

The Economic Impact of Utah's Cultural Sector

Prepared for the:
Utah Arts Council
Utah Cultural Alliance
Utah Humanities Council
Salt Lake City Arts Council
Office of Museum Services
Utah State Historical Society and the
Utah Department of Community & Economic Development

by WESTAF

June, 2000

WESTAF

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The Western States Arts Federation (WESTAF) is a nonprofit arts service organization that serves the 12 Western states. Focused on strengthening the arts infrastructure of the West, the organization sponsors forums, programs, research, and technical assistance that improve the environment for the arts in the West. The states participating in WESTAF are: Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. WESTAF is a 25-year-old organization with headquarters in Denver, Colorado. For more information, please call 303-629-1166 or visit the WESTAF Web site at www.westaf.org.

Executive Summary

In the fall of 1999, the Utah Arts Council, Utah Humanities Council, Office of Museum Services, Utah Department of Community and Economic Development, Utah State Historical Society, Salt Lake City Arts Council, and Utah Cultural Alliance commissioned WESTAF to conduct an economic impact study of the cultural sector in Utah. The study focused on the economic contributions the nonprofit cultural sector made to the state economy in fiscal year 1999, documented the economic importance of a selected group of individual artists to the state, and identified a number of issues and opportunities related to the cultural sector and the development of the overall state economy through a series of interviews and document research. The chief findings of the research are:

[The overall economic impact of Utah's nonprofit cultural sector on the state economy for the 1999 fiscal year was \$128,983,608. The total employment impact was 43,211 jobs.

[Utah's nonprofit cultural sector employs an estimated 21,036 full- and part-time workers. These employees received an estimated \$40,963,534 in compensation.

[Utah's nonprofit cultural organizations paid an estimated \$2,483,116 in federal payroll taxes, \$2,310,025 in state and local taxes, and \$6,787,117 in company-sponsored benefits. Overall, Utah's cultural organizations paid an estimated \$11,580,258 in taxes.

[In each of the last five years, cultural organizations in Utah collectively spent an average of \$22,512,927 on new construction and \$8,169,696 on renovations. The volume of expenditures devoted to construction activities demonstrates the cultural sector's efforts to serve and accommodate the state's growing population.

[Utah is home to 9,773 individual artists and arts workers. The full-time artists in this group spent \$758,576 on supplies and items directly related to their work in 1999.

[The cultural sector presented over 14,400 offerings to the public in the 1999 fiscal year. Over 3,147,000 people paid to attend a cultural performance and/or activity. In addition, the nonprofit cultural sector underwrote free admission to cultural events for over 2.7 million people.

[Cultural organizations reported spending over \$10 million on non-personnel operating expenditures such as utilities, telephone services, and insurance and \$33 million on the purchases of goods and services such as furniture, equipment, and supplies. All but a small percentage of these monies were re-invested in the state's economy.

[The cultural sector engaged over 850,000 school children through various outreach programs conducted across the state. Cultural education is not formally integrated into the school curriculum of Utah; therefore, outreach programming by the cultural sector is one of the most effective ways to engage school children in cultural education activities.

[Utah's steady population growth is prompting the state's cultural organizations to increase their income levels and operating budgets to accommodate a public that desires access to cultural programs.

[The quality and quantity of cultural offerings in Utah play important roles in the recruitment and retention of workers and businesses and in enhancing the state's quality of life.

[In Utah's rural areas, the cultural sector plays a vital role in the development and/or stabilization of local economies.

[Utah is positioned to expand its tourism industry through the promotion of cultural offerings that feature the state's distinctive Western heritage. Utah possesses an array of cultural heritage sites, festivals, and events that preserve the region's unique history and attract numerous visitors from in- and out-of-state.

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Introduction

This report presents quantitative and qualitative data from the 1999 fiscal year and describes the contributions cultural offerings make to the Utah economy. The report is designed to inform and educate residents, business persons, and policy makers about the meaningful role the cultural sector plays in the Utah economy and the ways in which cultural offerings are integrated into and support the state's economy, and to confirm and document anecdotal understandings of the economic value of the cultural sector held by cultural practitioners. The report should help identify the cultural sector as a meaningful element in the Utah economy and broaden the public's understanding of the nature and value of the cultural sector.¹

The study measures the economic impact of nonprofit cultural institutions and the economic impact of selected individual cultural practitioners, specifically artists and arts workers, in the state. The economic impact of commercial, private cultural institutions such as graphic designers, Internet-based cultural businesses, and commercial art galleries—though assumed to be considerable and referred to anecdotally—were not within the scope of this study.

¹ This report will not address concerns of culture advocates who believe that evaluating the cultural sector within an economic framework oversimplifies and/or diminishes the essential value of the cultural sector. To those who hold this belief, the authors of this report wish to note that an assessment of the economic impact of the cultural sector is merely one dimension of the cultural sector and does not negate its other intrinsic values. The educational value, the entertainment value, and the creativity-enhancing value of the cultural sector also can be assessed without detracting from any other particular value. The economic assessment of the cultural sector is one approach, albeit an important and often over looked one, toward evaluating the cultural sector. A truly comprehensive assessment of the cultural sector would take into consideration all of the various qualities and attributes that constitute the social significance of the cultural sector. Such an endeavor, however, is beyond the scope and resources of this study.

Sponsoring Agencies

The investigation and assessment of the economic importance of Utah's cultural sector were made possible through the collaborative support of the following leading cultural organizations:

UTAH ARTS COUNCIL

The Utah Arts Council, established in 1899, is the oldest state arts agency in the nation. Believing that the arts are essential to a high quality of life, the Utah Arts Council serves all the people of the state as it fosters creativity, promotes excellence, and encourages diversity in the arts in Utah. In response to the legislative mandate of 1899 "to advance the arts in all their phases," the Utah Arts Council broadens the availability and increases the appreciation of the arts by distributing funds, providing training and development, and offering educational programs in the arts statewide.

Through an extensive application/review process, the Council provides direct matching grants to approximately 230 nonprofit organizations throughout the state for arts programming each year. In addition to the Grants Program, the Council coordinates or co-sponsors events, provides grants, and offers training and technical assistance through these Community Outreach Programs: Arts in Education, Community/State Partnership, Folk Arts, Individual Artist Services, Literary Arts, Public Art, Public Information, and Visual Arts. The Utah Arts Council serves individual artists through grants, awards, fellowships, prizes, commissions, exhibitions, technical assistance, the Artists' Resource Center, a newsletter of artist opportunities, and the provision of work opportunities in the form of residencies.

UTAH HUMANITIES COUNCIL

Established in 1975, the Utah Humanities Council (UHC) promotes understanding of human traditions, values, and issues through informed public discussion. A 20-member volunteer Board, representing a wide variety of disciplines and communities, makes policy, directs planning, evaluates programs, and judges grants proposals. Council programs have reached every corner of the state, involving thousands of individuals as planners, participants, and audience members. Libraries, historical societies, museums, local arts and humanities councils, civic and service organizations, public radio and television stations, educational institutions, local and state government agencies, ad hoc groups, and others collaborate with the UHC as partners in promoting Utah's intellectual and cultural growth.

UHC supports the processes of reflection, conversation, and action that are essential to lifelong learning through programs that focus on literacy, history and heritage and through conversations about issues that affect our communities. Humanities programs include book discussions; the development of cultural

heritage tourism plans; lecture series; family literacy training; and sponsorship of documentary films, exhibits, conferences, and town meetings. All UHC activities are opportunities to learn and to share ideas with scholars, neighbors, and fellow citizens.

UTAH STATE HISTORICAL SOCIETY

The Utah State Historical Society, Utah's Division of State History, was founded in 1897 on the 50th anniversary of the first settlement in the Salt Lake Valley by the Mormon Pioneers. The Society became a state agency in 1917 with this mission: "Preserving and Sharing Utah's Past for the Present and Future."

To fulfill that mission, the Society gathers and preserves historical sources, including books, pamphlets, periodicals, maps, manuscripts, photographs, and historical artifacts. Housed in the historic Rio Grande Depot since 1980, these items are available for research. The Society also operates a museum exhibit, *Utah at the Crossroads*, in the Depot. The Society publishes historical magazines, including the *Utah Historical Quarterly* (since 1928), and operates a bookstore. This agency works closely with historic preservation and local historical organizations to provide grants and technical assistance, especially in the area of historic preservation.

UTAH OFFICE OF MUSEUM SERVICES

The Utah Legislature established the Utah Office of Museum Services (OMS) within the Division of Community Development in 1993. An 11-member Advisory Board, appointed by the Governor, and a staff of two create programs that assist Utah museums to care for and manage collections; develop quality educational resources; provide access to collections for research; and identify and successfully compete for financial resources. The OMS provides programs primarily in the areas of financial assistance and professional training. Financial assistance is provided through a grants program that helps fund technical assistance, professional development, and specific projects. Training is provided through workshops and a network of museum professionals who are available for consultation. In addition to these services, OMS provides a *Directory of Utah Museums*; a resource library of publications on various museum topics; and a *Guidebook* designed especially for new museums.

THE UTAH DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

The Utah Department of Community and Economic Development (DCED) is considered to be the most diverse department in state government. When state legislators merged two departments to form the DCED, they envisioned a synergistic relationship between community and business programs that would lead to the enhancement of Utah's economy. Indeed, the DCED's programs work together to develop a workforce, expand the state's economy, build local communities, and improve the Utah lifestyle. The DCED is working currently to

involve Utah communities in the success of the 2002 Olympic Winter Games. It is also encouraging companies in key industries to expand and/or locate in Utah and to consider relocating in communities in need of economic advancement. Because of the DCED's efforts, Utah is on its way to becoming a major player in the "new economy."

Divisions of the DCED include: Community (Energy Services, Volunteers, Community Development Block Grant, Community Services Block Grant, Museums, Permanent Community Impact Fund, Pioneer Communities, Uintah Basin Revitalization Fund, Partnerships, and Home Energy Assistance Target); Business (Business/Technology Development, Film Commission, Indian Affairs, Industrial Assistance Program, International/National Development, Procurement Assistance, Veterans Affairs, Ethnic Affairs); Library; History; Travel; and Arts.

SALT LAKE CITY ARTS COUNCIL

The Salt Lake City Arts Council was founded in 1976 with support from the National Endowment for the Arts. As a public agency, the Arts Council seeks to expand public awareness, access, and participation in the arts through the support of artists and arts organizations in Salt Lake City. Programs and services include the Living Traditions Festival (a celebration of Salt Lake's ethnic and folk artists), the Twilight Concert Series, Brown Bag Concert Series, visual arts exhibition series at the Art Barn, literary reading series, quarterly newsletter and event calendar, City Arts Grants for artists and arts organizations, and Salt Lake City's public art program. As the largest local arts council in Utah, the Salt Lake City Arts Council is committed to assisting with research and leadership on local and statewide cultural issues.

