

An Economic Summary of Salt Lake County's Cultural Industry

Economic Contributions

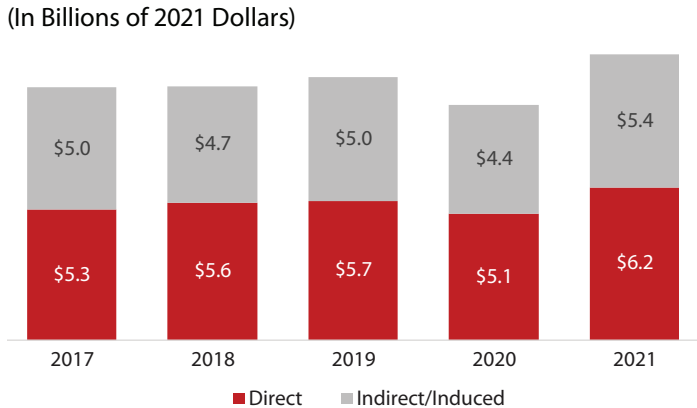
In 2021, Salt Lake County's cultural industry, including the design, education, entertainment, fashion, film, humanities, and traditional arts sectors, generated \$6.2 billion in output (direct spending). This \$6.2 billion in spending directly supported an estimated 30,319 Salt Lake County jobs and indirectly supported an estimated 27,987 jobs (Figures 1 and 4).^{1,2}

From 2020 to 2021, there was a 20.6% year-over increase in cultural industry spending after adjusting for inflation. This \$6.2 billion in cultural industry spending was 3.1% of Salt Lake County's total output in 2021 (Figure 2). Salt Lake County's cultural industry generated \$3.1 billion in gross domestic product (GDP), which was 2.6% of total countywide GDP (Figure 3).³ In 2021, the cultural industry activity generated an additional \$5.4 billion of output and \$2.6 billion of GDP in indirect and induced effects.

Jobs

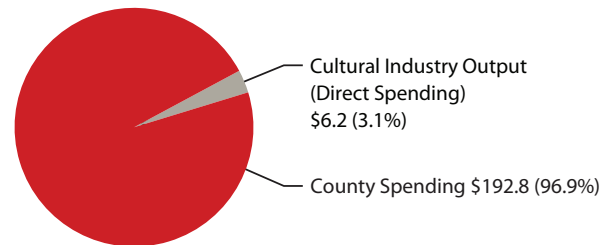
Salt Lake County's 30,319 cultural industry jobs increased by 8.9% from 2020 and nearly rebounded completely to baseline 2019 jobs (30,830). Cultural industry jobs composed a 3.9% share of total countywide jobs and experienced the third fastest year-over growth after the information sector and leisure and hospitality sector (Figures 5 and 6).⁴

Figure 1: Salt Lake County Cultural Industry Output (Total Spending), 2017-2021
(In Billions of 2021 Dollars)



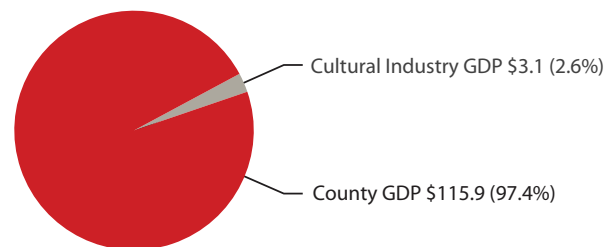
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 2: Salt Lake County Cultural Industry Output (Direct Spending) As Share of Total County Spending, 2021
(Billions of Dollars)



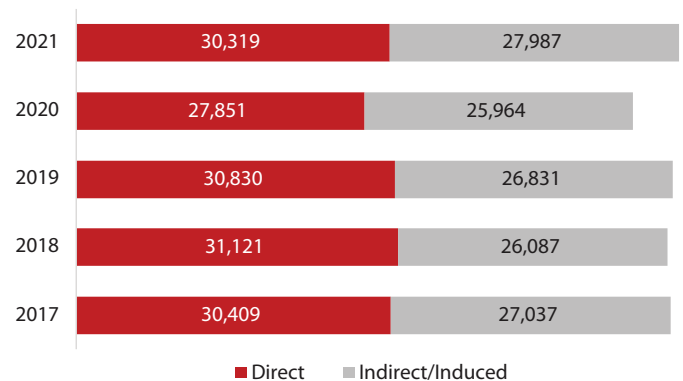
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 3: Salt Lake County Cultural Industry GDP As Share of Total County GDP, 2021



