



Cultural Industry Economic Impact

STATE OF UTAH

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**UTAH CULTURAL ALLIANCE
FOUNDATION**



Cultural Industry Economic Impact

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With this latest report, we invite you to join us in an exploration of Utah's rich cultural tapestry and the economic vitality fueled by our arts, museums, humanities, and entertainment sectors.

This endeavor would not have been possible without the invaluable collaboration and support of our esteemed data partners: Zions Bank, Salt Lake County Division of Arts and Culture, Arts Council Park City & Summit County, Park City Chamber & Visitors Bureau, and Bear River Association of Governments. A special acknowledgment is due to Kem C. Gardner Policy Institute for their expertise in compiling and analyzing the data that forms the backbone of this report. Their meticulous work offers us not just numbers and figures but a narrative that underlines the integral role of culture in Utah's economic ecosystem.

From the red rock galleries of Southern Utah to the innovative theaters of the Wasatch Front, from the heritage-rich celebrations of our diverse communities to the cutting-edge film productions that find a home in our state, Utah's cultural industry is as varied as it is vibrant. This report highlights the substantial contributions these sectors make to our economy, from job creation to revenue generation, and the immeasurable value that they add to the quality of life for all Utahns.

As you consider these findings, we respectfully ask that you consider:

- Prioritize restoring \$2 million in grant funding to the Utah Division of Arts & Museums

Your investment ensures arts and cultural organizations throughout Utah can provide critical programming to citizens throughout the state. Together, we can ensure that the arts and cultural industry thrive and enrich the lives of all who call Utah home.

Ernesto Balderas

Interim Executive Director

Utah Cultural Alliance Foundation

An Economic Summary of Utah's Cultural Arts Industry

Economic Contributions In 2022

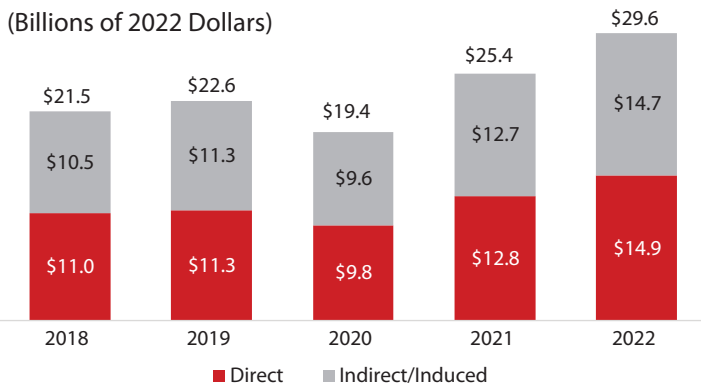
Utah's cultural industry, including the design, education, entertainment, fashion, film, humanities, and traditional arts sectors, generated \$14.9 billion in output (direct spending) and supported an estimated 69,820 Utah jobs in 2022 (Figures 1 and 4).^{1,2} The \$14.9 billion represents 3.1% of total statewide output (Figure 2). Utah's cultural industry also generated \$6.8 billion in GDP, representing 2.6% of total statewide GDP (Figure 3). Cultural industry activity generated an additional \$14.7 billion in output and \$7.5 billion in GDP through indirect and induced effects.

Utah's cultural industry experienced a 16.8% year-over increase in direct output after adjusting for inflation. The \$14.9 billion in direct output indirectly supported an additional 76,440 jobs for a total of 146,260 Utah jobs (Figure 4).³ About 8.4% of all Utah jobs were either directly or indirectly supported by the cultural industry in 2022 (up from 7.5% in 2021, Figure 5).

Utah's 69,820 direct cultural industry jobs experienced a 7.2% year-over increase, which was the fourth fastest year-over growth rate among all job sectors after leisure and hospitality, information, and natural resources and mining (Figure 6).

The motion picture and sound recording sector added the greatest number of jobs from 2021 to 2022 (1,970), while the TV, radio, and social media broadcasting sector experienced the greatest decline in jobs (-1,000). The motion picture and sound recording sector experienced the greatest year-over growth (35.5%), followed by publishing (22.1%, Figure 7).

