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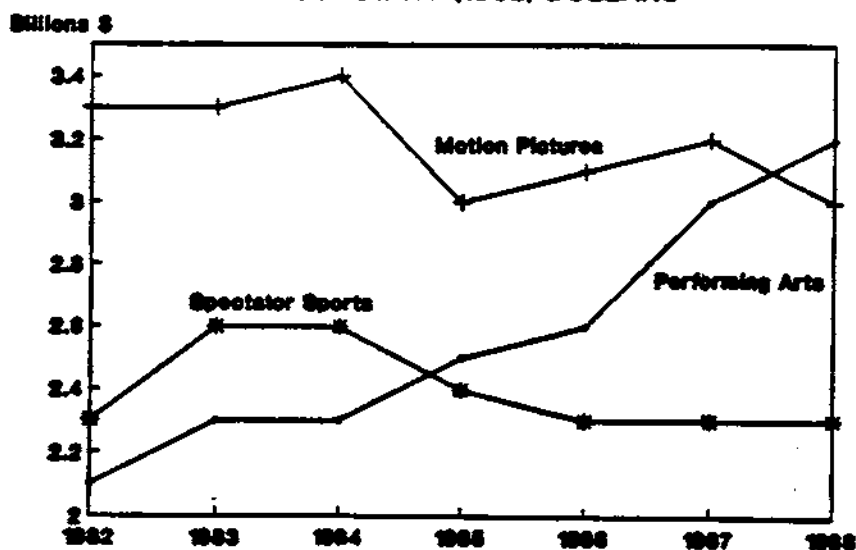
Research Division Note #32 - December 22, 1989

NATIONAL
ENDOWMENT
FOR THE
ARTS

THE ARTS IN THE GNP REVISITED: CONSUMER ADMISSION EXPENDITURES FOR PERFORMING
ARTS EVENTS NOW EXCEED BOTH SPECTATOR SPORTS AND MOTION PICTURES

1988 consumer expenditures for admissions to performing arts events were \$4.4 billion in current terms and \$3.2 billion in constant dollar terms (1982=100). Since 1982, the Research Division has reported on annual admission expenditures for the performing arts and two other types of admission expenditures--motion picture theaters and spectator sporting events based on data from the Bureau of Economic Analysis. In 1988, expenditures for performing arts events surpassed that for spectator sports, for the 4th consecutive year, and, for the first time, motion pictures. Performing arts admission receipts totaled \$4.4 billion in 1988, while admission receipts for motion picture theaters remained at \$4.2 billion, and admissions to spectator sports events totaled \$3.2 billion. The trends (in constant dollars) for these 3 categories of admission expenditures are shown on the graph below and are discussed on the following page.

CONSUMER EXPENDITURES FOR ADMISSIONS
IN CONSTANT (1982) DOLLARS



1) Admissions to performing arts events has experienced consistent growth over the last four years. Since 1984 admissions increased 39 percent in constant dollars.

2) Admissions to motion picture theaters peaked in 1984, in constant dollar terms, then began a downward trend. The decline since 1984 is 12 percent.

3) Spectator sports admissions remained flat or declined each year since 1984 in constant dollar terms. The overall decline since 1984 is 12 percent.

As mentioned in the previous Note on this subject (Research Division Note #30, November 30, 1988) the "Admissions to Performing Arts Events" category does not exclusively contain data on non-profit organizations, such as symphony orchestras or ballet companies but also includes the for profit sector, such as Broadway theater and rock music concerts. Further, admission receipts is a broad category which includes not only the price of a ticket, but also can include such receipts as concessions, etc.; therefore, admission receipts are not exclusively correlated with attendance. Despite these caveats, the data demonstrate a strong growth in admission receipts for performing arts events. This is especially significant in light of the growth in the availability of alternatives to live performances during this same period.

