

An Economic Summary of Utah's Arts, Culture, and Entertainment Industry

Economic Contributions¹

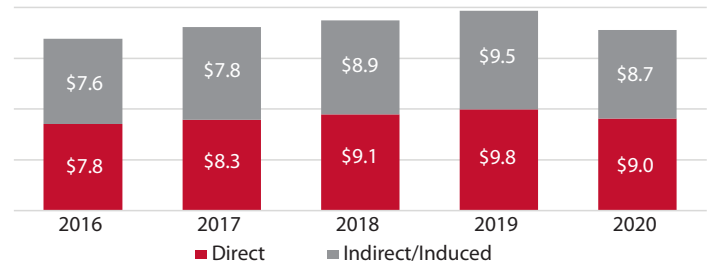
Utah's arts, culture, and entertainment industry (cultural industry) is comprised of a variety of industries, including jobs in the area of design, entertainment, fashion, film, humanities, live events, museums, and traditional arts. In 2020, Utah's cultural industry generated \$9.1 billion in direct sales, which spurred an additional \$8.7 billion in indirect and induced effects, for a total of \$17.8 billion in total sales—or 9.0% of Utah's 2020 GDP² (see Figure 1). The industry supported an estimated 108,560 total jobs in 2020; in 2020, or 5.2% of Utah jobs³ (see Figure 2). Additionally, cultural industry employment generated a total of \$5.2 billion in labor income.⁴

2020 COVID-19 Impacts

Utah's cultural industry was the second hardest hit industry in 2020, after leisure and hospitality (see Figure 3). From 2019 to 2020, direct cultural sector sales were down 7.8%, jobs were down 9.6%, labor income was down 5.9%, and tax revenue was down 8.4%. However, the industry began to recover in 2021. In the second quarter of 2021, statewide cultural jobs were up 0.7% from the second quarter of 2019, or baseline, while leisure and hospitality and natural resources and mining jobs continued to lag below baseline (see Figure 5). More specifically, cultural jobs in the professional business sector, such as

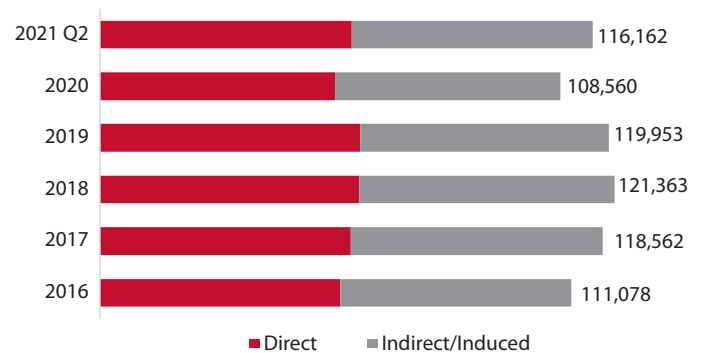
Figure 1: Utah Cultural Industry Sales, 2016–2020

(Billions of 2020 Dollars)



Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 2: Total Cultural Industry Jobs, 2016–2020 and 2021 Q2



Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 3: Year-Over Change in Jobs by Industry, 2019-2020

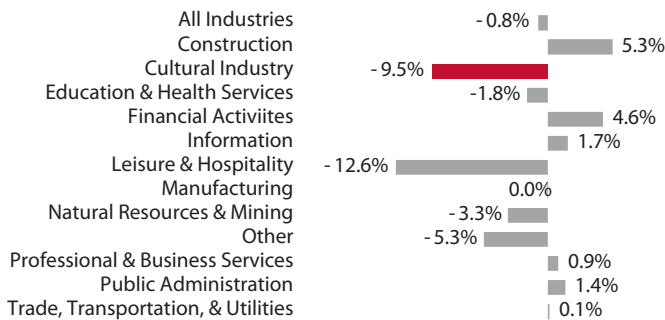
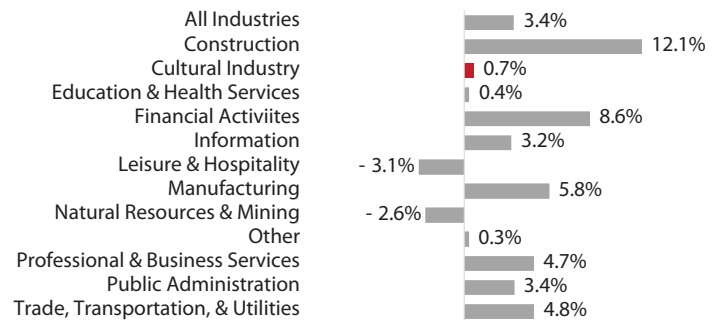
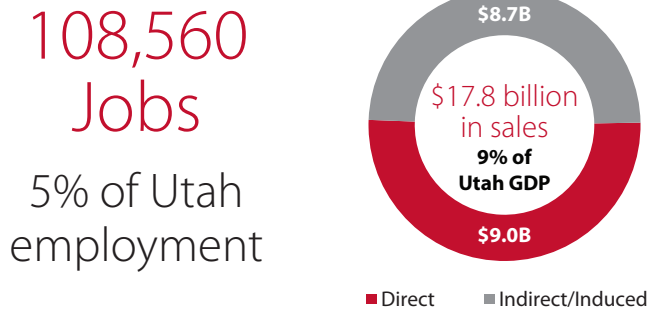


