



A. Gary Anderson Center for Economic Research

FOR RELEASE:

October 10, 2006

CONTACT:

James Doti, President and Donald Bren Distinguished Chair of Business and Economics, at (714) 997-6611, or Esmael Adibi, Director of the Anderson Center for Economic Research, at (714) 997-6693.

The Economic Impact of the Nonprofit Arts on Orange County

The fifth Economic Impact of the Nonprofit Arts was released jointly today by the OCBCA and the A. Gary Anderson Center for Economic Research at Chapman University. The newly released findings mainly cover the economic impact of the nonprofit arts during the 2005 calendar year.

Forty-three of the largest nonprofit arts organizations in the county submitted extensive survey data on which the study was based. The total economic impact of the responding nonprofit arts groups in Orange County was \$474.1 million. Leading the nonprofit arts organizations in economic impact are those in the performing arts category, with a total impact of \$338.2 million. The county's museums accounted for \$45.6 million, while other arts groups contributed \$90.3 million.

Following are the key findings from the study:

Attendance and Employment Impact

- Admission revenues totaled \$53.8 million. Of that total, \$42.7 million or 79.0 percent emanated from the performing arts organizations (Dance, Music, Presenter, and Theatre).
- Nonprofit arts organizations employed a total of 4,790 paid positions, making these organizations taken as a whole Orange County's 12th largest non-government employer.

Income, Expenses and Economic Impact

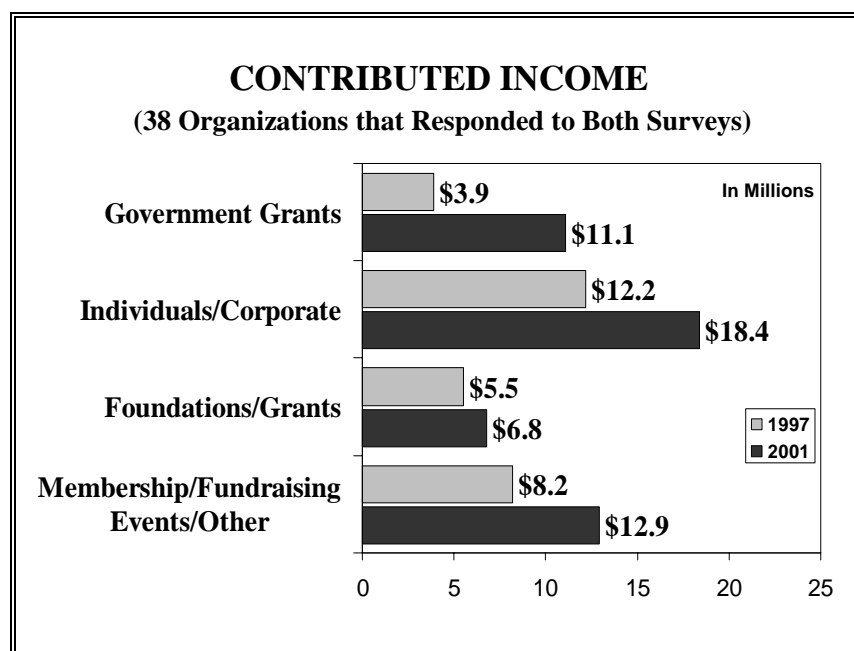
- Government grants and private donations totaled \$56.2 million, with \$8.0 million (14.2 percent) going to museums; \$32.9 million (58.5 percent) going to the performing arts and \$15.3 million (27.3 percent) going to all other organizations.

- Individuals and corporations provided over 43.7 percent of total contributions.
- Earned income, comprised mainly of admissions revenues, was \$78.2 million.
- There was direct spending of \$129.6 million on all personnel and operating expenses, comprised of \$74.3 million in personnel expenses (57.3 percent) and \$55.3 million (42.7percent) in operating expenses.
- The total economic impact of the 43 responding nonprofit arts organizations was \$474.1 million of which performing arts contributed \$338.2 million, museums contributed \$45.6 million, and other organizations contributed \$90.3 million.

Comparison with 2002 Economic Impact Study

In order to compare changes between the 2002 and 2006 studies as accurately as possible, only the same 38 organizations that responded to both the 2002 and 2006 surveys were included in the following comparisons.

- Admission revenues increased 15.0 percent from \$46.4 million to \$53.3 million.
- The number of paid admissions decreased 7.1 percent from 1,936,232 to 1,798,104.
- Full-time employment increased on average 2.6 percent each year over this period.
- Total contributions increased 18.4 percent from \$45.2 million to \$53.5 million, an average annual percentage increase of 4.6 percent.



- Operating expenditures increased 12.1 percent from \$47.3 million to \$53.0 million while personnel expenditures leaped by 26.4 percent from \$57.6 million to \$72.8 million.
- Total income increased 21.3 percent as compared to an increase of 19.9 percent in total expenses.

EXPENSES AND INCOME			
(38 ORGANIZATIONS THAT RESPONDED TO BOTH SURVEYS)			
	2002	2006	02-06 % Change
Total Expenses	\$104,898,734	\$125,808,055	19.9
Total Income	\$107,176,413	\$129,999,844	21.3

- The total economic impact increased from \$389 million to \$462 million — an increase of 18.8 percent.

Projections and Future Challenges

- In 2006, arts organizations expect contributions to increase by 8.4 percent, total income to be unchanged compared to 2005 matching total expected expenses.
- There is a widely shared view that balancing budget, private support, recruiting employees, and building audiences will be major challenges facing Orange County nonprofit arts organizations.

Effects of Orange County Performing Arts Center's Expansion

- Arts organizations overwhelmingly believe that the performing arts center's expansion will positively impact their organizations.
- Only 4 percent of respondents expressed that the center's expansion will negatively impact their organizations.