

An Economic Summary of Utah's Cultural Industry

Economic Contributions

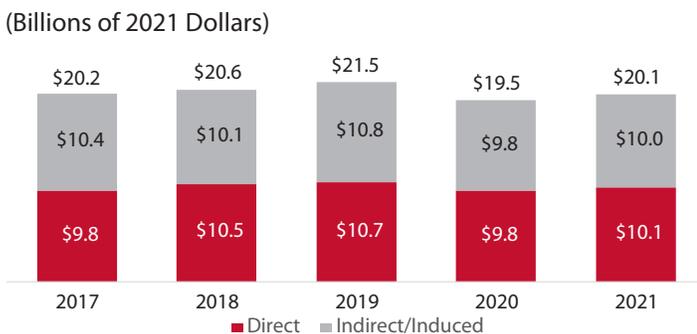
In 2021, Utah's cultural industry, which comprises the design, education, entertainment, fashion, film, humanities, and traditional arts sectors, generated \$10.1 billion in output (direct spending) and supported an estimated 65,300 Utah jobs (Figures 1 and 4).^{1,2} This \$10.1 billion in cultural industry output composed 2.4% of total output in Utah in 2021 (Figure 2). Utah's cultural industry generated \$4.8 billion in GDP, which was 2.1% of total statewide GDP (Figure 3).³ The cultural industry activity generated an additional \$10.0 billion of output and \$5.0 billion of GDP in indirect and induced effects.

From 2020 to 2021, there was a 3.5% year-over increase in direct output after adjusting for inflation. In addition, this \$10.1 billion in direct output indirectly supported an additional 59,800 jobs for a total of 125,100 Utah jobs. This means that about 7.5% of all Utah jobs are either directly or indirectly supported by the cultural industry.

Utah's 65,300 cultural industry jobs experienced a 9.6% year-over increase from 2020 and nearly rebounded completely to baseline 2019 jobs (65,600). These jobs composed a 3.9% share of total statewide jobs and experienced the third fastest year-over growth after the information sector and leisure and hospitality sector (Figures 5 and 6).⁴

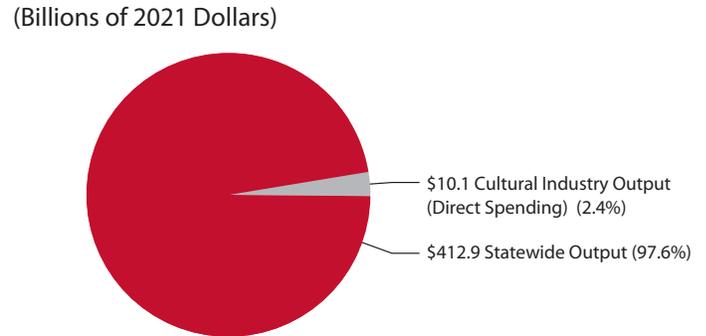
Specifically, cultural jobs in the advertising, marketing, and photography business sectors added the greatest number of new jobs from 2019, while jobs in motion pictures, sound

Figure 1: Utah Cultural Industry Output (Total Spending), 2017-2021
(Billions of 2021 Dollars)



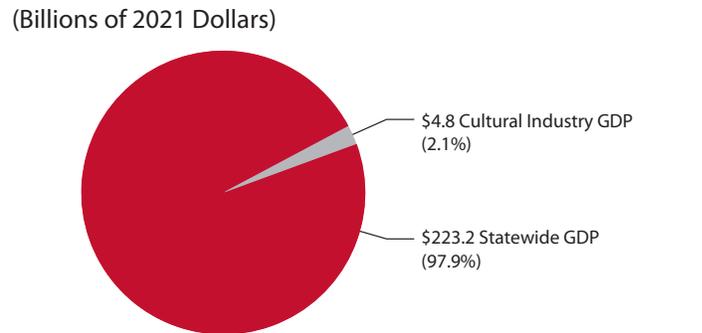
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 2: Utah Cultural Industry Output (Direct Spending) As Share of Utah Output, 2021
(Billions of 2021 Dollars)



