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KEY STATS:

- 9,303 U.S.-based performing arts companies in 2002
- 104 added since 1997
- 35% of companies in 2002 were theater groups
- At 18%, California held greatest share of companies
- District of Columbia had greatest number per 100,000 people
- North Dakota was greatest gainer in 2002

STATE COUNTS OF PERFORMING ARTS COMPANIES: ECONOMIC CENSUS DATA SHOW LOSSES FOR SEVERAL HIGH-INDEX STATES

By Bonnie Nichols

A comparison of Economic Census data for 2002 and 1997 reveals much consistency in the state counts of performing arts companies. For example, relative to their populations, the District of Columbia, Tennessee, Nevada, and New York had the highest numbers of performing arts organizations in 2002—a statistic that did not differ greatly from 1997 levels. In terms of an absolute count, California had the most performing arts organizations, or 18% of all companies nationwide. Yet each of those states (not counting D.C.) lost performing arts companies over the five-year period.

By contrast, over the same period, Mississippi, Arkansas, Alabama, and West Virginia had the smallest numbers of performing arts companies after adjusting for population. Nevertheless, with the exception of West Virginia, each of the southern states added organizations from 1997 through 2002.

In states with the highest concentration of performing arts organizations—Tennessee, Nevada, New York, and California—a majority of the companies were subject to federal income tax. Conversely, in the case of North Dakota, New Hampshire, West Virginia, and several other states with relatively few performing arts organizations, the companies tended to be nonprofit.

Data from the U.S. Census Bureau's 1997 and 2002 Economic Census reports were used to construct this note, which identifies state locations and growth rates of performing arts companies. Table 1 shows nationwide and state counts of performing arts companies, while Table 2 breaks down those organizations by category.

PERFORMING ARTS COMPANIES IN 2002

In 2002, there were 9,303 performing arts companies in the U.S. Of those, 3,753 were classified as individual musicians or music groups other than symphony orchestras and chamber groups. Along with 3,222 theaters, the music groups and musicians represented nearly 75% of all performing arts companies.

Regarding the total count of performing arts companies, symphony orchestras and chamber groups constituted 9%. Dance and opera companies made up 6% and 1.9% of the total, respectively. More than 500 organizations, or 5.5%, were “other performing arts companies,” excluding circuses.

	Count	Share of total
Performing arts companies	9,303	100.0%
Opera companies	178	1.9%
Theater companies	3,222	34.6%
Dinner theaters	183	2.0%
Dance companies	557	6.0%
Symphony orchestras and chamber music organizations	841	9.0%
Other music groups and artists	3,753	40.3%
Circuses	58	0.6%
Other performing arts companies (except circuses)	511	5.5%

STATE INDEX OF PERFORMING ARTS COMPANIES

As a way to standardize counts of companies across states, this note reports state performing arts companies per 100,000 people and as an index to the U.S. benchmark. For example, the U.S. tally of 9,303 performing arts companies—taken from a 2002 population of 288 million—translates into 3.2 companies for every 100,000 people. By comparison, Alabama’s 64 performing arts companies and 4.5 million people may be considered as 1.4 companies per 100,000 people. Using the U.S. figure as a base, the performing arts index for Alabama was 0.44, meaning that Alabama accounted for only 44% of the U.S. count (or 56% fewer organizations per 100,000 people, compared with the national benchmark).

In 2002, state performing arts indices ranged from a high of 2.96 for the District of Columbia to a low of 0.28 for Mississippi.¹ For 21 states, the index met or exceeded 1.00. In other words, those states contained levels of performing arts companies at or above the national average. A greater number of states, however, fell below the U.S. base: 30 states had indices under 1.00.

States with High Performing Arts Indices

Tennessee, New York, and Nevada

The highest performing-arts index was for the District of Columbia. The finding is unremarkable because the District, though treated as a state for the purpose of this analysis, is more like a city, with its small size and high population density. Further, performing arts centers tend to be concentrated in urban areas, another factor contributing to D.C.'s high index. For Tennessee, New York, and Nevada, however, high indices likely reflect the broader significance of arts and entertainment industries to each state's economy.

