

To: Mayor Barbara Buffaloe
City Council Members: Nick Knoth, Rachel Proffitt, Roy Lovelady, Nick Foster,
Donald Waterman, and Betsy Peters
From: City of Columbia Commission on Cultural Affairs
Date: December 11, 2023
Re: Request for Increased Arts Funding

Dear Mayor Buffaloe and Members of the City Council:

Each year the City allocates \$100,000 to the Office of Cultural Affairs to fund nonprofit arts organizations throughout our city. These funds are crucial to our arts organizations, the culture and vitality of our city, as well as an economic engine.

In FY 2022, the direct economic impact of the nonprofit arts and culture organizations in Columbia and their audiences was \$18,266,853. Of this amount, \$421,711 went to local tax revenue. This economic impact data was gathered from 33 Columbia nonprofit arts organizations as part of a nationwide survey by Americans for the Arts for its Arts and Economic Prosperity 6 (AEP6) study.

Every year, Columbia's nonprofit arts agencies submit a request for funding, detailing the content and budget of projects for which City funds would be allocated. Since 2019, the amount the agencies can request has been capped at \$7,500, but prior to that, for many years, the request cap was \$10,000. It was never enough to meet all the needs. In 2018, when 29 agencies sought City funding assistance, the total amount requested was \$241,067, which when adjusted for inflation would be over \$300,000 today.

We know that we can do more for the arts. Thus, we, the Commission on Cultural Affairs, would like to formally request an increase in funding from \$100,000 to \$300,000 for FY 2025.

When the AEP6 data is correlated with the annual arts funding provided by the City, static at \$100,000 per annum since 2015, this means that for every dollar the City invests in the arts, \$4 of tax revenue is provided in local tax revenue. These findings reveal that nonprofit arts organizations in Columbia not only provide a vibrant cultural force but are also an economic asset, repaying the funding the City provides by over 300%.

Since the Commission on Cultural Affairs was founded in 1992, with a mission to "*plan, promote and encourage programs to further public awareness of, accessibility to, participation in, and support for the artistic and cultural development of the city,*" annual City funding for the arts has increased from \$40,000 to \$100,000. However, when adjusted for inflation and for the number of nonprofit arts organizations requesting City funding, the actual funding per arts organization has dramatically decreased.

The overall budget for the annual arts funding program now represents less than 1/10th of 1% of the City's General Fund expenditures, a percentage indiscernible on any pie chart.

We attach the AEP6 summary of the study for your review. Americans for the Arts is a national arts service organization in Washington, D.C, founded in 1960 to serve, advance, and provide leadership to the network of organizations and individuals who cultivate, promote, sustain, and support the arts and arts education in America.

The study delivers a clear and welcome message: when communities invest in arts and culture, they are not investing in community at the expense of economic development. Rather, they are investing in an industry that stimulates the economy, supports local jobs, and contributes to building healthy, vibrant, and more livable communities. The arts power the communities where people want to live and work. Shared artistic and cultural experiences strengthen a sense of belonging and community pride.

It is important to note additionally the social impact data in the survey that asked about audiences' appreciation for the arts: 88% percent of our community replied that they would feel a great sense of loss if an arts activity of venue were no longer available; something we witnessed this past year with the loss of a major music festival due to declining sponsorships and increased costs. 90% of those surveyed said that the arts give them a sense of pride in the community.

The city's nonprofit arts agencies want to do more. But the reality is that doing more requires more funding. As a City, we surely want to continue to attract visitors, and we want to encourage the residents of Columbia to go to the theatre, festivals, galleries and concerts. The AEP6 study has made it clear that our nonprofit arts organizations not only make Columbia a culturally rich place to live but also provide direct economic impact to the City's bottom line.

For these reasons, the Cultural Affairs Commissioners are unanimous in submitting this request for the City to consider increasing the annual arts funding from \$100,000 to \$300,000. Increased funding for our arts organizations will most assuredly grow the ineffable qualities and often intangible benefits that make Columbia a great place to live.

