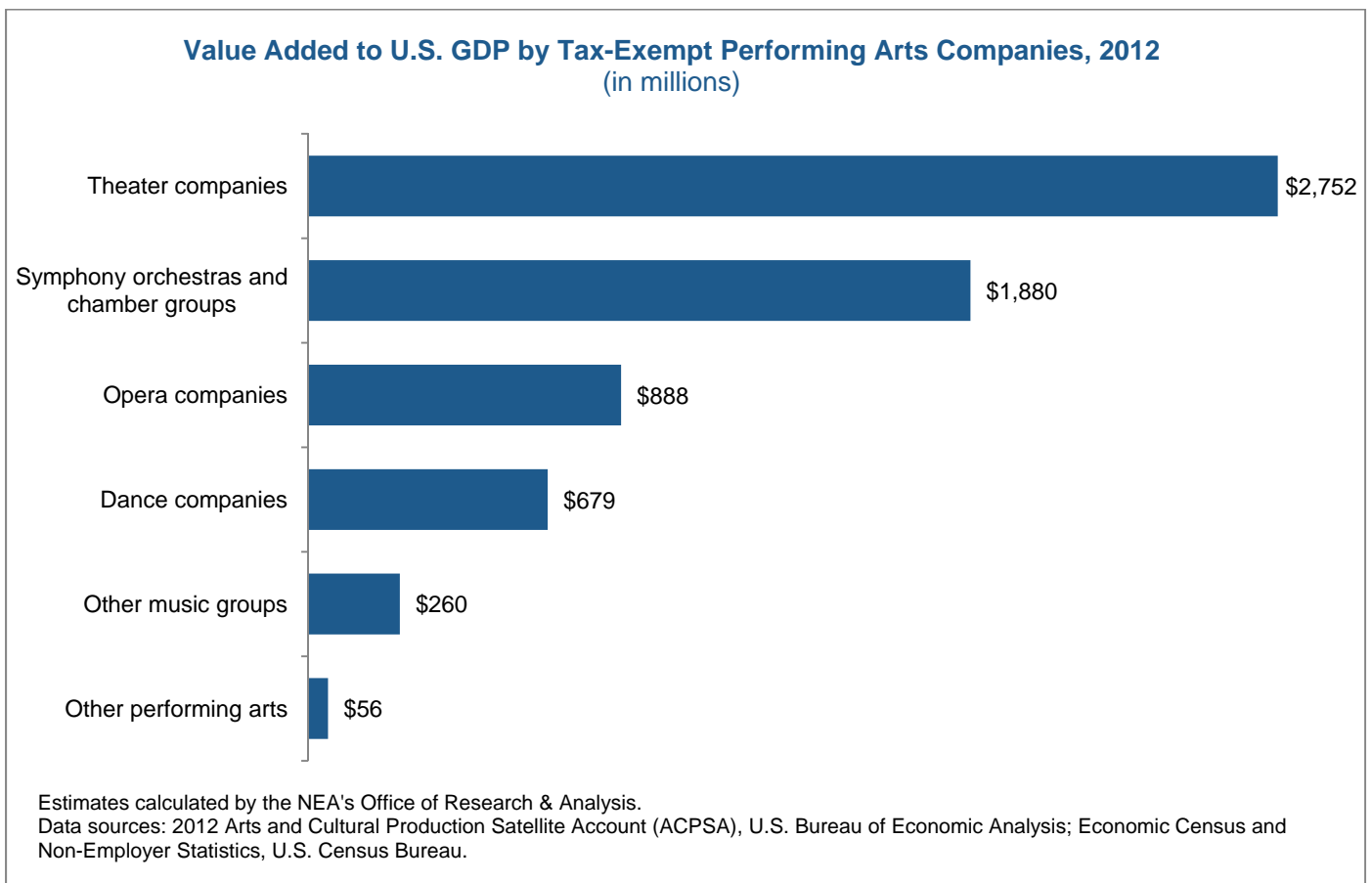


ACPSA Issue Brief #3:
Tax-Exempt Performing Arts Organizations, Museums, and Fine Arts Schools

In producing arts and cultural goods and services, tax-exempt performing arts organizations, museums and related institutions, and fine arts schools contributed \$12.1 billion to the U.S. economy in 2012.¹ That production employed 167,900 workers, who were compensated \$7.8 billion in wages and salaries and supplements such as pensions and health insurance.