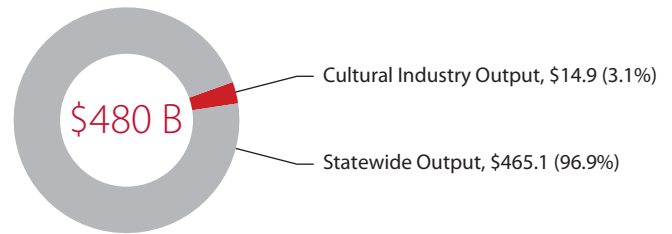
Figure 1: Cultural Industry Output (Total Spending), 2018-2022



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

Figure 2: Cultural Industry Output (Direct Spending) As Share of Statewide Output, 2022

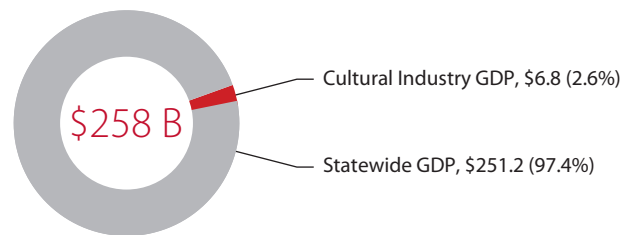
(Billions of Dollars)



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

Figure 3: Cultural Industry GDP As Share of Statewide GDP, 2022

(Billions of Dollars)



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

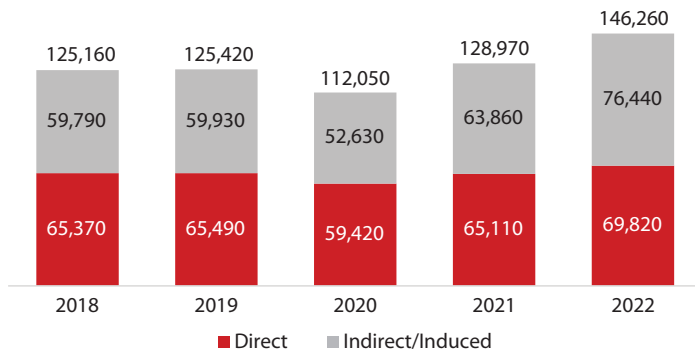
Utah's cultural industry job profile has shifted slightly over time. For instance, 26.2% of cultural industry jobs were in the combined marketing, advertising, and design sector ten years ago. Today, those same jobs represent 32.4% (Figure 8). Conversely, publishing/broadcasting sector jobs made up 15.7% of cultural industry jobs in 2013, but dropped to 9.2% in 2022.

Utah's cultural industry employment generated a total of \$8.0 billion in labor income in 2022, a 2.5% year-over increase after adjusting for inflation.⁴

Public Investment

The Utah Legislature increased investments to Utah's cultural industry in fiscal year 2020 (FY20) through both ongoing and one-time funding (Figure 9).⁵ Prior to FY19, annual ongoing legislative funding was \$1.4 million for about 20 years.⁶ In FY20, the Legislature appropriated \$2.0 million in one-time funding to Utah Division of Arts & Museums' (UA&M) grant program. The following year, the Legislature re-appropriated this \$2.0 million

Figure 4: Utah Cultural Industry Jobs, 2018-2022



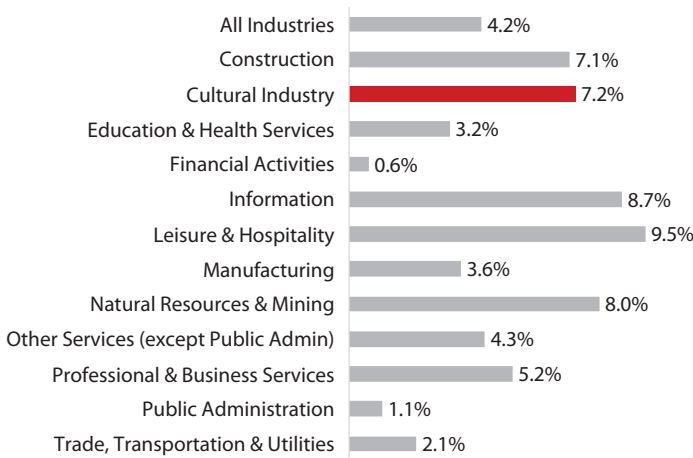
Note: Includes full- and part-time private and public employment; includes sole proprietors. Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 5: Cultural Industry Jobs as Share of Total Statewide Jobs, 2022