Submitted Respectfully,

The Commissioners of
The Commission on Cultural Affairs - City of Columbia

David Spear, Chair
Jim Little, Vice Chair
Kristin Gadsden, Secretary
Cameron Dorth
Molly Froidl
Lee Ann Garrison
Linda Helmick
Keondre Harrison
James Melton
Diana Moxon
Kathy Murphy
Stacey Thompson

Enclosures: AEP6 Summary, Annual Arts Funding Data

The Economic and Social Impact of Nonprofit Arts and Culture Organizations and Their Audiences in City of Columbia, MO

Direct Economic Activity	Organizations	Audiences	Total Expenditures
Total Industry Expenditures (FY2022)	\$10,231,351	\$8,035,502	\$18,266,853

Economic Impact of Spending by Arts and Culture Organizations and Their Audiences

Total Economic Impacts (includes direct, indirect, and induced impacts)	Organizations	Audiences	Total Impacts
Employment (Jobs)	477	115	592
Personal Income Paid to Residents	\$10,325,046	\$3,796,538	\$14,121,584
Local Tax Revenue (city and county)	\$259,629	\$162,082	\$421,711
State Tax Revenue	\$373,918	\$195,929	\$569,847
Federal Tax Revenue	\$2,024,974	\$711,457	\$2,736,431

Event-Related Spending by Arts and Culture Audiences Totaled \$8.0 million

Attendance to Arts and Culture Events	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Total Attendance to In-Person Events	182,420	38,160	220,580
Percentage of Total Attendance	82.7%	17.3%	100.0%
Average Per Person, Per Event Expenditure	\$23.98	\$95.94	\$36.39
Total Event-Related Expenditures	\$4,374,431	\$3,661,071	\$8,035,502

Nonprofit Arts and Culture Audiences Spend an Average of \$36.39 Per Person, Per Event

Category of Event-Related Expenditure	Local ¹ Attendees	Nonlocal ¹ Attendees	All Attendees
Food and Drink	\$12.99	\$36.12	\$16.98
Retail Shopping	\$4.46	\$10.33	\$5.47
Overnight Lodging (one night only)	\$0.90	\$27.46	\$5.48
Local Transportation	\$1.62	\$9.31	\$2.95
Clothing and Accessories	\$0.99	\$3.08	\$1.35
Groceries and Supplies	\$1.79	\$3.87	\$2.15
Childcare	\$0.61	\$0.64	\$0.61
Other/Miscellaneous	\$0.62	\$5.13	\$1.40
Overall Average Per Person, Per Event	\$23.98	\$95.94	\$36.39

Source: Arts & Economic Prosperity 6: The Economic and Social Impact Study of Nonprofit Arts and Culture Organizations and Their Audiences in the City of Columbia. For more information about this study or about other cultural initiatives in the City of Columbia, contact the City of Columbia Office of Cultural Affairs.

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Past studies have focused primarily on the financial, economic, and tourism contributions of the nonprofit arts and culture industry. AEP6 expands beyond those topics to include measures of social impact. Surveys completed by individual attendees in the the City of Columbia demonstrate an appreciation for how the arts and culture impacts the development and well-being of the community and its residents.

Audiences Demonstrate Appreciation for the Impact of Arts and Culture

Level of Agreement with Social Impact Statements	Audiences
“This venue or facility is an important pillar for me within my community.”	80.5%
“I would feel a great sense of loss if this activity or venue were no longer available.”	88.4%
“This activity or venue is inspiring a sense of pride in this neighborhood or community.”	90.2%
“My attendance is my way of ensuring that this activity or venue is preserved for future generations”	84.2%

About This Study

Americans for the Arts conducted AEP6 to document the economic and social benefits of the nation’s nonprofit arts and culture industry. The study was conducted in 373 diverse communities and regions across the country, representing all 50 states and Puerto Rico. **The City of Columbia Office of Cultural Affairs joined the study on behalf of the City of Columbia.** For additional information including the national report, summaries for the 373 communities, an online calculator, and a description of the project methodology, visit www.AEP6.AmericansForTheArts.org.