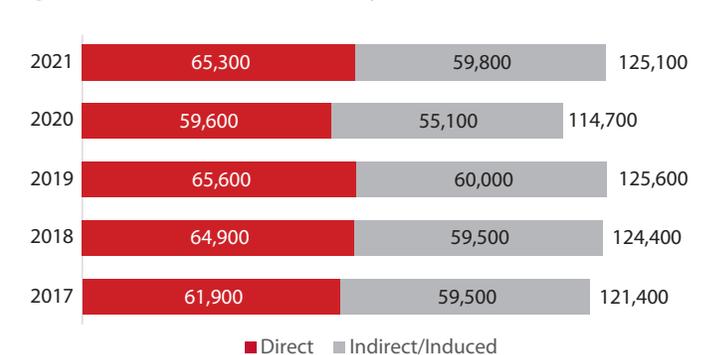
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics data

Figure 3: Utah Cultural Industry GDP As Share of Utah GDP, 2021
(Billions of 2021 Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics data

Figure 4. Total Cultural Industry Jobs, 2017-2021



Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

recording, broadcasting, performing arts, museums, and publishing had yet to reach pre-pandemic levels. Additionally, the creative arts education sector achieved the greatest two-year-over growth (10.5% from 2019 to 2021), followed by grantmaking/professional organizations (8.3%), and the cultural arts wholesale sector (7.7%) (Figure 7).

Utah's cultural industry job profile has shifted slightly over time. For instance, in 2012, 11.4% of cultural industry jobs were in advertising and marketing; today, advertising and marketing jobs represent a 16.9% share (Figure 8). Conversely, publishing/broadcasting jobs, which made up 18.3% share of all cultural industry jobs in 2012, dropped to a 12.8% share in 2021.

Finally, cultural industry employment generated a total of \$5.9 billion in labor income in 2021, a 3.0% year-over increase after adjusting for inflation; however, labor income was still down 6.3% from 2019 (pre-pandemic baseline).⁵

Public Investment

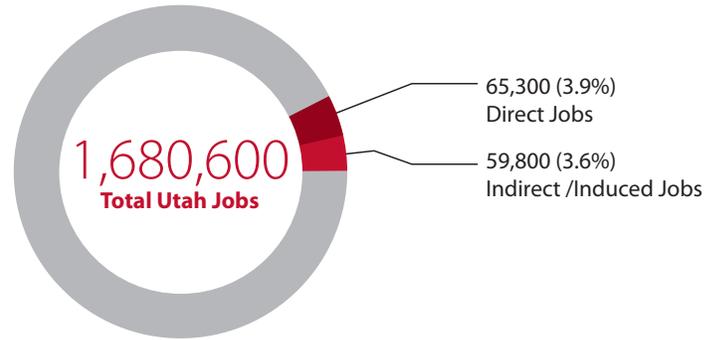
In 2019, the Utah Legislature began making increased investments in Utah's cultural industry-wide programs through both ongoing and one-time funding (Figure 9).⁶ Prior to 2018, annual ongoing legislative funding had remained at \$1.4 million for about 20 years.⁷ In 2019, the Legislature appropriated \$2.0 million in one-time funding to increase UA&M's grant program. The following year, the Legislature re-appropriated this \$2.0 million from one-time to ongoing UA&M grant funding, while adding another \$1.0 million in ongoing funding. This raised the state's appropriations to \$4.4 million (including NEA funds). In 2021, the Legislature increased the UA&M grant program by an additional \$3.0 million, which raised the ongoing funding pool to \$7.4 million (including NEA funds).⁸

National Rankings

Although increased legislative funding impacts may not be known for several more years, Utah has improved its ranking compared with other states over the last 10 years. Utah's national ranking has improved in the areas of cultural industry employment, compensation, and GDP. According to the U.S. Bureau of Economic Analysis' Arts and Culture Productions Satellite Account (ACPSA), in 2020 (most current year), Utah ranked 4th of all 50 U.S. states based on share of cultural arts employment to total state employment (Figure 10). Utah ranked 5th in the nation for cultural industry compensation as share of total statewide compensation (up from 13th in 2011) in 2011). The state ranked 8th in cultural industry GDP as a share of total statewide GDP (up from 12th in 2011) (Figure 11).

