

An Economic Summary of Utah County's Cultural Industry

Economic Contributions

In 2022, Utah County's cultural industry, including the design, education, entertainment, fashion, film, humanities, and traditional arts sectors, generated \$2.20 billion in output (direct spending). (Figure 1). This \$2.20 billion in cultural in spending directly supported an estimated 15,008 Utah County jobs and indirectly supported an additional 10,059 jobs (Figure 5).^{1,2}

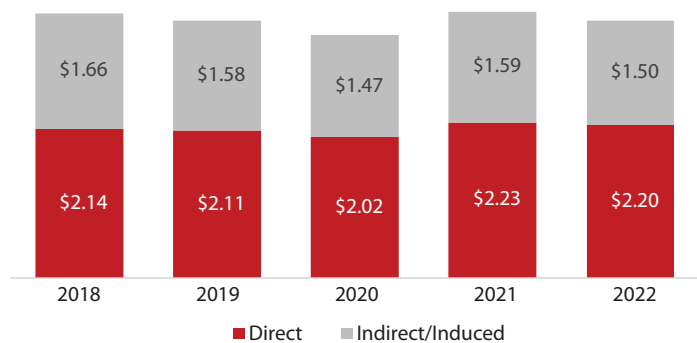
There was a 2.3% year-over increase in cultural industry spending from 2021 to 2022 after adjusting for inflation. The \$2.20 billion in cultural industry spending represented 3.0% of Utah County's total output in 2022 (Figure 2). Utah County's cultural industry also generated \$1.00 billion in gross domestic product (GDP), or a 2.6% share of total county GDP (Figure 3). Cultural industry activity generated an additional \$1.50 billion of output and \$748 million of GDP through indirect and induced effects.

Jobs

Utah County's 15,008 cultural industry jobs increased by 2.4% from 2021 and surpassed baseline 2019 jobs by 9.9%.³ These direct jobs generated \$623.8 million in labor income.⁴ Cultural industry jobs composed a 4.9% share of total county jobs and the sector's 2.4% year-over increase was just under the average 3.8% growth rate of all Utah County jobs (Figure 6).

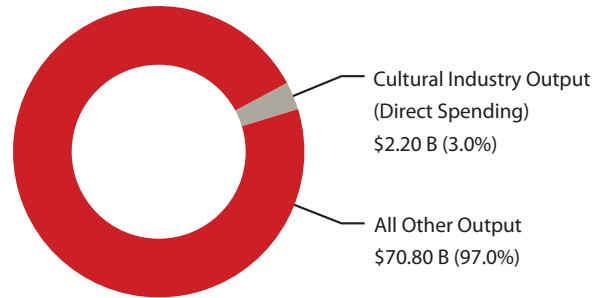
Figure 1: Utah County Cultural Industry Output (Total Spending), 2018-2022

(In Billions of 2022 Dollars)



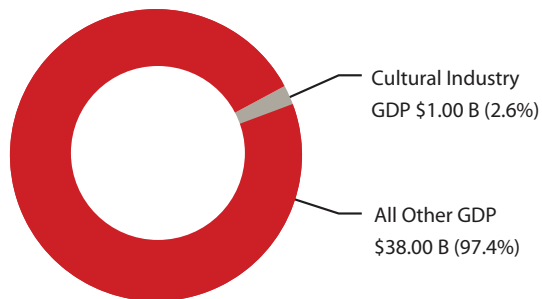
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 2: Utah County Industry Output (Direct Spending) As Share of Total County Spending, 2022