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

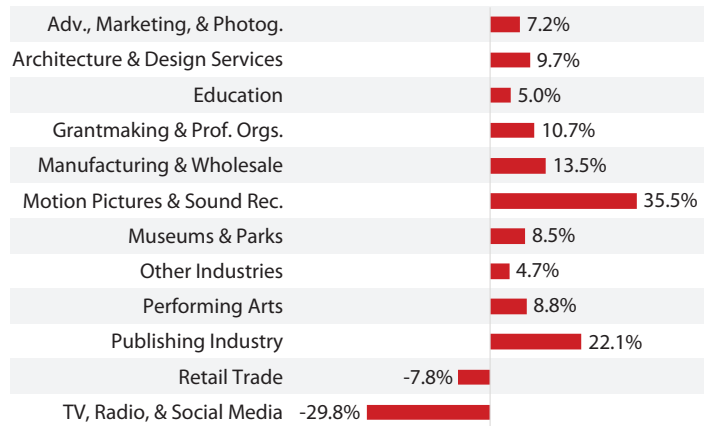
Figure 6: Year-Over Change in Utah Jobs by Industry, 2021-2022



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

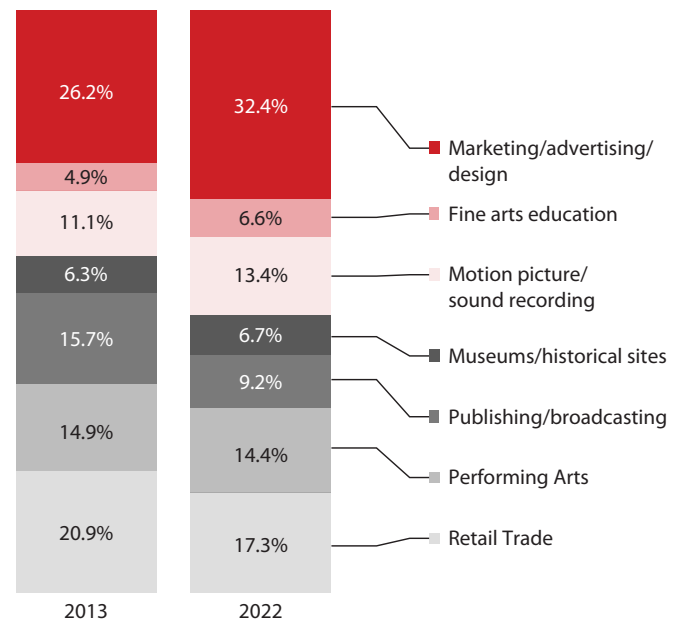
from one-time to ongoing UA&M grant funding, while adding another \$1.0 million in ongoing funding. This raised the state's appropriations to \$4.4 million (including National Endowment for the Arts (NEA) funds). In FY22, the Legislature increased the UA&M grant program by an additional \$3.0 million, raising the ongoing funding pool to \$7.4 million (including NEA funds).⁷ In FY23, the Legislature reduced UA&M's FY24 ongoing funding by \$2.0 million. At the same time, the Legislature increased Governor's Office of Economic Opportunity (GOEO) funding by \$2.0 million in one-time funds. This one-time funding was

Figure 7: Year-Over Change in Cultural Arts Jobs by Sector, 2021-2022



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

Figure 8: Cultural Industry Job Profile by Sector, 2013 vs. 2022



Note: Jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, Manufacturing, Wholesale, Photofinishing, Grantmaking, and Professional Organizations have been omitted. Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