In 2002, Tennessee had 7.3 performing arts companies for every 100,000 people—a ratio almost 2.3 times as great as the one for the U.S. The state's high index is largely due to Nashville's music industry. Of the 424 performing arts organizations in Tennessee, 332 were "other music groups and artists," and most (304) were located in the Nashville metro area. At the U.S. level, these music groups and musicians represented 40.3% of all performing arts companies; in Tennessee, 78% of performing arts organizations—including Nashville's country music industry—belonged to this category.

For every 100,000 people, New York had 6.9 performing arts companies, twice the U.S. number. New York City accounted for much of the state's performing arts activity, particularly in theater and dance. For example, 76% of New York state's theater count (or 437 theaters) were in New York City. As a share of the state's performing arts companies, theaters formed 43.2%—8.6 percentage points higher than the share of theaters across the U.S.

Economic Census data also reveal New York as the dance capital of the U.S. While dance companies accounted for 6% of all performing arts companies nationally, they were almost 9% of organizations statewide. As with theaters, New York City was home to most of the state's dance troupes: 96 companies, or 81% of the state's total, were based in New York City.

Nevada had 6.3 performing arts companies per 100,000 people. With an index of 1.96, the state doubled the national benchmark. This result may stem from the comparatively large contribution of the arts to Nevada's economy. In 2002, performing arts and museums accounted for 0.8% of Nevada's gross state product—considerably higher than the 0.4% for the U.S. and slightly higher than New York's 0.7%.²

Nevada's Las Vegas is home to a large percentage of "other performing arts companies," a category that includes magic and ice shows, traveling shows, and carnivals. At the U.S. level, other performing arts made up 5.5% of the total, but in Nevada this category accounted for

¹ The Economic Census counts the District of Columbia as a state.

² Source: Regional Accounts, Bureau of Economic Analysis, U.S. Department of Commerce.

18.4% of all performing arts companies. Of the state’s 136 performing arts companies, 25 were classified as other performing arts, and nearly all (23) were in the Las Vegas metro area.

Las Vegas entertainments, along with New York’s theater and dance and Nashville’s country music, might benefit from agglomeration economics—the savings that occur when firms engaged in the same or similar enterprises cluster together. Frequently cited examples of this phenomenon are Silicon Valley in California or the auto industry in Detroit. Economic Census data suggest that the arts, even tax-exempt arts like dance, also experience these types of efficiencies.

State	Companies per 100,000 people	Index
District of Columbia	9.56	2.96
Tennessee	7.32	2.27
New York	6.94	2.15
Nevada	6.27	1.94

California

Vermont, Montana, and California had performing arts indices ranging from 1.47 to 1.56 (up to 60% more performing arts organizations than the U.S. benchmark). Moreover, while the high indices for Vermont and Montana resulted in part from those states’ low populations (small denominators), California’s index stemmed directly from a large number of companies. In 2002, California had 1,659 performing arts companies, the largest sheer count of any state. Almost 18% of all performing arts companies nationwide were in California.