UTAH CULTURAL ALLIANCE

The Utah Cultural Alliance (UCA) is a coalition of individuals and organizations representing cultural interests. The Utah Cultural Alliance exists to promote the continuing viability and visibility of Utah's cultural community through the fostering of cooperation, communication, and advocacy in the cultural community. The UCA works to develop a sense of community through cultural activities and encourages appreciation of the variety of human experience and expression. Past accomplishments include open forums held at the State Capitol during the Utah Legislative Session, notifications and alerts to the field regarding emerging state and national cultural issues, and serving as the voice for cultural advocacy. The Utah Cultural Alliance promotes a dynamic cultural environment that incorporates the richness of the past, the vitality of the present, and the opportunities of the future.

Characteristics of Utah's Nonprofit Cultural Sector

Utah's nonprofit cultural sector is composed of the state's approximately 600 501(c)3 cultural organizations; the cultural programming sponsored by Utah's institutions of higher education; and the cultural activities supported by local governments throughout the state. Because the nonprofit 501(c)3 segment of Utah's cultural sector forms the core of that industry, it was surveyed in depth to gain a better understanding of its composition and dynamics. The key characteristics of the nonprofit cultural sector were found to be:

Age of Cultural Organizations

The average age of a cultural organization in Utah is 41 years, which is older than the cultural organizations in many other states, particularly those in the West. For comparison, the average age of a 501(c)3 arts organization in Nevada is 18 years and 26 years for Oregon. Almost 12% of the organizations surveyed in Utah are more than 51 years old. An impressive seven organizations are over 100 years old: Donner Reed Museum (132 years), Nora Eccles Dinosaur Park (148 years), Museum of Church History and Art (130 years), Nora Eccles Harrison Museum of Art (110 years), Salt Lake City Public Library (101 years), Southern Utah University—Summer Concert Series (102 years), and Willow Park Zoo (133 years). The extended history of some of Utah's cultural organizations points to an enduring tradition of support and desire for cultural offerings in the state. The public's long-term support for the cultural sector is also evidenced by the fact that Utah has the oldest state arts council in the country. The Utah Art Council, originally established as the Utah Arts Institute, was created in 1899 by the third Utah Legislature. The cultural community in Utah is a well-established business sector with a history that predates the establishment of the state.

In addition to possessing a core of well-established cultural organizations, Utah has a burgeoning collection of youthful cultural organizations. Over a quarter of the survey respondents (43) indicated that the age of their organization was less than 10 years. An additional 57 cultural entities reported an organizational age of 10 to 25 years. This high number of youthful cultural organizations is a reflection of the state's overall growth. The demand for cultural offerings likely will continue to escalate as the state's population increases in size and diversity. This upward growth trend will generate new cultural organizations, expand the economic influence of the cultural sector, and present a number of challenges to established cultural organizations as they endeavor to serve and address the expanding cultural interests of Utah's residents. (See section, "Challenges Facing Utah's Nonprofit Cultural Organizations.")

[INSERT CHART ON AGE DISTRIBUTION OF UTAH'S CULTURAL ORGANIZATIONS]

Budget Sizes of Cultural Organizations

According to survey results, the majority of Utah's cultural organizations operate with a budget of less than \$100,000. Approximately 66% of the state's 596 nonprofit cultural organizations fall within this budget category. Although most of Utah's cultural organizations operate on small budgets, 19 cultural organizations reported budgets between \$500,000 and \$1.5 million, nine listed budgets between \$1.5 million and \$5 million, and five documented budgets that exceed \$5 million. These largest organizations include Ballet West (\$6.9 million), Salt Lake County Center for the Arts (\$5.5 million), Sundance Institute (\$7.1 million), Hogle Zoo (\$6.7 million), and Utah Symphony (\$10.1 million). In total, 33 organizations, almost 18% of those surveyed, reported budgets over \$500,000.

[INSERT CHART ON COLLECTIVE BUDGETS OF CULTURAL ORGANIZATIONS]

Organizational Diversity

Reflective of the state's rich tradition and stable cultural sector, Utah supports a system of organizations that offers a wide array of cultural offerings. Historically, nearly all cultural organizations, arts organizations in particular, originated as discipline-based entities. More recently, however, cultural organizations have begun to broaden their scope of operations. The relatively large percentage (over 18%) of cultural organizations in Utah that are multidisciplinary in nature mirrors an organizational profile that can be found in most other cultural organizations in Western states. Multidisciplinary programming enables cultural organizations, particularly those in smaller communities and rural areas, to serve a wider audience. Cultural organizations in urban areas are less compelled to maintain a multidisciplinary menu of cultural offerings because: 1) A system of diverse cultural offerings is usually present in metropolitan areas, thereby eliminating the need to offer multidisciplinary programs; and 2) As part of the cooperative spirit that defines Utah's cultural sector, cultural organizations located within urban areas are reluctant to compete with identical programs and unnecessarily dilute audience participation.

[INSERT PIE GRAPH OF DISCIPLINES OF UTAH CULTURAL ORGANIZATIONS]

Cultural Activities and Public Participation

A large menu of cultural offerings is available to residents of and visitors to Utah. An estimated total of 14,401 cultural offerings were made available to the public in the 1999 fiscal year. Perhaps more impressive than the sheer number of available cultural offerings is the degree to which the public takes advantage of these opportunities:

[Over 3,081,000 people paid to attend a cultural program in Utah; nearly 410,000 of those attending a cultural offering participated in a subscription or membership program. The fact that over 13% of paid admissions were subscription based suggests a strong commitment to the maintenance of Utah's cultural sector.

[Writers and historians engaged the public through the publication and circulation of over 1,481,000 books, periodicals, and pamphlets in the 1999 fiscal year.

[For the 1999 fiscal year, the nonprofit cultural sector underwrote free admission to various cultural events for over 2,776,000 people. Some of those who benefited from these outreach programs were school children (853,412), residents of rural communities (411,334), and underprivileged children (134,426).

Based on survey responses, the average admission price to a cultural program was \$9.61 in 1999, which is considerably less than a typical rock concert or professional sporting event. More important, however, is the almost evenly balanced availability of paid and free admissions, a relationship not to be found in the commercial entertainment sector.

[INSERT GRAPH ON ATTENDANCE OF UTAH CULTURAL ORGANIZATION ACTIVITIES]

[INSERT GRAPH ON UTAH'S NONPROFIT CULTURAL ORGANIZATIONS OUTREACH AUDIENCES SERVED]

The Economic Impact of Utah's Nonprofit Cultural Sector

An analysis of the surveys completed by the state's nonprofit cultural organizations illustrates the considerable economic impact of Utah's cultural sector on the state's economy. Salt Lake County has a sophisticated and particularly well-developed cultural sector in place, which attracts in- and out-of-state visitors. The cultural sector assumes a much more prominent role in Utah's rural areas and small towns, however, for often it is a key component to building and diversifying the tourism business. In general, the cultural sector makes a significant contribution to the state's economy. The quantitative economic impacts that are reported below reflect the figures for the 1999 fiscal year.

Employment and Wages

Utah's nonprofit cultural sector employs an estimated 21,036 full- and part-time workers in the areas of administrative, artistic, professional, and scholarly services and technical production and support. These employees received an estimated \$40,963,534 in compensation in fiscal year 1999.

[An estimated 1,571 full-time employees earned \$32,043,687 for an average salary of \$20,397.

[Part-time employees were estimated to total 19,465 and earned \$8,919,831, or an annual wage of \$458.

[Contracted employees totaled 4,422 and earned \$4,411,146, or an average of \$997 annually.

Of particular interest is the large percentage of part-time employees (76.5%) and contracted individuals (15.7%) who are engaged in the cultural sector. These figures suggest that nonprofit cultural organizations in Utah have limited resources to hire full-time employees. This point is reinforced by the fact that 778,006 volunteer hours were contributed to Utah's nonprofit cultural sector in fiscal year 1999. Volunteer hours include donated time from members of the legal profession, accountants, and various managerial occupations. According to survey respondents, the estimated total value of these volunteer hours is \$14,493,523, or \$18.62 per hour. The large number of volunteer hours reveals strong community support for the cultural sector; the figure also suggests that many organizations would have a difficult time existing without volunteers.

Taxes

Utah's nonprofit cultural organizations paid an estimated \$2,483,116 in federal payroll taxes and \$2,310,025 in state and local taxes. Overall, an estimated \$4,793,141 was paid in taxes.

Benefits

Utah's nonprofit cultural organizations paid an estimated \$6,787,117 in company sponsored benefits in the 1999 fiscal year.

Operating Expenditures

Cultural organizations reported spending a total of \$10,079,243 on non-personnel operating expenditures such as utilities, telephone services, and insurance. Of this amount, an estimated 8% was reported to have been expended out of state.

Purchase of Goods and Services

Purchases of goods and services such as furniture, equipment, supplies and exhibition materials, meals, transportation, printing, and postage totaled \$33,967,567. An estimated 6% of these expenditures were made out of state, thus slightly reducing the economic impact of these purchases on the Utah economy.

Construction Expenditures

Cultural organizations in Utah reported that they spent a total of \$112,564,635 on new construction and \$40,848,481 on building renovation in the last five years. Within this time frame, 34 new facilities were constructed, and 55 buildings underwent renovation. On the average, \$22,512,927 was spent on new construction annually and \$8,169,696 on renovations annually. In comparison to other Western states, the amount of money Utah's cultural sector spent on capital improvement projects is large. The significant expenditures devoted to construction indicate that the cultural sector is making a considerable effort to serve and accommodate the state's growing population. When contrasted with the shortage of paid full-time labor, there is stronger support for capital campaigns than for annual operating support.

Gross Measure of the Economic and Employment Benefit of Utah's Nonprofit Cultural Sector

The total direct, indirect, and induced economic impact of Utah's nonprofit cultural sector in the 1998-1999 fiscal year was estimated to be \$128,983,608. To reach this figure, wages and company-sponsored benefits were added together and multiplied by the Utah earnings multiplier from the RIMS II multiplier series. The multiplier measures the re-spending of culture-sector originated dollars in the community and is based on a multiplier that was computed for the Utah economy through extensive study and modeling of the state's economic structure.

Algebraically, the calculation for this figure is:

$$(\$40,963,534 + \$6,787,117) \times 2.2641 = \$105,934,819.$$

(Wages + Benefits) x Multiplier = Direct, Indirect, and Induced Economic Impact of Utah's Cultural Sector

The cultural sector's direct, indirect, and induced impact on employment in fiscal year 1999 was estimated to be 42,278 jobs. To obtain this figure, the number of full- and part-time employees in the cultural sector were added together and multiplied by the employment multiplier. The employment multiplier computes the number of subsidiary jobs that are created in support of the cultural sector's business activities. Algebraically, the calculation for this figure is:

$$(1,571 + 19,465) \times 2.0098 = 42,278 \text{ jobs}$$

(Full-time Employees + Part-time Employees) x Multiplier = Direct, Indirect, and Induced Employment Impact of Utah's Cultural Sector

An earnings multiplier of 2.2641 and an employment multiplier of 2.0098 were obtained from the RIMS II multiplier series for Utah, which is based on the 1992 benchmark input-output accounts for the U.S. economy and 1997 regional data that were gathered and tabulated by the Bureau of Economic Analysis of the U.S. Department of Commerce. The multiplier selected is I-O number 77.0504—*Other Membership Organizations*. A multiplier was not computed specifically for the nonprofit cultural sector, and the multiplier reported is an estimate of that multiplier that is appropriate for that industry. The key feature lacking in the multiplier that is used is a specific measure of the multiplier behavior of the nonprofit visual arts, museums, and festival components of the state's cultural sector. In spite of this shortcoming, the multiplier was selected because:

[Much of the nonprofit cultural activity in the state is performance oriented and therefore is believed to reflect the economic behavior of the multiplier segment selected.