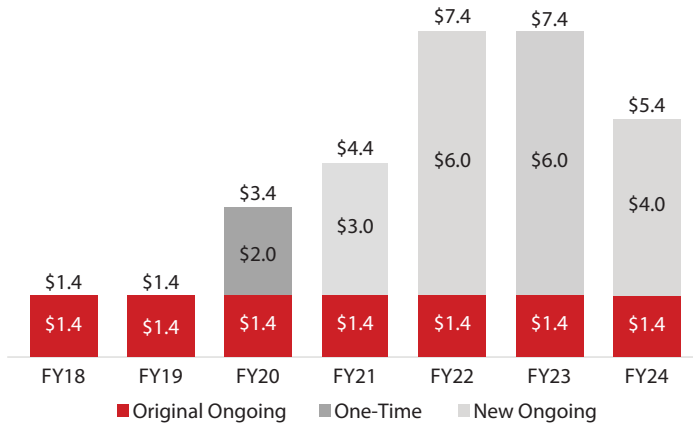
distributed to arts, museums, and cultural organizations. UA&M and GOEO worked together to fairly distribute the funding statewide.

National Rankings

Utah's 35.5% year-over increase in motion picture and sound recording sector employment was the highest year-over increase among all 50 states (Figure 10).⁸ Utah's arts and culture employment also had the fifth-highest location quotient (LQ) in the nation in 2021 (Figure 11).⁹

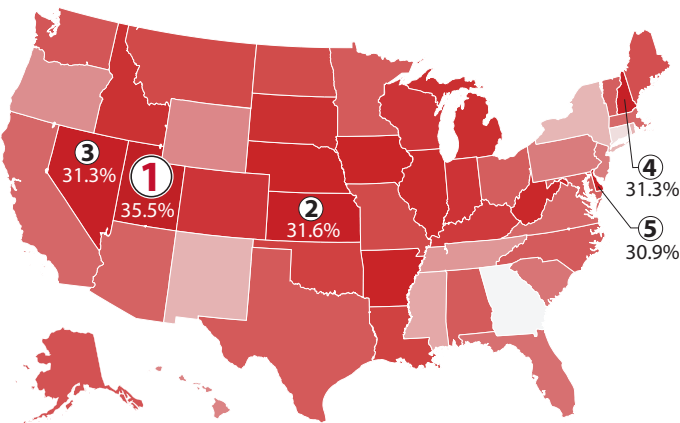
Figure 9. Utah Arts & Museums Grant Fund Appropriations, FY18-FY24

(Millions of Dollars)



Source: Utah Division of Arts & Museums

Figure 10: Year-over Change in Motion Picture and Sound Recording Industry Employment, 2022



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 2022, cultural industry spending generated an estimated \$477.4 million in direct tax revenue, a 24.3% year-over increase after adjusting for inflation (Figure 12). This \$477.4 million included \$302.6 million in state and \$174.8 million in local tax revenue. Of total direct tax revenue, state sales tax was the largest share at \$147 million, followed by local property tax at \$116 million (Figure 13). Tax revenue from Utah's cultural industry made up 3% of total statewide sales tax, 2% of income tax, 3% of corporate profits tax, and 2% of property tax (Figure 14).

Seven counties and 50 municipalities in Utah currently levy a 0.1% Recreation, Arts, & Parks (RAP) or Zoo, Arts, & Parks (ZAP) tax. Cities and counties generally use RAP/ZAP taxes to support recreation, arts & culture, and parks in their communities.

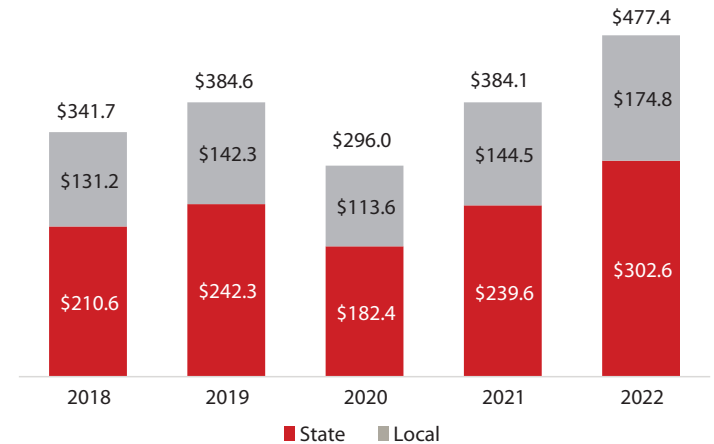
Figure 11: Cultural Industry Employment Location Quotient (LQ) Rankings (Top Ten States), 2021