States with Average or Low Performing Arts Indices

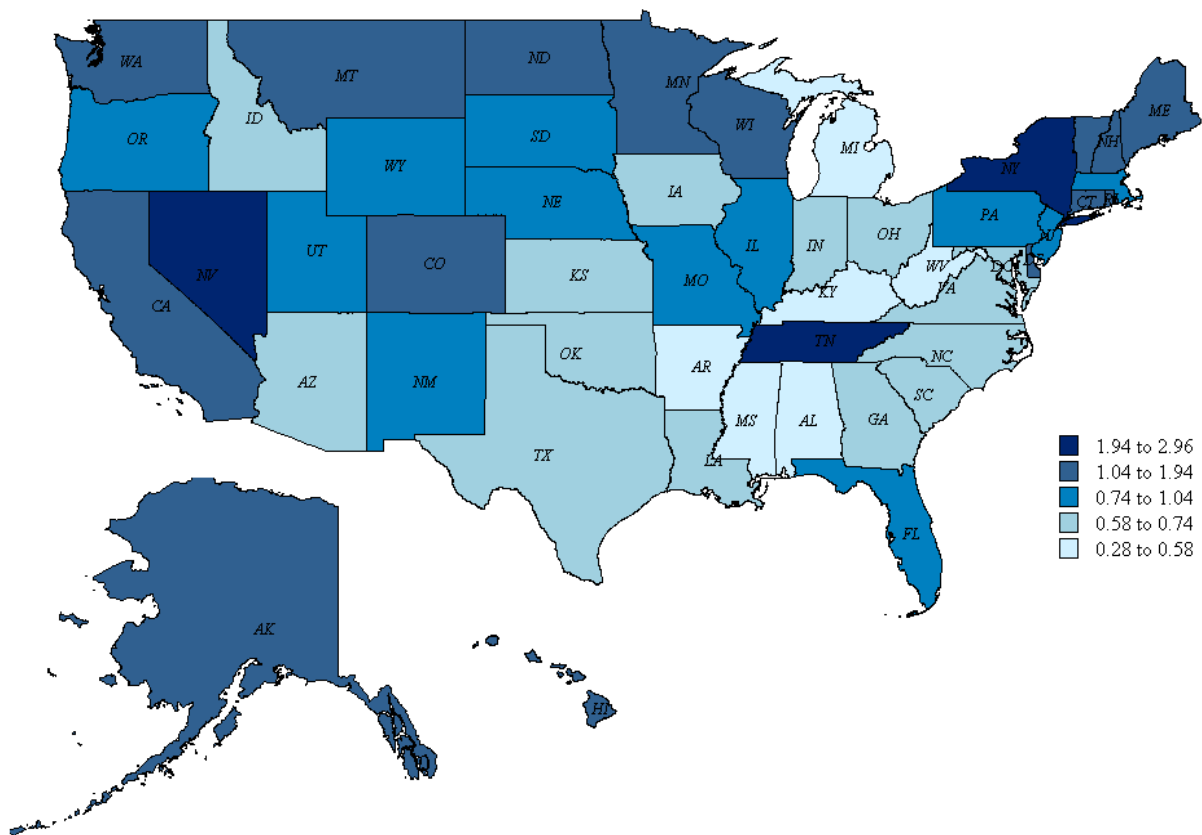
The performing arts indices for Washington, Florida, and Massachusetts approached 1.0, meaning that each state’s number of performing arts companies for every 100,000 people was comparable to the U.S benchmark. Washington had 3.4 companies per 100,000 people, while Florida had 3.3 and Massachusetts had 3.1. Other states with indices close to 1.0 were Missouri (0.9), New Mexico (0.87), and South Dakota (0.81).

As discussed earlier, 30 states had performing arts indices below 1.0, including the economically large states of Texas (0.62), Ohio (0.59), and Michigan (0.51). Yet four states had indices below 0.5: West Virginia, Alabama, and Arkansas each had between 1.4 and 1.5 performing arts organizations for every 100,000 people, while Mississippi had only 0.9. Holding other factors constant (such as touring companies from outside areas), access to the performing arts was lowest in those four states.

State	Companies per 100,000 people	Index
West Virginia	1.50	0.46
Alabama	1.43	0.44
Arkansas	1.40	0.43
Mississippi	0.91	0.28

Index of Performing Arts Companies in 2002

U.S. = 1.00



Data source: 2002 Economic Census, U.S. Census Bureau.

STATE GROWTH IN PERFORMING ARTS COMPANIES, 1997-2002

Between 1997 and 2002, 31 states (including the District of Columbia) gained performing arts companies, while the remaining 20 either lost establishments or experienced no growth. States with low numbers of performing arts companies—Arkansas and Alabama, for example—tended to gain companies. Conversely, several high-index states such as New York and Nevada lost companies.

States with High Growth

North Dakota and the District of Columbia recorded the highest percentage gains in performing arts companies—60% and 50%, respectively. Those growth rates, however, are attributed partly to the comparatively small numbers of performing arts organizations in those states. For example, North Dakota had 24 establishments in 2002—up from 15 in 1997.

Florida's 31% growth rate ranked third, but in terms of absolute number of companies, the state's growth far outpaced those of all other states. Between 1997 and 2002, Florida gained 130 performing arts organizations—3 times more than Pennsylvania, whose 46 new companies allowed the latter state to claim the second largest gain in organizations per 100,000 people. Theaters and other music groups made up most of the gain (115 companies), but Florida also added 10 new symphony orchestras and 5 dance companies.