Led by theater companies and symphony orchestras, performing arts companies contribute the greatest share of tax-exempt arts and cultural GDP—\$6.5 billion in 2012.



¹ The ACPSA does not distinguish tax status. The figures reported in this Brief were calculated by the NEA Office of Research & Analysis by drawing on data from the ACPSA, and from the U.S. Census Bureau's Economic Census and Non-Employer Statistics.

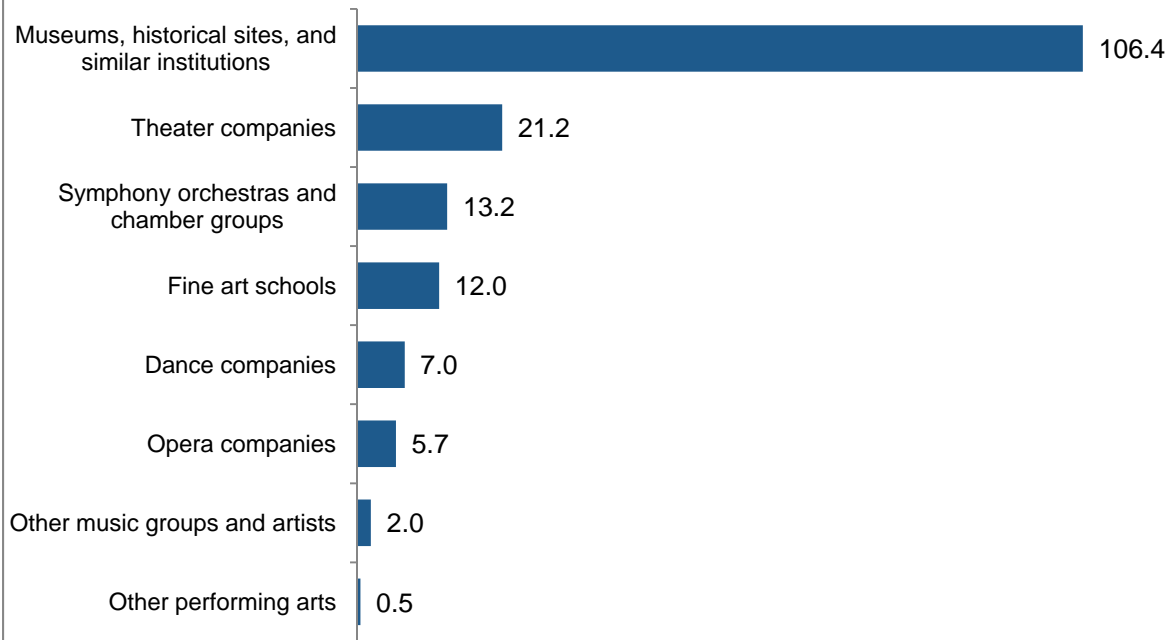
Among tax-exempt ACPSA industries, museums, historical sites, and similar institutions employ the greatest number of workers engaged in the production of arts and cultural goods and services.² In 2012, an estimated 106,400 workers were employed by that industry to produce museum-related services. Those workers were compensated \$3.7 billion.

The tax-exempt performing arts industry employs roughly half the number of workers employed by museum, historical sites, and similar industries—49,500 in 2012. Even so, the nonprofit performing arts industry's workers were compensated \$3.2 billion, a figure comparable to total compensation paid to workers holding jobs in museums, historical sites, and similar institutions.³

² The industry labeled "museums, historical sites, and similar institutions" includes zoos, botanical gardens, and nature parks.