Rank	State	LQ
1	Washington	1.632
2	New York	1.538
3	California	1.299
4	Wyoming	1.262
5	Utah	1.218
6	Massachusetts	1.160
7	Colorado	1.112
8	Rhode Island	1.068
9	Illinois	1.032
10	Alaska	1.029

Note: A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit (usually the nation). Cultural industry LQs are the U.S. Bureau of Economic Analysis (BEA's) Arts and Cultural Production Satellite Account (ACPSA) statistics, which are supported by National Endowment for the Arts (NEA) funding. Total employment statistics are based on the BEA national income and product accounts (NIPAs) definition of U.S. residence. The estimates are based on the 2012 North American Industry Classification System (NAICS). Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis' Arts & Cultural Production Satellite Accounts (ASPSA) data

Figure 12: Direct Tax Revenue, 2018-2022

(Millions of 2022 Dollars)



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

Figure 15 shows the state's RAP/ZAP tax revenue from 2018-2022 (adjusted for inflation), including the estimated visitor-generated and resident-generated portions. The visitor-generated RAP/ZAP tax share is estimated to be approximately 12% on a statewide basis.

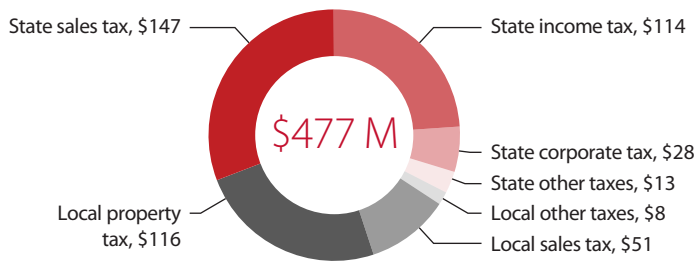
Cultural Tourism Contributions

Utah's diverse outdoor recreation, historical, and cultural opportunities support the state's \$11.98 billion-dollar tourism industry. In addition to its five national parks, 11 national places, 46 state parks, 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.

Travel research firm, Omnitrak, reports that entertainment and arts and culture visitors spent an average of \$776-\$795 per Utah travel party per trip in 2022, which was above the average per

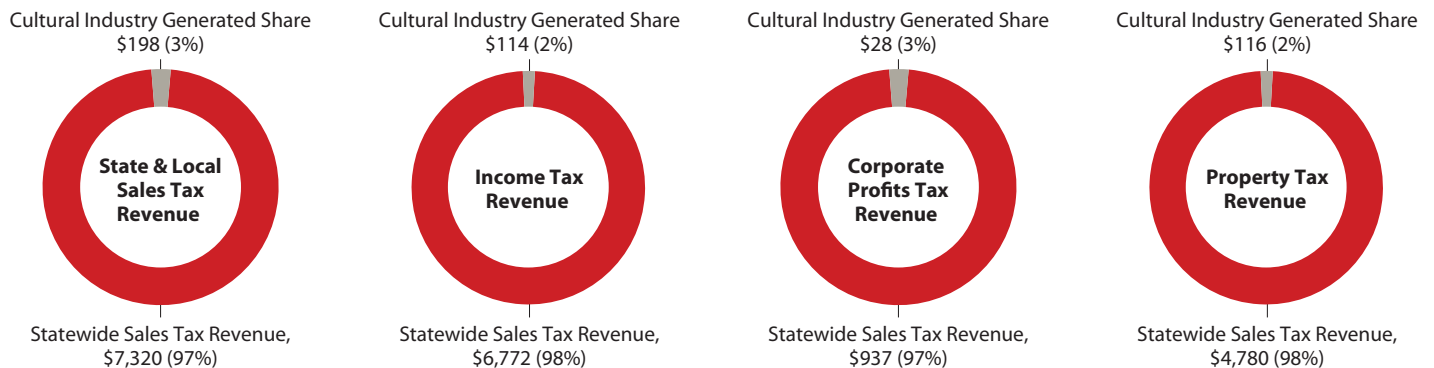
party per trip spend of those visiting friends and family (\$738) (Figure 16). About one-third of that spend was on transportation to Utah, meaning two-thirds was spent in Utah. Assuming one in 10 travelers visit Utah for an arts and culture experience, it is estimated that cultural tourism generates around \$1.2 billion in annual statewide spending. After accounting for the travel-to-Utah spending share (airline tickets, gasoline to get to Utah, etc.), it is estimated that Utah's cultural arts visitors spent roughly \$780 million in Utah's economy, generating statewide and regional economic impact.