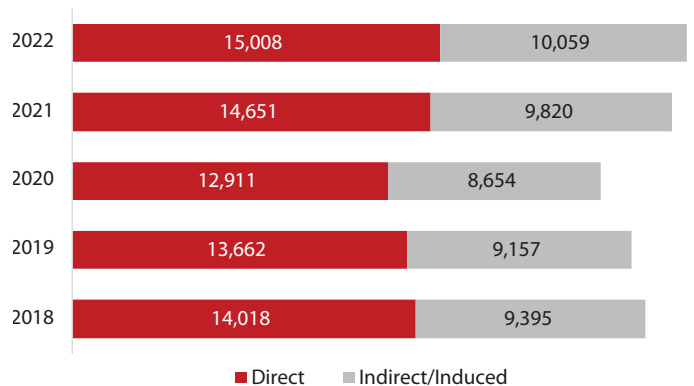
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 3: Utah County Cultural Industry GDP As Share of Total County GDP, 2022



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

Figure 4: Total Utah County Cultural Industry Jobs, 2018-2022



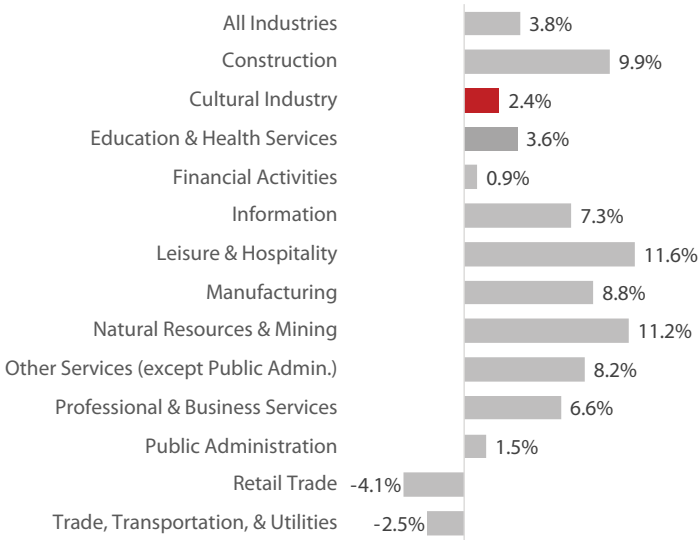
Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Figure 5: Cultural Industry Jobs as Share of Total Utah County Jobs, 2022



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 Utah County Jobs by Industry, 2021-2022

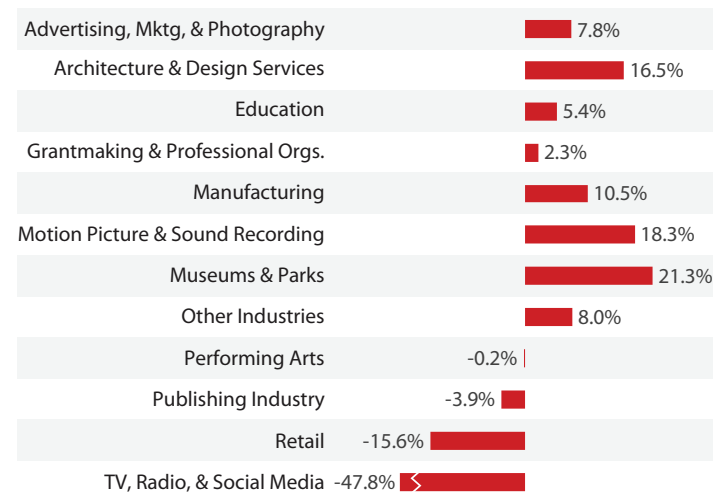


Note: Includes full- and part-time private and public employment; includes sole proprietors.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Economic Analysis data

Utah County’s cultural industry subsectors with the greatest year-over growth included museums & parks (21.3%), motion picture & sound recording (18.3%), and architecture & design services (16.5%) (Figure 7). The TV, radio, & social media subsector, however, experienced a -47.8% year-over decrease in jobs, specifically with a decline of 334 jobs in the areas of media streaming distribution services, social and other media networks, and content providers.

