

THE ECONOMIC IMPORTANCE OF THE ARTS & CULTURAL INDUSTRIES IN SANTA FE COUNTY

PART I: QUANTIFICATION OF ECONOMIC IMPACTS

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Revised November 2004

UNIVERSITY OF NEW MEXICO
BUREAU OF BUSINESS AND
ECONOMIC RESEARCH



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EXECUTIVE SUMMARY

Economic Impact of Arts & Cultural Industries on Santa Fe County

- In 2002, Santa Fe's arts & cultural industries (A&CI) and cultural tourism generated over \$1 billion in receipts, employed 12,567 workers (17.5% of total employment in Santa Fe county), and paid \$231.5 million in wages and salaries. Just over one-half of employment and wages are generated by industries that are either directly engaged in the creation, presentation or preservation of art and/or cultural activities, or indirectly engaged with cultural content but not themselves 'source activities'. The balance is generated by the tourism industry to the extent that tourism is associated with an interest in Santa Fe's art, cultural and historical attractions.
- Santa Fe's cultural activities are funded principally with revenues that originate outside the county. Of the total revenues generated by the industries in 2002, 78%, or \$814 million, were drawn from areas outside SF County. Including the indirect and induced effects of these revenues and subtracting leakages from local economy, the total impact of A&CIs on the economy of Santa Fe County that are associated with outside funds was \$773.3 million, creating 12,953 jobs and paying \$310.3 million in disposable income.
- The funds that the A&CIs draw to Santa Fe represent a substantial contribution to the local economy. By definition, local spending does not create new jobs or incomes – local spending serves only to redistribute existing dollars. By contrast, the funds that the A&CIs inject into economy create new jobs and new sources of income on a net basis. In this regard, the contribution of the A&CIs to the Santa Fe's county is very substantial. By BBER estimates, the \$814 million that the A&CIs and cultural tourism bring into Santa Fe may account for as much as 39% of the total inflow of money into the local economy from a variety of sources including exports of goods, tourism, consulting contracts, and dividend and interest income.
- Santa Fe's A&CIs and related cultural tourism contribute substantially to public finances in New Mexico. Activities related to Santa Fe's A&CIs produce an estimated \$22.6 million in taxes and other revenues to the City of Santa Fe – about five dollars for every dollar that the city spends on the arts & culture. Similarly, activities associated with the county's A&CIs generate about \$36 million in revenues on an annual basis – some 40 % more than state budgets in

support of the arts & cultural activities in Santa Fe.

Comparative Analysis of Santa Fe's Arts & Cultural Industries

- The contribution of the A&CIs to Santa Fe's economy exceeds the contributions of the A&CIs to other communities in the United States. Widely recognized studies by *Americans for the Arts* and by Professor Richard Florida, author of *The Rise of the Creative Class*, rank Santa Fe first among cities of similar size in terms of the contributions of the A&CIs to the economy. Representation of artists and cultural workers in Santa Fe's labor force is unparalleled – the city boasts the largest proportion of artists, performers & writers as share of total employment of any U.S. city, and is among the top 10 in terms of museum curators, architects and graphic designer. According to the Economic Census, in terms of dollar sales Santa Fe is among the largest art markets in the US.
- Santa Fe's A&CIs rank among the top contributors to economic development in New Mexico. Preliminary estimates based on secondary sources and previous work by BBER suggest that the volume of dollars Santa Fe's A&CIs bring into the county is 100 times greater than what New Mexico's film industry brings to the state; is comparable to all aspects of the University of New Mexico contribution to the state; is roughly equal to the total contribution of Intel (which has benefited from generous tax breaks); and is equivalent to about 70% of the volume of funds brought into the state by LANL.

Phase I has presented a static analysis of the contribution of Santa Fe's arts and cultural industries to local economy. In the next phase of the research, we will attempt a more dynamic analysis, exploring the strength of linkages between the arts and cultural industries and other sectors of the economy – the synergies that may or may not exist.

ACKNOWLEDGEMENTS

BBER would like to offer special thanks to members of the Santa Fe Cultural Leaders Steering Committee and the many others in Santa Fe who helped to direct us in this work. In particular, we would like to offer our appreciation to Linda Hanson, President of the College of Santa Fe and Chair of the steering committee; Tom Ageson, Director of the Museums of New Mexico Foundation; George King, Director of the Georgia O'Keeffe Museum; Bob Martin, Executive Director of the Lensic Theatre; Sabrina Pratt, Director of the City of Santa Fe Arts Commission; Jim McLaughlin, President of Santa Fe Community College; and Darlene Griego and Tom McGuire of the Santa Fe Convention and Visitors Bureau. BBER would also like to thank Owen Lopez, Executive Director of the McCune Charitable Foundation, whose determination to 'get it right' and willingness to provide the necessary funding made the project a reality. Finally, we would like to thank the Azalea Foundation and the Burnett Foundation for their financial support.

The authors would like to acknowledge the tremendous effects of BBER staff who contributed this study. Particular thanks are owed to Tony Sylvester, whose organization and mastery of all sources of economic data made this work possible; to Norton Francis, Implan Pro wizard who brings the many pieces of work together in a single coherent product; Kevin Kargacin, the final word when it comes to sources of official information; Sophie Hammett, graduate assistant to BBER, who persevered in collecting primary data when others would have gone home and, to Myra Segal, consultant to the project, whose diligence and work ethic set a pace that forced the rest of us to keep up.

Lee A. Reynis and Jeffrey Mitchell

INTRODUCTION

On the recommendation of leaders of Santa Fe's arts and cultural communities the McCune Charitable Foundation commissioned the UNM Bureau of Business and Economic Research to conduct a three part study the City's arts and cultural industries. The first part is an analysis of impact of the arts and cultural industries on Santa Fe County's economy. The second part is an investigation of the relationships that link the arts and cultural industries to other sectors of the County's economy. The purpose of the second part is to identify opportunities that may exist in leveraging the assets of County's cultural sector to create a broader, more diversified pattern of economic development. The final part will examine specific policies and practices that may be used to further this end. This report is a summary of the conclusions of the first part of the overall study.

This report contains five parts and related appendices. A brief discussion of salient conceptual and methodological issues follows this brief introduction. A more complete description of the methodology used in this study is provided in Appendix A. The third part of this report is a presentation of the principal findings of the study. The findings are contained in three subsections. The first subsection surveys the direct contributions of the arts and cultural activities to the economy of Santa Fe County – the number of jobs and levels of revenues and wages associated with the industry, and more detailed account of the portion of these activities that are supported by dollars that the industries attract from areas outside of Santa Fe. The second subsection builds on this survey to include an analysis of the indirect and induced effects of the arts and cultural industries in generating economic activity in other sectors of the economy. The third subsection is a study of the industries' impact on city, county and state governmental revenues and expenditures. The fourth part of the overall report of the report places Santa Fe's arts and cultural industries in context by comparing its contribution and performance to similar industries in other regions and to other industries in New Mexico. A brief summary and conclusion follows.

METHODOLOGY¹

Central to this study is the definition of cultural activities and industries. For the purpose of this study, cultural activities include creative artistic and cultural work and supporting activities that distinguish the Santa Fe region, creating a unique sense of place. These activities exploit the cultural heritage of Santa Fe but are not limited by that heritage; they also constitute a process by which Santa Fe grows and changes.

The relationship between economic activity and the cultural content of the Santa Fe varies significantly from one industry to another. To accommodate these differences, cultural activities are organized in three categories. Tier 1 activities are those that are directly involved with the creation, presentation or preservation of art and/or cultural activities. Activities that have the arts or cultural content but are not “source” activities are categorized as Tier 2 activities. Tourism associated activities that either directly or indirectly contribute to Santa Fe’s sense of place or benefit directly from the cultural assets of Santa Fe are included in a “cultural tourism” category.

A second methodological issue concerns the measurement techniques used this study. First, businesses that correspond to the above definitions that are listed with New Mexico’s Department of Labor² were identified based on their NAICS (North American Industrial Classification System) codes. Because New Mexico businesses are registered with the Department of Labor according establishment or location, BBER is able to distinguish among different activities of a single entity operating at various sites. This allows for greater specificity in the measurement of cultural activities. The identified businesses were evaluated on a line-by-line basis, ensuring that businesses were accurately defined according to specific nature of their activities.

Data from the 2001 Census Bureau Nonemployer Statistics were used to include the cultural activities of non-employers. Non-employers are businesses with no

¹ Methodological issues, including definitions, and methods used in measurement and calculation, as discussed in greater detail in Appendix A.

² This study drew primarily from required quarterly reports by employers of workers covered under state law for unemployment insurance. BBER has a confidentiality agreement with New Mexico DOL that provides access to the ES-202 employer records.

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employees with receipts of \$1,000 or more per year that are subject to federal income tax. These businesses are typically self-employed workers who are strongly represented within certain segments of the arts and cultural industries, most notably artists, writers and performers. It is a limitation of the analysis that such individuals are included only to the extent self-identification for tax purposes places them within the arts and cultural industries; workers whose cultural activities are of a secondary nature are commonly omitted. Further, the Census Bureau's Nonemployer Statistics do not include individuals who work in a nonprofit capacity.

Finally, analysis was augmented and corroborated with information gathered through interviews and questionnaires of individuals, businesses and trade groups active in Santa Fe's arts and cultural industries. This information was critical in both understanding the nature of specific activities and in verifying information gathered from official sources.

A third methodological issue concerns the calculation of the indirect and induced impacts of Santa Fe's arts and cultural industries, and the role of these industries in drawing funds from outside the community into the local economy. According to standard definitions, indirect effects are the result of spending within the local economy by vendors to the arts and cultural industries. Induced effects result from the expenditure of wages within the local economy, including those of individuals employed directly by the arts and cultural industries as well as those employed by vendors to the arts and cultural industries. A full accounting of the economic contribution of the region's arts and cultural industries requires that analysis extend beyond the direct contributions of the industries to include indirect and induced impacts, thus capturing the 'ripple effect' that multiply the economic impact of cultural activities.

An equally significant issue concerns the role of the arts and cultural industries in attracting funds from outside the region into the local economy. Logically, economic activities that depend exclusively on local consumers for their market only recycle funds that are already present in the economy. Funds that are not spent on one activity will be spent on another; thus, nothing is gained on a net basis. By contrast, activities that draw money into the local economy from outside the community make a net positive impact by creating jobs, raising incomes and

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producing additional tax revenues that would otherwise not exist. In this report, particular attention is given to the substantial contribution of Santa Fe's arts and cultural industries in drawing such funds into the regional economy.

To calculate indirect and induced effects and impact of financial inflows, BBER used Implan Pro 2.0³. Implan Pro is a widely used regional economic modeling application that utilizes data that are specific to Santa Fe County. Implan Pro provides for an analysis of indirect and induced contributions and the impact of external sources of capital by tracing expenditures through local industries and quantifying leakages that occur when expenditures are made outside the regional economy. BBER has validated the estimates generated by Implan Pro 2.0 for New Mexico by comparing results with those produced by BBER's FOR-UNM model.

³ Minnesota IMPLAN Group, Inc., IMPLAN System (data and software), 1725 Tower Drive West, Suite 140, Stillwater, MN 55082 www.implan.com

ECONOMIC IMPACT OF ARTS & CULTURAL INDUSTRIES ON SANTA FE COUNTY⁴

Direct Contributions of Arts & Cultural Industries

Table 1 summarizes the direct contribution of the arts and cultural industries to the economy of Santa Fe County, disaggregated by the various activities in Tier 1, Tier 2 and Cultural Tourism. As the table indicates, Santa Fe's arts and cultural industries generate approximately \$1.1 billion in revenues, representing 16% of the total economic activity of the County. Nearly two-thirds (64%) of these revenues are produced by Tier 1 and Tier 2 arts and cultural industries, activities that directly involve cultural content. Similarly, the arts and cultural industries employ 12,567 workers, or 18% of all workers employed in Santa Fe County. Again, the majority of these workers are engaged in Tier 1 and Tier 2 industries. The contribution of the arts and cultural industries to wages and salaries, however, is well below measures of output and employment. Wage rates are particularly low for those employed in the retail (other than galleries) and hospitality sector.