Florida's performing arts index in 2002 was 1.01. (The state had about the same number of companies per 100,000 people as the national benchmark.). If Florida continues adding performing arts companies at the 2002 rate, its index will likely climb.

Indices may also rise for Arkansas, Alabama, and Mississippi—the states with the lowest numbers of performing arts companies. Arkansas' 2002 index was only 0.43 (almost 60% below the U.S. benchmark), but the state's number of performing arts companies grew by almost 27%, the fifth highest rate gain. Between 1997 and 2002, Alabama added 10 new companies—a gain of 18.5%. Even Mississippi, the state with the lowest index, added 3 companies to its roster, reaching 26 in 2002.

Texas and Ohio, economically large states with performing arts counts at approximately 40% below the U.S. benchmark, also gained establishments. Between 1997 and 2002, Texas added 42 companies and Ohio 15.

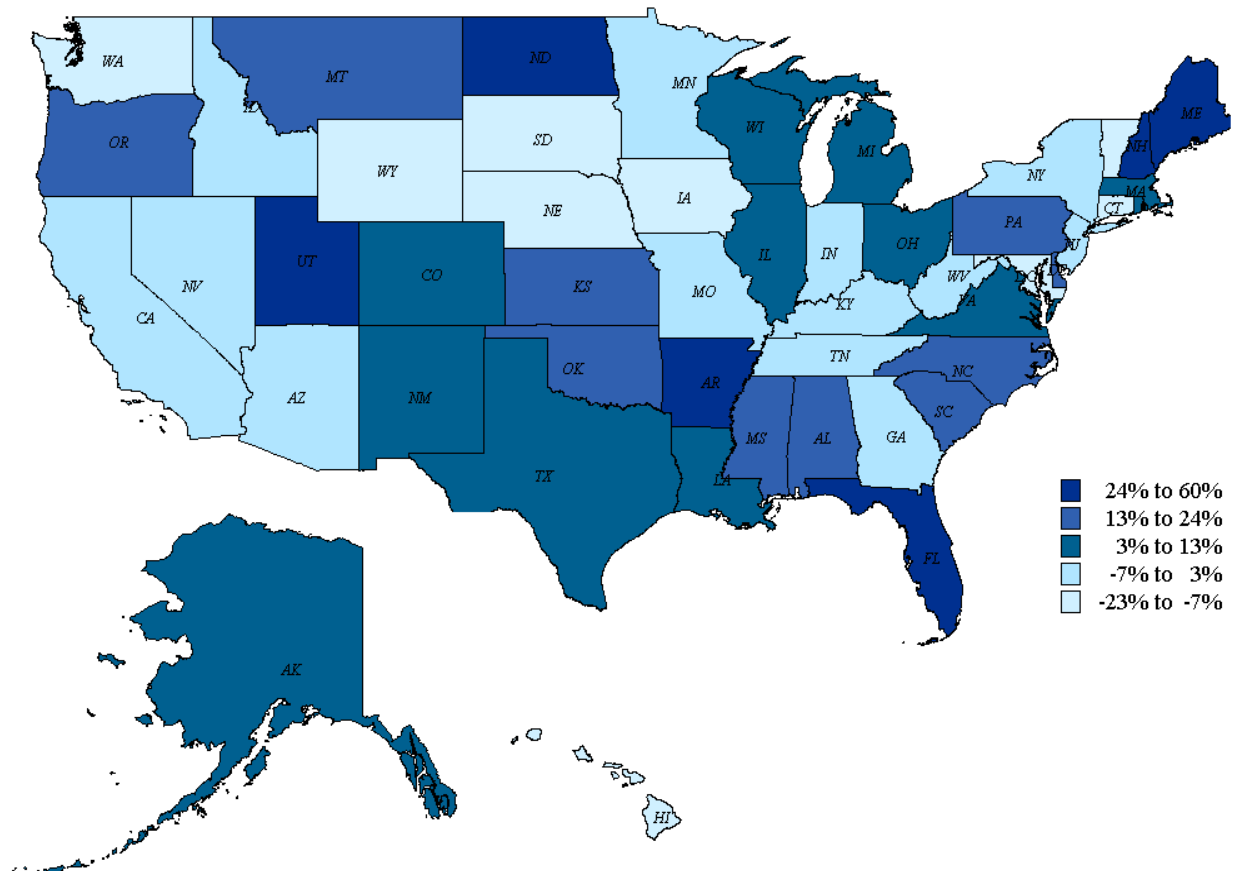
States with Average or Declining Growth

The median growth rate among all states was approximately 6%. States with growth rates in this range included Virginia (6.4%), Michigan (5.8%), and Rhode Island (5.6%). In terms of sheer count, Rhode Island gained only two companies. Virginia, however, added 10 and Michigan 9.

