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## **New Studies Show St. Paul and Minneapolis Both Have Strong Arts and Culture Industries that are Driving Forces in Minnesota's Economy**

Two new studies about their cities released today by Mayors Chris Coleman and R.T. Rybak reveal that St. Paul and Minneapolis both have strong arts industries that are driving forces in Minnesota's economy...and are nearly identical in size. The economic impact of the arts and culture in Minneapolis was found to be **\$328M** per year supporting **8683** full time jobs, which is only slightly larger than St. Paul's at **\$310M** per year supporting **8205** full time jobs.

"The arts and cultural assets in Saint Paul are the soul of our city. It is no surprise to see that these kinds of investments are a critical part of our economy and go a long way to making us the most livable city in America," said Mayor Coleman.

"I can't imagine a better showcase for arts and culture than Minneapolis and Saint Paul," Mayor Rybak said. "In the last two years, we have experienced the largest buildup of arts and cultural institutions of anywhere in the nation, adding to an already immense offering. Arts and culture is becoming synonymous with the identity of this region."

“The similarity in the economic impact of the arts in the two cities is striking,” said Sheila Smith, Executive Director of Minnesota Citizens for the Arts. “But it is also noteworthy that earlier research found the arts economy of the Seven County Metro Area as a whole is \$719.5M per year; two and a half times the economic impact of the arts in metro areas of similar size such as Houston, TX and San Diego, CA.”

The data on the two cities comes from a new analysis of an economic impact study of the arts and culture released in 2006 by Minnesota Citizens for the Arts and the Forum of Regional Arts Councils of Minnesota called *The Arts: A Driving Force in Minnesota's Economy*. That report found that nonprofit arts are an important industry throughout Minnesota contributing **\$838.5M** annually to the state's economy. The series of reports has demonstrated the excellence, scope, and diversity of cultural activity in every corner of the state and in Minnesota as a whole. This activity goes beyond contributing to Minnesota's quality of life; the arts and culture also make a significant contribution to the entire state's economy.

This second round of analysis of just the two largest cities was sponsored by the **Arts and Culture Partnership of St. Paul** and the **City of Minneapolis Community Planning and Economic Development / Planning Division**.

“We're delighted to have, yet again, new data demonstrating the dramatic contribution that Minnesota's robust arts and culture industry is having in the state,” said Smith. “The research demonstrates what arts groups and their supporters have been saying for a long time: the arts have a crucial role to play in Minnesota's future economic growth. For a very small investment by the cities and state of Minnesota, the arts and culture industry can be leveraged to create jobs, to revitalize communities, and to educate our children while helping to drive Minnesota's economy.”

Arts leaders from both St. Paul and Minneapolis were pleased with the results of the studies.

Lisa Tabor, President of the Board of Directors of the Arts and Culture Partnership of Saint Paul, said that "this report succinctly quantifies the tremendous economic activity that St. Paul

generates with its scores of arts organizations and cultural destinations."

"This data shows that the arts not only enhance the quality of life in our community but also contribute to the economic vitality of Minneapolis," stated Barbara Sporlein, City of Minneapolis, Planning Director and Chair of the Minneapolis Arts and Culture Coordinating Committee.

## **EXECUTIVE SUMMARY AND KEY FINDINGS**

The two new studies look exclusively at St. Paul and Minneapolis' *nonprofit* arts and culture industry and analyze data only for organizations that responded to the survey (47 of 175 eligible organizations in St. Paul and 95 of 275 eligible organizations in Minneapolis). The results are therefore very conservative -- had more organizations responded, the numbers would have been even greater.

For-profit arts (like movies or Broadway), schools, and individual artists were also excluded from the research. Adding data from the for-profit arts and culture sector and individual artists would add billions of dollars to complete the picture of the full economic impact of Minnesota's creative industries. In fact, an additional new study into the economic impact of individual artists is currently being conducted that will be released in March, 2007.

### **CULTURAL TOURISM A DRAW IN THE TWIN CITIES**

"Arts and entertainment clearly are economic drivers in downtown Saint Paul, which is in the enviable position of having world-class facilities where world-class performing arts organizations present a diverse array of cultural offerings," said Bob Senkler, Chairman, President and CEO, Securian Financial Group. "Because of the vibrancy of our local entertainment industry, residential and commercial developments are on the rise in Saint Paul's central business district."

