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**Testimony on Senate Bill 440
to the Committee on Ways and Means
Senator Carolyn McGinn, Chair
March 8, 2012**

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Madam Chair and members of the committee, thank you for the opportunity to testify in support of House Bill 2766. I am Robert Lynch, president & chief executive officer of Americans for the Arts. Americans for the Arts is the largest national arts service and research organization with membership in all 50 states. We work to promote all forms of art and culture and conduct research on the value of the arts to local communities, the 50 states and the nation.

I write in support of SB 440.

During the past decade, a tremendous amount of research has been conducted that demonstrates how the arts and culture in America contributes positively to the economy, creates jobs, and returns more to the government in tax revenue than it invests.

In the past few years, several state arts agencies have benefitted from being transferred to their state Departments of Economic Development, including those in Colorado, Connecticut, Michigan, Nevada, South Carolina, and Utah. The benefit comes from a coordinated state policy promoting the arts, tourism and job creation policies as a complete package. Previously, this work was often done in isolation.

As committee members know, last year, the legislature appropriated \$689,000 to fund the Kansas Arts Commission, which resulted in an astounding return on investment. Not only would I encourage you to support this legislation, but I would also encourage you to support funding at least equal to the proposed FY12 funding which was ultimately vetoed by the governor.

Nationally, the nonprofit arts and culture industry generates \$166.2 billion in economic activity every year—\$63.1 billion in spending by organizations and an additional \$103.1 billion in event-related spending by their audiences. These results are from the Arts and Economic Prosperity III (AEP III) study done in 2006 by Americans for the Arts which was, at that time, the most comprehensive study of the nonprofit arts and culture industry ever conducted. I say “at that time” because later this year, we will release our Arts and Economic Prosperity IV study. AEP III documents the economic impact of the

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nonprofit arts and culture industry in 156 communities and regions (116 cities and counties, 35 multicounty regions, and five states), and represents all 50 states and the District of Columbia. This is a very conservative study and yet the resulting impact and jobs numbers are remarkably high and very likely are much higher.

The \$166.2 billion in total economic activity has a significant national impact, generating the following:

- 5.7 million full-time equivalent jobs
- \$104.2 billion in household income
- \$7.9 billion in local government tax revenues
- \$9.1 billion in state government tax revenues
- \$12.6 billion in federal income tax revenues

The *Kansas Economic Impact of the Arts Study*, which looked at the economic impact in Kansas alone, indicated that expenditures by arts and culture organizations and audiences total more than \$153.5 million, and generate the following economic impact:

- 4,612 full-time equivalent jobs
- \$95 million in household income
- \$6 million in local government tax revenues
- \$9 million in state government tax revenues

I would like to draw specific attention to the \$9 million in state government tax revenues that the arts produce in Kansas. Currently, the state invests zero dollars in the arts. It is hoped that Kansas will appropriate \$689,000 for the Arts Council. This is more than a 9:1 return on investment. In other words, the arts contribute to the state tax receipts; they do not subtract from them.

Lastly, we know that the arts have significant economic benefits – especially in rural communities. Going beyond the numbers, we know that funding the arts results in an increased quality of life, which is essential to recruiting new businesses, retaining young talented Kansans and maintaining the integrity of the state’s cultural identity. Kansas communities, Kansas employers and Kansas’s future count on the arts.

We thank you for your time and encourage you to support this legislation. Please do not hesitate to contact me if you have any questions.

Sincerely,



Robert L. Lynch
President & CEO