[The Utah nonprofit cultural activity that is not directly related to performance activity shares attributes with industry segments that have relatively high multipliers. These include *Other amusement and recreation services* with an economic multiplier of 1.8726 and *Theatrical producers (except motion picture), bands, orchestras and entertainers*, which has a reported economic multiplier of 2.1943.

If a multiplier were computed specifically for Utah's nonprofit cultural sector, the researchers estimate that it would lie between 1.9 and 2.1. The economic multiplier of 2.2641 and the employment multiplier of 2.0098 were used as the best available approximations, recognizing the value of linking an industry to multipliers that will be updated by a credible source over time and that averaging several multipliers would be inappropriate.

The economic and employment benefit of construction due to capital campaigns conducted by the cultural sector also was computed. The indirect and induced economic impact of the cultural sector's capital campaigns in the 1998-1999 fiscal year was estimated to be \$23,048,786. To obtain this figure, the average annual

amounts of money spend on renovation and construction were added together, and multiplied by the final-demand earnings multiplier from the RIMS II model, *Other New Construction*, I-O number 11.0900. Algebraically, the calculation for this figure is:

$$(\$8,129,696 + \$22,512,927) \times .7512 = \$23,048,789$$

The construction-related indirect and induced employment impact was calculated to be 933 jobs. To obtain this number, the average amounts of money spent on renovation and construction were added together, and multiplied by the final-demand employment multiplier (30.3/1,000,000) from RIMS II model, *Other New Construction*, I-O number 11.0900.

The total economic impact on earnings is:

$$\mathbf{\$128,983,608} = \$105,934,819 + \$23,048,789.$$

The total employment impact is:

$$\mathbf{43,211 jobs} = 42,278 + 933.$$

Challenges Facing Utah's Nonprofit Cultural Organizations

The nonprofit cultural organizations surveyed in this study were asked to identify the primary challenges they face in the coming years. Approximately 33% of the respondents identified funding as a major challenge, followed by the need to maintain and/or improve their operating facilities (17%), and the need to engage in program (16.2%) and audience development (15%).

[INSERT CHART ON GREATEST CHALLENGES FACING UTAH'S NONPROFIT CULTURAL ORGANIZATIONS]

Public and Private Sector Support

Consistent with national trends, generating funding for cultural activities is a chronic problem for nonprofit cultural organizations in Utah, particularly for entities outside the Wasatch Front. Interviews revealed that funding for cultural organizations in Salt Lake County has improved dramatically since the Zoo, Arts, and Parks (ZAP) tax program was implemented in 1997. In 1998, the ZAP tax program yielded \$15,000,000.² This money was distributed among various zoos, park projects, and cultural organizations in Salt Lake County. The ZAP tax program not only has improved the financial stability of numerous cultural organizations but has enabled them to increase the number of their cultural offerings and outreach programs.

Still, public funding accounts for a small portion of the budgets of nonprofit cultural organizations in Utah. Cultural organizations regularly turn to the private sector, which is one of the primary sources of funding for most nonprofit cultural organizations in the state. The private sector has been generous in its support of the cultural sector; the bullish stock market has significantly influenced the giving behaviors of many sources. Nonetheless, Donald Andrews, President and CEO of the Utah Symphony, notes that eliciting financial support from the private sector is difficult because there are no Fortune 500 companies headquartered in Salt Lake City. In addition, he noted that the merger of Wells Fargo Bank with First Security Bank will result in the consolidation of the two organizations' funding programs, thus reducing the number of viable sources for support.³ Cultural organizations outside of Salt Lake County have a more difficult time securing funding from the private sector. They do not have a broad pool of local corporations and foundations from which to solicit support and must rely on smaller donations from individuals and local businesses.

Cultural organizations face several challenges in their pursuit of additional private funding. While most residents are vocally supportive and appreciative of the services and programs provided by the cultural sector, they are less willing and/or

² Salt Lake County, *Salt Lake County Zoo, Arts, and Parks Program: Annual Report, 1998* (Salt Lake City: Salt Lake County, 1999), 4.

³ Donald Andrews, personal interview with Daniel Buehler, February 26, 2000.

able to match their enthusiasm with financial support. With the expanding economy, strong stock market, and growth of the high-technology industry in the state, however, an untapped layer of wealthy individuals may emerge and offer new fundraising opportunities. A challenge in terms of private funding is that many private funders and corporations already have committed a portion of their programming dollars to the upcoming 2002 Winter Olympics in exchange for national and international exposure. Once the 2002 Winter Olympics are over, more funding should become available again for cultural organizations in Utah. Finally, with no reliable, predictable source of public funding, cultural organizations outside of Salt Lake County will remain under-resourced until they achieve financial independence via increased admissions and subscription sales, profitable partnerships with private entities, and/or stable public funding similar to Salt Lake County's ZAP tax program.

Facilities

Utah's cultural organizations face challenges in obtaining and/or maintaining adequate facilities. Utah has experienced steady population growth, particularly in urban and metropolitan areas. Fortunately, an infrastructure of facilities within these locales exists upon which to build. Still, as cultural heritage tourism and the state's population grow, many cultural organizations will be hard pressed to increase their services beyond current levels. Given the rate at which audience attendance at cultural offerings is growing, survey respondents indicated that Utah's cultural resources will be outstripped within the next five to seven years. To address this challenge, cultural organizations need to conduct capital campaigns that will enable them to purchase or construct new facilities or renovate existing ones. The creation of cultural facilities, such as the Tuachan Theatre in Ivins can stimulate economic development, spur tourism, and enhance residents' quality of life.

Cultural organizations may seek to solve the problem of operating in inadequate facilities by forming creative partnerships with private and public entities that enable partners to leverage their resources and enjoy mutual gains. For instance, cultural organizations may inquire into the possibility of partnering with The Church of Jesus Christ of Latter-Day Saints (LDS Church), particularly along the lines of subsidizing and/or sharing performance venues in rural locations where limited facilities exist. There is historical precedent for the LDS Church to offer its facilities to cultural organizations in order for them to stage performances and present cultural offerings to communities. Such arrangements generate good will, improve the quality of life for communities, and increase the economic value of the cultural sector.

As a way to serve additional people, cultural organizations may need to consider increasing the number of outreach programs they offer. For example, because the University of Utah Museum of Natural History has limited parking available to the public, it can serve only a small on-site audience on a daily basis. To build its audience and extend its influence, the museum has increased the number of its off-site exhibits, events, and festivals within recent years. In so doing, the

museum has been able to double the number of people it serves and reach beyond the physical limitations of its own facilities.

Programming and Audience Development

Program and audience development are intertwined issues. Both pose related challenges for Utah's nonprofit cultural sector. Programming issues are manifested in several ways. Cultural organizations are pressed constantly to increase the number of their offerings, particularly cultural education programs, for which there is a continual demand. Cultural organizations are also pressed to expand their repertoire of cultural offerings as well as continue to provide traditional and family-oriented cultural programs. The degree to which cultural organizations can strike a balance among divergent preferences will influence their ability to increase their audience base and sustain existing audiences.

As the size and diversity of Utah's population changes, the cultural sector can evolve and adapt by:

- [Increasing the number of programs and the staff required to run them.
- [Cultivating new audiences via cultural education and outreach programs.
- [Reaching out to underserved and emerging communities within the state.
- [Increasing public involvement through volunteerism and strategic marketing campaigns.

Success is contingent on a number of factors such as the ability of cultural organizations to hire and retain skilled and talented employees who can initiate and maintain an expanded list of programs, the ability to keep admissions costs down, and the ability to continue to offer fresh perspectives and innovative programs. Also, as lifestyles continue to change and people increasingly elect to engage in home entertainment and leisure activities, cultural presenters must devise methods to bring cultural offerings to the workplace and to induce people to leave their homes to participate in cultural offerings.

Profile and Economic Impact of Utah's Individual Artists and Arts Workers

Although most cultural practitioners such as artists, preservationists, heritage workers, archaeologists, humanities scholars, and museum specialists are employed by cultural organizations, a discernable number engage in freelance work and/or are self-employed. Due to the availability of information and access to various groups that constitute the cultural sector, this section of the report focuses solely on individual artists and art workers. For the purposes of this study, arts workers are defined broadly to include designers, painters, sculptors, craft artists and printmakers, architects, musicians and composers, photographers, actors and directors, authors, artists, performers, and related workers not elsewhere classified; announcers, dancers, and teachers of art, drama, and music. This broad definition suggests that the contribution of the artisans of Utah's cultural sector to the state economy is not limited to the work of nonprofit arts organizations. To capture and assess the economic importance of this subset of the cultural sector, 517 surveys were mailed to individual artists in Utah; 122 or 23.6% responded to the survey.

Based on 1990 U.S. Census data, there are over 1.6 million artists in the country. Included in this population are designers, painters, musicians, actors, directors, dancers, visual artists, and art educators. These workers account for 1.37% of the total U.S. labor force. Between 1970 and 1990, the percentage increase of artists in the workforce (127%) was greater than for all professionals (89%).⁴

In 1990, Utah had 9,773 artists and arts workers, comprising 1.2% of the state's total labor force, a proportion slightly lower than the national average, which was 1.3%. The percentage of artists and arts workers in Utah's labor force has increased steadily over the last several decades. Between 1970-80, Utah experienced a 60.1% increase in artists and arts workers in the state's labor force; between 1980-1990, the number of artists and arts workers in Utah increased an additional 66.8%. Nationally, Utah's ranking dropped slightly from 14th in the country in 1970 to 20th in the country in 1990 for the percentage of artists and arts workers in the state's labor force.⁵ This statistic does not necessarily suggest that artists and arts workers were leaving Utah to work elsewhere; rather, given that the absolute number of artists and arts workers in the state increased from 3,659 in 1970 to 9,773 in 1990, the slight decline in Utah's overall national ranking suggests an increase in diversity and growth of the state's economy.

Utah's growing population and the growth of its artist and arts-worker population parallel an upward trend in artists' occupations in the Western and Southern U.S., where the proportion of artists in the labor force has grown more rapidly than in other regions of the country. For both the West and South, the growth rate of

⁴ Diane C. Ellis and John C. Beresford, *Trends in Artist Occupations: 1970-1990* (Washington, D.C.: National Endowment for the Arts, Research Division, 1994), 8.

⁵ Ellis and Beresford, A-6.

artists and arts workers in the labor force has been 60%, more than double the growth rate of the total labor force in these regions.⁶

An estimated 45.5% of all artists and arts workers residing in Utah live in Salt Lake County; the remaining 55.5% are dispersed along the Wasatch Front and elsewhere across the state.

Economic Impact of Individual Artists and Arts Workers

The line between artist and arts worker always has been indistinct. This study's survey of individual artists reveals that between onethird and onehalf of the artists in Utah rely upon work apart from their artistic pursuits for their incomes. Approximately 79% of the artists surveyed considered themselves self-employed. Of this group, 40% earn all of their income from their artistic pursuits. Others, however, need to supplement their income. Many artists (34%) generate income from arts-related fields such as graphic design, writing, and arts education; other artists (34%) earn income from working in non-arts related fields.