**An astonishing 58% of St. Paul's audiences come from outside the city. In Minneapolis, it's 55%.** The arts are also a draw for both national and international tourism. The study found that

overall, **12 percent** of Minnesota's arts and culture audiences come from **outside of the state**, spending an average of **\$44.82 per person at each arts event**, capturing a total of **\$77,465,531 in new audience spending** for Minnesota's economy.

**The average audience member in Minneapolis spends \$20.40 per person per event** on such things as food, beverages, transportation and hotels, excluding the cost of the ticket. The average audience member **in St. Paul spends slightly more, at \$22.83.**

Minnesota is especially attractive to families with children who are interested in educational and fun hands-on activities. Cultural tourism is the fastest growing segment of the tourism industry, up 13 percent between 1996 and 2002, according to the Travel Industry Association of America. ([www.tia.org/index.html](http://www.tia.org/index.html)) Cultural travelers also spend more money - \$631 vs. \$457, and stay longer – one to three more nights, than other travelers. They are hungry to have authentic and interesting experiences in the places they visit. On average, they schedule five cultural activities per trip.

### **LOTS OF JOBS**

According to the new studies, **Minneapolis's** arts and culture organizations support **8683 jobs**, while **St. Paul's support 8205**. Statewide, the earlier studies found that the jobs supported by the arts and culture number **22,095**, meaning that **just under one percent** of all of the jobs in Minnesota are in the nonprofit creative industries, including designers to curators, electricians to administrators, and musicians to touring artists.

The number of jobs supported by these nonprofit arts organizations dwarf the statewide jobs created by other important Minnesota industries such as mining (5,207), highway, street and bridge construction (5,538) and veterinary services (4,894), according to figures from the U.S. Census 2003 *County Business Patterns, NAICS*. ([www.census.gov/epcd/cbp/view/cbpview.htm](http://www.census.gov/epcd/cbp/view/cbpview.htm)).

A 2001 report by the *National Governor's Association Center for Best Practices*, stated "If states intend to build their economies on the jobs of the future and improve rural communities...they must cultivate a creative workforce and attract arts-based businesses."

([www.nga.org/portal/site/nga](http://www.nga.org/portal/site/nga)) The high number of jobs in the creative industries in Minneapolis

and St. Paul are coveted by other metro areas working to increase their numbers of knowledge workers and cultural “creatives,” which are so important to fueling the economic expansion in the New Economy.

### **STATE AND LOCAL GOVERNMENT REVENUES: OVER \$94 MILLION**

Cultural workers are taxpayers too, so the arts are a smart public investment. Revenue generated to **St. Paul’s local government was \$7.4 million per year**, and revenue generated to **Minneapolis’s local government was \$7.9 million per year**. The statewide study found \$21 million in local government revenues and \$73 million in state government revenues, for a total of **\$94 million in total government revenues** from nonprofit arts and culture.

### **AUDIENCE DEMOGRAPHICS**

Demographic information was also collected from arts and culture attendees. We find that the state’s 14.5 million annual attendees are from all age ranges, and all education levels:

- **Minneapolis and St. Paul had slightly younger audiences than the rest of the state, with about 21% under age 34.** Statewide, only 13% are under age 34, 41% are between the ages of 35 and 54, and 45% age 55 or older.
- **Minneapolis and St. Paul audiences had more people with higher level degrees, comprising about 36% of their audiences.** In comparison, 21% of statewide audiences had a high school degree or less education with 23% having a Masters or Doctoral Degree.
- **As for household income, and this goes against common wisdom, in Minneapolis and St. Paul about 40% of audiences reported an annual household income under \$60,000 per year, and 32% reported an annual household income of over \$100,000 per year.** Statewide, it was 47% and 18%, respectively. Participation in the arts and culture appears to be a middle class pursuit in the Twin Cities as it is in the state as a whole.

### **REPORTING ECONOMIC IMPACTS**

This second round of analysis of just the two largest cities was sponsored by the **Arts and Culture Partnership of St. Paul** and the **City of Minneapolis Community Planning and Economic Development- Planning Division**.

*The Arts: A Driving Force in Minnesota's Economy* (2006), the most comprehensive statewide economic impact study of the nonprofit arts and culture industry ever conducted in Minnesota, was conducted by **Minnesota Citizens for the Arts, Americans for the Arts, and the Forum of Regional Arts Councils of Minnesota** and was funded primarily by **The McKnight Foundation**. The original report includes eleven regional studies and one statewide report that provides an aggregate view of arts economic activity across Minnesota from rural communities, to small towns and urban areas of the state. The research found that **every region of the state had over \$1 million** in economic impact, no matter how rural. That study also found that the **Seven County Metro's** nonprofit arts industry is **2 1/2 times larger** than similar population centers studied such as Houston, TX, Miami-Dade, FL, and St. Louis, MO.