Table 2 reveals the effectiveness of the arts and cultural industries in capturing revenues from areas outside of Santa Fe County. As above, this table provides detail on revenues, employment and earning, respectively, and is disaggregated according to categories of cultural activities. The columns labeled 'Outside Dollars' indicate the output (or revenues), employment and wages that are supported by funds that originate outside Santa Fe County. The majority of these funds are expenditures by visitors, tourists and others persons who reside outside the County, as well as exports of goods and services. The columns labeled '% of Total' indicate the share of the total output, employment and wages of the arts and cultural industries that are supported by these outside funds.

⁴ Methodological issues, including definitions, and methods used in measurement and calculation, as discussed in detail in Appendix A.

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TABLE 1
ARTS AND CULTURAL OUTPUT, EMPLOYMENT AND WAGES
SANTA FE COUNTY, 2002

<u>Output (\$000)¹</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
Artisans, Manufacturing	64,488	9,896	0	74,384
Art Dealers (Retail)	217,410	8,209	0	225,620
Other Retail	0	38,509	55,260	93,769
Museums, Perf Arts, Artists	115,217	0	9,564	124,781
Publish, Motion Pictures, Sound	10,362	21,481	0	31,843
Educational Services	14,993	63,097	0	78,090
Misc. Arts and Cultural Services	69,896	14,613	0	84,509
Hospitality	0	0	327,986	327,986
Government	1,400	5,970	0	7,370
Total	493,766	161,775	392,809	1,048,350
As % of County Total	7.6%	2.5%	6.1%	16.2%

<u>Employment</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
Artisans, Manufacturing	682	96	0	778
Art Dealers (Retail)	529	30	0	559
Other Retail	0	329	269	598
Museums, Perf Arts, Artists	2,348	0	135	2,482
Publish, Motion Pictures, Sound	107	179	0	286
Educational Services	142	930	0	1,072
Misc. Arts and Cultural Services	914	302	0	1,216
Hospitality	0	0	5,472	5,472
Government	20	84	0	104
Total	4,741	1,950	5,876	12,567
As % of County Total	6.6%	2.7%	8.2%	17.5%

<u>Wages (\$000)²</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
Artisans, Manufacturing	14,952	2,513	0	17,465
Art Dealers (Retail)	15,929	630	0	16,559
Other Retail	0	4,481	5,963	10,444
Museums, Perf Arts, Artists	28,631	0	3,365	31,996
Publish, Motion Pictures, Sound	2,303	9,511	0	11,814
Educational Services	4,654	11,723	0	16,377
Misc. Arts and Cultural Services	21,563	7,524	0	29,087
Hospitality	0	0	93,846	93,846
Government	843	3,061	0	3,903
Total	88,874	39,443	103,175	231,492
As % of County Total	3.8%	1.7%	4.4%	9.9%

1 - Output represents an estimate of sales, shipments, receipts, revenue or business done depending on industry as defined by the Economic Census, US Bureau of the Census, 1997.

2 - Source: wage data for wage and salary employees from New Mexico Department of Labor 202 employer database.

Because non-employer establishments do not have wages or salaries they are not represented in the wage data presented in this table.

Totals may not sum due to rounding.

UNM Bureau of Business and Economic Research, 2004.

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TABLE 2
ARTS AND CULTURAL RECEIPTS, EMPLOYMENT AND WAGES
SUPPORTED BY OUTSIDE DOLLARS (EXPORTS)
SANTA FE COUNTY, 2002

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
Output (\$000)	Outside Dollars	Outside Dollars	Outside Dollars	Outside Dollars
Artisans, Manufacturing	54,492	8,362	--	62,855
Art Dealers (Retail)	183,820	6,941	--	190,761
Other Retail	--	28,984	55,260	84,244
Museums, Perf Arts, Artists	76,096	--	9,564	85,659
Publish, Motion Pictures, Sound	9,326	18,200	--	27,526
Educational Services	7,496	18,156	--	25,652
Misc. Arts and Cultural Services	56,799	8,566	--	65,365
Hospitality	--	--	265,272	265,272
Government	1,330	5,373	--	6,703
Total	389,359	94,583	330,096	814,039
% of County Total				78%
Employment	Outside Dollars	Outside Dollars	Outside Dollars	Outside Dollars
Artisans, Manufacturing	576	81	--	657
Art Dealers (Retail)	447	26	--	473
Other Retail	--	244	269	513
Museums, Perf Arts, Artists	1,523	--	135	1,658
Publish, Motion Pictures, Sound	96	147	--	243
Educational Services	71	297	--	368
Misc. Arts and Cultural Services	709	173	--	882
Hospitality	--	--	4,380	4,380
Government	19	68	--	87
Total	3,441	1,036	4,783	9,261
% of County Total				74%
Wages (\$000)	Outside Dollars	Outside Dollars	Outside Dollars	Outside Dollars
Artisans, Manufacturing	12,634	2,124	--	14,758
Art Dealers (Retail)	13,468	532	--	14,000
Other Retail	--	3,439	5,963	9,402
Museums, Perf Arts, Artists	20,181	--	3,365	23,546
Publish, Motion Pictures, Sound	2,073	8,328	--	10,401
Educational Services	2,327	3,342	--	5,669
Misc. Arts and Cultural Services	16,878	4,329	--	21,206
Hospitality	--	--	74,817	74,817
Government	801	2,523	--	3,323
Total	68,361	24,617	84,145	177,123
% of County Total				77%

Totals may not sum due to rounding.

UNM Bureau of Business and Economic Research, 2004.

As these numbers indicate, \$814 million, or 78% of the \$1,048 million in revenues generated by the arts and cultural industries, are drawn from areas outside of Santa Fe County. These figures are significant because they show that largely Santa Fe's arts and cultural industries do not compete with other industries for local

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expenditures. To the contrary, the jobs and wages enumerated in this table are funded exclusively with revenues that originate outside the region, and represent a net gain to the local economy. In other words, were it not for the success of the arts and cultural industries in drawing dollars into Santa Fe County, the jobs and earning detailed in Table 2 would not exist.

BBER estimates that the total flow of funds into Santa Fe County by the export of goods and services and financial transactions, by all sectors of the economy, is approximately \$2.098 billion per year⁵. By this estimate, the arts and cultural industries as defined in this study are responsible for 39% of the total flow of funds into the local economy. Simply stated, this suggests that the cultural sector is responsible for three of every five dollars, and three of every five jobs, added to the Santa Fe economy each year.

Indirect and Induced Effects of Arts & Cultural Industries

As defined earlier, indirect effects are the result of spending within the local economy by vendors to the arts and cultural industries. Induced effects result from the expenditure of wages in Santa Fe County by persons employed by the arts and cultural industries or employed by vendors to the arts and cultural industries. The economic multiplier is an overall measure of the additional activity associated with indirect and induced effects. In general, industries that pay high wages and that purchase goods and services produced locally feature by high multipliers.

Table 3 is a summary of the direct, indirect and induced activities in the cultural sector that are supported by outside dollars⁶. This table extends the analysis of

⁵ Exports, or the associated flow of revenues, are not directly available on a municipal or county basis. BBER estimated the flow of funds into the County as the difference total expenditures in the County and supply funds available within the County to finance these expenditures. The value for total expenditures was derived from Census Bureau's "Surveys of Minority- and Women-Owned Businesses". The supply funds available for expenditure was estimated as sum of disposable personal income (total income minus taxes, according to the Bureau of Economic Analysis) and government expenditures (Implan estimate) minus personal savings (national rate corresponding to income levels in Santa Fe County), and direct and indirect business and personal expenditures out of the County (leakages).

⁶ Estimates in Table 3 of total output supported by outside funds are less than those of Table 2 because in conducting economic impact analysis for Table 3 business and personal expenditures made outside the County (leakages) must be subtracted from the aggregate. Conversely, estimates in Table 2 of income supported by outside funds are less than those of Table 3 because the former excludes earnings of non-employee (self-employed) workers; technically funds are considered

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Table 2 by capturing the full impact of the capacity of Santa Fe’s arts and cultural industries to attract outside revenues. The figures in this table indicate that in addition to the 9,261 jobs directly created by funds brought into Santa Fe by the arts and cultural industries, the expenditure and circulation of these funds creates an additional 3,692 jobs. Similarly, the indirect and induced expenditures originating in the arts and cultural industries generate an additional \$100.7 million of disposable (after tax) income and an additional \$256 million in business revenues.

TABLE 3¹
DIRECT, INDIRECT AND INDUCED IMPACTS OF ARTS AND CULTURAL ACTIVITIES SUPPORTED BY OUTSIDE DOLLARS (EXPORTS)
SANTA FE COUNTY, 2002

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
<u>Output (\$000)</u>				
Direct	210,305	60,069	246,924	517,299
Indirect & Induced	116,007	32,868	107,080	255,955
Total	326,312	92,938	354,005	773,255
Multiplier	1.55	1.55	1.43	1.49
<u>Employment</u>				
Direct	3,441	1,036	4,783	9,261
Indirect & Induced	1,743	469	1,481	3,692
Total	5,184	1,505	6,264	12,953
Multiplier	1.51	1.45	1.31	1.40
<u>Disposal Income (\$000)²</u>				
Direct	92,270	35,546	81,825	209,642
Indirect & Induced	40,629	18,411	41,647	100,687
Total	132,900	53,957	123,472	310,329
Multiplier	1.44	1.52	1.51	1.48

1 - Detail by industry of direct, indirect and induced impacts of the arts & cultural activities are provided Appendix B.

2 - Disposal income is equal to total earnings minus taxes.

Totals may not sum due to rounding.

UNM Bureau of Business and Economic Research, 2004.

business receipts rather than income. Table 3 includes ‘disposable’ or after tax earnings. Employment figures, by direct count, are equal in the two tables.

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Government Revenues and Expenditures

Table 4 summarizes the tax payments generated by the arts and cultural industries to various public entities in New Mexico. These figures include revenues generated by both direct and indirect/induced activities, but are limited to activities supported by outside dollars. As above, these figures represent contributions otherwise unavailable except for the capacity of Santa Fe’s arts and cultural industries to attract outside funds.

**TABLE 4
TAX REVENUES SUPPORTED DIRECTLY AND INDIRECTLY BY DOLLARS FLOWING
NTO SANTA FE FOR CULTURAL INDUSTRIES AND CULTURAL TOURISM**

Figures in \$1,000's	<u>City</u>	<u>County</u>	<u>Schools</u>	<u>SF CC</u>	<u>State</u>	<u>Total</u>
Gross Receipts Tax						
Cultural Industries/Tourism	8,456	1,915			10,035	20,407
General and Selective Sales Taxes						
Goods and services Purchased by Cultural/Tourism Workers	5,317	1,204			6,309	12,830
Goods and services Purchased by Other Workers Supported	2,553	578			3,030	6,162
Personal Income Taxes						
Earnings in Cultural Industries/Tourism					3,145	3,145
Earnings in Other Industries Supported					1,510	1,510
Property Taxes						
Cultural Industries/Tourism	63	476	385	200	55	1,178
Workers in Cultural Industries/Tourism	189	1,440	1,164	604	168	3,564
Workers in Other Industries Supported	91	691	559	290	80	1,712
Lodgers Tax	4,149					4,149
Total Tax Revenue	20,818	6,304	2,107	1,093	24,334	54,656

Totals may not sum due to rounding.