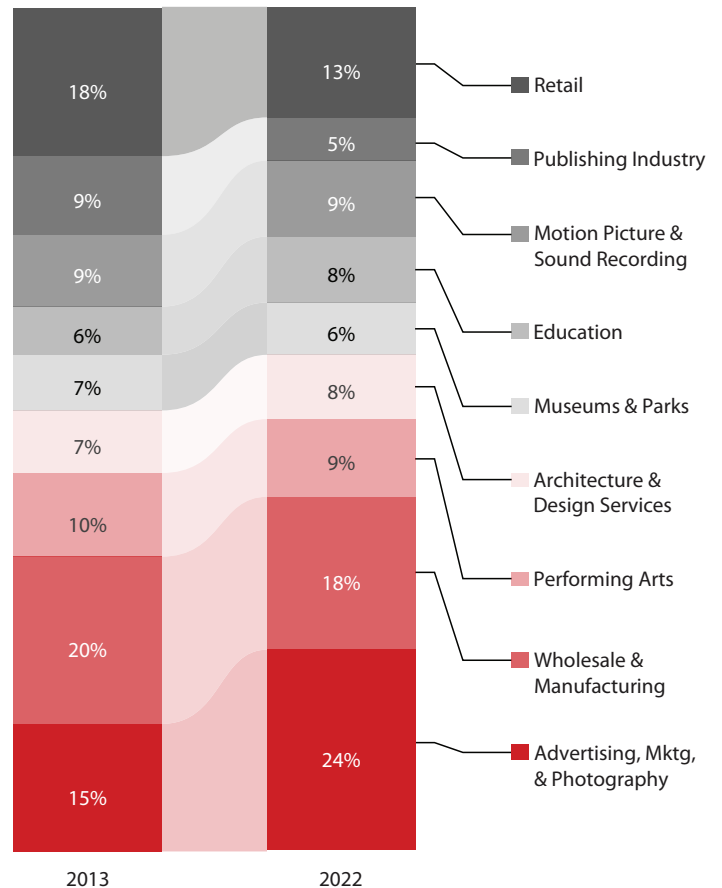
Utah County’s cultural industry job profile has shifted slightly over time. Cultural industry-related retail jobs, which in 2013 composed 18% of all county cultural industry jobs, now account for 13%. Conversely, advertising, marketing, & photography jobs, which made up 15% of countywide cultural industry jobs in 2013, currently compose 24% (Figure 8).

Figure 7: Percent Change in Utah County Cultural Arts Jobs by Sector, 2021-2022



Note: The Other Industry subsector includes jobs in Libraries & Archives, Rental & Leasing, Furniture Repair, and Photofinishing; the Wholesale subsector has been omitted from this figure.
Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics data

Figure 8. Direct Cultural Industry Employment in Utah County by Industry Type, 2013 vs. 2022



Note: The Grantmaking & Professional Organizations, TV, Radio, & Social Media, and Other Industries subsectors have been omitted due to low numbers; the Other Industries subsector 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. Utah County’s cultural industry spending generated an estimated \$68.9 million in direct tax revenue in 2022, a 5.5% year-over increase after adjusting for inflation (Figure 9). This \$68.9 million in tax revenue included \$47.9 million in state and \$21.0 million in local tax revenue. Of total direct tax revenue, state sales tax composed the largest share at \$24.9 million, followed by state income tax at \$16.9 million (Figure 10). When considering Utah County’s state and local tax revenue contributions, the cultural industry represented 0.5% of total state sales tax revenue, 0.4% of state income tax revenue, 0.4% of local sales tax revenue, and 0.5% of property tax revenue (Figure 12).

PARC Tax Revenue

Currently, 13 municipalities in Utah County levy a 0.1% Parks, Arts, Recreation, & Culture (PARC) tax, including American Fork, Cedar Hills, Highland, Lehi, Lindon, Orem, Payson, Pleasant Grove, Provo, Santaquin, Spanish Fork, Springville, and Vineyard. Counties and municipalities generally use PARC taxes to support recreation, arts & culture, and parks in their communities. The PARC tax funds in Utah County are dedicated to the advancement of the county’s local arts and culture organizations and recreation projects. State statute regulates the allowed uses of the funds. PARC receives one (1) penny of every \$10 spent on every taxable Utah County purchase. These funds are distributed each year in the form of grants to eligible non-profit community arts, culture and zoological organizations.