In fiscal year 1999, a large number of Utah artists (36%) employed other artists to assist them in their self-directed arts-related activities. In such cases, on average 2.5 people were hired and paid \$1,100 for their artistic services and assistance per project.

[INSERT GRAPH ON EARNINGS OF UTAH'S INDIVIDUAL ARTISTS]

The large and increasing population of artists in Utah provides a ready supply of well-educated, talented, and skilled workers that can help fuel other creative industries. In a highly competitive and tight labor market, artists may offer the first and best choice for prospective employers.

Following are some important ways in which individual artists and arts workers contribute to Utah's economy:

[Artists constitute a pool of workers dedicated to alternative thinking and creative problemsolving, attributes that are valued highly across industries.

[Artists tend to be highly educated, which benefits the work force and community activities. Survey results indicate that 81% of the artists in Utah hold a college degree; many (46%) also have earned a graduate degree.

[Approximately 80% of the survey respondents indicated that they believe that Utah is either the best place to live and work or better than most places, and 40% have lived in Utah for at least five years. Given that artists and arts workers

⁶ Ellis and Beresford, 10.

have a strong desire to live and work in Utah, employers have access to a sizable pool of talented, qualified, and geographically committed workers at a relatively low cost.

[Expenditures by Utah's artists on supplies and other items totaled \$758,576 in 1999; each artist spent an average of more than \$6,200 in pursuit of his or her artistic activities. These expenditures help support art-supply stores and artist-services enterprises. Surprisingly, however, artists and arts workers purchase over 21% of their supplies from out-of-state sources. This statistic suggests that Utah arts supplies stores may be under-serving their clientele.

[Of the artists and arts workers surveyed, 34% considered visual arts to be their primary focus as an artist, while 12% identified writing, 11% indicated folk arts, and 10% selected photography. The remaining artists and arts workers surveyed identified other disciplines as their focus such as music, opera, theatre, design arts, and media arts.

[In 1999, 50% of Utah's individual artists earned less than \$25,000 from all sources, and 28.8% earned less than \$15,000. On the other hand, over 26% of Utah's individual artists earned \$50,000 or more annually.

[While most individual artists earn a modest annual income, 80% of them own their residences, and 43% use that residence for work-studio space. Artists as property owners and renters contribute to local property-tax receipts.

Utah Demographics and Social and Economic Issues in the State

At first glance, the demographic characteristics of Utah mirror those of numerous other Intermountain states. When placed under the magnifying glass, however, the Beehive State exhibits several unique qualities that have a significant bearing on the economic impact of the cultural sector. Utah's economic, demographic, and educational features are important components in shaping the cultural sector.

Like several Mountain states, Utah is in the midst of a decade-long economic expansion. Utah's employment increased 42% from 1989 to 1997, almost triple the U.S. rate, while unemployment remained below the national average (3.3% in 1999). Although the state's economic growth has slowed in recent years, from a high of 6.2% in 1994 to 2.6% in 1999, it remains the 6th fastest-growing job market.⁷

Utah's expanding economy, in part, is attributable to its transition from resource extraction and defense activities to emerging information-based and service industries.⁸ Services, Utah's largest industrial sector, accounts for 28% of all jobs. More important, the service industry's 11,000 net new jobs since December, 1998, comprise 40% of Utah's new jobs, which makes the industry the state's primary engine for economic development.⁹

Tourism figures significantly in Utah's thriving service economy. Tourism represents 8.5% of Utah's gross state product, accounts for nearly one in nine jobs, and is one of Utah's top five economic activities.¹⁰ An upward spike in tourism is anticipated in 2002 due to the Winter Olympic Games.¹¹ The national and international exposure that Utah will receive in 2002 should benefit both the tourism and cultural industries.

The activities of tourists reinforce the need to maintain a healthy cultural sector. Of the 17.8 million people who visited Utah in 1998, 19% entered a national park and/or engaged in sightseeing, 13% visited a historic site, and 11% patronized a cultural site. Utah is positioned to capitalize on current growth trends as all elements of tourism, especially cultural heritage tourism, are expected to grow in the upcoming years.¹²

Accompanying Utah's expanding economy and booming tourism industry is a growing state population. In 1999, Utah had 2.1 million residents and was the 8th

⁷ Council of Economic Advisors, *2000 Economic Report to the Governor* (Salt Lake City, 2000), 4.

⁸ Council of Economic Advisors, 3.

⁹ Utah Department of Workforce Services, "News Release," available from <http://wi.dws.state.ut.us/Press/2000press/news0100.htm>; INTERNET- [cited January 31, 2000].

¹⁰ Utah Division of Travel Development, "1998 Quick Facts & Stats," available from <http://www.dced.state.ut.us/travel/Facts/facts.html>; INTERNET – [cited January 25, 2000].

¹¹ Council of Economic Advisors, 172.

¹² Utah Division of Travel Development, "What is Tourism in Utah?," available from <http://www.dced.state.ut.us/travel/ResearchPlanning/what.html>; INTERNET – [cited January 25, 2000].

fastest growing state. In Utah, Euro-Americans accounted for 89% of the state's population; the Hispanic community, which represents the largest and fastest growing minority group in Utah, constituted 6.5% of the population. Although the diversity of Utah's population was below the national average--7.7% compared to 15.7%--growth trends suggest that Utah is becoming more diverse as emerging industries attract new residents from other parts of the country.¹³

The most distinguishing feature of Utah's population growth is the source. Unlike neighboring Mountain states, whose population increases are attributed primarily to in-migration from other states, 60% of Utah's population growth is due to natural increase.¹⁴ Indeed, residents of Utah have higher fertility rates and larger households than the national average. The centrality of the family unit is a distinctive characteristic of Utah's demographic landscape.

Despite the state's rapid population growth and increase in diversity, Utah is only the 34th most populated state in the union. The state is highly urbanized, with 76.8% of Utah's residents residing in metropolitan areas in the northeast part of the state. To a degree, Utah is a prototypical Western State; it is geographically large, sparsely populated, and selectively settled, with populations concentrated in urban and suburban areas.

Finally, Utah is noteworthy for its educational characteristics. Almost 90% of the state's adult population has earned a high school diploma, which is the third highest percentage in the nation; 26% of the residents have college degrees.¹⁵ Utah is also a highly literate state; 94% of the residents over the age of 20 can read and write.¹⁶

Following is a discussion of social and economic issues that will continue to impact Utah's cultural activities. Policies created to address them will influence the cultural sector's ability to increase its economic contribution to the state.

Servicing the Family Unit

Utah stands apart from other states because of its above-average family size.¹⁷ Although Utah is a relatively affluent Western state, the costs that are associated with raising and meeting the basic needs of a large family limit the amount of discretionary funds available for entertainment, education, and leisure activities. As expected, issues of affordability and suitability figure into the decisionmaking of many Utah residents when selecting cultural activities in which to engage. As a result, there is a substantial appetite for inexpensive, family-oriented cultural programs.

¹³ Utah Visitor Center, "State Facts," available from http://www.utah.com/visitor_center/state_facts/population.htm; INTERNET – [cited January 25, 2000].

¹⁴ *State Profiles: The Population and Economy of Each U.S. State*, ed. Courtenay M. Slater and Martha G. Davis (Lanham: Bernan Press, 1999), 383.

¹⁵ *State Profiles*, 389.

¹⁶ Utah Visitor Center, "State Facts," [cited January 25, 2000].

¹⁷ Council of Economic Advisors, 47.

To a large extent, the cultural sector in Utah has done a remarkable job serving residents of the state. Whether an individual or family visits a museum exhibition, a cultural heritage site, or a theatre performance, the nonprofit cultural community provides an array of programs, events, and experiences for people to enjoy at a nominal cost. For example, the Utah Symphony offers special concerts that are priced to attract and entertain families on Monday nights, which is family night for the LDS Church. In general, family-oriented cultural offerings tend to be conservative, both in content and aesthetics.

As the convention business grows and more young, highly skilled professionals relocate to Utah because of the growing job market, organizers and program planners will be compelled to broaden their menu of cultural offerings to attract new cultural consumers and to retain patrons. Leaders in the cultural community need to consider how they can better serve those audiences that desire innovative cultural offerings that push traditional content and aesthetic boundaries. The degree to which these interests are met will play a role in the ability of corporations to attract and retain young, skilled professionals in the region.

Community Coalescence

Because Utah is home to the LDS Church, the Mormon religion serves a central role in the establishment and maintenance of community relationships in the region. Cultural offerings play a significant role by presenting members of the LDS Church with numerous opportunities to engage in shared experiences that preserve and celebrate their unique heritage such as This is The Place State Park and the Mormon Tabernacle Choir. Such cultural offerings benefit not only the Mormon community within the state, but also function as major attractions for Mormons who reside outside of Utah and the United States. In fact, the Mormon Temple in Salt Lake City, which was visited by 5 million people in 1998, is the number-one tourist attraction in Utah.¹⁸ Utah's rich collection of cultural offerings that pertain to the LDS faith afford distinct opportunities for communal associations to be formed that cannot be found elsewhere in the country.

Although Mormons maintain a major presence in Utah, there is a growing community of non-Mormons in the state, particularly in Salt Lake City, where an estimated 40% of the population is not affiliated with the LDS Church.¹⁹ The strong collection of diverse cultural offerings that Utah offers helps to unify these disparate entities by bringing members of various groups together as volunteers and audience members in meaningful shared cultural experiences. There is a history of collaboration between the LDS Church and secular communities in the area of promoting and celebrating cultural offerings. As a case in point, before the Utah Symphony moved into its current home at Maurice Abravanel Hall in Salt

¹⁸ Bryon Saxton, "Tourism Dollars Increase," in StandardNET, available from <http://www.dced.state.ut.us/newscntr/innews/tourismstanex.htm>; INTERNET – [cited January 25, 2000].

¹⁹ Walter Bussy, The Church of Jesus Christ of Latter-Day Saints, Member and Statistical Records Division, telephone interview with Daniel Buehler, June 23, 2000.

Lake City, the LDS Church allowed the symphony to present its programs in the Salt Lake Tabernacle with no rental fee for 32 years.

In addition to the Utah Symphony, a plethora of secular cultural offerings such as the Utah Arts Festival, Twilight Concert Series, Utah History Fair, and “First Night” celebration afford Utah residents a chance to connect with one another. The popular festival “Living Traditions: A Celebration of Salt Lake’s Folk and Ethnic Arts” is particularly successful in bringing together artists and members from all of Utah’s cultural communities. “Living Traditions,” which is 15 years old and organized by the Utah Arts Council and Salt Lake City Arts Council, is a weekend-long, free festival that features community-based dance troupes and bands from the Salt Lake Valley’s traditional folk and ethnic groups. The festival features craft-making demonstrations by local craftspeople and ethnic food booths operated by resident ethnic clubs. Held at Washington Square in Salt Lake City, “Living Traditions” provides residents and visitors a unique opportunity to engage in cross-cultural interactions and discover the numerous cultural resources that exist within the Salt Lake Valley. In addition, by showcasing the over 40 cultural communities that reside in Salt Lake Valley and their art forms, the festival successfully attracts attendees who have not participated historically in the local arts scene. Opportunities to attend events such as “Living Traditions” will prove invaluable as the state’s population grows and diversifies and as the people of Utah struggle to maintain civic ties with one another and to develop a collective vision for the future.