UNM Bureau of Business and Economic Research, 2004.

These figures show that the arts and cultural industries generate \$54.7 million in government revenues per year. Slightly more than 37% of the total results from gross receipts taxes directly associated with cultural activities; 35% derives from general and selective sales taxes, including mainly gross receipts taxes, on expenditures by direct and indirect employees of the arts and cultural industries;

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20% is generated by income taxes and property taxes paid by cultural businesses and employees of cultural businesses; and the remaining 7% are lodger's taxes paid by cultural visitors to the City of Santa Fe.

Tables 5 and 6 provide detail on revenues and expenditures of the City of Santa Fe and the State of New Mexico that are associated with activities by outside funds captured by Santa Fe's arts and cultural industries. Because these tables include information on both revenues and expenditures, they allow for a more complete accounting of the fiscal impact of the industries on public accounts.

Table 5 shows that the arts and cultural activities generated \$18 million for the City of Santa Fe in 2002, representing an almost 400% return on its expenditures. General and selective sales taxes generated by cultural tourism alone fund nearly twice the expenditures that the city makes on cultural activities.

Table 6 indicates that the State of New Mexico also receives substantial benefits from the infusion of funds from outside the state into Santa Fe's arts and cultural industries. State revenues from the arts and cultural industries exceed expenditures by \$9 million, or 41%, per year excluding capital programs. The state's collection of revenues relies largely on gross receipts taxes, both directly from expenditures on cultural products and indirectly from expenditures by employees of the arts and cultural industries and their vendors. The state also receives substantial revenues from fees for service, including state museum entrance fees, New Mexico magazine revenues. Notably, neither state revenues nor expenditures include non-budgetary sources such as the Museum of New Mexico Foundation. On the expenditure side, the principal costs to the state are the funding of state museums, Tourism Department and art and artisan-related education at SFCC.

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TABLE 5
CITY OF SANTA FE REVENUES AND EXPENDITURES
DIRECTLY AND INDIRECTLY ASSOCIATED WITH CULTURAL INDUSTRIES
& SUPPORTED BY INFLOWS FROM OUTSIDE SANTA FE COUNTY

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Cultural Tourism</u>	<u>Total</u>
<u>Revenues:</u>				
From Cultural Industries/Tourism Businesses:				
Gross receipts tax (CY 2002)	1,266.9	994.3	6,195.0	8,456.2
Property Tax ¹	37.0		25.5	62.5
Lodgers Tax			4,149.4	4,149.4
From Workers Supported Directly & Indirectly:²				
Cultural/Tourism Workers				6,444.0
Other Supported Workers				3,094.9
Federal grants	25.0			25.0
Fees and charges for Services ³	193.6	200.0		393.6
Total⁴	1,522.5	1,194.3	10,369.9	22,625.6
<u>Expenditures:</u>				
Arts Commission	1,071.8			1,071.8
Personnel & Administration	168.8			168.8
Grants to non-profits	903.0			903.0
CD Admin from lodgers Tax		56.4		56.4
Convention and Visitors Bureau	110.0		2,090.0	2,200.0
Sweeny Center	580.0		279.2	859.2
Police & Fire overtime for events	102.5			102.5
Arts from Quality of Life tax	75.2			75.2
Arts in Education Grants Program				
CD Admin trans match grant	25.0			25.0
Art from CIP Bonds (GRT)	180.0			180.0
Total	2,169.5	56.4	2,369.2	4,595.1

1. Property tax revenues paid, particularly by the larger galleries, could not be determined from the tax data available. Santa Fe County GIS staff are researching the problem.

2. Primarily reflects gross receipts taxes on goods and services but the estimate also includes special excise and property taxes paid included.

3. Includes special vendor registration fees, booth rentals and Sweeney Center revenues. Includes some revenue from local artists/artisans, non-profits, and businesses.

4. Rows do not sum because revenues from workers supported directly and indirectly are unallocated among industry groups.

Totals may not sum due to rounding.

Source: City of Santa Fe Approved Budget FY04, Interviews with City Staff, UNM BBER estimates

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TABLE 6
STATE GOVERNMENT REVENUES AND EXPENDITURES, 2002
DIRECTLY AND INDIRECTLY ASSOCIATED WITH CULTURAL INDUSTRIES
& SUPPORTED BY INFLOWS FROM OUTSIDE SANTA FE COUNTY

Operating Budget	Tier 1	Tier 2	Cultural Tourism	Total
Revenues:				
On Cultural Industries/Tourism Businesses:				
Gross Receipts Tax	1,503.5	1,180.0	7,352.0	10,035.4
Property Tax (State debt & SFCC) ¹	150.9		104.0	254.9
On Workers Supported Directly & Indirectly:				
Income Taxes	1,993.5	809.4	1,852.1	4,654.9
Other Taxes Unallocated ²				11,236.0
Federal Non-Recurring Operations	26.5	264.0		290.5
Fees and Charges for Services ³	824.2	4,789.9		5,614.1
	4,498.6	7,043.2	9,308.0	32,085.9
Expenditures (State GF):				
Department of Cultural Affairs FY(03)⁴				
SF Museums	8,108.7			8,108.7
Grants to SF Co. Arts organizations	759.0			759.0
Tourism Department		7,053.9		7,053.9
Economic Development Film Office	500.0			500.0
Santa Fe Community College	3,319.8	2,341.9		5,661.7
Santa Fe Indian School (FY 04)		265.0		265.0
Arts in the Schools -- Santa Fe (FY 04)	396.8			396.8
Total Operating Budget	13,084.4	9,660.8		22,745.1
Capital Program Expenditures:				
Department of Cultural Affairs				
Capital (authority FY03)	11,132.8			11,132.8

1. Property tax revenues paid, particularly by the larger galleries, could not be determined from the tax data available. Santa Fe County GIS staff are researching the problem.

2. Primarily reflects gross receipts taxes on goods and services but the estimate also includes special excise and property taxes paid.included.

3. Tier 1 revenues are admission revenues to the four museums under the Department of Cultural Affairs. The lower estimate was used so no adjustment is made for in-county receipts.Tier 2 revenues are for NM Magazine.

4. Does not include Department administration and other offices located in Santa Fe.

Totals may not sum due to rounding.

Source: LFC Budget FY05, Appropriations Act 2002 and 2003, SFCC, UNM BBER estimates based on NMDOL data and other sources.

A COMPARATIVE ANALYSIS OF SANTA FE'S ARTS & CULTURAL INDUSTRIES

A Comparison of Santa Fe Arts & Cultural Industries with Other U.S. Cities

The complexities of definition, measurement and calculation make it difficult to directly compare the economic impact of Santa Fe's arts and cultural industries to similar industries in other regions. Although comparisons are necessarily partial, the findings are suggestive of significant patterns, particularly in indicating the competitive advantage of Santa Fe in national markets for the arts and culture. This section provides a brief summary of two of the best-received studies comparing the cultural economies of U.S. cities, and offers a more focused comparison of the strength of specific sectors of art and cultural markets. Detailed tables of city comparisons are available in Appendix C.

Americans for the Arts: Arts and Economic Prosperity

Arts and Economic Prosperity, published by Americans for the Arts in 2001⁷, compares the economic performance of non-profit arts institutions in 92 self-selected U.S. cities. The limitation of this study is that the cities that are included in the study are not necessarily representative of all U.S. cities nor do they necessarily share common cultural and economic characteristics. In addition, because the study is restricted to non-profit arts institutions it tends to under represent the economic strengths of larger, more commercially oriented cities. The strength of the study is that definitions and methods of measurement and calculation are consistent across the 92 cities, making it the most broadly based and reliable study available.

According to the *Arts and Economic Prosperity* study, Santa Fe ranks first of the 92 cities. The study indicates that on a per capita basis the economic contribution of nonprofit arts institutions in Santa Fe is more than six times greater than the national average. The economic impact of these institutions is 3.6 times greater than the highest ranked city of comparable size.

⁷ Americans for the Arts. 2003. *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences*. Washington, D.C. Americans for the Arts

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Richard Florida: The Rise of the Creative Class

A second, widely recognized study was conducted by Prof. Richard Florida, author of *The Rise of the Creative Class*⁸. Rather than directly comparing the economic impact of cultural industries in U.S. cities, Florida uses various indicators to measure the potential for creative economic activity among cities. His indicators correlate strongly with other measures of cultural activity.

Florida's study ranks Santa Fe 23rd of 351 metropolitan areas in the U.S. It is important to note that the indicators and indices used by Florida are biased in favor of larger metropolitan areas – each of the top seven cities have populations greater than one million. With slightly more than 62,000 residents, Santa Fe ranks first among cities with populations under 500,000 and is the only city in the top 50 with a population of less than 250,000.

Gallery Receipts and Occupational Comparisons

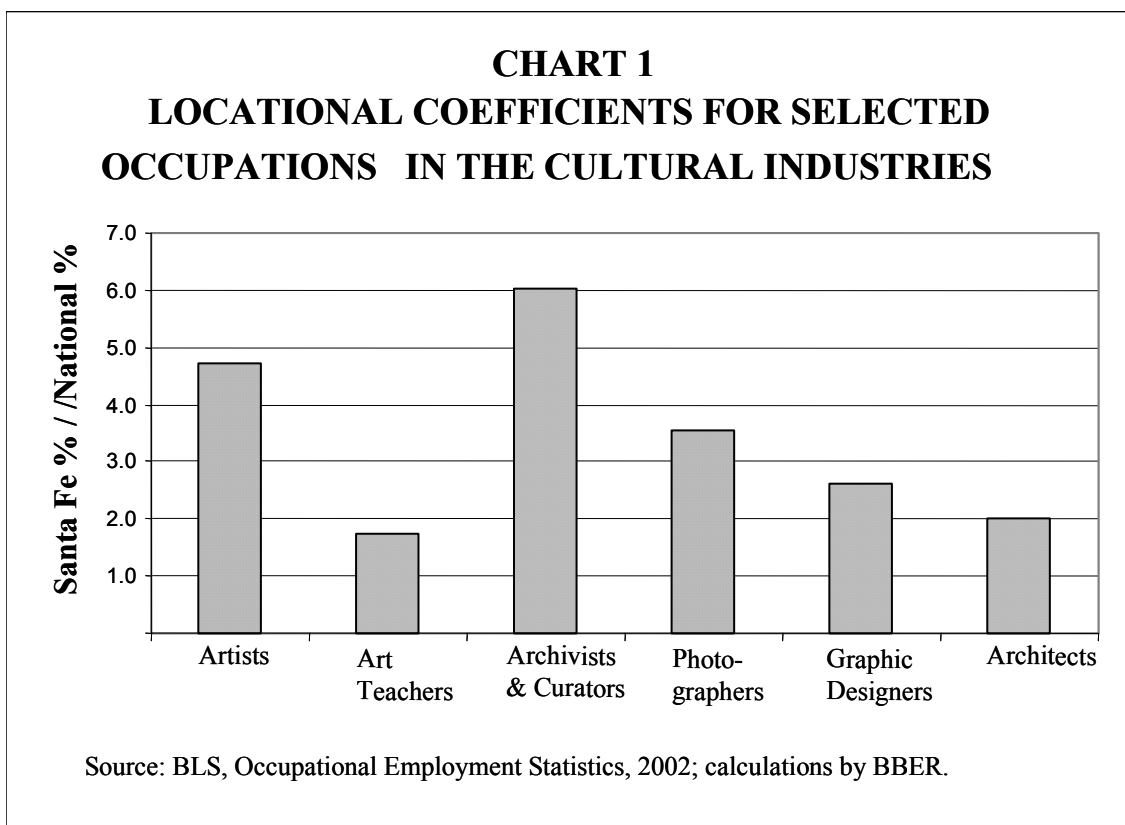
More direct comparisons can be made by focusing on specific economic sectors and occupational categories. According to the Economic Census, Santa Fe is the second largest art market in the U.S., following only New York City. Total receipts of Santa Fe galleries in 1997 were \$144.7 million, 28% greater than third ranked San Francisco.