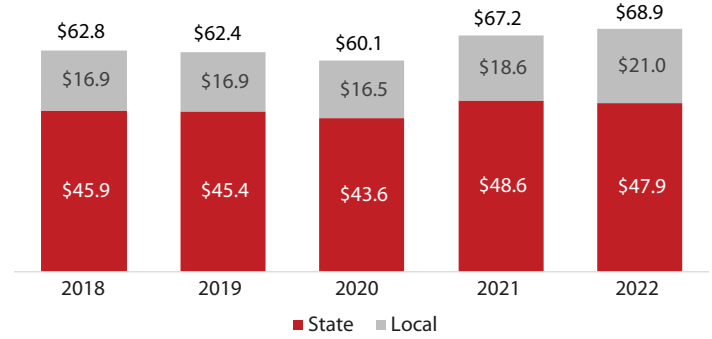
Figure 11 shows Utah County’s PARC tax revenues from 2018-2022, including the county’s estimated visitor-generated portion (6.5%). Because PARC tax revenue is derived from all taxable purchases, the county’s PARC tax did not decline during the 2020 pandemic. Year-over county PARC tax collections were up 21.6% (inflation-adjusted) in 2022 and totaled \$12.2 million dollars.

Nonprofit Revenue

Cultural industry nonprofit revenue (\$64.0 million) composed 5.3% of all county nonprofit revenue (Figure 13).

Figure 9: Utah County Cultural Industry Direct Tax Revenue, 2018-2022

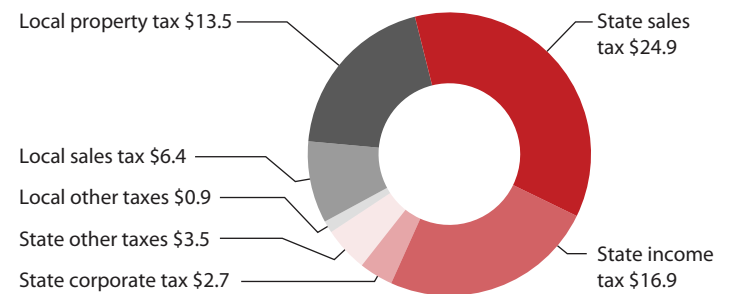
(In Millions of 2022 Dollars)



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

Figure 10: Utah County Cultural Industry Direct Tax Revenue by Tax Type, 2022

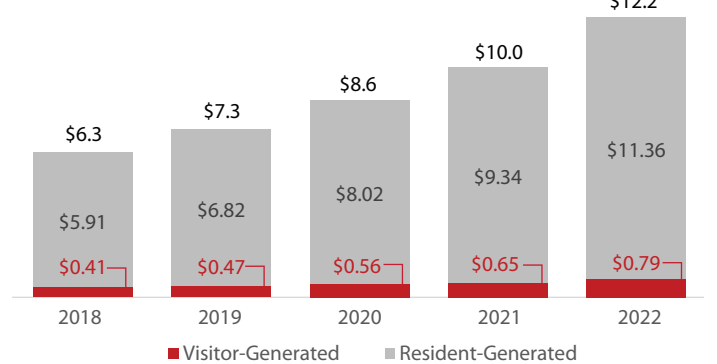
(In Millions of Dollars)



