

Economic Impact Of The Arts And Festivals On The Edmonton Region

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Background

The Edmonton Arts Council and Economic Development Edmonton have collaborated on two studies of the economic impact of Edmonton's non-profit arts and festival organizations on the economies of the Edmonton region and on the Province of Alberta. Those studies were conducted on data gathered on 1996 and 1999 expenditures.

The motivation for the studies was initially in reaction to questions about the economic value of direct municipal support via Community Investment Grants. There had been a number of informal investigations and estimates of the economic value of this sector but no substantial and objective reports. Other motivations included a curiosity about the size of Edmonton's non-profit arts and festival community and, in the case of the 1999 study, about the growth of that community in the three years between studies. The study was purposely confined to the expenditures of the arts and festival organizations that applied to the Edmonton Arts Council for City of Edmonton Community Investment Grants. Detailed information on the expenses of those organizations was gathered and verified against audited or reviewed financial statements from those organizations. The impact analysis was completed using the Tourism Economic Assessment Model (TEAM)-a computer model developed by the Canadian Tourism Research Institute that was calibrated by the Conference Board of Canada to reflect the unique structure of the Edmonton area economy.

Executive Summary of the 1999 results

The "Arts and Culture " community in Edmonton is an established and very vibrant part of Edmonton 's mosaic. This study provides an analysis of the economic/financial impacts that the "Arts and Culture " sector has on the economy of the Greater Edmonton Region. As noted in the previous 1996 study, it is a challenge to define and capture information on all activities in the Edmonton area that might be considered part of the arts or culture industry. The term "Arts and Culture " throughout this study is limited to 101 arts and festival organizations that applied for an operating grant from the City of Edmonton in 2000 and which contributed detailed information on their operations and attendance during their 1999 season. As a result, the conclusions of this study represent only a portion of the total possible impact of "Arts and Culture " in the Greater Edmonton Region. The impact analysis was completed using the Tourism Economic Assessment Model (TEAM)-a computer model developed by the Canadian Tourism Research Institute. During the 1999 season the 101 participating organizations (representative of the "Arts and Culture " community in the Greater Edmonton Region) entertained an estimated total of 2,737,268 patrons including approximately 590,264 patrons visiting from outside Edmonton. The results show that each local resident attends approximately 3 performances or venues per year. Patrons spent an estimated \$57.7 million in Edmonton during their trips to participate in Edmonton's "Arts and Culture " activities. The "Arts and Culture " organizations themselves spend approximately \$40.3 million annually on local goods and services. These expenditures and the expenditures of visiting patrons result in a total net impact of \$82.5 million on the Greater Edmonton Region. When spin-offs to other parts of Alberta are included the total impact that Edmonton 's "Arts and Culture " has on the province of Alberta grows to approximately \$116.6 million. While the two



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studies indicate a notable economic impact of non-profit arts and festival organizations on the economies of Edmonton and

Alberta, the information must be placed in a larger context. Economic impact is not just about direct or directly-induced expenditures. In a brief recently released by the National Governors Association (USA) on the Role of the Arts in Economic Development, it was noted that "the non-profit arts industry is a potent force in economic development nationwide. States and communities have integrated the arts into their economic development arsenal to achieve a wide range of direct and indirect economic goals. Arts and festivals assist municipalities in the following ways:

- They leverage human capital and cultural resources to generate economic vitality in under-performing regions through tourism, crafts, and cultural attractions;
- They restore and revitalize communities by serving as a centerpiece for downtown redevelopment and cultural renewal;
- They improve quality of life, expand the business and tax revenue, and create a positive community image; and
- They make communities more attractive to highly desirable, knowledge-based employees thus stimulating new forms of knowledge-intensive production to flourish."



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