Another useful strategy is to compare the relative prevalence of key art and cultural occupations within local labor markets by using location coefficients. A location coefficient compares representation of a given occupation in a local labor market in relation to the national average for that same occupation. A location coefficient of 1.0 indicates that the number of persons employed in a given occupation in an area is proportionate to the national average; coefficients above 1.0 indicate that the occupation is more strongly represented in the area in question

Chart 1 shows location coefficients for various arts and cultural occupations in Santa Fe. As this chart indicates, artists, performers and writers, museum curators and archivists, architects, and graphic artists each comprise a much larger share of Santa Fe County's employment than in the nation as a whole. Artists, performers and writers are 4.7 times more common in Santa Fe than the national average; in no other

⁸ Richard L. Florida 2002. *The rise of the creative class: and how it's transforming work, leisure, community and everyday life*. New York: Basic Books.

city do artists comprise such a large share of the labor force. Museum curators and archivists are likewise 6 times more common in Santa Fe than in the national as a whole; Santa Fe ranks second in its representation of this occupation. Photographers are 3.5 times better represented in Santa Fe employment numbers than in the U.S. as a whole. Architects, too, are well represented in Santa Fe, with a proportion 2 times greater than the national average; Santa Fe ranks sixth in this occupation and the five cities with greater representation are among the largest cities in the County. By all of these measures, the arts and cultural activities form a disproportionately large share of overall economic activity.



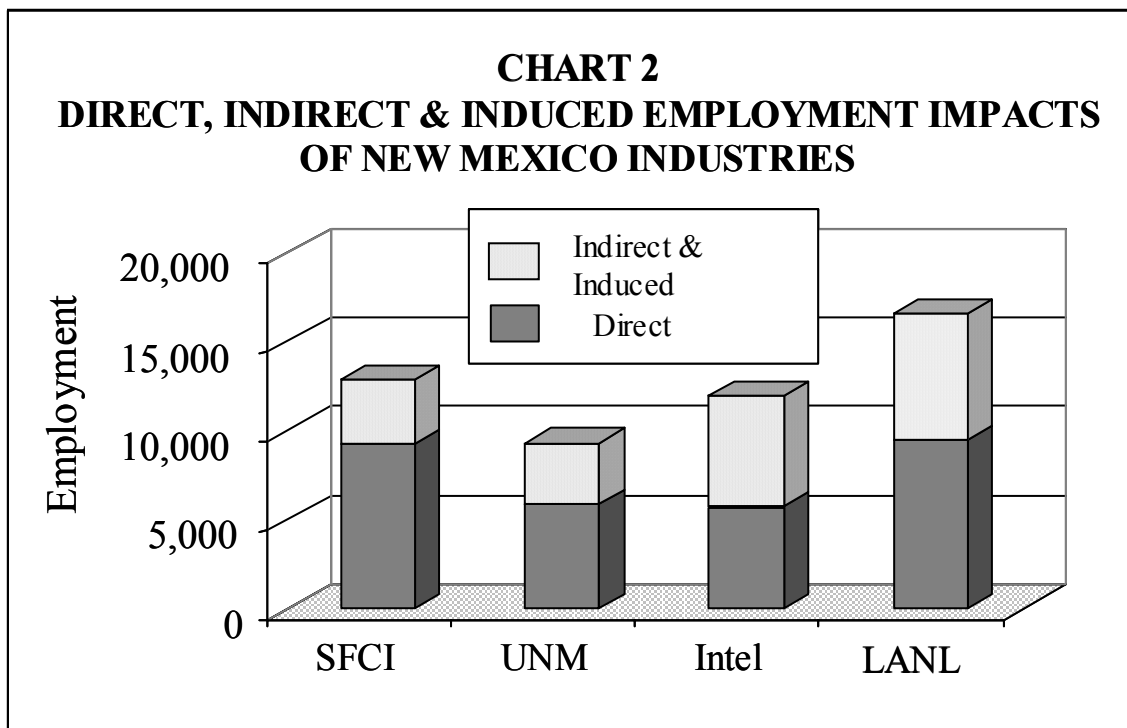
A Comparison of Santa Fe's Arts & Cultural Industries to Other Leading Industries in New Mexico

The preceding section provides for a comparison of Santa Fe's arts and cultural industries to those of other leading cities. This section compares the contribution of

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Santa Fe's arts and cultural industries to New Mexico's economy with other leading industries in the State. From the outset, it is important to note that for the nation as a whole, and for most metropolitan areas, the arts and culture make a small contribution to total economic activity. Santa Fe is an exception.

How does the economic impact of Santa Fe's arts and cultural industries compare to other industries in New Mexico, including New Mexico's much touted and heavily subsidized film industry, the University of New Mexico, Intel's Sandoval County production facility and federally funded research at Los Alamos National Laboratories? The results, in terms of employment creation, are summarized in Chart 2.



New Mexico's Film Industry

During the period 1998-2003, the State of New Mexico's publicly supported film industry has averaged annual revenues of \$16.1 million, with a low of \$3.5 million

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and a high of \$31.7 million. The industry has averaged during the same period 23,750 worker/days of employment, or the equivalent of 90 full-time employees. Based on this estimates, New Mexico's film industry generates approximately 1.5% of the revenues of Santa Fe's arts and cultural industries, and employs on average 0.73% of the number of employees.

The University of New Mexico

BBER has recently completed an analysis of the economic impact of the University of New Mexico on the state's economy⁹. The UNM study focuses exclusively on impact of funds that the University draws from other regions into the state. The results of the study reveal remarkable similarities between the level of the University operations to those of Santa Fe's arts and cultural industries. Outside funds attracted by Santa Fe's arts and cultural industries generates \$814 million in output, compared by \$641 million by the University system. Outside funds employ nearly 12,953 workers in Santa Fe's arts and cultural industries, and 9,363 at the University and its related facilities. Because of the relatively high wages paid by the University system, particularly in Hospital and Health Science operations, wages supported by outside activities at the University slightly exceed those of Santa Fe's arts and cultural industries. It is also interesting to note that the multiplier effects of UNM operations – impacts associated with in-state expenditures by vendors and employees – are comparable to those of Santa Fe's arts and cultural industries, in general adding approximately 50% to the direct impacts of financial inflows to the respective entities. However, impacts for the University, as tallied in this study, encompass expenditures made anywhere in New Mexico, whereas impacts for Santa Fe's arts and cultural industries include only those made within the County. If the analysis were conducted on comparable geographical scales, the indirect and induced effects of Santa Fe's arts and cultural industries would be undoubtedly higher although the share of direct effects would likewise be lower.

Intel Operations in Sandoval County, New Mexico

According to figures available from Albuquerque Economic Development Corporation, Intel employs 5,770 workers at the Sandoval product production facility. According to State Department of Labor statistics, the average annual income for covered employees of the computer and electronic product manufacturing industry New Mexico is \$57,888, yielding an estimated \$289.9 million

⁹ The University of New Mexico impact study, release in 2004, disaggregates University operations according to the main branch in Albuquerque, the University hospital in Albuquerque, Health Sciences and branch campuses. This analysis includes total University activities.

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in disposable (after tax) income. The total impact of Intel operations, including indirect and induced effects, can be estimated with multipliers available from Implan Pro. With an employment multiplier of just under 2.1 and a wage and salary multiplier of 1.34, Intel's operations directly and indirectly support 11,945 workers in New Mexico, who receive \$388.8 million in income. By these estimates, Intel supports slightly fewer employees than Santa Fe's cultural industries (12,567) but, because of the higher wages paid to their direct employees, contributes about 64 percent more to the State's wage bill.

Los Alamos National Laboratories

In 1998 – the most recent year for which reliable figures are available – LANL directly employed 9,757 workers, and paid \$527 million in wages and salaries. Using multipliers from IMPLAN, it is estimated that LANL generates an additional 7,083 jobs and \$177.1 million in wages through indirect and induced impacts. Thus, in total, LANL is responsible for 16,840 jobs and \$704.1 million in income. Because LANL is funded entirely by federal expenditures, virtually all activity should be considered export related or funded by outside sources. In terms of its sheer size, there is little question but that LANL is the most significant economic engine in central and northern New Mexico.

SUMMARY AND CONCLUSIONS

The arts and cultural industries are arguably the single most significant economic engine in Santa Fe County. The revenues drawn from other areas into the local economy by the arts and cultural industries are estimated to be 61.7% of the total flow of capital into the County. These revenues create 12,953 jobs, nearly 18% of the entire employment base of the County. Similarly, economic activities directly and indirectly supported by Santa Fe's art and cultural activities pay \$310 million in wages and salaries, 13% of the County total. State, local and educational entities receive almost \$55 million per year in revenues generated by the culture related inflow of capital. Because the City of Santa Fe spends only one dollar for every five dollars that it receives from the arts and cultural industries, the net financial benefit to the City is substantial. Equally, the State of New Mexico receives substantial net financial benefits, as it returns only \$0.71 of every dollar that it receives from Santa Fe County's arts and cultural industries.

Santa Fe's arts and cultural industries are undoubtedly an integral part of the local economy. However, the contribution that these industries could make to the economy could be even greater. Santa Fe's economy faces the challenge of creating more jobs that pay a satisfactory living wage. The creative energies that are present in Santa Fe's arts and cultural industries could be better leveraged to create a more diverse, innovative and productive economy. Central to any such effort is a more complete understanding the connections that exist between the arts and cultural industries other less developed local industries. Exploring these connections is the subject of Part 2 of this ongoing study.

APPENDIX A

Appendix A provides a detailed discussion regarding methodological issues in the definition, measurement and calculation of the economic impact of the arts and cultural activities in Santa Fe County.

Defining Cultural Activities

For the purpose of this analysis, cultural activities include creative artistic and cultural work and supporting activities that distinguish the Santa Fe region, creating a unique sense of place. These activities exploit the cultural heritage of Santa Fe but are not limited by that heritage; instead, they form a process by which Santa Fe grows and changes.

In developing a definition of cultural activities, BBER sought to balance consideration of the specific character of Santa Fe with a more general interest in maintaining consistency with standards used in other cultural studies. To this end, BBER first accepted the guidance of members of the Santa Fe Cultural Leaders Steering Committee in identifying the unique dimensions of Santa Fe's arts and cultural industries. BBER supplemented these ideas with a review of available applied and academic studies. These studies included: *Arts & Economic Prosperity*, produced by Americans for the Arts; *The Artistic Dividend: The Art's Hidden Contributions to Regional Development*, by Professors Ann Markusen and David King; *The Creative Economy Initiative*, by the New England Council; *Optimizing America's Cultural Resources*, a study funded by the Pew Charitable Trusts; *Creative Community Index*, by Cultural Initiatives Silicon Valley; *The Cultural Economy of Paris*; *Cultural Development in Creative Communities*, a Monograph supported by Americans for the Arts; *Informing Cultural Policy*, by Mark Schuster of MIT; and the *Cultural Economy of Cities*, by Allen J. Scott of UCLA¹⁰.

¹⁰ Americans for the Arts. *Arts & Economic Prosperity*. (Washington D.C. Americans for the Arts, 2003). Ann Markusen and David King. *The Artistic Dividend: The Art's Hidden Contributions to Regional Development*. (Minneapolis: Humphrey Institute of Public Affairs, 2003). New England Council. *The Creative Economy Initiative: A Blueprint for Investment for Investment in New England's Cultural Economy*. (Boston: The New England Council, 2001). Pew Charitable Trusts. *Optimizing America's Cultural Resources*. (Philadelphia: Pew Charitable Trusts, 2001). Cultural Initiatives Silicon Valley. *Creative Community Index*. (San Jose: Cultural Initiatives Silicon Valley, 2003). Bill Bulick with Carol Coletta, Colin Jackson, Andrew Taylor, and Steven Wolff. *Cultural Development of Creative Communities*.