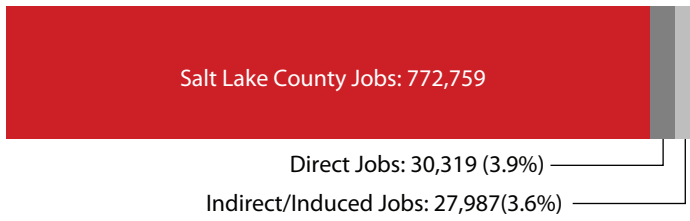
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 4: Total Salt Lake County Cultural Industry Jobs, 2017-2021



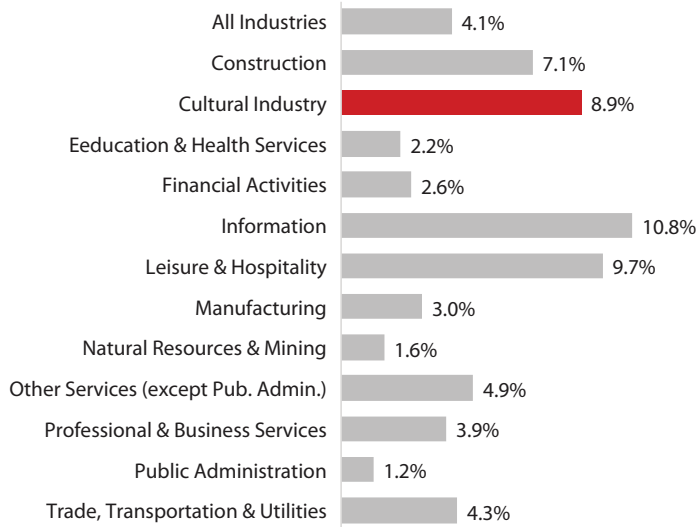
Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 5: Cultural Industry Jobs as Share of Total Utah Jobs, 2021



Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 6: Year-Over Change in Salt Lake County Jobs by Industry, 2021

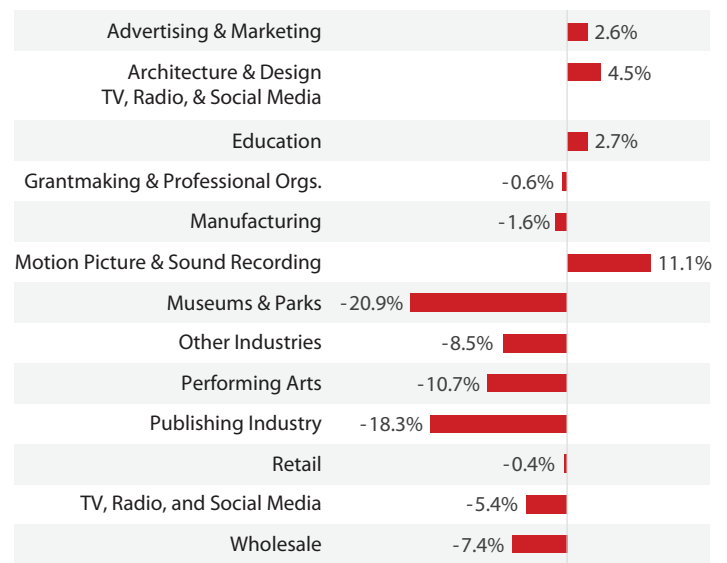


Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

The motion picture, sound recording, architecture, design, advertising, and marketing business sectors added the greatest number of new jobs from 2019. The motion picture and sound recording sector achieved the greatest two-year-over growth (11.1% from 2019 to 2021), followed by architecture and design services (4.5%), education (2.7%), and advertising and marketing (2.6%) (Figure 7). Jobs in performing arts, publishing, museums, parks, and several other cultural industry sectors had yet to reach pre-pandemic levels.