Surveys of Nonprofit Arts and Culture Organizations

Nationally, detailed information was collected from 16,399 nonprofit arts and culture organizations about their FY2022 expenditures (e.g., labor, local and non-local artists, operations, materials, facilities, and asset acquisition), as well as their event attendance, in-kind contributions, and volunteerism. Surveys were collected from February through July 2023. Some organizations only provided total expenditures and attendance (they are included in the study). Responding organizations had budgets ranging from a low of \$0 to a high of \$375 million. Response rates for the 373 communities averaged 43.9% and ranged from 5% to 100%. **In the City of Columbia, 33 of the 45 total eligible nonprofit arts and culture organizations identified by the City of Columbia Office of Cultural Affairs provided the financial and attendance information required for the study analysis—an overall participation rate of 73.3%.** It is important to note that each study region’s results are based solely on the survey data collected. No estimates have been made to account for non-respondents. Therefore, the less-than-100 percent response rates suggest an understatement of the economic impact findings.

Surveys of Nonprofit Arts and Culture Audiences

Audience-intercept surveying, a common and accepted research method, was conducted to measure event-related spending by audiences. Attendees were asked to complete a short survey while attending an event. Nationally, a total of 224,677 attendees completed the survey. The randomly selected respondents provided itemized expenditure data on attendance-related activities such as meals, souvenirs, transportation, and lodging, as well as socioeconomic information, ZIP code of primary residence, and four social impact questions. Data was collected from May 2022 through June 2023 at a broad range of both paid and free events. **In the City of Columbia, a total of 226 valid audience-intercept surveys were collected from attendees to nonprofit arts and culture performances, events, exhibits, and special events during the period from May 2022 through June 2023.**

Studying Economic Impact Using Input-Output Analysis

Americans for the Arts uses the IMPLAN platform to create the customized models for each of the 373 study regions. Input-output models calculate the interdependencies between various sectors or industries within a region. This analysis traces how many times a dollar is respent within the local economy before it leaks out, and it quantifies the economic impact of each round of spending. This form of economic analysis is well suited for AEP studies because it can be customized specifically to each participating community, region, or state. **To complete this analysis for the City of Columbia, the researchers used the IMPLAN platform to build a customized input-output model based on the unique economic and industrial characteristics of Boone County.**

Research Notes:

¹ For the purpose of this study, local attendees live within Boone County; nonlocals live elsewhere.



Annual Arts Funding Data

Fiscal Year	Annual Arts Funding[†]	Amount Requested by Applicants	Amount Requested Adjusted for Inflation (October FY) [‡]	Number of Organizations Funded
2015	\$100,000	\$176,402	\$228,586	21
2016	\$100,000	\$196,103	\$253,682	24
2017	\$100,000	\$228,402	\$290,708	27
2018	\$100,000	\$241,067	\$312,380	29
2019*	\$100,000	\$183,688	\$223,483	28
2020	\$100,000	\$178,543	\$213,458	28
2021	\$100,000	\$167,760	\$198,223	26
2022	\$100,000	\$162,422	\$180,674	24
2023	\$100,000	\$168,396	\$173,854	25
2024	\$100,000	\$184,152	\$184,152	27

*FY 2019 request amount was lowered to \$7,500 from \$10,000.

[†]Amount of City funding allocated in the Office of Cultural Affairs' core budget (General Fund).

[‡]Inflation adjustments calculated using the U.S. Bureau of Labor Statistics' Consumer Price Index inflation calculator (www.bls.gov/data/inflation_calculator.htm). First month of each fiscal year (October) used in calculations.