Statewide, researchers surveyed nonprofit arts and culture organizations, including theaters, museums, galleries, historic sites and societies, local arts councils, festivals, dance companies, literary groups, public art projects, folklife and humanities organizations from every corner of the state. Organizations were surveyed about their 2004 budgets, and the audience surveys were conducted in all regions of the state between February and October 2005. The final statewide reports relied on 6889 completed audience surveys and 428 budget surveys filled out by the organizations statewide.

Copies of all fourteen reports (the statewide, eleven regional, and two cities) are available for downloading from MCA's website for free at [www.mtn.org/mca](http://www.mtn.org/mca).

### **NEXT STEPS**

Minnesota Citizens for the Arts is working with a variety of partners on a series of studies of the arts in Minnesota. The next phase of research is already underway. That new study, a collaboration of MCA, Springboard for the Arts and the Minnesota Crafts Council, will report on the economic impact of individual artists in Minnesota, as well as include a look at artists' access to health care and retirement plans. The new report, called Artists Count! will be released in March 2007, and is also primarily funded by The McKnight Foundation.

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(Background information attached below).

### **BACKGROUND ON STUDY PARTNERS**

**Minnesota Citizens for the Arts** is a statewide arts advocacy organization whose mission is to ensure opportunity for all people to have access to and involvement in the arts. MCA organizes the arts community and lobbies the Minnesota State Legislature and Congress on issues pertaining to the nonprofit arts and conducts original research. MCA works with over 32,000 arts advocates in Minnesota. For more information on MCA, this project or other statistics about the arts in Minnesota, please contact MCA Executive Director Sheila Smith at 651-251-0868, by email at [she-mca@mtn.org](mailto:she-mca@mtn.org), or view MCA's website: [www.mtn.org/mca](http://www.mtn.org/mca).

This statewide project is a collaboration of the **Forum of Regional Arts Councils (RAC Forum)** and **Minnesota Citizens for the Arts (MCA)**, principle partners, with major funding provided by **The McKnight Foundation**. Additional partners include the **Twin Cities Performing Arts Research Coalition (PARC)** project funded by the Pew Charitable Trusts, **Minnesota Arts Communicators** and **Customgraphix**. The original year-long study was managed by MCA, while each of the state's eleven Regional Arts Councils coordinated audience surveys and the data release events in their own regions. Americans for the Arts, the project's national partner, created the economic models for the study for each region, each city, and for the statewide study, and provided secure web-based surveying tools. This second round of analysis of just the two largest cities was sponsored by the **Arts and Culture Partnership of St. Paul** and the **City of Minneapolis Community Planning and Economic Development- Planning Division** from data collected for the previous twelve studies.

**The Forum of Regional Arts Councils of Minnesota** serves as the voice of and advocate for small arts organizations and community-based arts activities throughout Minnesota by working in partnership with the Minnesota State Arts Board, Minnesota Citizens for the Arts and others. The Forum's Chair is Leslie Schumacher in St. Cloud, 320-968-4290.

**The Arts And Culture Partnership of St. Paul** strengthens arts and cultural organizations in Saint Paul through marketing, advocacy and securing public and private funding. By working together through the membership of the Arts & Culture Partnership, St. Paul organizations are able to put forth a cohesive front and accomplish universal goals. ACP helps ensure that the arts and cultural community in Saint Paul has an active and resonant voice on all critical public and private issues. It also captures the natural potential synergies that exist for joint marketing and funding for support of joint marketing activities. The Arts & Culture Partnership of St. Paul may be reached at 651-292-3259 or [acp@stpaulculture.com](mailto:acp@stpaulculture.com). Events are listed on the ACP website at [www.stpaulculture.com](http://www.stpaulculture.com).

**The City of Minneapolis Community Planning and Economic Development / Planning Division** promotes and advances the City's planning and community development goals through strategic partnerships and responsible management of resources. The Planning Division provides staff support for the Minneapolis Arts Commission whose goal is to strengthen the arts and enrich cultural life in Minneapolis, and the Arts and Culture Coordinating Committee whose goal is to implement the Minneapolis Plan for Arts and Culture.