Promoting Education

Although the State of Utah spends less capital per student than most states, Utah can lay claim to a highly educated populace. Intellectual capital is one of the major assets Utah can offer to corporations and businesses seeking to relocate and/or grow their enterprises in the region. While Utah residents unmistakably are committed to patronizing cultural offerings and value education, there is no formal cultural education program in the state’s school system. Consequently, the synergistic relationship between culture and education must be fashioned through an elaborate piecemeal process. While sufficient today, this arrangement may prove inappropriate in the future as the demand for skilled, educated, and innovative workers increases.

Cultural education in Utah typically occurs in one of two forms: either through private, individual activities or through the service of volunteers executed at primary and secondary education sites. For example, private music or dance lessons are plentiful in the Greater Wasatch region and constitute thriving cottage industries. In addition, artists and presenters visit schools and classes take field trips to cultural institutions and attend performances. There are two possible weaknesses associated with these approaches to cultural education. One is that only those who can afford the time and money to invest in their children’s intellectual cultural development are able to capitalize on the benefits associated with cultural education. A second weakness is that students are not afforded a

robust cultural education program when it is not integrated into the course curriculum. Although the current methods for obtaining a cultural education in Utah are less than perfect, the cultural sector contributes significantly toward satisfying the cultural education needs of residents. In 1999, Utah's cultural sector engaged over 850,000 school children through various outreach programs. Outreach programs, coupled with private and individual instruction, form a valuable, elaborate, and informal cultural education system in Utah.

As with any branch of learning, children require regular exposure to cultural education programs to develop their creative cognitive skills fully. The Getty Education Institute for the Arts reports that culture and arts education contributes to the building of "such thinking skills as analysis, synthesis, evaluation, and critical judgment. It nourishes imagination and creativity. While recognizing the importance of process, it focuses deliberately on content and end-product. It develops collaborative and teamwork skills, technological competencies, flexible thinking, and an appreciation for diversity."²⁰

Corporations in Utah are continuously looking for ways to leverage their positions in the highly competitive business world and to gain a larger share of their respective markets. Part of producing a skilled workforce involves encouraging the cultural development of students and their ability to "think outside of the box." To a degree, Utah's economic future is contingent on its investment in the cultural education of its residents. Utah must continue to develop and expand its intellectual capital to keep pace with the business world and to entice companies to move to as well as remain in the state. Cultural education will play an important role in determining the success of the state's academic and economic mission.

Developing the Tourism Industry

Utah is well positioned to expand its tourism industry through the promotion of its cultural resources. For example, the strategic decision by Southern Utah University and Cedar City to host the Utah Shakespearean Festival, and St. George to stage performances by the Utah Symphony and cultivate the development of the Southwest Symphony illustrate how the cultural sector can provide the economic energy that rural and small communities need for financial survival. The promotion of cultural offerings that feature the state's distinctive Western heritage is also promising. According to Utah's Council of Economic Advisors, "heritage and culture travel is increasing [among domestic travelers] and family travel is becoming more popular."²¹ Fortunately, Utah has an assortment of programs well suited for family entertainment that showcase the state's cultural heritage and regional past. In filling this particular tourism niche, Utah can satisfy travelers who are looking to experience authentic, well-preserved, and thoughtfully recreated histories and cultural practices.

²⁰ Getty Education Institute for the Arts. *Educating for the workplace through the arts* (New York: McGraw-Hill, 1996), 3.

²¹ Council of Economic Advisors, 172.

The 2002 Winter Olympics

The potential influence of the 2002 Winter Olympics on the economy of Utah and the extent to which the cultural sector will contribute to this economic impact remains to be seen. Undoubtedly, the national and international attention that Utah will receive will generate interest and attract visitors to the region. Richard Mayfield, Director of the Division of Business and Economic Development, states, “the Olympics, in conjunction with culture activities, can be used effectively as leverage to attract tourists.”²² The cultural sector has the potential to enrich the Olympic experience for tourists and to create an indelible impression on visitors and television viewers.

²² Richard J. Mayfield, personal interview with Anthony Radich and Daniel Buehler, February 25, 2000.

Cultural Heritage Tourism in Utah

Cultural heritage tourism is one of the fastest growing types of tourism in America in part because the American traveler has changed. Pattie Van Tuyl of the National Endowment for the Humanities writes, “For today’s more educated travelers, the best ‘experiences’ combine education and entertainment and, preferably, ‘uniqueness.’ They ‘want each activity or visit to make a unique contribution to their total experience.’”²³ Cultural heritage tourists do not travel simply to escape the challenges of everyday life; they seek to enrich their lives by learning about the past and other cultures. While cultural heritage tourists share many similarities with average U.S. travelers, there are some important dissimilarities between the two groups that warrant attention. Specifically, cultural heritage travelers in the U.S.:

- [Spend more money per trip (\$615) than the average U.S. traveler (\$425).
- [Stay longer per trip (4.7 nights) than the average U.S. traveler (3.3 nights).
- [Are more likely to engage in shopping activities (45%) than the average U.S. traveler (33%).
- [Are more likely to stay at a hotel, motel, or bed and breakfast (56%) than the average U.S. traveler (42%).²⁴

As indicated by the figures above, the cultural heritage tourism industry has the potential to stimulate significant economic activity. To realize these gains, many travel councils in the United States have refocused their energies on the development and promotion of their cultural capital. As a result, “the U.S. travel market is experiencing a dramatic growth of ‘cultural tourism.’”²⁵

Utah’s tourism industry has performed well over the last few years. In 1999, an estimated 18.2 million non-resident travelers visited the state for business and/or leisure purposes, spending an estimated \$4.2 billion and generating \$336 million in state and local tax revenues.²⁶ Utah offers numerous attractions and amenities to entice people to visit the state. With five national parks, seven national monuments, two national recreation areas, 45 state parks, and millions of acres of deserts, forests, and mountains, tourists can experience an exceptionally wide range of remarkable landscapes. Utah has capitalized on its scenic and exotic landscape by catering to an array of users such as anglers, bikers, boaters, campers, climbers, hikers, off-road enthusiasts, and skiers.

²³ Pattie Van Tuyl, “Culture and Tourism Partnerships: They’re Hot!” White Paper for National Endowment for the Humanities, October 1996, 1.

²⁴ Travel Industry Association of America, *Profile of Travelers Who Participate in Historic and Culture Activities* (Washington, D.C.: Travel Industry Association of America, 1997), 13.

²⁵ Tuyl, 1.

²⁶ Council of Economic Advisors, 171.

Utah's tourism industry is also working to expand its cultural heritage tourism component to cater to today's modern traveler. There are several compelling reasons for pursuing this goal.

[Cultural heritage tourism can drive traffic to areas within the state that previously have been undervisited. Travelers are encouraged to step off the beaten path and explore the region's unique and rich history. The injection of new money that increased traffic brings to a locale contributes to the stabilization of the local economy. In some cases, cultural heritage tourism may broaden the economic base of a rural community dependent on limited agriculture, ranching, and/or natural resource extraction industries.

[Cultural heritage expands the menu of attractions that Utah can offer tourists and thus provides the tourism industry with opportunities to develop new tour packages and regional touring circuits.

[Successful cultural heritage tourism generates interest and funding for local historic sites and, through preservation and interpretation of the sites, adds value to such locales and the heritage activities that occur within them. In turn, cultural heritage tourism can attract new businesses.

[The cultural sector can contribute to the creation of a recreation and leisure atmosphere that helps attract telecommuters, tourists, second-home owners, and retirees interested in such attractions, amenities, and activities.

[The cultural sector uses the output of feeder industries (food processing, construction, banking, etc.) and thus can stimulate the expansion of those industries.

[The cultural sector, like any industry, generates jobs and tax revenues. While the wages of cultural sector workers are modest, the cultural sector is responsible for creating jobs for the traditionally disadvantaged, minority groups, women, and youth. As such, the cultural sector provides an avenue for people to gain financial independence as well as contribute to the state's economic growth.

The development and promotion of cultural heritage tourism in Utah is occurring along multiple fronts. For example, Utah's Department of Community and Economic Development is working with 360 businesses to launch the Heritage Highway Project, which is set to transform nearly 500 miles of U.S. Highway 89 into a nationally renowned heritage corridor that will feature fine arts, crafts, artisan products, and folk art. Spearheading the project is the Utah Heritage Products Alliance, a nonprofit cooperative organized by the Utah Division of Business and Economic Development. The Alliance is open to wholesalers and retailers of heritage products, crafts, local museums, and similar cultural heritage activities. Using strategies such as loans to small business, professional development for entrepreneurs, and supportive marketing and promotional efforts, the Alliance

plans to market U.S. Highway 89, between Kanab and Fairview, as a place where travelers can engage in cultural heritage experiences and enjoy the work of local artists and craftspeople.

U.S. Highway 89 is not the only place where cultural heritage tourism is flourishing. Anasazi State Park in Boulder and Edge of the Cedars State Park in Blanding afford visitors a chance to encounter ancient cultures through the pre-Colombian Anasazi and Pueblo Indian ruins. The Scandinavian Festival in Ephraim, Fairview Pioneer Days, and Spring City Heritage Day celebrate the local cultural heritage and draw thousands of people annually. Utah's private sector is actively involved in purchasing and restoring historically significant buildings, which is bolstering the real-estate market and helping to create historic districts. Wilson Martin, Deputy Director for the Utah State Historical Society, estimates that nearly half of all construction in Salt Lake City involves the rehabilitation of historically significant structures.²⁷ The growth in cultural heritage tourism and activity in restoration projects is a testament to the region's abundant cultural capital.

Utah's unique geography, coupled with the state's cultural heritage, should set the region apart from neighboring states as a place that offers an authentic, Western experience. In certain places, the cultural sector can serve as an adjunct to the outdoor recreation industry, as is the case with Cedar City, Moab, Springdale, and similar gateway towns to the national parks. In places like Spring City, the cultural sector may serve as the economic focal point. Over time, other businesses such as restaurants and hotels can emerge in support of the focal cultural sector and eventually lead to a more diverse and stable economy. Such is the case in Sanpete County. According to Monte Bona of the Sanpete County Heritage Council, the effective marketing of its cultural resources has led to increase construction, the emergence of new small businesses, and the relocation of residents to small towns in Sanpete County.²⁸ In general, Utah is positioned to expand its tourism industry and diversify its economy by developing and capitalizing on its cultural heritage resources.

The following brief profiles offer a glimpse of the breadth, quality, and economic importance of Utah's cultural heritage resources. The success of each cultural heritage offering depends upon the skills and services of the cultural sector and the support it receives from the public and private sectors. Although the amount of public funds used to help initiate and support cultural heritage tourism is modest, the actual number of people served and monies generated from this investment are impressive.

This Is The Place State Park

Ten heritage parks exist within the Utah State Park System, two of them operated by private nonprofit organizations. In 1999, over 400,000 people visited the eight

²⁷ Wilson Martin, telephone interview with Daniel Buehler, March 30, 2000.