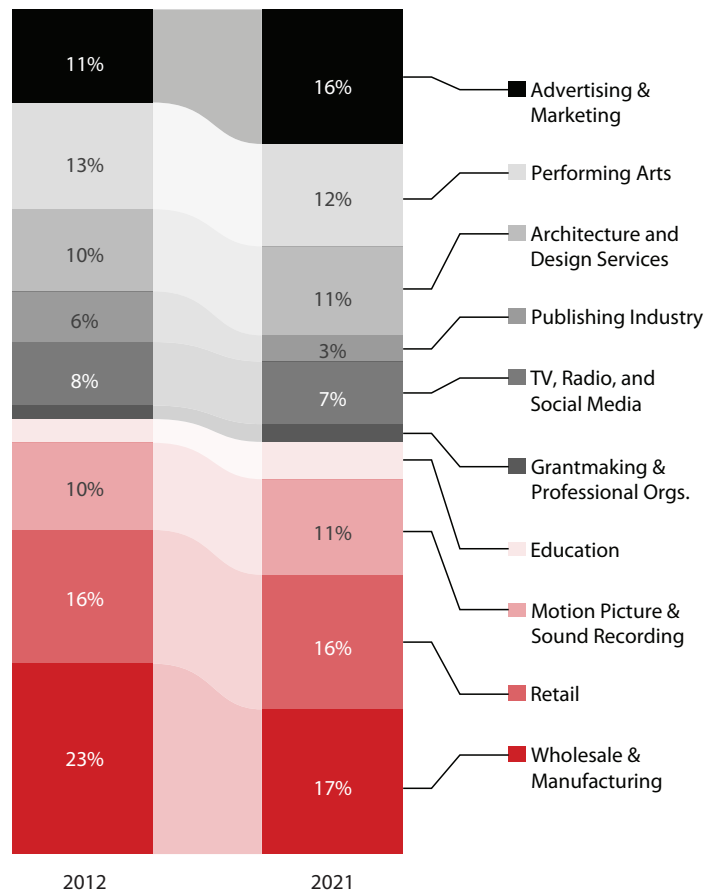
Salt Lake County's cultural industry job profile has shifted slightly over time. For instance, in 2012, 11% of cultural industry jobs were in advertising and marketing. Today, advertising and marketing jobs represent a 16% share (Figure 8). Conversely, manufacturing and wholesale jobs, which made up a 23% share of Salt Lake County cultural industry jobs in 2012, dropped to a 17% share in 2021. In 2021, cultural industry employment generated a total of \$3.2 billion in labor income, a 5.3% year-over increase after adjusting for inflation. However, labor income was still down 1.5% from 2019 (pre-pandemic baseline).⁵

Figure 7: Percent Change in Salt Lake County Cultural Arts Jobs by Sector, 2019-2021



Note: "Other" includes jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, and Photofinishing.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 8: Direct Cultural Industry Employment by Industry Type, 2012 vs. 2021



Note: "Other" includes jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, and Photofinishing.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Tax Revenue

Tax revenue generated by cultural industry activity supports health and human services, public safety, and other countywide services through General Fund contributions. In 2021, Salt Lake County cultural industry spending generated an estimated \$167 million in direct tax revenue, a 2.1% year-over increase after adjusting for inflation (Figure 9). This \$167 million in tax revenue included \$104 million in state and \$63 million in local tax revenue. Of total direct tax revenue, state sales tax was the largest share at \$51 million, followed by local property tax at \$41 million (Figure 10). Tax revenue generated by Salt Lake County cultural industry spending represented a 1.3% share of state sales tax revenue, 0.6% share of state income and corporate tax revenue, 6.0% share of local sales tax revenue, and 2.5% share of property tax revenue (Figure 12).

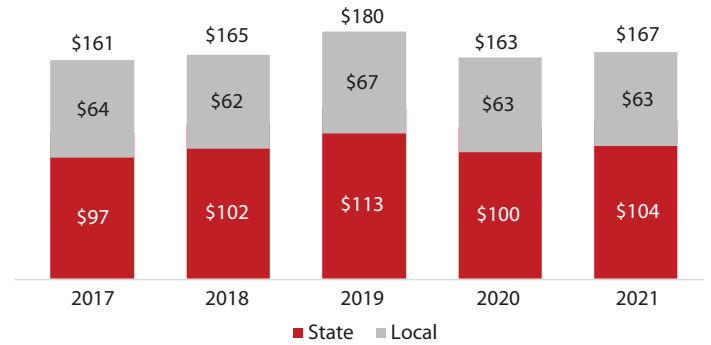
When considering Salt Lake County's share of statewide cultural industry-generated tax revenues, the county contributed around half of all industry-generated revenues in 2021, including state sales, income and corporate, local sales, and property tax revenue (Figure 13).

ZAP Tax Revenue

Currently, 18 cities and 11 townships/special districts in Salt Lake County levy a 0.1% Recreation, Arts, & Parks (RAP) or Zoo, Arts, & Parks (ZAP) tax. Generally speaking, cities and counties use RAP or ZAP taxes to support recreation, arts & culture, and parks in their communities. Salt Lake County's ZAP tax funds are dedicated to the advancement of Salt Lake County's local arts and culture organizations and recreation projects. State statute regulates the allowed uses of the funds. ZAP receives one (1) penny of every \$10 spent on every taxable SL County purchase. These funds are distributed each year in the form of grants to more than 200 eligible nonprofit community arts, culture and zoological organizations.