³ The reader is cautioned against calculating average earnings per industry by dividing ACPSA compensation by the number employed. Those interested in earnings by industry and occupation should use data reported by the U.S. Bureau of Labor Statistics' [Occupational Employment Statistics](#).

**Selected Tax-Exempt Industries:
Number Employed to Produce Arts and Cultural Commodities, 2012**
(in thousands)



Estimates calculated by the NEA's Office of Research & Analysis.

Data sources: 2012 Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis; Economic Census and Non-Employer Statistics, U.S. Census Bureau.

Output and Valued Added to U.S. GDP		
Selected Taxable and Tax-Exempt Industries Producing Arts and Cultural Goods and Services, 2012		
(in millions)		
	Gross output	Value added to U.S. GDP
Performing arts	\$26,802	\$16,116
Taxable	\$15,968	\$9,601
Tax-exempt	\$10,834	\$6,515
Theaters	\$12,266	\$7,376
Taxable	\$7,689	\$4,623
Tax-exempt	\$4,577	\$2,752
Opera companies	\$1,632	\$982
Taxable	\$156	\$94
Tax-exempt	\$1,477	\$888
Dance companies	\$1,294	\$778
Taxable	\$164	\$99
Tax-exempt	\$1,130	\$679
Music groups and artists	\$9,328	\$5,609
Taxable	\$5,770	\$3,469
Tax-exempt	\$3,558	\$2,139
Symphony orchestras and chamber groups	\$3,182	\$1,913
Taxable	\$56	\$34
Tax-exempt	\$3,126	\$1,880
Other music groups and artists	\$6,146	\$3,695
Taxable	\$5,714	\$3,436
Tax-exempt	\$432	\$260
Other performing arts	\$2,281	\$1,372
Taxable	\$2,188	\$1,316
Tax-exempt	\$93	\$56
Circuses	\$336	\$202
Taxable	\$317	\$191
Tax-exempt	\$19	\$11
Other performing arts, except circuses	\$1,946	\$1,170
Taxable	\$1,871	\$1,125
Tax-exempt	\$75	\$45
Museums, historical sites, and similar institutions	\$11,520	\$5,075
Taxable	\$956	\$421
Tax-exempt	\$10,564	\$4,654
Fine art schools	\$5,322	\$2,855
Taxable	\$3,633	\$1,949
Tax-exempt	\$1,689	\$906
Note: Estimates for detailed performing arts industries (e.g., theaters and opera companies), as well as for taxable and tax-exempt categories, were calculated by the NEA's Office of Research & Analysis.		
Data sources: 2014 Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis; Economic Census and Non-Employer Statistics, U.S. Census Bureau.		

Employment and Compensation		
Selected Taxable and Tax-Exempt Industries Producing Arts and Cultural Goods and Services, 2012		
(in millions)		
	Employment (thousands)	Compensation (millions)
Performing arts	100.1	\$6,801.6
Taxable	50.6	\$3,635.6
Tax-exempt	49.5	\$3,166.0
Theaters	50.2	\$3,103.0
Taxable	29.0	\$1,903.5
Tax-exempt	21.2	\$1,199.4
Opera companies	5.7	\$530.9
Taxable	0.1	\$2.9
Tax-exempt	5.7	\$528.1
Dance companies	7.7	\$437.0
Taxable	0.8	\$42.8
Tax-exempt	7.0	\$394.2
Music groups and artists	22.7	\$2,003.5
Taxable	7.5	\$985.3
Tax-exempt	15.2	\$1,018.3
Symphony orchestras and chamber groups	13.4	\$937.9
Taxable	0.3	\$12.8
Tax-exempt	13.2	\$925.1
Other music groups and artists	9.2	\$1,065.6
Taxable	7.2	\$972.5
Tax-exempt	2.0	\$93.1
Other performing arts	13.7	\$727.1
Taxable	13.3	\$701.2
Tax-exempt	0.5	\$26.0
Circuses	0.6	\$43.6
Taxable	0.6	\$38.2
Tax-exempt	0.1	\$5.5
Other performing arts, except circuses	13.1	\$683.5
Taxable	12.7	\$663.0
Tax-exempt	0.4	\$20.5
Museums, historical sites, and similar institutions	122.3	\$4,154.9
Taxable	15.9	\$420.0
Tax-exempt	106.4	\$3,734.9
Fine art schools	42.8	\$2,621.5
Taxable	30.8	\$1,677.5
Tax-exempt	12.0	\$944.0
Note: Estimates for detailed performing arts industries (e.g., theaters and opera companies), as well as for taxable and tax-exempt categories, were calculated by the NEA's Office of Research & Analysis.		
Data sources: 2014 Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis; Economic Census and Non-Employer Statistics, U.S. Census Bureau.		