²⁸ Monte Bona, Sanpete County Heritage Council, telephone interview with Daniel Buehler, August 10, 2000.

heritage parks that are managed by the Utah State Park System. One of the most popular is This Is the Place State Park, which is located on the east bench of Salt Lake City at the mouth of Emigration Canyon.

In 1959, This Is The Place State Park was established by the Utah Legislature with the intention that it would “preserve, restore, reconstruct, curate, exhibit and interpret artifacts of Utah’s heritage.” Since 1996, when the Utah Statehood Centennial Commission designated the park as its “legacy project,” 35 historic homes and buildings have been restored in the Old Deseret Village. The park is in the early stages of a 20-year master plan that, when completed, will serve as a model for other cultural heritage projects. Since July, 1998, This Is the Place State Park has been managed by This Is The Place Foundation, a private nonprofit organization.

This is The Place State Park is the largest living history site in the Western United States. The Old Deseret Village in the park is brought to life with the help of 15 full-time staff members, 58 part-time employees, and 225 volunteers. Visitors can converse with the “locals”; inquire about their daily habits; and learn about sheep shearing, quilting, and life on the frontier. In addition, travelers can visit restored adobe houses, shops, churches, and other culturally significant buildings as well as engage in festivities such as Pioneer Days in July and Harvest Days in September. Visitors are afforded a unique opportunity to learn about Utah’s Western heritage in a lively and engaging manner.

In 1999, This Is The Place State Park received over 39,000 visitors; an estimated 30% were from out-of-state. In addition, over 9,600 children were able to experience Old Deseret Village through on-site outreach programs. Although the average admission price to the park is a modest \$3.64, the park generated over \$948,000 in income and received another \$600,00 in individual contributions. In turn, over \$335,000 was paid in employee salaries, which was recycled back into the state’s economy. As the reputation of the park grows and additional phases of the master plan are completed, attendance figures are likely to increase, along with the park’s economic contribution to the state.

Spring City

Settled in 1852, the small town of Spring City (population 715) has emerged as a distinctive cultural heritage site. Spring City, known for its unique style of city planning and ample collection of preserved domestic buildings, is the only town west of the Continental Divide that is listed in the National Historic Register. Each year, the town hosts Spring City Pioneer Days and Spring City Heritage Day. Both festivals celebrate the town’s heritage and offer guided history tours and other cultural activities.

Spring City is also known for its celebrated artisan community, which attracts in- and out-of-state visitors who are looking to engage in authentic, quaint arts experiences. For example, Spring City is home to the Horseshoe Mountain

Pottery Shop, which is owned and operated by Joe Bennion and Lee Bennion. In addition to firing and selling all of his pottery on site, Joe Bennion allows visitors to tour his shop, talk to him about his craft, and inspect his newly constructed woodfired kiln. Joe coordinates many of his pottery sales around the various festivals in town and occasionally hosts openhouse events, some of which are accompanied by a potluck dinner and a folk music concert. Lee Bennion is an accomplished painter whose work is shown and sold in- and out of state. Many artists choose to live and work in Spring City because, as Lee Bennion notes, "it is an inexpensive and pleasant place to live." Lee also states that to make a living, an "artist has to sell his or her work out of state."²⁹

The cadre of cultural workers in Spring City has a discernable impact on the economy. The income they earn from exporting their products and services, the visitors they attract who are interested in their art and the town's history, and their ownership or rental of property contribute to the local economy via earned income, sales, and property taxes. The synergistic relationship between the town's historic and artisan components contributes to the community's heritage identity, which creates a tangible and attractive draw for tourists. Spring City is one of several towns in Sanpete County that has capitalized effectively on its cultural heritage resources. Monte Bona notes that next to agriculture, cultural heritage tourism is the second most important industry in Sanpete County.³⁰

Wheeler Historic Farm

In 1898, pioneer homesteader George Wheeler established a 75-acre farm in Murray. Today the area is a cultural heritage site where visitors can learn how farming and livestock activities were commonly practiced in the late-19th century. In 1971, Salt Lake County purchased the farm and converted it into an outdoor classroom for children and adults. An assortment of activities is offered, ranging from tractor and wagon rides to Dutch-oven cooking and bobbin lacemaking courses. In addition, the Wheeler Historic Farm plays host to a number of festivals such as the Royalty Pageant in May; Family Fun Day in July; and the Festival of Lights in December.

In 1999, over 384,000 people visited Wheeler Historic Farm, generating \$375,000 in earned income. In the same year, approximately 24,000 children experienced Wheeler Historic Farm. Visitors to the farm were served by four full-time employees, 147 part-time employees and a host of volunteers who donated over 5,000 hours of service and labor. Nearly \$189,000 in federal and state taxes were generated, based on the salaries paid to full- and part-time employees. The number of programs offered and the number of people served are remarkable considering that the Wheeler Historic Farm operated on a \$966,000 budget in fiscal year 1999. An important challenge the farm faces in the future is accommodating the expected growth in visitation. The recent acquisition of South Cottonwood Regional Park will help offset some of the expected growing pains.

²⁹ Lee Bennion, Community Forum in Spring City, Utah, Fall 1999.

³⁰ Monte Bona, Sanpete County Heritage Council, telephone interview with Daniel Buehler, August 10, 2000.

Nonetheless, management predicts that in 10 years, the number of visitors will exceed the carrying capacity of the farm. This potential problem points to the need to build the cultural heritage industry to better serve the public and to protect existing heritage sites from overuse.

As of January, 2000, admission to the Wheeler Historic Farm is free, though activities such as hay rides and certain special events require tokens, which can be purchased in the farm's activity barn. The decision not to charge admissions is significant on two accounts: 1) Free admission allows for greater access, particularly for low-income and large family households. In turn, increased access will accelerate the rise in attendance, which is fine provided that the quality of the heritage experience and physical sites do not suffer from overuse; 2) Because the Farm no longer will generate income through ticket sales, the value of the contribution the farm receives from the ZAP tax funds is amplified dramatically. The Farm will continue to offer to the public opportunities to discover and celebrate Utah's agriculture heritage provided that the ZAP tax funds remain stable in the years to come.

Utah Festival Opera Company

Logan's historic Capital Theatre was built in 1923. Over time, the cultural landmark fell into disrepair and, before undergoing extensive renovation, served as a dilapidated, one-dollar movie house. Downtown Logan benefited tremendously when the theatre reopened in 1993 as the Ellen Eccles Theatre. Not only was a cultural landmark restored to its original beauty, but the renovated theatre became a new source of economic activity. Today, the Ellen Eccles Theatre stages Broadway series, hosts various performing groups, and is home to the Utah Festival Opera Company (UFO) and its four-week opera festival. The UFO's 2000 season features *Carmen*, *Julius Caesar*, and *The Mikado*; productions are performed in revolving repertory so patrons can experience all three programs during a two- or three-day stay. Adjacent to the theatre is the Dasante building, which was built in 1900 and originally used as a dance hall. Today, it houses the company's offices, practice rooms, and props and supplies and contains a 124-seat recital hall.

The UFO has proven to be a considerable attraction in Cache Valley. Meridene Hancock from the Cache Valley Chamber of Commerce notes that the festival is "a major attraction for Logan, bringing in lots of people every week."³¹ According to Lila Geddes, Director of Development, 72% of the company's patrons in 1999 came from outside of Cache Valley; 22% of all paid admissions (17,793) were from out of state. In fiscal year 1999, the company earned \$898,747 through ticket sales, special events, and similar income-generating activities. Moreover, the UFO's unique festival format successfully generates overnight tourism traffic, which translates into increased commerce for local hospitality and food industries.

³¹ Meridene Hancock, Cache Valley Chamber of Commerce, telephone interview with Daniel Buehler, August 18, 2000.

Opening the Ellen Eccles Theatre has expanded and diversified Logan's collection of cultural resources, which includes such offerings as the Jensen Living Historical Farm, Willow Park Zoo, and the Festival of the American West. Doing so also has made Logan a more attractive place to visit and live. Residents of Logan and nearby towns such as Wellsville, Tremonton, and Hyrum easily can engage in operatic experiences without having to travel great distances. The Ellen Eccles Theatre has enabled the Cache Valley Chamber of Commerce to bundle a variety of cultural offerings into tourist packages and cross sell diverse cultural entities such as the American West Heritage Center and the Utah Festival Opera Company.

Daughters of Utah Pioneers Museum, Salt Lake City

There are over 150 museums in Utah that offer a variety of exhibits and programs ranging from art, culture, archaeology, and history to science, botanical gardens, and zoos. Daughters of Utah Pioneers Museum is one of many museums in Utah that fill a particular niche in the state's cultural heritage market.

Members of the International Society of Daughters of Utah Pioneers (DUP) first gathered in 1901 with the purpose of preserving the names and achievements of Utah pioneers. In 1946, the DUP broke ground for construction of the Daughters of Utah Pioneers Museum. In 1973, a carriage house, which is adjacent to the Museum, was built and donated. These two structures house the largest collection of artifacts in the Intermountain West on pioneer ancestry from the time Salt Lake Valley was settled by Mormons in 1847 until 1860, when railroads were joined.

The Daughters of Utah Pioneers Museum is an economic and social asset to the State of Utah. Approximately 65,000 people visited the museum in 1999, 10,000 of them children. Visitors include those traveling along the pioneer trails, members of local tour groups, and individuals interested in their own heritage. The museum is run by one full-time employee and eight part-time employees. In addition, over 30,000 hours of assistance are provided by volunteers. The museum charges no admission and receives only \$8,000 in state and regional grants; nonetheless, it generated over \$238,000 in membership and concession sales in 1999, with an estimated \$45,000 from out-of-state sources. The museum's \$500,000 budget comes from earned income, individual contributions (\$25,000 from out-of-state sources), and various fundraisers and benefits. Although the museum receives very little financial support from government agencies, its contribution to the state economy is tremendous. The museum is particularly effective in bringing money into the state from out-of-state sources. In addition, the museum contributes to the larger system of cultural heritage attractions that celebrate Utah's pioneer period.

The Festival City

Billed as the "festival city," Cedar City hosts an array of cultural events, the most notable being the Utah Shakespearean Festival. LaRee Garfield of Iron County Tourism Bureau notes that the success of the Shakespearean Festival has

resulted in the creation of additional festivals.³² Todd Prince of the Iron Mission Days Festival agrees: “other organizations and festivals ride on the coattails of the Shakespeare Festival.”³³ The Shakespearean Festival, coupled with the other festivals, has created a distinct and attractive identity for Cedar City. In fact, Garfield observes that some festival patrons who visit Cedar City regularly purchase or built second homes in the area, which has increased the value of local real estate and generated additional tax revenues.³⁴

Many of Cedar City’s festivals have a particular cultural focus or include cultural activities as part of their menu of entertainment offerings. For example, Iron Mission Days, July Jamboree Street Festival, and the Parowan Heritage Invitational incorporate arts, crafts, and heritage activities along with draft horse shows, vintage auto rallies, and concerts. The Utah Shakespearean Festival and the Jedediah Smith High Mountain Rendezvous offer cultural specific programming activities. In general, Cedar City’s expanding collection of festivals relies heavily on the cultural sector for support and programming material.

