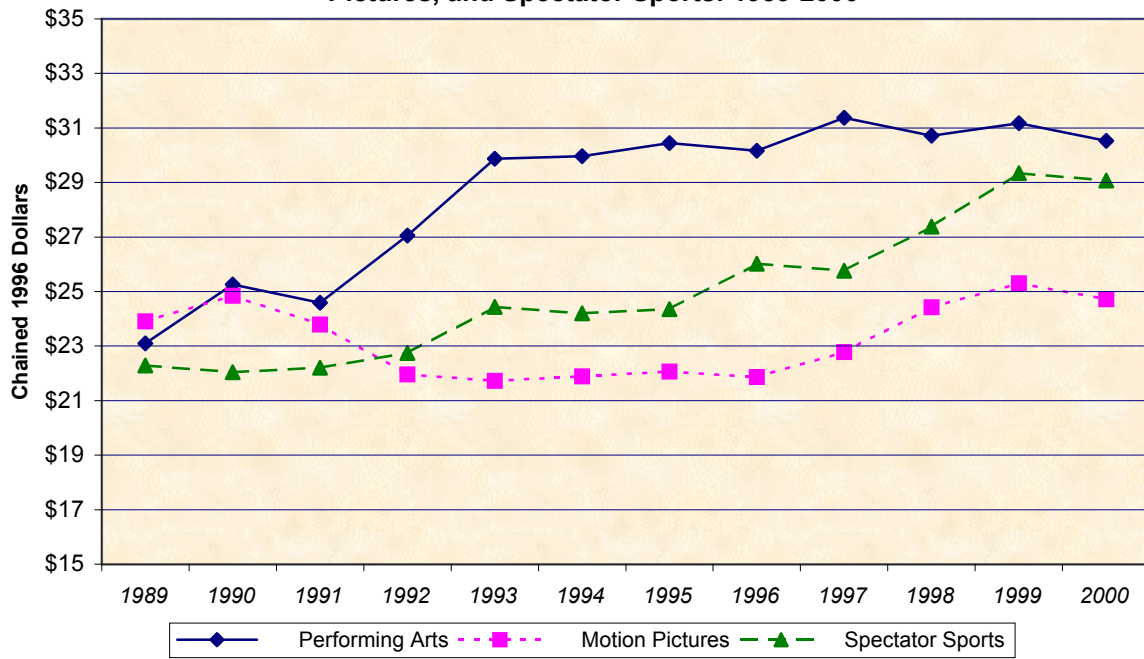
Note: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.

Chart 1. Admission Receipts for Performing Arts Events, Motion Pictures, and Spectator Sports: 1989-2000



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

Chart 2. Real Per Capita Expenditures on Performing Arts Events, Motion Pictures, and Spectator Sports: 1989-2000



Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census.
 Note: "Real" refers to estimates measured in 1996 chained dollars to control for inflation.