

A Critical Link:
The Arts Improve the Economy in Knox County

In 2017, the Arts & Culture Alliance released the results of a study of more than 60 arts and culture organizations and 1,000 arts and culture audiences in Anderson, Blount, and Knox Counties that participated in an Arts & Economic Impact study. The Alliance participated with 340 other regions across the country in Americans for the Arts' 5th Economic Impact Study of the nonprofit arts and culture industry and its audiences.

The study proved that the nonprofit arts and culture sector is a significant industry in Knox County – one that **generates \$145.9 million in total economic activity**. This spending – \$48.2 million by nonprofit arts and culture organizations and an additional \$97.7 million in event-related spending by their audiences – **supports 5,503 full-time equivalent jobs**, generates \$104 million in household income to local residents, and **delivers \$18.6 million in local and state government revenue. That amount equals as much local tax revenue as is generated by all UT home football games combined.**

The study indicated that if NONPROFIT arts and culture were a publicly traded company, it would be the seventh largest employer in Greater Knoxville and the third largest employer in Knox County.

The Arts Provide Thousands in the County with Employment

The Greater Knoxville Region's nonprofit arts and culture organizations provide rewarding employment for more than just administrators, artists, curators, choreographers, and musicians. They also employ financial staff, facility managers, and salespeople. In addition, spending by these organizations directly supports a wide array of other occupations spanning many industries that provide their goods and services (e.g. accounting, construction, event planning, legal, logistics, printing, and technology).

In fact, the US Census Bureau American Community Survey for 2015 reports that 9% of the population of Greater Knoxville credits its livelihood to the arts.

The Arts Drive Tourism

Audience survey respondents were asked to provide the zip code of their primary residence, enabling researchers to determine which attendees were local residents and which were nonresidents. Researchers estimate that 59.8% of attendees were residents; **40.2% of nonprofit arts attendees were nonresidents**. Nonresident attendees spent an average of 173% more per person than local attendees as a result of their attendance to cultural events. As would be expected from a traveler, higher spending was typically found in the categories of lodging, meals, and transportation. When the County attracts cultural tourists, it harnesses significant economic rewards.

Event-Related Spending by Arts and Culture Event		
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Attendees in Knoxville		
	Residents	Nonresidents
Souvenirs/Snacks/Gifts	\$12.91 per event	\$24.09 per event
Meals Before/After Event	\$16.36	\$30.60
Clothing & Accessories	\$1.47	\$3.11
Ground Transport	\$2.46	\$7.55
Event Related Child Care	\$0.59	\$0.48
Overnight Lodging	\$1.37	\$30.02
Other		\$0.14
Total Per Person Spending	\$35.16	\$95.99

In 2018, the 20 local arts and culture organizations included in the Knox County Tourism Consortium attracted 527,172 people from outside Knox County for a total economic boost of \$31.4 million to local businesses and \$18.6 million in state and local tax revenue.

Each of the nonresident survey respondents were asked about the purpose of their trip: **68.6%** indicated that the primary purpose of their visit to Greater Knoxville was “specifically to attend this arts/cultural event.” Further, if the event where they were surveyed had not occurred, **51.7%** of nonresident attendees would have “traveled to a different community to attend a similar cultural event.” Of the 40.2% of arts attendees who are nonresidents, **32.7%** reported an overnight lodging expense, contributing to Hotel Motel Tax collections.

The survey also asked local resident attendees about what they would have done if the arts event that they were attending was not taking place: 47.8% of resident attendees said they would have “traveled to a different community to attend a similar cultural event.” The consortium directly contributes more than \$12 million per year in wages to residents and writes checks totaling more than \$25.4 million to Knox County vendors.

Conclusion

Knox County’s Tourism Consortium earns local government support, creating jobs, supporting local vendors, generating local tax revenues, retaining local dollars, and driving tourism from all 50 states and more than 80 countries.