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The relationship between economic activity and the cultural content of the Santa Fe varies significantly from one industry to another. To accommodate these differences, cultural activities are organized in three categories. Tier 1 activities are those that are directly involved with the creation, presentation or preservation of art and/or cultural activities. Activities that have the arts or cultural content but are not “source” activities are categorized as Tier 2 activities. Tourism associated activities that either directly or indirectly contribute to Santa Fe’s sense of place or benefit directly from the cultural assets of Santa Fe are included in a “cultural tourism” category.

The three categories are defined in more detail below.

Tier 1 art and cultural activities include:

- Artists, musicians, actors, dancers, writers and others directly involved in creating visual or performing arts, literature and film. These individuals may be self-employed, perhaps working under contract/commission; they may be employed by businesses or non-profit organizations, like a symphony orchestra or a theater company.
- Artisan industries, including weaving, ceramics, stone working, metalworking, woodworking, cabinetry and furniture making. Artisans may be self-employed but artisan industries include manufacturing firms (e.g., Nambe) and workshops/retail stores (e.g., Ortega Weaving).
- Museums, galleries, and performing arts centers, and the organizations holding major events, like the Indian and Spanish Markets, which showcase art, crafts and different cultural traditions, provide a venue for performing arts and cultural activities, and/or provide market exposure and access for artists and artisans.
- Schools, educational institutions and training programs that are dedicated to teaching art and literature, familiarizing students with different cultures and cultural traditions, training artists and artisans. More broadly, based educational institutions, such as the College of Santa Fe or Santa Fe Community College, are included in proportion to the share of activities related to the arts and cultural education and performance.

(Washington D.C.: Americans for the Arts, 2003). Mark J. Schuster. *Informing Cultural Policy*. (New Brunswick: CUPR, 2002). Allen J. Scott. *Cultural Economy of Cities*. (Thousand Oaks: Sage Publications, 2000).

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- Some printing and publishing activities, if focused on the arts and culture; some motion picture and sound-recording activity.
- Foundations, grant-making organizations dedicated to funding the arts and cultural activities (e.g., the NM Museum Foundation).
- Government offices and agencies with a mission related to the arts and cultural activities, (e.g., NM Department of Cultural Affairs). The activities of State and other agency offices that are located in Santa Fe are included only in proportion to which their activities pertain to the County of Santa Fe (e.g. Department of Cultural Affairs are include in proportion to DCA funded activities that occur in Santa Fe County).

Tier 2 art and cultural activities include:

- Architects, interior designers, commercial artists, graphic designers, commercial photographers, and others who in their work apply an aesthetic and principals of design.
- Motion picture and sound recording businesses; some printing and publishing activities.
- Businesses specializing in the sale of artisan/craft products (e.g., clothing, leather products, rugs) but not tied directly to the artists and artisans.
- Businesses selling music, musical instruments, fine books, artist supplies, photographic equipment/supplies, etc.
- Government offices and agencies with a mission not directly related to the arts and cultural activities but which promote NM art, history and culture, (e.g., The City of Santa Fe Convention Center, the NM Department of Tourism.)
- A tourist component, consisting of:
 - Non-chain restaurants in the Historic District.
 - Historic District hotels, such as La Fonda and Hotel Santa Fe, which exemplify the “Santa Fe style” and which showcase and introduce customers to the art and culture of the region.
 - Other businesses that introduce and educate visitors to the history, cultural traditions, and art of the Santa Fe area.

Cultural Tourism includes tourism related activities directly attributable to cultural attractions that are not otherwise included in Tier 2. These activities include lodging and foodservices, cultural and historical tours, purchases of souvenirs and gift items.

Measuring Cultural Activity in Santa Fe County, 2002

Secondary Information Sources

Using the agreed upon definition of the arts and cultural activities, businesses were identified based on their NAICS (North American Industrial Classification System) code and/or on a case-by-case basis. First, a preliminary inventory of NAICS codes representing targeted activities was developed. Targeted cultural activities are present in a total of 22 sub sectors and industry-groups (3 and 4-digit NAICS codes).

Second, these NAICS codes were used to query the New Mexico Department of Labor ES-202 database, which contains practically all Santa Fe County employers and their employed employees covered for unemployment insurance as well as their NAICS industry codes designating the primary activity of the establishment.¹¹ It is important to note that because the ES 202 database is at the establishment level, in instances where a business had more than one establishment – for example a manufacturing facility that also has a retail center – BBER was able to distinguish among the different activities, allowing for a more accurate designation of activities. Where targeted activities were accurately defined by the five or six digit NAICS codes, such as art galleries and museums, businesses were identified en-mass. These businesses were then reviewed by BBER research staff to confirm they met the established definition of art and cultural. In many cases, however, cultural activities could not be identified by NAICS code alone. In these cases, BBER researchers reviewed individual businesses with the pertinent NAICS codes and identified businesses and organizations on a case-by-case basis.

Employment levels and payroll amounts for 2002 for the identified art and cultural businesses and organizations (including the public sector) were extracted from the New Mexico Department of Labor ES-202 employer database. Records in this database include both monthly employment and quarterly totals for wages and salaries. The direct impact of art and cultural employers equals the sum of employment and payroll amounts for the identified businesses and organizations.

¹¹ The employer records are based on the required quarterly reports by employers of workers covered under state law for unemployment insurance. BBER has a confidentiality agreement with New Mexico DOL that provides access to the ES-202 employer records as well as the wage records on individual employees.

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Non-employers, those businesses subject to federal income tax with no employees and receipts of over \$1,000 per year, also contribute to the art and cultural activity occurring in the county. Non-employers include individual proprietorships (which include the self-employed), partnerships, and corporations. The direct non-employer levels presented in this report are based on secondary data. Non-employer establishment and receipts estimates are based on 2001 Non-Employer Statistics published by the US Census Bureau. In cases where accurate counts of establishments and receipts were not disclosed at the county level for the specific arts and cultural NAICS sectors, estimates were calculated using ratios based on the distribution of these establishments at the MSA, state, or national level. In a very few cases, where these ratios appeared unreliable, ratios were developed using the ES-202 data for employers and applied to non-employers. Because Nonemployer Statistics provide information only on receipts, earnings were estimated as 90% of the value of receipts.

Output estimates for employers and non-employers were calculated for each sub sector and industry group containing cultural activity. The output estimate was derived from data from the 1997 Economic Census using a ratio of dollar of output per dollar of wage. Every attempt was made to use City or County level data to calculate this ratio, but because of limited data availability due to confidentiality and disclosure limitations it was sometimes necessary to use a ratio based on the industry characteristics at the Santa Fe MSA (which includes Santa Fe and Los Alamos counties) or at the state level.

Primary Information Sources

When possible, BBER used primary data collected directly from art and cultural establishments in Santa Fe to confirm the accuracy of estimates and to calibrate coefficients used in the analysis. Information was collected from a large number of arts and cultural institutions representing a variety of different activities. The data collection addressed three sets of questions.

1. What are the total revenues of the various sectors of the arts and cultural industries in Santa Fe? This information was mainly to check to reliability of standardized data sources, including the Economic Census and Bureau of Labor Statistics.
2. What percentage of all revenues generated by the arts and cultural industries are from outside Santa Fe County? This information helps to quantify the

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impact of the arts and cultural industries in generating economic growth in Santa Fe and was used as an input to calculations performed by the Implan Pro model.

3. What percentage of the expenditures made by the arts and cultural industries “leak” out of the county? Again, this information provides for the quantification of the economic impact of the sector on local economy and was an input into the Implan Pro model.

To organize the collection of primary data, the arts and cultural institutions and activities were divided into several sub sectors. These sub sectors included: artistic production; museums; performing arts institutions; educational institutions, including both general educational and art-specific organizations; art & craft galleries; public markets such as Indian market and Spanish market; and institutions that preserve historical landmarks and places. In addition, information was collected on supporting industries, including restaurants and accommodations. These institutions were included only to the extent that contributed directly to the cultural economy of Santa Fe, which specifically include non-chain establishments located in Santa Fe’s historical district as delineated by the National Registry of Historical Places.

Museums: Santa Fe is home to more than a dozen museums, ranging in size from large state-owned institutions to smaller, private museums. Depending on the size and nature of the museum, revenues are generated by private contributions, special events, government grants, admissions, shop sales and other sources. Detailed information on the sources of revenues to museums was collected from tax reports of nonprofit institutions, assembled by Guidestar.org. Where possible, this information was crosschecked with information provided directly by museums. To determine the geographical source of museum revenues BBER collected and tabulated zip codes of visitors from several of the city’s largest museums, including the four state-owned museums and Georgia O’Keeffe Museum. These lists indicate that approximately three-quarters of all visitors to Santa Fe museums are from out-of-town. Slightly lower estimates were given by smaller museums, including the Santa Fe Children’s Museum. Using information also disclosed on tax reports, BBER also estimated on the origin of private contributions to museums – the single largest source of museum revenues. The share of such contributions that originate in the Santa Fe area is estimated to be slightly less than 75%. Revenues raised by special

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events from Santa Fe residents were assumed slightly higher than the corresponding share of museum visitors, while the share of shop sales to out-of-town visitors was assumed to significantly exceed its corresponding share of museum visits.

Performing Arts: Santa Fe is also home to a large number of Performing Arts institutions and venues, including the Santa Fe Opera, the Lensic Performing Arts Center, Chamber Music Festival, ProMusica, the Symphony, the Desert Chorale, the Ballet Festival, Shakespeare in Santa Fe, and many others. Detailed information pertaining to the geographical source of revenues was provided by the Santa Fe Opera, and managers of several of the other institutions provided estimates of their patrons. Compared to museums, performing arts centers rely slightly more on ticket sales for their revenues, and with the exception of the Opera, the patrons are relatively more likely to be residents of Santa Fe. However, the Santa Fe Opera, by far the largest performing arts institution in the county, reports that nearly 75 percent of its patrons are from outside of Santa Fe, many from out-of-state.

Post-Secondary Educational institutions, including the College of Santa Fe, St. John's College, Santa Fe Community College and Southwestern College, contribute directly to the economy of the arts and culture by providing arts-related education, supporting public events and fostering a climate supportive of the arts. Estimates of the share of institutional activities related to the arts and culture were derived in the best of cases from records of student credit hours – the College of Santa Fe provided information on the percentage of total student hours at the College in the arts and humanities courses. To determine the share of College revenues drawn from out-of-state, the College provided BBER with information on the geographical sources of the student body. Assumptions were made concerning cultural involvement of St. John's College based on its Great Books curriculum. Course offerings were tabulated for Santa Fe Community College and Southwestern College to determine the share of activities at those institutions relevant to the arts and culture. It was conservatively assumed that the entire student body of the Community College was originally resident of the Santa Fe.

Arts & Cultural Educational Institutions: In addition to post-secondary general educational institution, Santa Fe also features a number of institutions specifically provide and support education in the arts. These include nationally-renown National Dance Institute and Santa Fe Art Institute, as well as a number of

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smaller, locally oriented organizations such as Santa Fe Teens Arts, Arts & Science Laboratory and the New Mexico CultureNet. As with museums and other educational institutions, these institutions depend principally on grants and contributions, and only secondarily on program revenues. For the largest of these institutions, information on the sources of revenues was available either directly from representatives of the institutions or from tax reports compiled by Guidestar.org. Estimates were made based on information uncovered in the institution's literature or website.