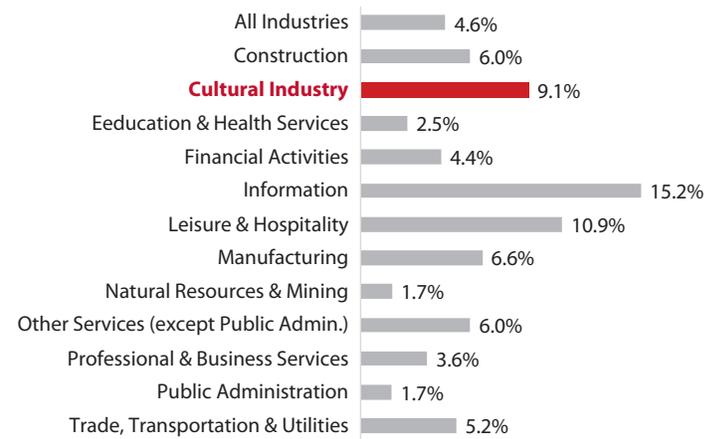
Figure 5: Cultural Industry Jobs as Share of Total Utah Jobs, 2021

About 7.5% of Utah jobs are in, or indirectly supported by, the cultural industry.



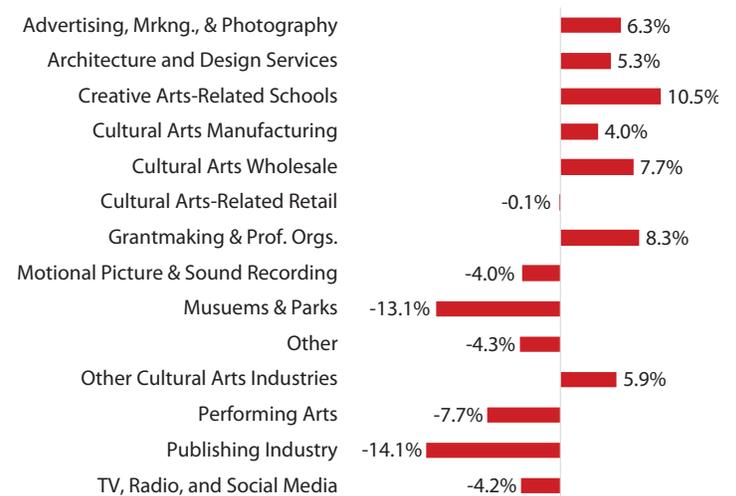
Note: Includes full- and part-time private and public employment; includes sole proprietors. Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 6: Year-Over Change in Jobs by Industry, 2020-2021



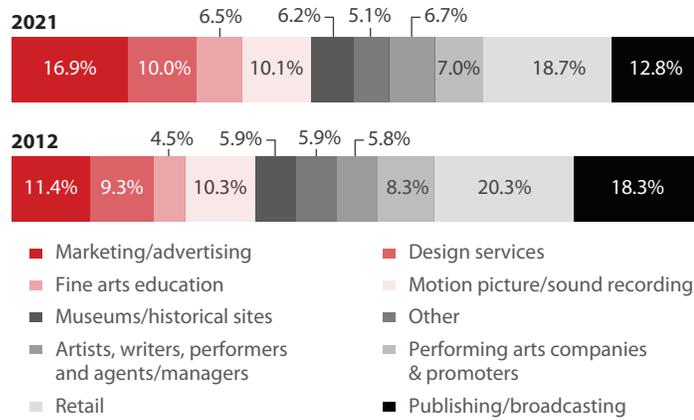
Note: Includes full- and part-time private and public employment; includes sole proprietors. Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 7: Two-Year Change in Cultural Industry Jobs by Sector, 2019-2021