Additional observations on the five (of ten) components of the Recreation Expenditure section of the GNP that are most closely related to the arts are as follows:

1) Consumer expenditures in 1988 for radios and TV sets, records, musical instruments, and personal computers are estimated at 1 percent of GNP and 19.77 percent of recreation expenditures. The five year period covered in Table 2 attached to this Note shows the growing importance of this durable equipment component of the GNP. When considering it as a component of recreation expenditures, however, it peaked in 1985 and then declined. Based on 1988 preliminary figures, it is experiencing growth once again--increasing from 18.93 percent to 19.77 percent of the recreation category. This category maintains its place as the largest share of both the GNP and of recreation expenditures among all categories examined in this Note.

2) Consumer expenditures in 1988 for admission to performing art events were 0.09 percent of the GNP and 1.78 percent of the recreation component. This component has experienced a consistent growth trend over the five years examined, as part of both the GNP and recreation expenditures.

3) Consumer expenditures in 1988 for books and maps were 0.02 percent of the GNP and 3.97 percent of the recreation expenditures. Although there is some yearly variation for such expenditures, as a component of recreation expenditures, the trend for the five years covered in this Note is downward. As a component of GNP, books and maps have consistently hovered between 0.21 and 0.20 percent.

4) Consumer expenditures in 1988 for admission to motion picture theaters were estimated at 0.09 percent of GNP and 1.70 percent of recreation expenditures. This component has declined substantially as an element of recreation expenditures, and has remained at a constant 0.09 percent of the GNP since 1985.

5) Consumer expenditures for admission to spectator sports events in 1988 were estimated at 0.07 percent of the GNP and 1.30 percent of recreation expenditures. For the past four years, this component has slipped below admissions to performing arts events. Overall, the trend in admissions to spectator sports for the five years covered in this Note has been declining.

Table 3 illustrates another way of observing the changes in the three entertainment admissions categories. The increase in total expenditures will necessarily increase with the size of the population, even though the average individual may continue to spend the same amount. For an examination of the effect of increased population, per capita expenditures have been calculated for the five years covered in this Note, by dividing by the number of persons in the population for each time period. Unpublished tabulations from the Bureau of Economic Analysis have been made available for more precise calculations of per capita expenditures. The table shows current dollar changes in the three categories and changes in constant dollar amounts which have been deflated to 1982 dollars.

According to the Bureau of Economic Analysis in 1988, the average individual spent about \$48.35 on admissions to specified entertainments, including performing arts events, motion picture theaters and spectator sports. In constant dollar terms (1982=100), this was \$34.54.

1) Performing arts admission expenditures in 1988 were almost \$18 per capita. In constant dollar terms this was almost \$12.80 and compares with \$9.90 in 1984, resulting in an increase of 30 percent for the five-year period.

2) Per capita expenditures for motion picture admissions were about \$17.20 in 1988. This was \$12.30 in constant dollar terms and compares with about \$14.50 in 1984, a decrease of 17 percent.

3) Spectator sports admission expenditures per capita were \$13.15 in 1988. In constant dollar terms this was about \$9.40 and compares with 1984 which was nearly \$10.80, a decrease of 13 percent over the five-year period.

CAVEATS: This Note uses the latest annual data on recreation expenditures published in the Survey of Current Business, July 1989, and unpublished materials obtained from the Bureau of Economic Analysis. Retrospective revisions for the two most recent years should be anticipated.

TABLE 1. ADMISSIONS RECEIPTS FOR PERFORMING ARTS EVENTS,
MOTION PICTURES, AND SPECTATOR SPORTS, 1984-1988

	<u>1984 (\$ Millions)</u>		<u>1985 (\$ Millions)</u>		<u>1986 (\$ Millions)</u>		<u>1987 (\$ Millions)</u>		<u>1988 (\$ Millions)</u>	
	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>
<u>Admissions Receipts to Specified Entertainments</u> (change from previous year)	9,500 (10%)	8,300 (4%)	9,500 (0%)	7,800 (-6%)	10,200 (7%)	8,100 (4%)	11,300r (11%)r	8,500r (5%)	11,900p (5%)p	8,500p (0%)p
Performing Arts Events	2,700 (13%)	2,300 (4%)	3,000 (11%)	2,500 (9%)	3,300r (10%)r	2,600r (4%)	4,000r (21%)r	3,000r (15%)r	4,400p (10%)p	3,200p (6%)p
Motion Pictures	3,900 (8%)	3,400 (3%)	3,600 (-8%)	3,000 (-12%)	3,900r (8%)r	3,100r (3%)r	4,200r (8%)	3,200r (6%)r	4,200p (0%)p	3,000p (-6%)p
Spectator Sports	2,900 (12%)	2,600 (4%)	2,900 (0%)	2,400 (-8%)	2,900r (0%)r	2,300r (-4%)r	3,000r (3%)	2,300r (0%)	3,200p (6%)p	2,300p (0%)p

