

ACPSA Issue Brief #6: The Impact of New Demand for Arts and Culture

The ACPSA shows the economy-wide effects that an initial change in the demand for arts and culture has on the U.S. economy. Examples of changes in the demand for arts and culture include shifts in government spending on museums, parks, and libraries; the construction of new performing arts centers; and changes in exports of arts and cultural services (the subject of ACPSA Issue Brief #5).

Two ACPSA measures illuminate the economic outcome of changes in the demand for arts and culture: "total commodity output multipliers" and "total industry employment multipliers."

If demand for arts and culture increases, then production increases as well. In so doing, however, producers of arts and culture purchase additional goods and services from their suppliers. Consequently, an initial increase in demand for arts and culture results in diminishing rounds of new spending—a multiplier effect.¹

The 2012 ACPSA multipliers indicate that **every \$1 increase in the demand for arts and culture generates \$1.69 in total output; for every job created from new demand for the arts, an additional 1.62 positions are also created.**

High-Impact Arts and Cultural Commodities and Industries

Arts and cultural commodities with above-average output multipliers (i.e., total commodity output multipliers greater than \$1.69) include ACPSA manufactured commodities such as custom architectural woodwork and metal work, "other manufactured goods" (e.g., pressed and blown glass, pottery, and art goods), and motion picture and camera equipment. Using 2012 estimates, every \$1 increase in demand for these products increases output of all U.S.-produced commodities by \$1.90 to \$2.00.

Other arts and cultural commodities with comparatively large total output multipliers include sound recording, motion pictures, and TV programs—each with a total commodity output multiplier of \$1.77—and the performing arts (including independent artists, writers, and performers) and museums, each with a multiplier of \$1.76.

¹ For a complete explanation of "final demand" multipliers, see Bess, R. and Ambargis, Z. (2011). [Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers](#).

ACPSA industries with high employment multipliers (i.e., total industry employment multipliers greater than 1.62) include publishing and sound recording. Based on 2012 estimates, every job created by new demand for publishing (e.g., newspapers and periodicals, books, and arts-related software) or for sound recording adds roughly 3.5 additional jobs.

Top ACPSA Total Commodity Output Multipliers, 2012

Commodity	Total commodity output multiplier
All ACPSA commodities	\$1.69
Manufacturing:	
Custom architectural woodwork and metalwork	\$2.00
Other goods ¹	\$1.98
Camera and motion picture equipment	\$1.92
Printed goods	\$1.88
Jewelry and silverware	\$1.85
Musical instruments	\$1.85
Sound recording	\$1.77
Motion pictures	\$1.77
TV production ²	\$1.77
Performing arts and independent artists, writers, and performers	\$1.76
Museums	\$1.76
Promoters of performing arts and agents and managers for artists	\$1.76
Construction ³	\$1.74

¹Includes pressed and blown glass, pottery, and art goods.
²Labeled "audio/visual" in the ACPSA.
³Restricted to construction of arts and cultural structures.

Source: Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis.

Top ACPSA Total Industry Employment Multipliers, 2012			
Commodity	Total commodity output multiplier		
All ACPSA industries	1.62		
Publishing	3.56		
Sound recording	3.50		
Other information services ¹	2.92		
Independent artists, writers, and performers	2.90		
Rental and leasing ²	2.78		
Promoters of performing arts and agents and managers for artists	2.34		
Broadcasting	2.32		
Printed goods manufacturing ³	1.73		

¹ Includes Internet broadcasts and publishing.

² Includes the rent and leasing of theatrical equipment.

³ Includes lithographic, gravure, screen, and digital printing of magazines, newspapers, calendars, and art works; book printing; letterpress; and binding and pre-press services.

Source: Arts and Cultural Production Satellite Account (ACPSA), U.S. Bureau of Economic Analysis.