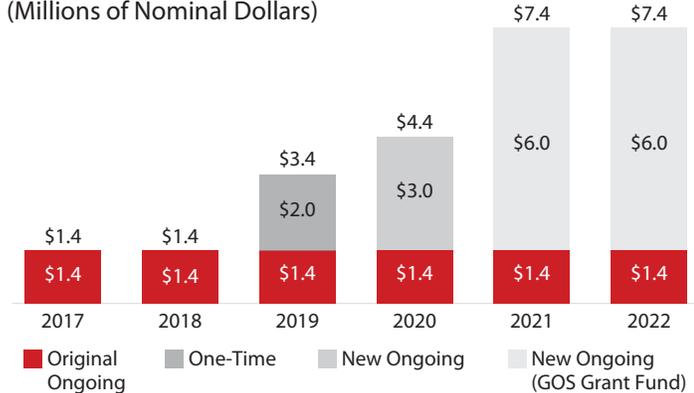
Note: "Other" includes jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, and Photofinishing. Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 8: Cultural Industry Job Profile by Industry Type, 2012 vs. 2021



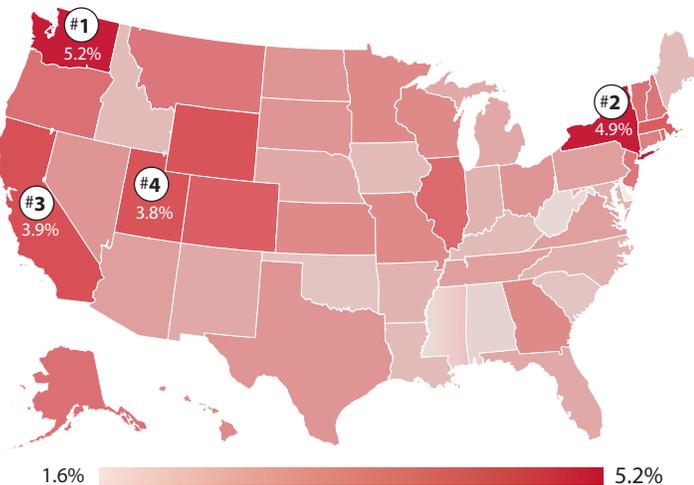
Note: "Other" includes jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, and Photofinishing; manufacturing and wholesales jobs have been removed.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 9: Funding Appropriated to Utah Arts & Museums Grant Program, 2017-2022
(Millions of Nominal Dollars)



Note: From \$400,000 to \$700,000 of the original \$1.4 million in ongoing legislative funding is National Endowment of the Arts matching funds; the \$6 million GOS funds in 2021 and 2022 represent funding for general operating support grants.
Source: Utah Compendium of Budget Information (COBI).

Figure 10: U.S. Cultural Production Employment Share of Total Employment by State, 2020



Note: District of Columbia is not included.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 11: Utah Cultural Industry National Rankings, 2020



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Tax Revenue

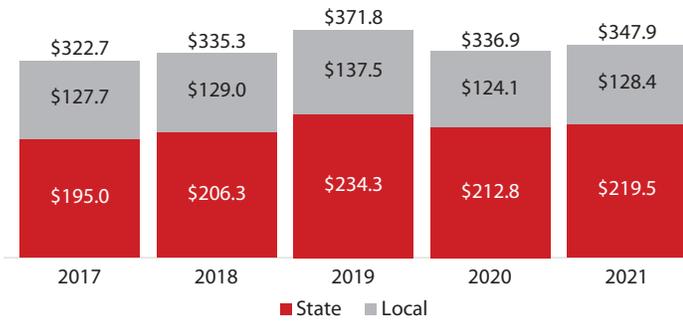
Tax revenue generated by cultural industry activity supports health and human services, public safety, and other statewide services through General Fund contributions. In 2021, cultural industry spending generated an estimated \$347.9 million in direct tax revenue, a 3.3% year-over increase after adjusting for inflation (Figure 12). This \$347.9 million in tax revenue included \$219.5 million in state and \$128.4 million in local tax revenue. Of total direct tax revenue, state sales tax was the largest share at \$102 million, followed by local property tax at \$87 million (Figure 13). The \$102 million in state sales tax revenue represented a 2.5% share of estimated total state and local tax revenue, 1.4% share of state income tax revenue, 1.5% share of corporate profits tax revenue, and 2.0% share of property tax revenue (Figure 15).