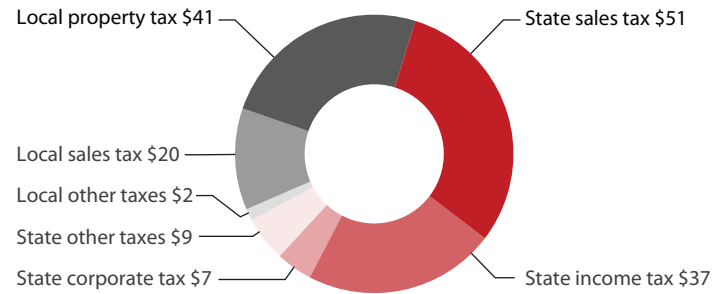
Figure 11 shows Salt Lake County's 2021 ZAP tax revenue from 2019-2021, including the county's estimated visitor-generated and resident-generated portions. Salt Lake County's visitor-generated ZAP tax share is around 10%. Because ZAP tax revenue is derived from all taxable county purchases, the county's ZAP tax fared well during the 2020 pandemic, increasing 2.9% from 2019. In 2021, year-over county ZAP tax collections were up 12.1% and totaled \$32.1 million.

Figure 9: Direct Tax Revenue, Salt Lake County, 2017-2021
(In Millions of 2021 Dollars)



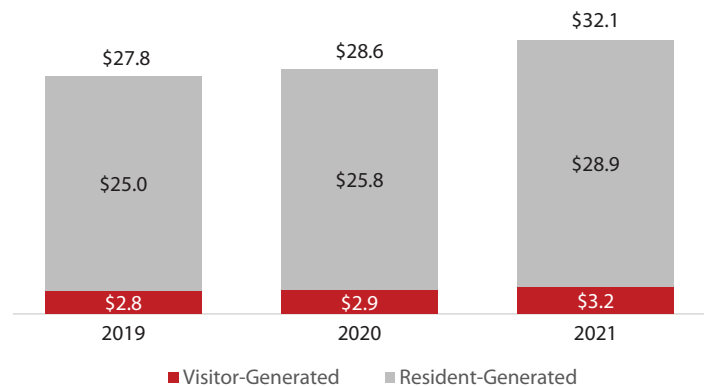
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 10: Direct Tax Revenue by Tax Type, Salt Lake County, 2021
(In Millions of Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

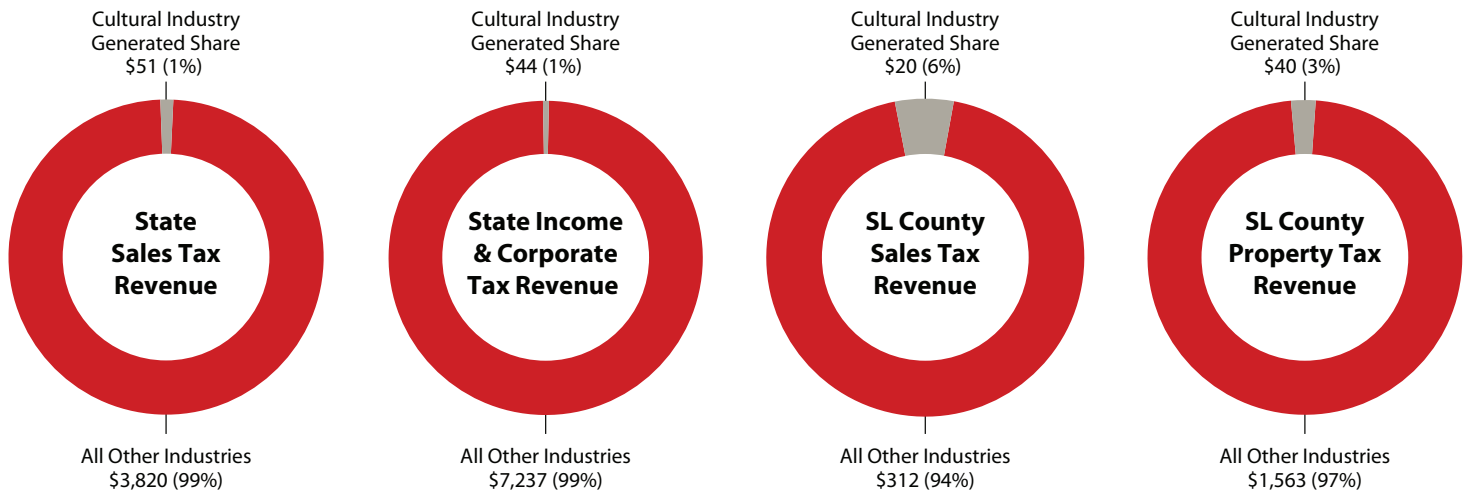
Figure 11: Salt Lake County ZAP Tax Revenue, 2017-2021
(In Millions of 2021 Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 12: Salt Lake County Cultural Industry Generated Shares of Statewide Tax Revenues, 2021