The festivals in Cedar City are a stimulus for economic activity. As a case in point, the July Jamboree Street Festival attracted 12,000 visitors to downtown Cedar City this year. Clark Krause from Cedar City’s Department of Economic Development states that “the festival is designed to draw people downtown and reacquaint them with the local shops and vendors. As part of its redevelopment plan for the area, the city also plans to build a theatre that will be used to stage community performances, major entertainment acts, and other noteworthy cultural events.”³⁵ There is good reason to believe that the Jamboree can function as a catalyst for economic activity. According to Garfield, when a festival is occurring, the county experiences an increase in sales and hotel tax receipts.³⁶ The proposed theatre is expected to help sustain this activity by serving as a cultural centerpiece for the downtown area and an anchor for retail stores and restaurants.

Cedar City’s festival seasons are a success in part because “audiences in this area are supportive and interested” in the town’s cultural resources, says Professor Lana Johnson from Southern Utah University.³⁷ The Southern Utah University stages a summer series of diverse presentations that generate near-capacity audiences. The Cowboy Poetry Rodeo at the Equestrian Center attracts between 4,000 and 6,000 people over three days. The popular Native American Pow Wows attract 800 people per day. In addition to attracting tourists, these events also draw many local residents, which is critical to any festival’s development. With local support, festivals are able to survive their embryonic stages to become economically significant state and national cultural events.

³² LaRee Garfield, Iron County Tourism Bureau, telephone interview with Daniel Buehler, August 3, 2000.

³³ Todd Prince, Community Forum in Cedar City, Utah, Fall 1999.

³⁴ LaRee Garfield, Iron County Tourism Bureau, telephone interview with Daniel Buehler, August 3, 2000.

³⁵ Clark Krause, Department of Economic Development, Cedar City, telephone interview with Daniel Buehler, August 2, 2000.

³⁶ LaRee Garfield, Iron County Tourism Bureau, telephone interview with Daniel Buehler, August 3, 2000.

³⁷ Lana Johnson, Community Forum in Cedar City, Fall 1999.

Because Cedar City's community is growing, cultural presenters need to continue to broaden their audience base. Festivals play a key role in attracting new audiences and exposing them to the area's cultural resources. Moreover, the festival season has enhanced Cedar City's quality of life, one reason why companies like Cerro Copper and Longview Fiber have established manufacturing sites in Iron County, says Garfield.³⁸

Developing Cultural Heritage Tourism

Development of cultural heritage tourism has the potential to enhance and diversify Utah's already robust tourism industry further. Cultural leaders should consider several important factors as they seek growth and profitability in cultural heritage tourism:

[Not all historical structures, sites, communities, or experiences are appropriate for development as a tourism resource. There are several issues that need to be considered: the ease with which a site can be accessed, the quality of the experience, the carrying capacity of a site, and the quantity and quality of adjacent amenities to accommodate travelers. An inventory of existing and potential heritage sites should be taken to assess Utah's cultural capital, and a plan should be devised for the maintenance, development, and promotion of those locales that are considered culturally significant and commercially viable heritage sites.

[Although cultural heritage tourism generates less human traffic and more commerce than other types of tourism, community resources such as public restrooms, roads, lodging, and dining facilities need to be able to handle the increased traffic that is generated. Partnerships between the travel industry and the preservation community are essential to ensure success.

[Cultural heritage tourism requires the support of the community in which it is staged. According to Monte Bona, one of the initial challenges the Sanpete County Heritage Council faced when developing its cultural heritage tourism business was inducing long-term residents to recognize the potential economic value of its cultural heritage capital.³⁹ Residents of a locale that hosts a cultural heritage attraction also must be comfortable with and accepting of both the advantages and disadvantages that come with promoting this type of tourism.

Although Utah currently enjoys a healthy economy, particularly in the Greater Wasatch Area, the prospects of economic opportunity in less populated and rural areas are more problematic. The cultural sector can be an invaluable tool for rural communities that are fighting to stave off economic decline and contribute to the state's financial gains. Towns like Cedar City, Logan, and Spring City offer useful models for how cultural resources can be utilized for economic gain.

³⁸ LaRee Garfield, Iron County Tourism Bureau, telephone interview with Daniel Buehler, August 3, 2000.

³⁹ Monte Bona, Sanpete County Heritage Council, telephone interview, August 10, 2000.

Selected Economically Significant Culture-Related Activities in Utah

Utah's cultural sector plays a meaningful role in the economic development and stabilization of the state's economy. A series of interviews conducted with commercial businesses and nonprofit enterprises involved in culture-related activities revealed that the cultural sector has a clear impact on the state's economy, which is likely to continue for the foreseeable future.

The following section briefly profiles noteworthy activities in Utah that are central to and/or dependent on the skills and talents found within the cultural sector. Some of the organizations depend on a culturally educated workforce, others rely on the raw materials and resources that can be found only in Utah, and still other businesses look to leverage their own market status by capitalizing on Utah's rich and well-developed cultural sector.

Utah's Regional Theatre

There is little doubt that the economic contributions of Utah's major cultural organizations are substantial. Regionally based theatre programs and organizations, however, are no less important. Despite their remoteness, regional theatres in Utah attract audiences of considerable size, resulting in dramatic impacts on local economies. Some noteworthy examples are:

[Utah Shakespearean Festival in Cedar City. The Shakespearean Festival was founded in 1961 and offered its first season of presentations in 1962, attracting 3,276 spectators and yielding a modest \$2,000 in admissions. In 1999, the festival drew almost 150,000 patrons and earned over \$4 million through admissions. Of those who attended the festival, 35% were from outside the state. The economic impact of the festival on Cedar City and the surrounding area is notable. "In 1998, total direct and indirect expenditures by the Festival and its patrons were estimated at nearly \$32 million. By 2001, that is expected to grow to nearly \$45 million."⁴⁰ The economic value of the festival is important when one considers that the entire population of Iron County, of which Cedar City is a part, is just over 30,000. The Festival employs 25 people year-round, enlists over 200 volunteers, and received \$750,000 of in-kind contributions in 1999. The Festival provides a valuable source of income and helps to diversify the local economy.

Recently, the Utah Shakespearean Festival received the "2000 Tony Award for Outstanding Regional Theatre." The Festival is the second Shakespearean festival in the country and the first rural Shakespearean festival to receive the prestigious award. Receiving a Tony Award draws national attention, which is likely to translate into increased attendance and box-office sales. Presentation of the Tony Award to the Utah Shakespearean festival acknowledges that great theatre exists in non-metropolitan locations.

⁴⁰ Utah Shakespearean Festival, available from www.bard.org; INTERNET – [cited April 27, 2000].

[The Mormon Miracle Pageant in Manti. The Mormon Miracle Pageant, now in its 33rd year, is a limited production that offers eight performances in June of every year. Each night, a cast of 500 present in dance, music, and acting significant scenes and events regarding American Mormon history. Over 2,000 individuals volunteer to help stage the free production. Approximately 100,000 people traveled to Manti in 1999 to witness the dramatic performance. Rose Tukuafu, director of the Sanpete County Travel Council, states that the economic impact of the Mormon Miracle Pageant is “quite substantial.” In addition to attending the performance, visitors patronize local businesses, hotels, and restaurants. Because hotels and restaurants in Manti are filled to capacity, pageant goers also patronize businesses in nearby towns such as Sterling, Ephraim, and Mayfield. All of these towns are in Sanpete County, which is home to 21,000 people.

[Tuacahn Center for the Arts in Ivins. The Tuacahn Amphitheater is billed as “Broadway in the Desert.” Last summer, the center presented Joseph and the Amazing Technicolor Dreamcoat and Seven Brides for Seven Brothers to critical acclaim and sold-out houses. Three new productions are slated for the 2000 summer theatre season: Fiddler on the Roof, The Music Man, and See How They Run. In 1999, approximately 105,000 people paid to attend a performance (15% of them were from out of state), and an additional 10,000 people were admitted free.

Historically, the tourist business drops off in Washington County when summer arrives. Success of the Tuacahn Amphitheater, however, is injecting new life into the area’s summer tourism business. Many local hotels offer package deals that include tickets to productions at the Tuacahn Amphitheater. In 1999, the Tuacahn Center for the Arts generated over \$2 million in earned income, and received an additional \$34,000 through state and local grants and corporate and individual contributions. The Tuacahn Center paid \$31,000 in state employment taxes plus an additional \$86,500 in employee benefits. Moreover, non-personnel expenditures exceeded \$1.2 million. Penny Shelley, director of the Washington County Conference and Travel Bureau, states that Tuacahn is “a very important part of the local economy and a key to the bureau’s marketing efforts for generating summer tourism.”⁴¹ Most recently, the amphitheater served as the inspiration for Utah’s first charter school, which is based in Washington County and focuses on the arts.

Utah’s Film Industry

In the 1950s and 1960s, Kanab earned the name “Little Hollywood” for having served as a site for countless Western films. Although contemporary Westerns such as *City Slickers II* are still filmed in Utah, the Beehive state has expanded its cinematic repertoire. A number of films recently shot on location in Utah have little to do with the West. Recent films have included *Chill Factor*, *The Right Temptation*, *Galaxy Quest*, and *Mission Impossible 2*. Several cable shows,

⁴¹ Penny Shelley, personal telephone interview with Daniel Buehler, April 28, 2000.

television mini-dramas, series, and commercials also have used various Utah locations as backdrops for non-Western story lines. Some noteworthy examples include *The Stand*, *The Unabomber*, *The True Story*, and *A Crime of Passion*. In addition, the television series *Touched By An Angel* and *Promise Land* are filmed in Utah on a regular basis.

Since the mid 1980s, Utah's film industry has experienced steady growth; between 1992 and 1997, it was the state's fastest-growing industry.⁴² Today, Utah ranks as one of the top six most popular places to produce a film and/or television script. According to Leigh von der Esch, Executive Director of the Utah Film Commission, the film industry brought a record \$146 million into the state in 1999.⁴³ In comparison, Colorado hosted just \$15 million worth of production during the same period.⁴⁴

Canada and Australia are mounting a serious challenge to the United States' commanding share of the film industry by offering a number of incentives for producers to film in their countries. Utah stands to continue to fare well in the competition for three important reasons. Utah has a deep pool of talented cultural workers. Tony Brazelton, director of the Utah Music Union, notes that a number of networks and production companies come to Utah because they value the state's talented music writers. According to Brazelton, there is an above-average number of musicians for a state the size of Utah whose work garners a national and international audience.⁴⁵ Dr. Stephen C. Jacobsen, owner of Sarcos, Inc., designs and builds innovative robotic systems, some of which are used specifically for entertainment purposes and theme parks. In addition to calling on the skills of computer scientists and machinists, Jacobsen employs leading designers, artists, sculptors, and craftspeople who can perfect the aesthetic style and appearance of his robots. The success of Sarcos, Inc. has been featured in *Fortune Magazine*, *Popular Mechanics*, *Technology Review*, *Wired*, *USA Today*, and *The Los Angeles Times*. The Utah Film Commission publishes a resource directory that contains 88 categories composed of local businesses and skilled professionals, including theatre groups, casting agencies, storyboard artists, and wardrobe and costume specialists. Utah can provide any skill or talent that is required to make a film or produce a television show. According to von der Esch, the percentage of local hires has increased from 15 to 20% to sometimes as high as 90 to 95% since the Commission began publishing its resource directory.⁴⁶

A second resource Utah Offers to the film industry is its assortment of landscapes and settings that can serve as backdrops for films and television shows. For instance, when filming the television movie, *Perfect Town*, *Perfect Murder*, Utah

⁴² Bryan Corliss, "Film companies bullish on Utah location sites," available from www.dced.state.ut.us/newscntr/innerwvs/filmecon.htm; INTERNET [cited January 25, 2000].