Currently, eight counties and 50 municipalities in Utah levy a 0.1% Recreation, Arts, & Parks (RAP) or Zoo, Arts, & Parks (ZAP) tax. Generally speaking, cities and counties use RAP taxes to support recreation, arts & culture, and parks in their communities. State statute only regulates the allowed uses of Salt Lake County's ZAP taxes. The use and split between the allowed investments are set by a municipalities' legislative body and not all municipalities use their RAP taxes to invest in their cultural industries and infrastructure. Figure 14 shows the state's 2021 RAP tax revenue from 2019-2021, including the estimated visitor-generated and resident-generated portions. The visitor-generated RAP tax share is an estimated 12% on a statewide basis.

Cultural Tourism Contributions

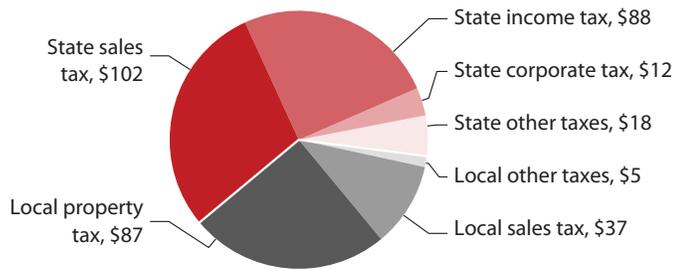
Utah's diverse outdoor recreation, historical, and cultural opportunities support the state's \$10.56 billion-dollar tourism industry. In addition to its five national parks, 11 national places, and 15 ski resorts, Utah is home to hundreds of art galleries, theaters, and cultural arts venues. Utah also hosts popular cultural events, including the Sundance Film Festival, Utah Shakespeare Festival, and Park City Arts Festival. According to Omnitrak TraveltrakAmerica Survey data, over the past five years an average of 11% of survey respondents indicated an arts and culture activity as their primary or secondary reason for visiting

Figure 12: Direct Tax Revenue, 2017-2021
(Millions of 2021 Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 13: Direct Tax Revenue by Tax Type, 2021
(Millions of 2021 Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

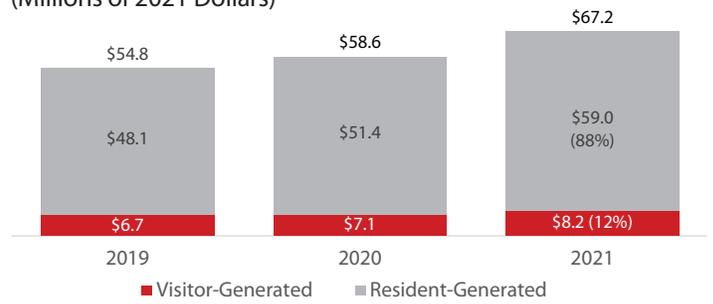
Utah. Likewise, one in three out-of-state visitors, and one in four in-state visitors, indicated that they participated in an arts and culture activity while in Utah, even when it was not their primary or secondary reason for visiting. Arts and culture activities include visiting art galleries and festivals, historic sites, museums, arts and crafts fairs, Native American ruins and rock art, and musical concerts, theater, and festivals.