Public Markets: Considerable effort was invested in the analysis of Santa Fe's public markets, including Indian Market, Spanish Colonial and Contemporary Arts Markets, markets sponsored by the Santa Fe Council for the Arts, and the Kiwanis Club's Zozobra. These markets involve two spheres of activity. The first is that of the sponsoring institution, which derives revenues through booth rentals (or ticket sales in the case of Zozobra) and make expenditures to facilitate the market. A substantial share of this is paid to the City of Santa Fe. The second sphere of activity is that of artists and vendors who operate booths. These individuals generate revenues through the sale of arts and crafts, and make expenditures in the production of the art and in payment to the sponsoring institutions, typically for licenses and booth rentals. The first of these two spheres is comparatively minor (SWAIA generates approximately \$600,000 per year in revenues), and the majority of these funds represent an inflow of revenues to Santa Fe. The second sphere of activity, sales by artists and vendors, involves a greater volume of revenues. To avoid double counting these revenues with respect to the direct income of artists, estimates of market vendor sales were not directly included.

The institutions that sponsor the markets have available accurate information on their own revenues and expenses, and reliable information on visitors to the market, including their places of residences. With minimal assumptions, this provides for a reasonable estimation of flow of revenues associated with the markets both into and out of the Santa Fe economy. Unfortunately, information on the volume of revenues generated by vendor sales is less readily available, and depends largely on educated estimates based on interviews with participating artists and vendors.

Historical and Cultural Preservation: there are a handful of nonprofit organizations based in Santa Fe whose mission is the preservation of historical places and

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indigenous and traditional cultures, including the Collective Heritage Institute and the Indigenous Language Institute. Sources of information concerning these organizations included Guidestar.org, organization-sponsored websites and, in one case, direct communications. In general, these institutions depend largely on grants and contributions, and most of these funds originate outside of Santa Fe. However, for most Santa Fe serves primarily only as a headquarters and the majority of the programs sponsored by groups occur outside of the Santa Fe area.

Art Galleries: BBER conducted a random survey of 32 galleries in Santa Fe. The sample was selected from a list of members of the Santa Fe Gallery Association and Collector's Guide to Santa Fe art galleries. The combined list included nearly 200 galleries. Sales from the randomly sampled galleries ranged from \$45k to \$10.1 m per year. The galleries were remarkably cooperative – with very few exceptions, answers were provided information for all questions. The survey included the following questions and yielded the following results:

- What percentage of total sales, by value, is made to customers from outside the Santa Fe area?

This information is reliable because sales to customers who take possession of the work out-of-state are exempt of Gross Receipts taxes, and thus galleries must collect verifiable information. On average, slightly more than 85% of art sales by Santa Fe's galleries is delivered out-of-state. The majority of the remaining 15% percent of sales were made to customers living Santa Fe, resulting in an estimate of slightly more than 90% of sales, by value, to out-of-county customers.

- Where are payments for art sold at the gallery made?

The information provided by galleries is again very reliable. Most galleries show a limited number of artists, or a larger number of artists from a specific area or group (e.g. Native American from specific Pueblos), and are sufficiently familiar with artists to be able to specify where the art is produced with some accuracy. Galleries also maintain information regarding the value of sales by artists or groups of artists.

The results varied significantly by type, but on average the surveys indicated that 8% of the value of art sold in Santa Fe galleries is purchased from artists working in Santa Fe County; another 8% is purchased from artists working other parts of New Mexico, and the remaining 84% is purchased from artists working out-of-state. Because the focus of this study is the impact of A&CI on the

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economy of Santa Fe County, the first 8% figure is relevant. It should be noted a large share of art sales (by value) was produced by now deceased artists. In this economic impact study the relevant information is where payments for art are made (and spent), and not where the art was actually produced. The clear pattern, according to gallery owners, was that payments of this art were sent to out-of-state families and trusts. Without reliable estimates, it was assumed that the payment for all art of deceased artists was made out-of-county.

- What is the cost of art as a percentage of the total revenues?
The surveys provide for a much better estimation of *margins* (the difference between producer price and purchaser price – the “mark-up”) than is available from more general statistics on specialty retail. The survey indicated an estimated margin of 46% (i.e. 46% of the final value of sales is paid for the purchase of the art). The typical arrangement described by gallery owners was 50% consignment, though some galleries are able to retain a greater margin on the resale of purchased art.
- What other significant costs are incurred by galleries, and to what extent do those expenses flow out of Santa Fe? In addition to payroll, the most significant expenses are rent/mortgage, advertising, shipping, insurance, and display.

Hotels and other accommodations in the Historical District: Estimates of the share of hotel revenues that are attributable to cultural activities depend on a small number of important assumptions. In general, it is assumed that all guests of hotels located in Santa Fe’s historical district are attracted by the area’s unique cultural and historical value. Cultural tourists clearly fall into this category, and any conference or function in historical district is likewise assumed to have been scheduled to draw from the benefits of the historical district’s unique value. This is supported by that argument that the cost of lodging in this area of the city is significantly above that of other areas, and indeed other cities. The decision to locate in this area must therefore be attributed to some value specific to that area. A significant exception to this assumption is that guests on business with the state government have specific interest in being located close to state offices. To determine the percentage of guests of hotels in the historical district who are conducting business with state offices, a small survey of hotels was conducted. The survey resulted in an estimate that 10% of all guests of hotels in the historical district are in town on government business.

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Restaurants in the Historical District: As with hotels, the principal concern was to estimate the share of revenues that are attributable to cultural activities. Again, it was assumed for the purposes of this analysis that only the business restaurants located with the historical district of Santa Fe, as defined by the National Register of Historic Places, should be considered related to cultural activities. However, unlike hotels, restaurant activities must be further limited to revenues associated with customers visiting from outside Santa Fe. To arrive at this estimate, a survey of managers of restaurants in the historical district was conducted to determine the percentage customers who were visitors to Santa Fe during the slowest month of business. The slowest month was determined to be February, and the percentage of out-of-town customers during that month was estimated to be 39%. From that point, it was assumed that any monthly variation in receipts in excess of the February total was entirely attributable to out-of-town customers. This assumption was confirmed by restaurant managers, who noted that the decline of local customers during peak months was negligible.

A final note underlines the conservative nature of estimates of export revenues. In this study, estimates of expenditures of out-of-town customers include only those of persons visiting Santa Fe; they exclude expenditures of persons who have retired to Santa Fe or who own a second home in Santa Fe. However, in a technical sense, income that is used to purchase the good or service in Santa Fe that is earned outside the area constitutes an inflow of revenues to the region. Including expenditures of retirees and homeowners with out-of-town income sources would significantly increase the estimate of the value of exports cultural goods from Santa Fe.

Measuring Cultural Tourism

BBER staff received assistance from Paul Narbutus from the Department of Cultural Affairs in estimating the total volume of cultural tourism in Santa Fe. The principal source of data used by Mr. Narbutus was TravelScope, a propriety database contracted by the Department of Cultural Affairs and that measures U.S. travel patterns. The database is based on sample surveys of travelers, gathering information the 'key' destination, the principal purpose of the travel, and the activities undertaken during travel. The database also includes information on days and nights in New Mexico, number of adults and children in the party, primary

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purpose of the trip, activities and expenditures in New Mexico.

Using data gathered from TravelScope, BBER was able to estimate the number of visitors (1,278,000) and visitor nights (4,217,400) in Santa Fe; average daily expenditures per person (\$130); and the percentage of travelers identified as “cultural tourists” based on their activities (75%). Total spending by “cultural tourists” was estimated at \$411 million. Darlene Griego, Executive Director of the Santa Fe Convention and Visitors Bureau, offered a slightly different estimate of overnight visitors (1.4 million), and an estimate of the number of rooms in the Historic District (1,500) and elsewhere. We also worked with information from another survey, *Santa Fe Convention & Visitors Bureau Tourism Study: Inquiry Phone Survey*, conducted by CRC & Associates of Albuquerque in September 2002. The average daily expenditures in that study were \$118 per day, and the study provided a breakdown of the number of visitors staying in hotels versus friends and relatives, campgrounds, etc. We gravitated toward using a lower number, under \$120, in view of the fact that ground transportation is a major spending category and that car rentals most likely would be done and gasoline frequently purchased in Albuquerque or elsewhere.

In allocating expenditures to different industries, we made use of a publication from the Travel Industry Association of America, *Impact of Travel on State Economies, 1998*, although the numbers were adjusted on the basis of actual information on Santa Fe (e.g., lodgers tax receipts, Rocky Mountain lodging report on room rates and occupancy), including an analysis of tourist spending at restaurants in the Historic District.

The data provided by DCA’s Paul Narbutus included the number of over-night visitors. There are, however, many who have as their principal destination other places in New Mexico but who spend a day or so in Santa Fe. Albuquerque, for example, has some 4 million visitors annually. To include a number of the Albuquerque visitors as cultural “day-trippers” to Santa Fe BBER staff “guestimated” that Santa Fe might attract 800,000 people who would come for the day to visit museums, attend performances or special events, like Indian Market. In estimating their expenditures (over and above admission) while in Santa Fe, we made use of expenditure data from the report of Americans for the Arts *2001 Arts & Economic Prosperity*. The data was collected from surveys of people attending

performances and museums.

Adding the numbers for over-night visitors and day-trippers produces totals for cultural tourism by industry. To avoid double counting, we then subtracted from these figures any purchases/sales (and associated employment wages) to people from outside Santa Fe County that we had already counted in our estimates of cultural tourism. The one exception was the galleries. The dollar exports from the galleries are so very large that over half of the spending would have gone for this purpose. What makes the gallery numbers so large, however, is that some of the galleries sell art works valued in the tens of thousands of dollars. It is rather unlikely that the purchasers of these very expensive pieces of art will show up in the survey numbers and their purchases might well be dismissed as outliers if they did. To deal with this problem, only one third of the gallery exports were subtracted. Finally, also to avoid double counting of activities included in Tier 2 – cultural tourism in Santa Fe’s historical district – these numbers were also subtracted.

Calculating Government Revenues and Expenditures Related to the Arts & Cultural Industries and Cultural Tourism

Taxes on and Tourism

Gross Receipts Taxes. Based on BBER staff knowledge of the applicability of the gross receipts tax to different industries and types of businesses and using data from the NM Taxation and Revenue Department’s Report 80, estimates of total output (receipts) were converted into taxable gross receipts by detailed NAICS industry. Applicable tax rates by jurisdiction are available on TRD’s website. The City of Santa Fe’s budget document also provides detail on the different local option taxes currently in place. Since most of the activity takes place within the City, the City percentages going to the City, the County and the State were utilized. For this report, for purposes of comparability and to avoid double counting, only the gross receipts tax paid on sales to/receipts from out-of-County residents/businesses are counted.

Property Taxes. Santa Fe County is in the process of putting property tax data on individual parcels on line, but to use this database today it is necessary to

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have the appropriate identification numbers for all those properties to be researched. BBER decided to focus on the galleries, particularly those along Canyon Road, and the hotels within the Historic District. Staff and our student research assistant made trips to Santa Fe to use the Assessor's Office maps to develop the list of appropriate identification numbers. The information on line is through tax year 2001 and we tried to gather information on the taxes paid on each of the properties in that year. Unfortunately, no tax data were available for many of the properties. The County GIS people are researching the problem. Property taxes paid were allocated to different taxing jurisdictions based on the tax rates on non-residential property in place and reported by the Department of Finance and Administration Local Government Division in their annual report on counties and municipalities.

Lodgers Tax. BBER staff estimated total lodgers tax receipts to the City from cultural tourism making use of data on average daily room rates and occupancy rates for hotels in both the Historic District and along Cerrillos Road available from the *Rocky Mountain Lodging Report*. The Convention and Visitors Bureau provided estimates of the number of rooms in both areas of town. BBER research on cultural tourism determined that some 75% of Santa Fe's visitors are drawn to the area by the art and culture.