Figure 13: Direct Tax Revenue by Tax Type, 2022
(Millions of Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis and Utah State Tax Commission data

Figure 14: Cultural Industry Generated Shares of Statewide Sales, Income, Corporate, and Property Tax Revenues, 2022
(Millions of Dollars)



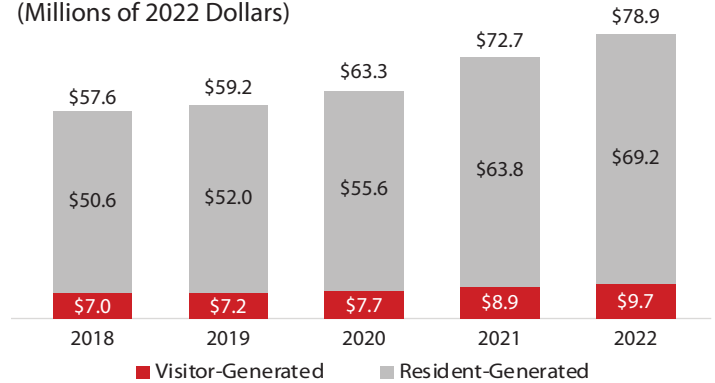
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis and Utah State Tax Commission data

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. Jobs include full- and part-time private and public employment, and self-employment.
4. Labor income is the sum of employee compensation (wages and benefits) and proprietor income.
5. 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.
6. 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).
7. 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.
8. The motion picture and sound recording employment sector comprises jobs in video production and distribution and audio recordings or related services, including jobs in post-production services, exhibition services, and motion picture processing and developing services.
9. A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit (usually the nation).

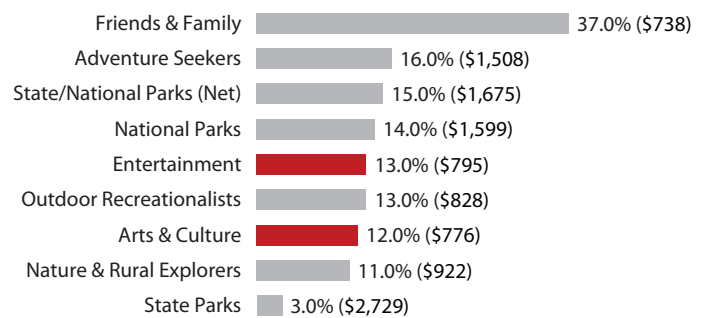
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Figure 15: Statewide RAP/ZAP Tax Revenue, 2018-2022
(Millions of 2022 Dollars)



Source: Kem C. Gardner Policy Institute of Utah State Tax Commission data

Figure 16: Share of Utah Visitors Motivated to Travel by Niche Activity and Average Per Party Per Trip Spend, 2022



Source: Omnitrak Group, Inc.

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Thank You

We are grateful for the support of our sponsors and partners in our Utah Cultural Alliance Foundation programming. Especially to our Data Impact partners.

If you are interested in participating as a partner in our Data Impact program, please reach out to Katie Iwasaki Duehlmeier: katie@utculture.org or 801-420-0209.

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We sincerely thank our partners for contributing to this report, including:

- Zions Bank
- Salt Lake County Arts & Culture
- Arts Council Park City & Summit County
- Park City Chamber & Visitors Bureau
- Bear River Association of Governments

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