(In Millions of Dollars)

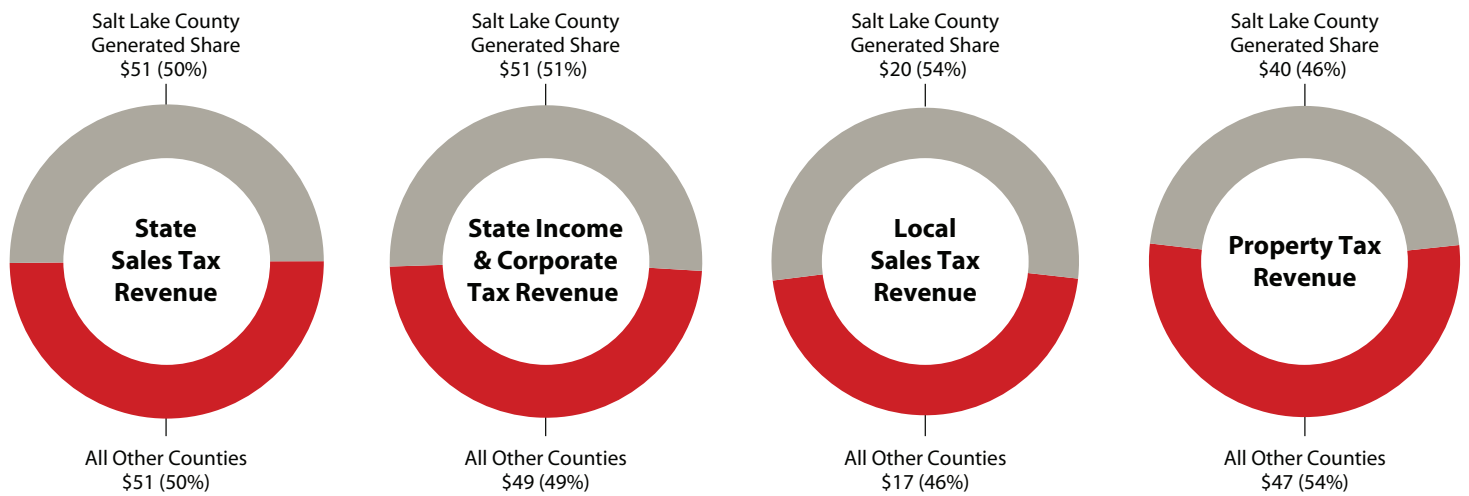


Note: above 2021 state tax revenue amounts are FY21 and FY22 state tax revenue amounts averaged.

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 13: Salt Lake County Shares of Statewide Cultural Industry Generated Tax Revenue, 2021

(In Millions of Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Endnotes

1. This economic contribution study assesses the economic multiplier effects associated with the current or predicted level of output (spending) generated by Salt Lake County's cultural industry on a countywide basis. Economic contribution studies capture the economic expanse of all cultural industry spending and show the relative reach and magnitude of the industry in both the county's economy and the state's 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.
2. For this analysis, the Gardner Institute utilized 83 cultural industry NAICS codes identified by the Utah Cultural Alliance and their advisory board of economists and economic development professionals to define the industry in Utah. Researchers entered industry codes into Chmura's JobsEQ software tool to generate cultural industry jobs and then entered jobs into IMPLAN economic modeling software to produce industry output, GDP, jobs, labor income, and tax revenue.
3. This ratio (2.6%) of direct GDP impact from the cultural industry divided by county GDP represents a decrease from the 2020 analysis. Last year's publication with the 2020 economic contribution analysis reported cultural industry spending as a 9.7% share of GDP; however, this represented total output effects (not GDP) divided by county GDP. When using the same 2020 methodology in 2021, the share would have remained at the same 9.7%.
4. Jobs include full- and part-time private and public employment, and self-employment.
5. Labor income is the sum of employee compensation (wages and benefits) and proprietor income.