Figure 4: Year-Over Change in Jobs by Industry, Q2 2019-Q2 2021



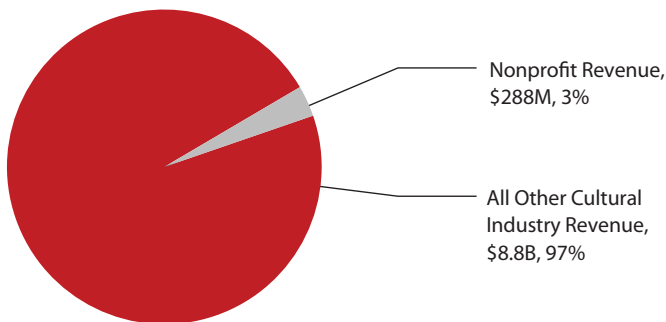
Note: cultural industry jobs have been removed from all other sectors prior to this analysis to avoid duplication.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis data.

Figure 5: Economic Contributions of Utah's Cultural Industry, 2020 (Billions of Dollars)



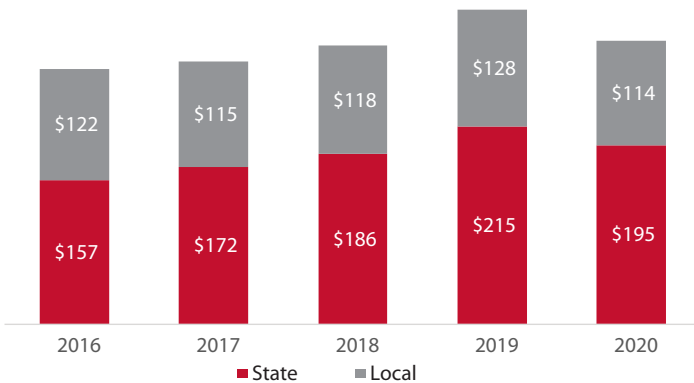
Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 6: Nonprofit Revenue as Share of Total Cultural Industry Revenue, 2020



Source: CVS; Kem C. Gardner Policy Institute analysis using IMPLAN economic model

Figure 7: Direct tax Revenue (In Millions of 2020 Dollars)



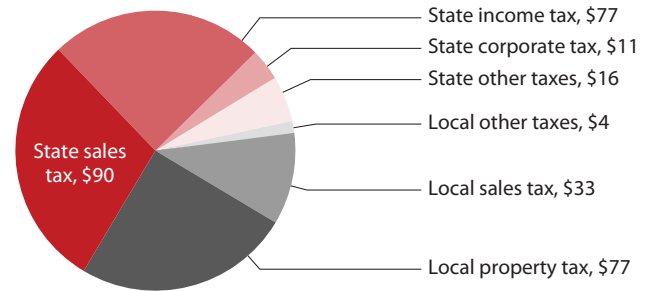
Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

marketing, interior design, and graphic design, had added the most new jobs from 2019, while jobs in publishing, photography portrait studios, and rental/leasing had yet to reach 2019 levels.

Endnotes

1. Economic studies make a distinction between economic contribution and economic impact; see "Economic Contributions" section, above.
2. Utah's cultural industry is comprised of 93 codes from a variety of NAICS sectors, including: manufacturing; wholesale; retail; information; rental and leasing; professional, scientific, and technical services; educational services; performing arts and spectator sports; museums, historical sites, and similar institutions; and other services.
3. Total jobs include direct, indirect, and induced full- and part-time private and public employment, and self-employment.
4. Labor Income is the sum of employee compensation (wages and benefits) and proprietor income.

Figure 8: Direct Tax Revenue by Tax Type, 2020 (Millions of Dollars)



Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Tax Revenue

Tax revenue generated by the cultural industry supports health and human services, public safety, education, and other statewide services.

The \$9.1 billion in direct cultural industry sales generated an estimated \$309 million in direct tax revenue, or \$195 million in state and \$114 million in local tax revenue (see Figure 7). Of total direct tax revenue, state sales tax composed the largest share (\$90 million), followed by local property tax (\$77 million) (see Figure 8). In fact, the \$90 million in state sales tax revenue made up a 3.9% share of estimated 2020 state sales tax revenue.

Economic Contribution

This economic contribution study assesses the economic multiplier effects associated with the current or predicted level of sales generated by the cultural industry. Economic contribution captures the economic expanse of all cultural industry spending and shows the relative reach and magnitude of the industry in the Utah economy. In contrast, economic impact studies measure the changes in the size and structure of a region's economy that occur when goods and services are purchased from vendors within the region with money generated outside the region.

Research Methods

The Gardner Institute utilized 93 cultural arts industry NAICS codes provided by the Utah Cultural Alliance and their advisory board of economists and economic development professionals to define the industry. Researchers entered industry codes into Chmura's JobsEQ software tool to generate industry jobs and then entered jobs into IMPLAN economic model to produce jobs, labor income, industry sales, and tax revenue. Industry nonprofit information was provided by Creative Vitality Suite by Western States Arts Federation (WESTAF).