States losing companies included several with high performing-arts indices. Tennessee, for example, had 7.3 companies per 100,000 people in 2002. Between 1997 and 2002, however, the state lost 15 performing arts companies—a decline of 3.4%. Similarly, Nevada's performing arts count dropped 4.2%. Over the 5-year period, California and New York each lost more than 100 performing arts companies, declining 6.7% and 7.4%, respectively.

Other states that lost performing arts companies included Connecticut (-14), Maryland (-13), and Washington (-28).

Percentage Growth in Performing Arts Companies, 1997-2002



Data Source: Economic Census, U.S. Census Bureau

TAXABLE VS. TAX-EXEMPT PERFORMING ARTS

The 2002 Economic Census shows that the performing arts companies contributing to high counts in Nevada, Tennessee, California, and New York were largely commercial establishments subject to federal income tax. In Nevada, 89% of the state's performing arts companies were taxable; in Tennessee and California, the rates were 84% and 70%, respectively. Almost 63% of New York's performing arts companies were commercial, taxable establishments.

The performing arts were also largely commercial in Florida, the state with the largest 5-year gain in establishments. In 2002, 70% of Florida's companies were taxable.

Alternatively, nonprofit performing arts were prevalent in North Dakota, New Hampshire, and Idaho. In each of those states, the percentage of performing arts organizations exempt from federal income tax exceeded 80%. Other states with high percentages of tax-exempt companies were Alaska (78.3%), West Virginia (77.8%), and Oregon (72.1%).

In the District of Columbia, which had the highest performing arts index coupled with high 5-year growth, 74.1% of outfits were tax-exempt organizations.

High percentages of either nonprofit or commercial performing arts are partly due to the respective make-up of companies in a state. Tennessee, for example, had a high concentration of “other music groups and artists,” a largely commercial category. (Almost 81% of all other music groups and artists are subject to federal income tax.) Likewise, 85% of all “other performing arts” are taxable; Nevada had high counts of those types of establishments.

In North Dakota’s case, half of the state’s performing arts establishments were theaters, with 11 of those 12 exempt from federal income tax.

Percentage of Performing Arts Companies Exempt from Federal Income Tax in 2002

Highest share states (Largely Nonprofit)		Lowest share states (Largely Commercial)	
North Dakota	83.3%	Nevada	11.0%
New Hampshire	81.8%	Tennessee	16.3%
Idaho	80.8%	Florida	29.9%
Alaska	78.3%	California	29.9%
West Virginia	77.8%	Hawaii	35.1%
District of Columbia	74.1%	New York	37.1%
Oregon	72.1%	New Jersey	37.7%
Iowa	69.1%	Missouri	40.6%
Washington	67.2%	Louisiana	41.7%
Wyoming	66.7%	Arkansas	42.1%

TECHNICAL NOTES

The data presented in this note derived from the Economic Census, taken by the U.S. Census Bureau every five years, and covering years ending in “2” and “7.” The Economic Census is conducted on an establishment basis. A company operating at more than one location is required to file a separate report for each store, factory, shop, or other location. Each establishment is assigned a separate industry classification based on its primary activity and not that of its parent company.

The tabulations presented exclude establishments with no paid employees. The Census Bureau reports “nonemployers,” typically self-employed individuals and unincorporated partnerships, as a separate item in *Nonemployer Statistics*.

Economic census questionnaires are sent to all large employers and a sample of small employers.³ Additional estimates of small employers derive from administrative records of other federal government agencies. Therefore, Economic Census estimates are subject to both sampling error and non-sampling error (e.g., inability to identify all establishments, and data processing and coding errors).