The Larger Nonprofit Arts and Cultural Sector

Performing arts, museums, and fine arts schools are only a fraction of the nonprofit arts sector. They are highlighted here because the NEA's Office of Research & Analysis draws on the Economic Census to break out ACPSA production by taxable and tax-exempt industries. The Economic Census, however, only reports estimates by tax status for those industries with a substantial number of tax-exempt business establishments. In terms of arts and culture, these are the performing arts, museums, and fine arts schools.

Nevertheless, the ACPSA does provide additional measures of the nonprofit arts sector, namely in its reporting of production by the "grant-making and giving" industry, which includes private foundations.⁴ The ACPSA shows, for example, that value added by the grant-making and giving industry was \$16.7 billion in 2012. Of that value, \$519 million was arts and cultural giving.

Moreover, government, as a *commodity*, was valued at \$25.3 billion in 2012. The ACPSA commodity labeled "government" refers to services by state, local, and federal arts-related agencies, including local and state arts agencies and federal agencies such as the National Endowment for the Arts.

Still, there remains nonprofit arts and cultural production that, while counted in the ACPSA, is not apparent because it is aggregated with taxable production. For example, the ACPSA reports gross output of nearly \$77.9 billion by the publishing industry, and \$121 billion by broadcasting. Because the Economic Census does not report estimates for either publishing or broadcasting by tax status, we cannot readily determine the amount of that production generated by nonprofit establishments.

However, production by tax-exempt publishing and broadcasting can be estimated by examining IRS Form 990 filings. Drawing on 2012 filing data collected by the The Urban Institute's National Center for Charitable Statistics, we find that tax-exempt media organizations generated revenue/expenses exceeding \$220 million in 2012; tax-exempt publishing did revenue of \$38 million.

⁴ The [IRS reports](#) that all private foundations, including nonexempt trusts treated as private foundations, must annually file Form 990-PF, which is subject to public disclosure. One distinguishing characteristic about foundations is that they are subject to excise taxes on net investment income.

Total Revenue and Expenses by Tax-Exempt Media and Publishing Establishments, 2012

	Total revenue	Total expenses	NTEE ¹	Notes
Media:	\$222,800,000	\$207,800,000		
Film and video	\$67,800,000	\$66,000,000	A31	Includes documentary film production, film preservation, and film festivals.
Television	\$88,200,000	\$82,800,000	A32	Includes public television, broadcasting in schools, and community television.
Radio	\$22,300,000	\$18,800,000	A34	Includes national public radio and radio services for the visually impaired.
Media and communications	\$44,500,000	\$40,200,000	A30	Includes organizations involved in publishing, producing, and programming using a variety of media or media not counted in categories A31, A32, or A34.
Publishing	\$38,000,000	\$36,600,000	A33	Includes book, magazine, and newspaper publishing; literary journals; and university presses.

Note: Estimates restricted to establishments with at least \$50,000 in gross receipts and organizations reporting non-zero amounts of either officer compensation or other salaries.

¹ National Taxonomy of Exempt Organizations.

Data source: National Center for Charitable Statistics at The Urban Institute.