Taxes on Workers directly employed or supported indirectly by the dollars that the Arts & Cultural Industries bring into Santa Fe

Estimates were made using the total earnings figures from the economic impact analysis produced using IMPLAN. The shares of income going to different types of taxes were based on the Institute on Taxation and Economic Policy's January 2003, *Who Pays: A Distributional Analysis of the Tax Systems in All 50 States*. Figures were calculated for General Sales and Excise Taxes, Income Taxes and Property Taxes. The methodology used makes use of IRS data and allocates taxes paid by businesses but born by households as well as those paid directly by individuals. Revenues to different levels of government were determined for sales and excise taxes, property taxes and income taxes.

Other Revenue Sources

While taxes clearly dominate, other revenue sources to the City and the State were identified based on budget documents and discussions with knowledgeable staff.

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Expenditures

Expenditures by the City of Santa Fe were identified in conversations with City staff and in a careful reading of budget documents. State expenditures in Santa Fe County were estimated using the Appropriations Acts for FY03 and 04 and both the Executive and Legislative Finance Committee budgets for FY 05, which include actual expenditures for prior fiscal years. We also made some use of the ES 202 data on employment and wages by establishment in determining which government activities were located in Santa Fe. Finally, BBER staff and students talked to some staff within State agencies.

Calculating Indirect and Induced Impacts

Regional economic impact analysis estimates the total amount of economic activity – jobs, income, and output – supported by the dollars that the industry in question brings into the region from elsewhere. Dollars that flow into a regional economy have a *multiplier effect* resulting from purchases made by local vendors to the industry in question (*indirect effects*) and of expenditures of wages by employees of the industry in question or of its vendors (*induced effects*). Offsetting the multiplier effects are *leakages*, the portion of local expenditures that leave the area, for example purchases by business of equipment manufactured outside the area or personal spending by Santa Fans in other parts of the world.

An *input-output* model is used to estimate the indirect and induced effects for a specific geographical area. The model calculates how much of any given expenditure remains within the economy, traces the impact of those expenditures on local industries and estimates the resulting multiplier. The multiplier thus summarizes the overall impact of a particular industry on the rest of the regional economy. A standard input-output model measures the interactions amongst hundreds of industries using the BEA “Make” and “Use” tables.¹²

In this study, BBER used Implan Pro 2.0 to calculate the indirect and induced impacts of Santa Fe’s arts and cultural activities¹³. Implan Pro 2.0 is widely used in performing economic impact analyses. BBER has validated Implan Pro 2.0 results for New Mexico in other studies, where both Implan and BBER’s FOR-UNM model have been used to estimate economic impacts.

¹² The Bureau of Economic Analysis produces these tables as part of their Regional Economic Information Service (REIS) and updates them every five years.

¹³ Minnesota IMPLAN Group, Inc., IMPLAN System (data and software), 1725 Tower Drive West, Suite 140, Stillwater, MN 55082 www.implan.com

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Implan Pro 2.0 uses a proprietary Santa Fe county input-output database to perform its calculations. Where appropriate, BBER replaced Implan's use of the proprietary data with more specific measurements of Santa Fe's economy gathered with surveys. In particular, BBER used directly gathered information to specify the classification of expenditures by industry, the export portion of revenues, and other direct measures of output, labor income and employment. Surveys of gallery owners were also used to provide more precise estimates of the general pattern of sales and expenditures, and in particular, to determine the critically important margins used in Santa Fe's art galleries. The collection of these data was discussed in detail in the previous section.

These surveys allowed for a better estimation of *margins* – the difference between producer price and purchaser price (the “mark-up”). The survey resulted in an estimated margin of margin of 46% (i.e. 46% of the final value of sales is paid for the purchase of the art). The typical arrangement described by gallery owners was 50% consignment, though some galleries are able to retain a greater margin on the resale of purchased art. Similarly, surveys revealed that 8% of the value of art sold in Santa Fe galleries is produced and purchased locally; the remaining expenditure on art are paid out of the county. Finally, surveys indicated that that 15.5% of revenues to art galleries is from local customers; the remainder represents an inflow of capital.

APPENDIX B

Tables in Appendix B provide industry-specific detail on the economic impact of the arts and cultural activities supported by outside funds.

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TABLE B.1
ECONOMIC IMPACT OF CULTURAL INDUSTRIES IN SANTA FE COUNTY
TIER 1 INDUSTRIES

	Direct	Indirect/ Induced	Total	Multiplier
<u>Output (\$000)1</u>				
Artisans, Manufacturing	25,718	15,621	41,339	1.61
Art Dealers (Retail)	60,142	29,365	89,507	1.49
Miscellaneous Retail	-	-	-	-
Museums, Perf Arts, Artists	69,083	43,149	112,232	1.62
Publish, Motion Pictures, Sound	5,532	4,095	9,627	1.74
Arts and Cultural Services	5,651	3,499	9,150	1.62
Education	42,980	19,685	62,665	1.46
Hospitality	-	-	-	-
Government	1,199	593	1,792	1.49
Total	210,305	116,007	326,312	1.55
<u>Employment2</u>				
Artisans, Manufacturing	576	301	878	1.52
Art Dealers (Retail)	447	350	798	1.78
Miscellaneous Retail	-	-	-	-
Museums, Perf Arts, Artists	1,523	713	2,236	1.47
Publish, Motion Pictures, Sound	96	54	150	1.56
Arts and Cultural Services	71	37	107	1.52
Education	709	280	989	1.40
Hospitality	-	-	-	-
Government	19	8	27	1.43
Total	3,441	1,743	5,184	1.51
<u>Disposable Earnings (\$000)3</u>				
Artisans, Manufacturing	16,449	5,193	21,642	1.32
Art Dealers (Retail)	17,748	9,419	27,167	1.53
Miscellaneous Retail	-	-	-	-
Museums, Perf Arts, Artists	33,565	13,436	47,002	1.40
Publish, Motion Pictures, Sound	5,532	4,095	9,627	1.74
Arts and Cultural Services	2,385	1,111	3,497	1.47
Education	15,896	7,165	23,061	1.45
Hospitality	-	-	-	-
Government	695	210	905	1.30
Total	92,270	40,629	132,900	1.44

1 - Output represents an estimate of sales, shipments, receipts, revenue or business done depending on industry as defined by the Economic Census, US Bureau of the Census, 1997.

2 - Because non-employers have no-employees, employee values in this table include wage and salary employment and an estimate of the number of non-employer (which includes the self-employed) establishments in 2001.

3 - Source: wage data for wage and salary employees from New Mexico Department of Labor 202 employer database. Because non-employer establishments do not have wages or salaries they are not represented in the wage data presented in this table.

Totals may not sum due to rounding.

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TABLE B.2
ECONOMIC IMPACT OF CULTURAL INDUSTRIES IN SANTA FE COUNTY
TIER 2 INDUSTRIES

	Direct	Indirect/ Induced	Total	Multiplier
<u>Output (\$000)1</u>				
Artisans, Manufacturing	4,507	2,131	6,638	1.47
Art Dealers (Retail)	1,019	575	1,594	1.56
Miscellaneous Retail	16,835	9,992	26,827	1.59
Museums, Perf Arts, Artists	-	-	-	-
Publish, Motion Pictures, Sound	10,650	7,192	17,842	1.68
Arts and Cultural Services	13,961	7,552	21,513	1.54
Education	6,759	3,964	10,723	1.59
Hospitality	-	-	-	-
Government	6,338	1,462	7,801	1.23
Total	60,069	32,868	92,938	1.55
<u>Employment2</u>				
Artisans, Manufacturing	81	36	117	1.44
Art Dealers (Retail)	26	8	33	1.30
Miscellaneous Retail	244	131	375	1.54
Museums, Perf Arts, Artists	-	-	-	-
Publish, Motion Pictures, Sound	147	87	234	1.59
Arts and Cultural Services	297	121	418	1.41
Education	173	68	240	1.39
Hospitality	-	-	-	-
Government	69	19	88	1.28
Total	1,036	469	1,505	1.45
<u>Disposable Earnings (\$000)3</u>				
Artisans, Manufacturing	1,844	1,164	3,008	1.63
Art Dealers (Retail)	462	197	659	1.43
Miscellaneous Retail	9,107	4,561	13,668	1.50
Museums, Perf Arts, Artists	-	-	-	-
Publish, Motion Pictures, Sound	10,650	7,192	17,842	1.68
Arts and Cultural Services	7,537	3,151	10,688	1.42
Education	3,757	1,617	5,375	1.43
Hospitality	-	-	-	-
Government	2,190	528	2,718	1.24
Total	35,546	18,411	53,957	1.52

1 - Output represents an estimate of sales, shipments, receipts, revenue or business done depending on industry as defined by the Economic Census, US Bureau of the Census, 1997.

2 - Because non-employers have no-employees, employee values in this table include wage and salary employment and an estimate of the number of non-employer (which includes the self-employed) establishments in 2001.

3 - Source: wage data for wage and salary employees from New Mexico Department of Labor 202 employer database. Because non-employer establishments do not have wages or salaries they are not represented in the wage data presented in this table.

Totals may not sum due to rounding.

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TABLE B.3
ECONOMIC IMPACT OF CULTURAL INDUSTRIES IN SANTA FE COUNTY
CULTURAL TOURISM INDUSTRIES

	Direct	Indirect/ Induced	Total	Multiplier
<u>Output (\$000)1</u>				
Artisans, Manufacturing	-	-	-	-
Art Dealers (Retail)	-	-	-	-
Miscellaneous Retail	24,650	13,174	37,823	1.53
Museums, Perf Arts, Artists	12,799	6,319	19,117	1.49
Publish, Motion Pictures, Sound	-	-	-	-
Arts and Cultural Services	-	-	-	-
Education	-	-	-	-
Hospitality	209,476	87,588	297,064	1.42
Government	-	-	-	-
Total	246,924	107,080	354,005	1.43
<u>Employment2</u>				
Artisans, Manufacturing	-	-	-	-
Art Dealers (Retail)	-	-	-	-
Miscellaneous Retail	269	149	418	1.55
Museums, Perf Arts, Artists	198	86	283	1.43
Publish, Motion Pictures, Sound	-	-	-	-
Arts and Cultural Services	-	-	-	-
Education	-	-	-	-
Hospitality	4,317	1,246	5,563	1.29
Government	-	-	-	-
Total	4,783	1,481	6,264	1.31
<u>Disposable Earnings (\$000)3</u>				
Artisans, Manufacturing	-	-	-	-
Art Dealers (Retail)	-	-	-	-
Miscellaneous Retail	5,176	3,792	8,968	1.73
Museums, Perf Arts, Artists	12,799	6,319	19,117	1.49
Publish, Motion Pictures, Sound	-	-	-	-
Arts and Cultural Services	-	-	-	-
Education	-	-	-	-
Hospitality	63,850	31,536	95,387	1.49
Government	-	-	-	-
Total	81,825	41,647	123,472	1.51

1 - Output represents an estimate of sales, shipments, receipts, revenue or business done depending on industry as defined by the Economic Census, US Bureau of the Census, 1997.

2 - Because non-employers have no-employees, employee values in this table include wage and salary employment and an estimate of the number of non-employer (which includes the self-employed) establishments in 2001.

3 - Source: wage data for wage and salary employees from New Mexico Department of Labor 202 employer database. Because non-employer establishments do not have wages or salaries they are not represented in the wage data presented in this table.

Totals may not sum due to rounding.

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APPENDIX C

Tables in Appendix C provide detail of various comparisons of cultural activities by metropolitan area.