This note uses data from sector 71 of the North American Industrial Classification System (Arts, Entertainment, and Recreation), and includes performing arts companies that were both subject to and exempt from federal income tax. An early version of this report was issued in August 2004; the current document shows revisions released by the Census Bureau in the summer and fall of 2005.

For more information, see the U.S. Census Bureau's Economic Census web page: www.census.gov/econ/census02.

³ Although payroll cutoff varies by kind of business, small employers generally include firms with fewer than 10 employees.

Table 1. Performing Arts Companies in 2002

	Performing arts companies	Per 100,000 people	Index	Change from 1997		Percent tax-exempt
				Count	%	
United States	9,303	3.23	1.00	104	1.1%	43.9%
Alabama	64	1.43	0.44	10	18.5%	51.6%
Alaska	23	3.59	1.11	2	9.5%	78.3%
Arizona	122	2.24	0.69	-3	-2.4%	51.6%
Arkansas	38	1.40	0.43	8	26.7%	42.1%
California	1,659	4.74	1.47	-120	-6.7%	29.9%
Colorado	156	3.47	1.07	12	8.3%	48.1%
Connecticut	123	3.56	1.10	-14	-10.2%	59.3%
Delaware	30	3.72	1.15	5	20.0%	43.3%
District of Columbia	54	9.56	2.96	18	50.0%	74.1%
Florida	546	3.27	1.01	130	31.3%	29.9%
Georgia	193	2.25	0.70	1	0.5%	43.0%
Hawaii	57	4.62	1.43	-9	-13.6%	35.1%
Idaho	26	1.93	0.60	-2	-7.1%	80.8%
Illinois	381	3.03	0.94	10	2.7%	45.4%
Indiana	124	2.01	0.62	-8	-6.1%	57.3%
Iowa	55	1.87	0.58	-6	-9.8%	69.1%
Kansas	53	1.95	0.60	7	15.2%	66.0%
Kentucky	69	1.69	0.52	1	1.5%	65.2%
Louisiana	84	1.88	0.58	3	3.7%	41.7%
Maine	56	4.32	1.34	11	24.4%	57.1%
Maryland	111	2.04	0.63	-13	-10.5%	45.0%
Massachusetts	198	3.09	0.96	13	7.0%	55.6%
Michigan	165	1.64	0.51	9	5.8%	53.3%
Minnesota	217	4.32	1.34	-5	-2.3%	60.8%
Mississippi	26	0.91	0.28	3	13.0%	53.8%
Missouri	165	2.90	0.90	-1	-0.6%	40.6%
Montana	44	4.83	1.50	7	18.9%	56.8%
Nebraska	42	2.43	0.75	-4	-8.7%	57.1%
Nevada	136	6.27	1.94	-6	-4.2%	11.0%
New Hampshire	44	3.45	1.07	10	29.4%	81.8%
New Jersey	247	2.88	0.89	-17	-6.4%	37.7%
New Mexico	52	2.80	0.87	4	8.3%	57.7%
New York	1,330	6.94	2.15	-106	-7.4%	37.1%
North Carolina	174	2.09	0.65	26	17.6%	57.5%
North Dakota	24	3.79	1.17	9	60.0%	83.3%
Ohio	218	1.91	0.59	15	7.4%	61.0%
Oklahoma	78	2.24	0.69	10	14.7%	57.7%
Oregon	104	2.95	0.91	12	13.0%	72.1%
Pennsylvania	332	2.69	0.83	46	16.1%	55.7%
Rhode Island	38	3.56	1.10	2	5.6%	44.7%
South Carolina	81	1.97	0.61	12	17.4%	49.4%
South Dakota	20	2.63	0.81	-6	-23.1%	65.0%
Tennessee	424	7.32	2.27	-15	-3.4%	16.3%
Texas	432	1.99	0.62	42	10.8%	55.6%
Utah	58	2.48	0.77	12	26.1%	43.1%
Vermont	31	5.03	1.56	-4	-11.4%	64.5%
Virginia	166	2.28	0.71	10	6.4%	49.4%
Washington	204	3.36	1.04	-28	-12.1%	67.2%
West Virginia	27	1.50	0.46	0	0.0%	77.8%
Wisconsin	190	3.49	1.08	13	7.3%	61.6%
Wyoming	12	2.40	0.74	-2	-14.3%	66.7%

