CULTURAL INDUSTRY
ECONOMIC IMPACT REPORT
Measuring the impact of the cultural industry on jobs, sales tax, and Utah's economy
The cultural industry is the business of living and no one does it better than the state of Utah. Despite the challenges and impacts posed on cultural businesses by the COVID-19 pandemic, many of our organizations have creatively adapted to open safely and responsibly to bring back the magic and wonder of the industry. We thank the Utah Legislature for their investment of $29.75 million in 2020 and $12.5 million in 2021 that made this resurgence possible. Looking forward, to quote Dan Hemmert, Executive Director of GO Utah, “...where we have seen the most success, from a job growth and economic growth and mobility perspective, is a place where there is a strong cultural arts community as well.”

To demonstrate the impact the cultural industry truly has on Utah’s economy, Utah Cultural Alliance (UCA) partnered with the Utah Division of Arts & Museums (UA&M) and Salt Lake County Arts & Culture (SLCo Arts & Culture) to co-publish this Cultural Industry Economic Impact Report authored by the Kem C. Gardner Policy Institute (KGPI). I sincerely thank Vicki Bourns, Director of UA&M, and Matt Castillo, Division Director of SLCo Arts & Culture, for believing in and supporting this project.

In this report, you will find preliminary data showing that cultural businesses drive sales, tax revenue, and job growth in the state of Utah and are a fiscally responsible and valuable investment. Informed by this information, UCA is asking the Utah Legislature to further fund the UA&M’s Arts and Museums Sustainability grants, the Utah Department of Multicultural Affairs (MCA) Opportunity Extension grants, and UA&M’s Capital Facilities grants in the 2022 General Session of the Utah Legislature. The time is now to further invest in a vibrant and thriving cultural industry within the state of Utah.

Sincerely,

Crystal Young
UCA Executive Director
An Economic Summary of Utah’s Arts, Culture, and Entertainment Industry

Economic Contributions

Utah’s arts, culture, and entertainment industry (cultural industry) is comprised of a variety of industries, including jobs in the area of design, entertainment, fashion, film, humanities, live events, museums, and traditional arts. In 2020, Utah’s cultural industry generated $9.1 billion in direct sales, which spurred an additional $8.7 billion in indirect and induced effects, for a total of $17.8 billion in total sales—or 9.0% of Utah’s 2020 GDP (see Figures 1 and 5). The industry supported an estimated 108,560 total jobs in 2020, or 5.2% of Utah jobs (see Figures 2 and 5). Additionally, cultural industry employment generated a total of $5.2 billion in labor income.4

2020 COVID-19 Impacts

Utah’s cultural industry was the second hardest hit industry in 2020, after leisure and hospitality (see Figure 3). From 2019 to 2020, direct cultural sector sales were down 7.8%, jobs were down 9.6%, labor income was down 5.9%, and tax revenue was down 8.4%. However, the industry began to recover in 2021. In the second quarter of 2021, statewide cultural jobs were up 0.7% from the second quarter of 2019, or baseline, while leisure and hospitality and natural resources and mining jobs continued to lag below baseline (see Figure 4). More specifically, cultural jobs in the professional business sector, such as

Figure 1: Utah Cultural Industry Sales, 2016–2020
(Billions of 2020 Dollars)

Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 2: Total Cultural Industry Jobs, 2016–2020 and 2021 Q2

Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 3: Year-Over Change in Jobs by Industry, 2019-2020

All Industries construction, 
Cultural Industry education & health services, 
Financial Activities information, 
Leisure & Hospitality manufacturing, 
Natural Resources & Mining other, 
Professional & Business Services public administration, 
Trade, Transportation, & Utilities

Figure 4: Year-Over Change in Jobs by Industry, Q2 2019-Q2 2021

All Industries construction, 
Cultural Industry education & health services, 
Financial Activities information, 
Leisure & Hospitality manufacturing, 
Natural Resources & Mining other, 
Professional & Business Services public administration, 
Trade, Transportation, & Utilities

Note: cultural industry jobs have been removed from all other sectors prior to this analysis to avoid duplication.
Figure 5: Economic Contributions of Utah’s Cultural Industry, 2020

108,560 Jobs
5% of Utah employment

$17.8 billion in sales
9% of Utah GDP
$9.0B in sales
9% of Utah GDP

Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 6: Nonprofit Revenue as Share of Total Cultural Industry Revenue, 2020

Nonprofit Revenue, $288M, 3%
All Other Cultural Industry Revenue, $8.8B, 97%

Source: CVS; Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Figure 7: Direct Tax Revenue
(In Millions of 2020 Dollars)

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<td>2020</td>
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Source: Kem C. Gardner Policy Institute analysis using IMPLAN economic model.

Tax Revenue

Tax revenue generated by the cultural industry supports health and human services, public safety, education, and other statewide services.

The $9.1 billion in direct cultural industry sales generated an estimated $309 million in direct tax revenue, or $195 million in state and $114 million in local tax revenue (see Figure 7). Of total direct tax revenue, state sales tax composed the largest share ($90 million), followed by local property tax ($77 million) (see Figure 8). In fact, the $90 million in state sales tax revenue made up a 3.9% share of estimated 2020 state sales tax revenue.

Economic Contributions

This economic contribution study assesses the economic multiplier effects associated with the current or predicted level of sales generated by the cultural industry. Economic contribution captures the economic expanse of all cultural industry spending and shows the relative reach and magnitude of the industry in the Utah economy. In contrast, economic impact studies measure the changes in the size and structure of a region’s economy that occur when goods and services are purchased from vendors within the region with money generated outside the region.