TABLE C.1
ECONOMIC IMPACT OF THE ARTS ACCORDING TO AMERICANS FOR THE ARTS, 2001.

			Population	Revenues Generated (^{'000s} \$)	Jobs Created	Personal Income Paid (^{'000s} \$)	Gov't Taxes Paid (^{'000s} \$)	Total Impact per Capita (\$)	Jobs Created/ Pop
	National		280,000,000	134,038,341	4,849,381	89,416,073	13,874,324	\$369	1.7%
<u>1</u>	<u>Santa Fe</u>	<u>NM</u>	<u>62,203</u>	<u>222,608</u>	<u>6545</u>	<u>120,397</u>	<u>19,626</u>	<u>\$2,251</u>	<u>10.5%</u>
2	Rockland	ME	7,609	21,805	637	10,456	1,826	\$1,614	8.4%
3	Portsmouth	NH	20,784	26,095	870	16,185	2,253	\$887	4.2%
4	Sonora	CA	4,423	4,645	147	2,414	470	\$652	3.3%
5	Minneapolis	MN	382,618	269,433	8,504	214,038	27,886	\$632	2.2%
6	Asheville	NC	68,889	60,984	2,100	37,647	5,560	\$627	3.0%
7	Niagara	NY	55,593	47,203	1,637	23,716	6,434	\$542	2.9%
8	Bloomington	IN	69,291	44,523	1,567	32,242	3,531	\$516	2.3%
9	New Orleans	LA	484,674	300,515	9,959	187,680	32,476	\$454	2.1%
10	Homer	AK	3,946	2,667	85	1,471	276	\$443	2.2%
11	Walnut Creek	CA	64,296	34,167	960	20,050	3,813	\$371	1.5%
12	Fulton	GA	816,006	330,985	10,285	261,211	31,871	\$359	1.3%
13	Indianapolis	IN	791,926	294,414	10,412	230,769	32,036	\$332	1.3%
14	Detroit	MI	951,270	430,609	11,755	270,506	42,623	\$329	1.2%
15	Columbus	OH	711,470	265,553	8,964	186,420	25,530	\$298	1.3%
16	Door	WI	27,961	12,526	427	6,490	1,427	\$283	1.5%
17	St. Petersburg	FL	248,232	92,600	3,089	59,288	8,778	\$274	1.2%
18	Lawrence	KS	80,098	33,466	1,163	19,282	2,602	\$273	1.5%
19	St. Louis	MO	1,364,504	449,355	14,690	320,962	38,531	\$263	1.1%
20	Green Bay	WI	102,313	45,472	1,312	22,751	3,482	\$256	1.3%
	<u>Flagstaff¹</u>	<u>AZ</u>	<u>52,894</u>	<u>1,777</u>	<u>62</u>	<u>1,471</u>	<u>133</u>	<u>\$30</u>	<u>0.1%</u>

¹Underlined rows are cities included in Angelou Economics 2003 Benchmark Study.

Source: Arts & Economic Prosperity, Americans for the Arts, 2001.

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**TABLE C.3
PRINCIPAL CITIES FOR ART DEALERS, 1997**

	Receipts ('000\$)	Galleries	Receipts per Gallery ('000s)
TOTAL	3,000,798	5,698	526.6
1 New York City	856,500	470	1,822.3
2 Santa Fe	144,721	96	1,507.5
3 San Francisco	112,541	122	922.5
4 Los Angeles	105,814	183	578.2
5 Chicago	104,042	178	584.5
6 West Palm Beach	45,990	71	647.7
7 Phoenix	40,461	92	439.8
8 Washington DC	37,545	118	318.2
9 Seattle	36,575	81	451.5
10 Philadelphia	34,279	85	403.3
Top 10 as Percentage of Total	50.6%	26.3%	
Raleigh	7,965	29	274.7
Boulder	6,912	17	406.6
Asheville	D	7 **	

¹Underlined rows are cities included in Angelou Economics 2003 Benchmark Study.

Source: US Census Bureau, Economic Census, 1997. NAICS: 45392

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TABLE C.4
LEADING CITIES FOR ARTISTS, PERFORMERS & WRITERS, 2001

	Total Employment	Artists, Performers & Writers	Artists / Employment	Avg Income per Artist (\$)
National	127,980,430	525,921	0.411%	18,169
1 <u>Santa Fe, NM MSA</u>	<u>71,930</u>	<u>1,382</u>	<u>1.921%</u>	<u>23,347</u>
2 <u>Austin-San Marcos, TX MSA</u>	<u>658,400</u>	<u>3,764</u>	<u>0.572%</u>	<u>19,950</u>
3 <u>New York, NY PMSA</u>	<u>4,056,640</u>	<u>49,958</u>	<u>1.232%</u>	<u>24,890</u>
4 <u>Nashville, TN MSA</u>	<u>638,970</u>	<u>6,703</u>	<u>1.049%</u>	<u>38,218</u>
5 <u>San Francisco, CA PMSA</u>	<u>997,320</u>	<u>8,866</u>	<u>0.889%</u>	<u>25,474</u>
6 <u>Santa Barbara, CA MSA</u>	<u>101,640</u>	<u>1,378</u>	<u>1.356%</u>	<u>24,416</u>
7 <u>Boulder-Longmont, CO PMSA</u>	<u>180,980</u>	<u>1,483</u>	<u>0.819%</u>	<u>16,851</u>
8 <u>Asheville, NC MSA</u>	<u>104,540</u>	<u>700</u>	<u>0.670%</u>	<u>13,576</u>
9 <u>Flagstaff, AZ MSA</u>	<u>51,290</u>	<u>340</u>	<u>0.663%</u>	<u>16,044</u>
10 <u>Portsmouth-Rochester, NH-ME PMSA</u>	<u>116,720</u>	<u>734</u>	<u>0.629%</u>	<u>16,064</u>
11 <u>Boston, MA-NH PMSA</u>	<u>1,971,030</u>	<u>11,462</u>	<u>0.582%</u>	<u>17,754</u>
12 <u>Tucson, AZ MSA</u>	<u>327,630</u>	<u>1,830</u>	<u>0.559%</u>	<u>13,848</u>
13 <u>Seattle, WA PMSA</u>	<u>172,150</u>	<u>7,032</u>	<u>4.085%</u>	<u>16,737</u>
14 <u>Minneapolis-St. Paul, MN-WI MSA</u>	<u>1,696,040</u>	<u>8,898</u>	<u>0.525%</u>	<u>13,942</u>
15 <u>Portland, OR PMSA</u>	<u>155,320</u>	<u>4,782</u>	<u>3.079%</u>	<u>14,284</u>
16 <u>San Diego, CA MSA</u>	<u>1,208,050</u>	<u>6,134</u>	<u>0.508%</u>	<u>17,392</u>
17 <u>Albuquerque, NM MSA</u>	<u>339,390</u>	<u>1,651</u>	<u>0.486%</u>	<u>13,354</u>
18 <u>Colorado Springs, CO MSA</u>	<u>234,120</u>	<u>1,153</u>	<u>0.492%</u>	<u>14,827</u>
19 <u>Washington, DCPMSA</u>	<u>2,673,890</u>	<u>12,550</u>	<u>0.469%</u>	<u>18,508</u>
20 <u>Honolulu, HI MSA</u>	<u>392,230</u>	<u>1,724</u>	<u>0.440%</u>	<u>15,982</u>
29 <u>Raleigh--Durham--Chapel Hill, NC MSA</u>	<u>661,370</u>	<u>2,537</u>	<u>0.384%</u>	<u>12,993</u>
30 <u>Savannah, GA MSA</u>	<u>133,660</u>	<u>480</u>	<u>0.359%</u>	<u>10,502</u>

¹Underlined rows are cities included in Angelou Economics 2003 Benchmark Study.

Source: Bureau of Labor Statistics, OES, 2001; Economic Census, Non-Employed Workers, 2001

UNM Bureau of Business and Economic Research, 2004.

SFCI PART 1: QUANTIFICATION OF ECONOMIC IMPACTS

TABLE C.5
LEADING CITIES FOR MUSEUM CURATORS & ARCHIVISTS, 2001

		Total Employment	Museum Curators & Archivists	Curators & Archivists/ Employment (%)	Income per Curator (\$)
	NATIONAL	127,980,410	19,970	0.016%	38,160
1	Gainesville, FL MSA	118,790	120	0.101%	43,870
2	Santa Fe, NM MSA	71,930	60	0.083%	38,800
3	Pittsfield, MA MSA	41,520	30	0.072%	30,570
4	Ponce, PR MSA	60,840	40	0.066%	15,100
5	College Station, TX MSA	76,180	50	0.066%	38,900
6	Lawrence, KS MSA	47,090	30	0.064%	52,890
7	Washington, DCPMSA	2,673,890	1,660	0.062%	46,300
8	Norfolk, VA, MSA	694,860	380	0.055%	31,600
9	Boston, MA-NH PMSA	1,971,030	1,060	0.054%	39,840
10	Montgomery, AL MSA	150,420	70	0.047%	35,370
11	St. Louis, MO-IL MSA	1,285,300	590	0.046%	26,580
12	Tucson, AZ MSA	327,630	140	0.043%	35,720
13	San Francisco, CA PMSA	997,320	400	0.040%	45,200
14	Topeka, KS MSA	99,940	40	0.040%	30,500
15	Columbus, OH MSA	855,230	340	0.040%	34,140
16	Anchorage, AK MSA	132,360	50	0.038%	33,820
17	Lincoln, NE MSA	145,490	50	0.034%	40,140
18	Salinas, CA MSA	152,110	50	0.033%	41,730
19	Tallahassee, FL MSA	153,910	50	0.032%	47,030
20	Santa Barbara CA MSA	162,130	50	0.031%	41,720

Source: Bureau of Labor Statistics, OES, 2001.

UNM Bureau of Business and Economic Research, 2004.

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**TABLE C.6
LEADING CITIES FOR ARCHITECTS, 2001**

	Total Employment	Architects	Architects/ Employment (%)	Avg Income per Architect (\$)
NATIONAL	127,980,410	132,673	0.104%	59,013
1 Seattle, WA PMSA	1331820	22,783	1.711%	35,088
2 San Francisco, CA PMSA	997320	4,753	0.477%	64,293
3 Boston, MA-NH PMSA	1,971,030	5,798	0.294%	61,964
4 Stamford-Norwalk, CT PSMA	207,750	601	0.289%	75,333
5 New York, NY PMSA	4,056,640	11,391	0.281%	62,103
6 Santa Fe, NM MSA	71,930	172	0.239%	49,810
7 Charlottesville, VA MSA	84,190	199	0.236%	47,576
8 Nassau-Suffolk, NY PMSA	1184580	2,444	0.206%	58,291
9 Anchorage, AK MSA	132,360	269	0.203%	65,904
10 Lawrence, KS MSA	47,090	95	0.202%	43,775
11 Olympia, WA PMSA	83,710	164	0.196%	53,483
12 Madison, WI MSA	271,500	505	0.186%	50,816
13 Fort Myers-Cape Coral, FL MSA	173,540	310	0.179%	60,991
14 Honolulu, HI MSA	392,230	693	0.177%	54,705
15 Columbus, OH MSA	855,230	1,423	0.166%	51,339
16 Albuquerque, NM MSA	339390	560	0.165%	44,162
17 Portland, OR MSA	933600	1,486	0.159%	52,971
18 Denver, CO PMSA	1150070	1,804	0.157%	54,304
19 Santa Rosa, CA PMSA	191,330	300	0.157%	58,864
20 Santa Barbara, CA MSA	162130	246	0.152%	70,467

Source: Bureau of Labor Statistics, OES, 2001; Economic Census, Non-Employed Workers, 2001
UNM Bureau of Business and Economic Research, 2004.