⁴³ Leigh von der Esch, telephone interview with Daniel Buehler, April 24, 2000.

⁴⁴ Jeff Vice, "Utah: It's not just for Westerns anymore," *Deseret News*, available from <http://desertnews.com>; INTERNET – [cited April 24, 2000].

⁴⁵ Tony Brazelton, personal interview with Anthony Radich and Daniel Buehler, February 23, 2000.

⁴⁶ von der Esch, April 24, 2000.

was substituted for Boulder, Colorado. The Mt. Baldy area of the Unitas stood in for the forest of Yellowstone in *Meet . . . the Deedles*. And *Thelma and Louise* was filmed entirely in Utah, even though the narrative places the primary characters in Oklahoma, New Mexico, and Arizona.⁴⁷ Utah's landscape has proven to be highly accommodating to the demands of producers and their varied scripts.

A third advantage that Utah offers filmmakers is that filming in Utah is relatively inexpensive. The cost to rent facilities or gain access to specific locales is considerably less than in Southern California. In addition, because Utah is a right-to-work state, filmmakers do not have to negotiate expensive union contracts and thus, can keep their overhead down by hiring non-union, skilled workers.

In addition to serving as a favorable place to film and produce movies, Utah is also known for the various film festivals that are held across the state. These festivals not only bolster Utah's cinematic reputation but are also an important economic component of the cultural sector. Film festivals offer filmmakers and producers a high-profile opportunity to debut new work, generate interest, and jump-start the promotion campaigns for their films. They are also major cultural events that attract tourists and promote the state's resources. One of the most successful film festivals in the country is the Sundance Film Festival in Park City. In 1999, the festival generated more than \$25 million in lodging, food, and transportation for the state and attracted more than 13,000 out-of-state festival goers.

Utah Humanities

Numerous entities figure into the overall composition of Utah's cultural sector. While each entity contributes to the state's economy, many do so in decidedly different ways. Utah's humanities community is comprised of a rich and diverse group, including individuals such as historians, archeologists, anthropologists, and folklorists. Among other things, the humanities community endeavors to cultivate a more informed and critically thinking society through educational activities and programs that are mentally engaging and help establish a sense of place for residents.

As a case in point, the Utah Humanities Council is the driving force behind the "front-porch discussion" series in which various scholars, writers, and political thinkers and leaders engage residents on the question of what unites them as a collective body of citizens. The Utah Humanities Council works with service clubs, business associations, and other civic and cultural organizations by arranging and partially funding programs and speakers who are involved in the revitalization of civic life. Sample programs include:

["Landscapes: How Preservation Can Promote Civil Society" by Gary Daynes

⁴⁷ Mary Dickson, "A Piece of the Action," *Salt Lake City: Magazine of the Mountain West* (January/February 1998), 62.

[“Many Faiths, One Nation: A Challenge to the U.S.” by Brian Birch

[“Finding Common Ground: Civility in a Fragmented America” by John Kesler

[“Mingling on Main Street: Citizenship and Community in Small Towns” by Susan Rugh

The chance to discuss such pertinent issues affords residents the opportunity to learn about their surroundings and the ways in which they are connected to and interact with other members of their community. The Utah Humanities Council also provides funding to promote literary events such as the Great Salt Lake Book Festival, a speakers’ bureau, and scholarship opportunities to conduct research on topics relevant to the community. These activities help to increase the community’s intellectual capital as well as stimulate spending around these activities such as the purchase of meals and hotel rooms. These activities also promulgate qualities, experiences, and values that constitute a healthy society, which is a cornerstone to a economically thriving community.

Individuals who are invested in the health of their community are also attuned to their ties with their social and physical surroundings. The Utah Heritage Foundation identifies and catalogs historically significant buildings, which contributes to the creation of a sense of place and an aesthetically pleasing environment. Moreover, preservationists are responsible for retaining a stock of old buildings, many of which are later renovated and used for commercial purposes.

The extensive museum network in Utah is a major cultural force behind forming and strengthening human-place bonds. The extensive preservation and celebration of Utah’s pioneering history, The Church of Jesus Christ of Latter-Day Saints’ genealogy center, and the state parks’ heritage sites and living museums preserve the links that connect the present with the past. Collectively, these entities contribute to the articulation of a state identity that can serve as a basis for community development and social interaction.

Cultural offerings based in the humanities offer residents an opportunity to improve the overall quality of life in the state. Use of the cultural sector--the humanities in particular--as a means to leverage development projects, recruit employees, and initiate job growth and investment should be included in any economic master plan.

Conclusion

Utah has a well-developed and economically significant cultural sector. The direct financial contributions of this sector to the state economy as reported in this study are considerable and extensive. The indirect financial contribution such as increased intellectual capital, development of a skilled workforce, and improvement of the state's quality of life are also substantial and multifaceted. The enormous momentum that the cultural sector has built up over the last century will serve the state economy well as it continues to progress, evolve, and adapt to the social, political, and economic context. The cultural sector is set to play a pivotal role in the state's economic future as Utah transitions into the new millennium.

Appendix A

Method

To obtain primary data for this study, 596 Utah cultural organizations and 517 Utah artists were asked to respond to a mail survey. The surveys (available upon written request) were distributed in October of 1999 and were collected and tabulated in April and May of 2000. Following is a description of the survey methodology.

The study of the economic impact of Utah's cultural sector was designed through a process of consultation with individuals and representatives of cultural organizations in the state. Participating in the design of the study were the Utah Arts Council, Utah Humanities Council, Office of Museum Services, Utah State Historical Society, Salt Lake City Arts Council, and Utah Cultural Alliance. In addition, Utah economist Jan Elise Crispin-Little reviewed the statistical analysis of the economic impact of Utah's cultural sector on the state economy. Her advice resulted in technical changes that more appropriately reported economic impact of Utah's cultural community.

Two surveys were designed, one for cultural organizations and one for individual artists. Cultural organizations that were mailed surveys were identified as 501(c)3 organizations of record that regularly engage in cultural activities or are grantees of the agencies that sponsored this study. The survey for cultural organizations was mailed to an adjusted stratified sample of nonprofit cultural organizations. The total response rate for the survey was 31.5%. Of the state's 64 largest cultural organizations (as measured by annual operating budgets that exceed \$250,000), 60 responded. In addition, 532 moderate-sized cultural organizations (organizations with annual budgets below \$250,000) were sent surveys; 24% returned completed surveys.

Survey returns for the moderate-sized organizations were compared against a pre-selected random sample that was reviewed for representativeness according to discipline, location, and relative budget size. Results of this sample were cross-checked against the survey responses of responding cultural organizations not in the sample. The rationale for this approach to data collection was that Utah, like most states, has a plethora of cultural organizations with budgets under \$250,000. The researchers made an effort to collect enough data to craft a profile of these organizations and to extrapolate findings to the universe of such organizations; however, the time and resources needed to conduct an actual census of such organizations were deemed better allocated to other areas of the study. The rate of response was sufficiently high to impute values to the non-respondents.

The low response rate of the state's moderate-sized cultural organizations should not be interpreted negatively. Most of these cultural organizations are operated by volunteers who are already challenged in their tasks to organize and deliver programming. Completion of a detailed survey form is outside of the time available to most of these individuals. Recognizing that the survey required

precious time to complete, the researchers and the sponsoring cultural agencies and councils expended most of their time encouraging the large-sized organization to complete their forms. Although a greater response rate from the moderate-sized organizations would have been helpful, WESTAF's experience in surveying such organizations indicates that a modest response from this segment of the cultural organization universe is more than sufficient to project its economic impact.

The individual artist survey form was sent to a random sample of artists working in all disciplines. Individuals surveyed were identified through an aggregation of the lists of individual artists maintained by the Utah Arts Council and Salt Lake City Arts Council. Because artists are less frequent recipients of Arts Council funds (unlike most cultural organizations that tend to receive such funds annually) and because, like the population at large, they are highly mobile, an accurate and comprehensive list of individual artists is difficult to maintain. The list used for this study, although representative of Utah's individual artist population, was assumed to be much less comprehensive than the list of nonprofit cultural organizations.

Appendix B

Individual Interviews

Donald Andrews, President and Chief Executive Officer, Utah Symphony, February 25, 2000.

Richard Bradford, Deputy Director, Department of Community & Economic Development, Salt Lake City, February 23, 2000.

Tony Brazelton, President, American Federation of Musicians #104, Salt Lake City, February 23, 2000.

Robert Farrington, Jr., Executive Director, Downtown Alliance, Salt Lake City, February 24, 2000.

Lynette Hiskey, Fund Administrator, Salt Lake County Zoo/Arts/Park, Salt Lake City, February 24, 2000.

Richard Mayfield, Executive Director, Department of Community & Economic Development, February 24, 2000.

Bonnie Phillips, Owner and Manager, Phillips Gallery, Salt Lake City, February 23, 2000.

Barry Scholl, Associated Editor, Salt Lake City Magazine, Salt Lake City, February 24, 2000.

Alice Steiner, Executive Director, Salt Lake City Redevelopment Agency, February 23, 2000.

Lon Watson, Executive Officer, Marriner Eccles Foundation, February 23, 2000.

Brian Wilkinson, Partner, Wilkinson-Ferrari Public Relations, February 24, 2000.

Appendix C

Community-Forum Participants

Cedar City

Fred Adams
Harry Brown
Lois Bulloch
Kay K. Cook
Mark Cox
Lydia Johnson
Lana Johnson
Joe Melling
Charles Metten
R. Scott Phillips
Todd Prince
J.Y.L. Shuler
Georgia Thompson
Gary Tom
Steve Wood

Logan

Gary Anderson
Lee Austin
Lila Geddes
Fred Hunsaker
Frank McGovern
Steve Murdock
Paul Norton
Ross Peterson
Sydney Peterson
Tamara Pluth
Cynthia Buckingham
Reece Summers

Spring City

Brad Aldridge
Joe Bennion
Lee U. Bennion
June Crane
Paul Hart
Nancy Mackay
Susie Nilsson
Dale Peel
Ivo Peterson
Kathy Peterson
Steve Peterson

Tresha Rasmussen
Ron Richmond
Ron Staker
Michael Woodbury
Michael Workman

Salt Lake City

Jake Boyer
Robert Farrington, Jr.
Ann Floor
Sara George
Ann Hanniball
Annie Hatch
Lynnette Hiskey
Johnn Jacobs
J. Spencer Kinard
Sandy McComber
Haruko Moriyasu
Tony Rampton
Christine Richman
R. Lee Roberts
Maggie St. Claire
Alice Steiner
Bonnie Stephens