Omnitrak reports that in 2021, arts and culture visitors spent an average \$830 per Utah travel party per trip, which is above the average per party per trip spend of \$776. About one-third of that spend, however, was on transportation to Utah, meaning that the other two-thirds was spent in Utah. Assuming one in 10 travelers visit Utah for an arts and culture experience, it can be estimated that cultural tourism generates around \$1 billion

Endnotes

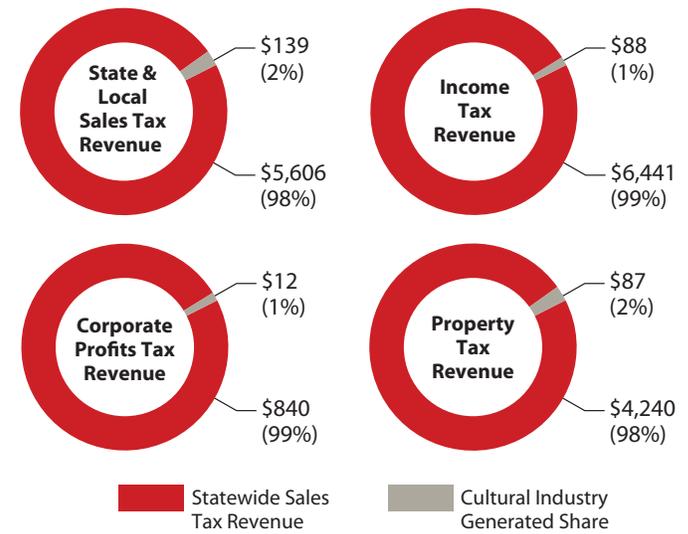
- 1 This economic contribution study assesses the economic multiplier effects associated with the current or predicted level of output (spending) generated by Utah's cultural industry on a statewide basis. Economic contributions studies capture the economic expanse of all cultural industry spending and show the relative reach and magnitude of the industry in the Utah economy. In contrast, economic impact studies measure the changes in the size and structure of a region's economy that occur when goods and services are purchased from vendors within the region with money generated outside the region.
- 2 For this analysis, the Gardner Institute utilized 83 cultural industry NAICS codes identified by the Utah Cultural Alliance and their advisory board of economists and economic development professionals to define the industry in Utah. Researchers entered industry codes into Chmura's JobsEQ software tool to generate cultural industry jobs and then entered jobs into IMPLAN economic modeling software to produce industry output, GDP, jobs, labor income, and tax revenue.
- 3 This ratio (2.1%) of direct GDP impact from the cultural industry divided by statewide GDP represents a slight decrease from the 2020 analysis (2.2%). Last year's publication

Figure 14: Statewide RAP Tax Revenue, 2017-2021
(Millions of 2021 Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 15: Cultural Industry Generated Shares of Statewide Sales, Income, Corporate, and Property Tax Revenues, 2021
(Millions of 2021 Dollars)



Note: 2021 tax revenue is estimated based on the average of FY20 and FY21 revenue amounts. Source: Kem C. Gardner Policy Institute analysis of Utah State Tax Commission data

in annual statewide spending. After accounting for the travel-to-Utah spending share (e.g. airline tickets, gasoline to get to Utah, etc.), it is estimated that Utah's cultural arts visitors spend roughly \$650 million in Utah's economy each year, generating statewide and regional economic impact.

- with the 2020 economic contribution analysis reported a 9.0% share but that represented total output effects divided by statewide GDP. That same measure came down slightly with the 2021 economic contribution analysis, to 8.8%.
- Jobs include full- and part-time private and public employment, and self-employment.
- Labor income is the sum of employee compensation (wages and benefits) and proprietor income.
- This increase was likely due in part to the Legislature recognizing value in the Utah Division of Arts & Museums (UA&M) grant review, transparent application, and community evaluation process. Also, channeling grant requests to UA&M reduced the number of direct requests for appropriations during the legislative process.
- Over the last several years, between \$400,000 and \$700,000 of these grant funds have come from the federal government, through the National Endowment for the Arts (NEA).
- Beginning in 2021, \$6.0 million of the \$7.4 million have been placed in a separate line item by the Legislature and are used primarily for general operating support (GOS) grants.