NOTE: Constant (1982=100) \$ values are based on implicit price deflators used for these expenditures by the Bureau of Economic Analysis, U.S. Department of Commerce in unpublished tabulations.

r = revised from Note #30

p = preliminary

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TABLE 2. TOTAL PERSONAL CONSUMPTION EXPENDITURES AND RECREATION EXPENDITURES AS A PERCENT OF GNP, 1984-1988

	1984		1985		1986		1987		1988	
GNP in Billions (current \$)	\$3,772.2		\$4,014.9		\$4,240.3		\$4,526.7		\$4,864.3p	
Total Personal Consumption Expenditures as a % of GNP	64.43%		65.48%		65.97%r		66.51%r		66.50%p	
Recreation Expenditures as a % of GNP	4.46%		4.63%		4.74%r		4.96%r		5.07%p	
<u>Selected Recreation Expenditures as a % of GNP and of all Recreation Expenditures</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>	<u>GNP</u>	<u>Recreation</u>
Radio and TV Receivers, Records, Musical Instruments and Personal Computers	0.84%	18.72%	0.92%	19.92%	0.92%	19.28%	0.93%r	18.93%r	1.00%p	19.77%p
Books and Maps	0.21%	4.63%	0.20%	4.36%	0.20%r	4.27%r	0.21%	4.19%r	0.20%p	3.97%p
Admissions to Performing Arts Events	0.07%	1.60%	0.07%	1.62%	0.08%	1.64%r	0.09%r	1.78%r	0.09%p	1.78%p
Admissions to Motion Picture Theaters	0.10%	2.32%	0.09%	1.94%	0.09%	1.94%r	0.09%	1.87%r	0.09%p	1.70%p
Admissions to Spectator Sports	0.08%	1.72%	0.07%	1.56%	0.07%	1.49%r	0.07%	1.34%r	0.07%p	1.30%p

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TABLE 3. PER CAPITA EXPENDITURES FOR SELECTED SUBDIVISIONS OF PERSONAL CONSUMPTION FOR RECREATION, 1984-1988

	<u>1984</u>		<u>1985</u>		<u>1986</u>		<u>1987</u>		<u>1988</u>	
	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>	<u>Current</u>	<u>Constant</u>
Total Admission Expenditures to Specified Entertainments \$ Per capita	\$ 40.08	\$ 35.02	\$ 39.72	\$ 32.61	\$ 42.22	\$ 33.53	\$ 46.33r	\$ 34.85r	\$ 48.35p	\$ 34.54p
Performing Arts Admissions \$ per capita	\$ 11.30	\$ 9.89	\$ 12.43	\$ 11.29	\$ 13.83r	\$ 10.96r	\$ 16.37r	\$ 12.29r	\$ 17.98p	\$ 12.82p
Motion Picture Admissions \$ per capita	\$ 16.60	\$ 14.53	\$ 14.93	\$ 12.36	\$ 16.18r	\$ 12.81r	\$ 17.31r	\$ 13.00r	\$ 17.17p	\$ 12.32p
Spectator Sports Admissions \$ per capita	\$ 12.32	\$ 10.79	\$ 12.16	\$ 10.08	\$ 12.08r	\$ 9.58r	\$ 12.49r	\$ 9.39r	\$ 13.15p	\$ 9.38p

Note: 1984-1987 current and constant (1982=100) values were revised pursuant to unpublished tabulations obtained from the Bureau of Economic Analysis. Population estimates for 1984-1988 were taken from Statistical Abstract of the United States 1989, 109th Edition, Bureau of the Census, U.S. Department of Commerce, January 1989.

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