Research Methods

The Gardner Institute utilized 93 cultural arts industry NAICS codes provided by the Utah Cultural Alliance and their advisory board of economists and economic development professionals to define the industry. Researchers entered industry codes into Chmura’s JobsEQ software tool to generate industry jobs and then entered jobs into IMPLAN economic model to produce jobs, labor income, industry sales, and tax revenue. Industry nonprofit information was provided by Creative Vitality Suite by Western States Arts Federation (WESTAF).

Endnotes
1. Economic studies make a distinction between economic contribution and economic impact; see “Economic Contributions” section, above.
2. Utah’s cultural industry is comprised of 93 codes from a variety of NAICS sectors, including: manufacturing; wholesale; retail; information; rental and leasing; professional, scientific, and technical services; educational services; performing arts and spectator sports; museums, historical sites, and similar institutions; and other services.
3. Total jobs include direct, indirect, and induced full- and part-time private and public employment, and self-employment.
4. Labor Income is the sum of employee compensation (wages and benefits) and proprietor income.
UCA ORGANIZATION MEMBERS

Alf Engen Ski Museum
Alta Arts
American Fork Community Theatre
American West Heritage Center
Artes de México en Utah
Artists of Utah/15 Bytes
Artspace
Art Works for Kids
Aspen Winds
Bad Dog Arts
Ballet West
Better Days 2020
Better Together Group
Bountiful Davis Art Center
Brigham City Fine Arts Center
Brigham City Museums
Brolly Arts
CAF Utah Wing
Cedar City Arts Council
Center for Documentary Expression and Art
CenterPoint Theatre
Chamber Orchestra Ogden
City of St. George Community Arts
Clever Octopus
College of Fine Arts-U ofU
Covey Center for the Arts
Craft Lake City
Davis Arts Council
Discovery Gateway Children's Museum
DSU Sears Art Museum
Downtown Alliance & The Blocks
Epicenter
Excellence in the Community
Film & Media Alliance of Southern UT
Gina Bachauer International Piano Fdn
Good Company Theatre
Granary Arts
Great Minds Concept
Hale Center Theatre Orem
Hale Centre Theatre Sandy
Harrington Center for the Arts
Heart & Soul
Hilltop Gospel Choir
Historic Downtown Brigham City
Historic Wendover Airfield
Holladay Arts Council
Inspire Choral Arts
Hutchings Museum
Jordan Youth Choir
Kanab Film Festival
Kimball Art Center
Logan Summerfest Arts Faire
Lyric Repertory Company
Lyrical Opera Theater
MagicSpace Entertainment
McQuarrie Memorial Pioneer DUP Museum
Meyer Gallery
Moab Art Trails
Moab Folk Festival
Moab Museum
Moab Music Festival
Murray Arts Council
Murray City Cultural Arts
My Local Utah
Natural History Museum of Utah
Nonprofit Legal Association of Utah
Nora Eccles Harrison Museum of Art
Nova Chamber Music Series
Ogden City Arts
Ogden Contemporary Arts
Ogden Downtown Alliance
Ogden Friends of Acoustic Music
Ogden Musical Theatre
On Pitch Performing Arts
Park City Chamber Music
Society/Beethoven Festival
Park City Performances DBA The Egyptian Theatre
Park City Summit County Arts Council
Parker Theatre
Pathways Associates
PBS Utah
Pilar Pobil Legacy Foundation
Pioneer Craft House
Plan-B Theatre Company
Preservation Utah
Red Butte Garden
Repertory Dance Theatre
Roots of Humanity
Salt Lake Acting Company
Salt Lake Choral Artists
Salt Lake City Arts Council
Salt Lake City Public Library
Salt Lake County Arts & Culture
Salt Lake Film Society
Salty Cricket Composers Collective
SCERA Center for the Arts
Southern Utah Museum of Art
SUU Arts Administration
Southwest Symphony
Springville Museum of Art
Spy Hop Productions
St. George Art Museum
St. George Dinosaur Discovery Site at Johnson Farm
Story Crossroads
Sugar Space Foundation
Tanner Humanities Center
Taylor Audio Studio
The Battalion Drum and Bugle Corps
The Madeleine Festival & Eccles Organ Festival
The Monarch
The Mundi Project
The Old House at Center & Main
Timpanogos Chorale
Torrey House Press
Treehouse Children's Museum
Tuacahn Center for the Arts
U of U College of Humanities
U of U Tanner Dance Program
U of U Department of Theatre
Umbrella Theater
USU Eastern Prehistoric Museum
USU Museum of Anthropology
Utah Arts Alliance
Utah Arts Festival
Utah Chinese Association
Utah Department of Cultural & Community Engagement
Utah Division of Arts & Museums
Utah Festival Opera & Musical Theater
Utah Film Commission
Utah Film Makers
Utah Humanities
Utah Library Association
Utah Live Bands
Utah Metropolitan Ballet
Utah Nonprofits Association
UMOCA
Utah Music Educators Association
Utah Shakespeare Festival
Utah State Parks
Utah Symphony | Utah Opera
Utah Women Artists Exhibition
UtahPresents
Noorda Center for the Arts
VR Wizards
West Valley Arts
West Works Theatre Company
Witness Music

* as of January 2022