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

Figure 11: Utah County PARC Tax Revenue, 2018-2022

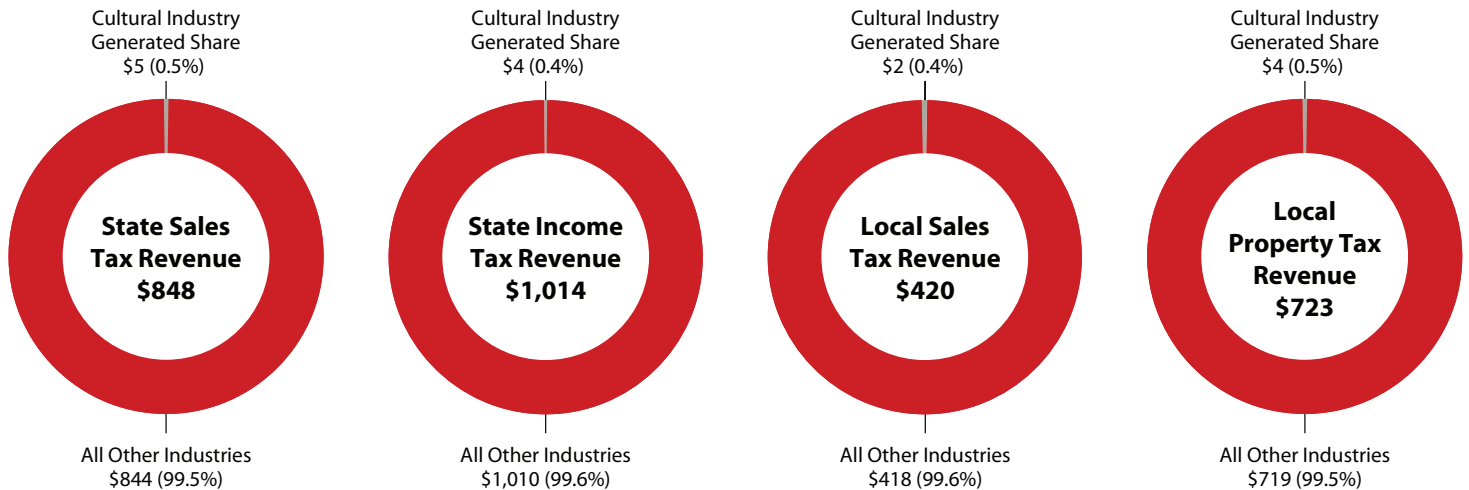
(In Millions of 2022 Dollars)



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

Figure 12: Utah County Tax Revenue Contributions, 2022

(In Millions of Dollars)

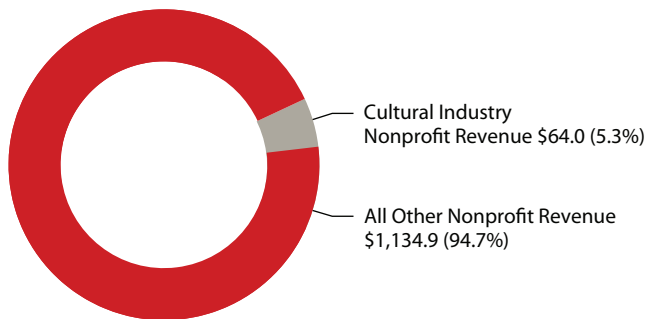


Note: 2022 income tax revenue is estimated; E-911, Liquor, Muni Telecom, and Muni Energy local sales taxes have been omitted from the total local sales tax revenue estimate.

Source: Kem C. Gardner Policy Institute analysis of U.S. Bureau of Labor Statistics and Utah State Tax Commission data

Figure 13: Utah County Industry Nonprofit Revenue As Share of Total County Nonprofit Revenue, 2022

(In Millions of Dollars)



Source: Kem C. Gardner Policy Institute analysis of U.S. Internal Revenue Service data

Endnotes

1. This Utah County profile assesses the economic multiplier effects associated with the current or predicted level of sales generated by the cultural industry in the county. Economic contribution captures the economic expanse of all cultural industry county spending and shows the relative reach and magnitude of the industry in the Utah County economy. In contrast, economic impact studies measure the changes in the size and structure of a region's economy that occur when vendors purchase goods and services within the region with money generated outside the region.
2. For this analysis, the Gardner Institute utilized 83 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 the IMPLAN economic model to produce jobs, labor income, industry sales, and tax revenue.
3. Jobs include 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.