

**Testimony to the Committee on Ways and Means by Gail Parsons, Executive
Director of the Junction City Arts Council
Senator Carolyn McGinn, Chair
March 8, 2012**

Good *morning* I would like to thank you for the opportunity to speak, Madam chair. My name is Gail Parsons. I am *the Executive Director of the Junction City Arts Council*. I am pleased to be here today aiming to provide you with credible data that demonstrates the financial value of a vivacious and thriving non-profit arts and culture industry within Junction City.

To gain an adequate understanding of the economic impact of the creative industry in Junction City, we need to look at some specific information. Using the Arts and economic prosperity report provided by the Americans for the Arts in 2008 as a baseline for all the information to follow, we'll begin by defining "economic impact". For our purposes "economic impact" will constitute 4 categories

- Full-Time Equivalent Jobs or the total amount of labor employed either directly or indirectly as a result of the arts.
- Resident Household Income
- Local Government revenue
- State Government revenue

Bearing these parameters in mind, the creative industry generates \$7.5 million in total annual economic activity. 143 full-time equivalent jobs are created, which in turn spawns nearly \$3 million in household income. State and local government garners an estimated \$521 thousand yearly.

Non-profit arts organizations aren't just quaint side street attractions in Junction City. They are significant contributors to the local economy. They are active employers and provide 59 indirect avenues of employment, creating \$2.4 million worth of household income. Arts organizations purchase supplies, contract for services and acquire assets. These actions ripple outward into the economy, creating opportunity for local business to grab hold of the \$6.3 million that non-profit arts organizations spend annually. Non-profit arts and culture organizations aren't the only ones spending money on art in Junction City though, after all what is art without its audience?

Arts and culture attendees produce direct commerce for local businesses in the amount of \$1.2 million yearly. 23 individual employment opportunities are created to support events, generating \$486,000 in household income. Annually, local and state government take home a total of \$170,000 as a result of audience spending in Junction City alone.

In summary, this data clearly demonstrates that Junction City's investment in arts and cultural commerce has enabled it to harness significant economic rewards! Thank you, I will now stand for questions.

The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in Junction City, KS (FY 2007)

Economic Activity	Arts and Culture Organizations	+	Arts and Culture Audiences	=	Total Expenditures
Total Industry Expenditures	\$6,349,220		\$1,180,644		\$7,529,864

Spending by Arts and Culture Organizations and Their Audiences Supports Jobs and Generates Government Revenue

Economic Impact of Expenditures	Economic Impact of Organizations	+	Economic Impact of Audiences	=	Total Economic Impact
Full-Time Equivalent (FTE) Jobs Supported	120		23		143
Household Income Paid to Residents	\$2,472,000		\$486,000		\$2,958,000
Revenue Generated to <u>Local</u> Government	\$167,000		\$71,000		\$238,000
Revenue Generated to <u>State</u> Government	\$185,000		\$98,000		\$283,000

Event-Related Spending by Arts and Culture Audiences Totaled \$1.2 million (excluding the cost of admission)

Attendance to Arts and Culture Events	Resident* Attendees	+	Non-Resident* Attendees	=	All Attendees
Total Attendance to Arts and Culture Events	86,436		15,601		102,037
Percentage of Total Attendance	84.7		15.3		100
Average Event-Related Spending Per Person	\$10.08		\$19.83		\$11.56
Total Event-Related Expenditures	\$871,275		\$309,369		\$1,180,644

Nonprofit Arts and Culture Event Attendees Spend an Average of \$11.56 Per Person (excluding the cost of admission)

Category of Event-Related Expenditure	Resident* Attendees	Non-Resident* Attendees	All Attendees
Meals and Refreshments	\$5.24	\$9.27	\$5.85
Souvenirs and Gifts	\$2.27	\$2.78	\$2.35
Ground Transportation	\$0.82	\$2.98	\$1.15
Overnight Lodging (one night only)	\$0.54	\$3.75	\$1.03
Other/Miscellaneous	\$1.21	\$1.05	\$1.18
Average Event-Related Spending Per Person	\$10.08	\$19.83	\$11.56

* Residents are attendees who reside within Geary County; non-residents live outside the County.

Source: *Arts & Economic Prosperity III: The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in Junction City*. For more information about this study or about other cultural initiatives in Junction City, visit the Junction City Arts Council's web site at www.junctioncityac.org.

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