Source: Economic Census
U.S. Census Bureau

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Table 2. Detail of Performing Arts Companies in 2002

	AL	AK	AZ	AR	CA	CO	CT	DE
Performing arts companies	64	23	122	38	1,659	156	123	30
Opera companies	2	1	2	1	24	4	2	1
Theater companies	17	12	47	13	422	45	55	14
Dinner theaters	0	1	7	4	14	7	0	3
Dance companies	6	1	7	1	86	14	4	1
Symphony orchestras/chamber groups	9	3	15	5	113	17	18	2
Other music groups and artists	24	3	40	10	864	60	40	6
Circuses	1	1	0	1	8	0	0	0
Other performing arts companies	5	1	4	3	128	9	4	3
	DC	FL	GA	HI	ID	IL	IN	IA
Performing arts companies	54	546	193	57	26	381	124	55
Opera companies	3	8	2	1	2	8	2	1
Theater companies	17	166	64	20	11	141	31	24
Dinner theaters	0	13	3	9	1	5	2	3
Dance companies	5	26	9	10	3	26	6	2
Symphony orchestras/chamber groups	3	32	15	4	5	32	23	10
Other music groups and artists	19	241	83	13	3	149	46	14
Circuses	0	8	2	0	0	2	4	0
Other performing arts companies	7	52	15	0	1	18	10	1
	KS	KY	LA	ME	MD	MA	MI	MN
Performing arts companies	53	69	84	56	111	198	165	217
Opera companies	2	1	4	1	2	5	4	2
Theater companies	21	32	23	25	39	78	60	80
Dinner theaters	6	0	0	1	5	4	3	3
Dance companies	1	3	5	1	6	11	7	16
Symphony orchestras/chamber groups	8	10	7	7	12	28	27	22
Other music groups and artists	10	21	41	19	39	66	56	82
Circuses	0	0	1	0	0	1	1	1
Other performing arts companies	5	2	3	2	8	5	7	11

Detail of Performing Arts Companies in 2002

(continued)

	MS	MO	MT	NE	NV	NH	NJ	NM
Performing arts companies	26	165	44	42	136	44	247	52
Opera companies	0	3	2	1	1	1	2	1
Theater companies	7	67	21	20	46	24	87	18
Dinner theaters	0	7	1	1	1	1	5	1
Dance companies	2	6	1	2	7	3	12	3
Symphony orchestras/chamber groups	4	10	7	4	7	9	19	9
Other music groups and artists	9	64	11	11	48	6	111	19
Circuses	0	1	0	1	1	0	2	0
Other performing arts companies	4	7	1	2	25	0	9	1
	NY	NC	ND	OH	OK	OR	PA	RI
Performing arts companies	1,330	174	24	218	78	104	332	38
Opera companies	19	4	2	6	3	4	9	0
Theater companies	574	73	12	79	26	37	147	14
Dinner theaters	13	4	1	4	1	3	7	3
Dance companies	119	11	0	16	6	5	20	3
Symphony orchestras/chamber groups	80	20	2	19	11	15	41	2
Other music groups and artists	464	60	7	74	26	39	92	14
Circuses	2	0	0	4	4	0	0	0
Other performing arts companies	59	2	0	16	1	1	16	2
	SC	SD	TN	TX	UT	VT	VA	WA
Performing arts companies	81	20	424	432	58	31	166	204
Opera companies	0	1	3	13	4	1	5	3
Theater companies	36	9	60	161	21	17	57	71
Dinner theaters	5	0	6	5	3	0	7	1
Dance companies	8	1	6	27	8	1	8	15
Symphony orchestras/chamber groups	8	3	11	46	3	2	20	32
Other music groups and artists	22	6	332	157	18	8	58	66
Circuses	0	0	0	1	0	1	5	3
Other performing arts companies	2	0	6	22	1	1	6	13

Detail of Performing Arts Companies in 2002

(continued)

	WV	WI	WY
Performing arts companies	27	190	12
Opera companies	0	5	0
Theater companies	13	64	4
Dinner theaters	0	8	1
Dance companies	2	8	0
Symphony orchestras/chamber groups	3	25	2
Other music groups and artists	7	71	4
Circuses	0	2	0
Other performing arts companies	2	7	1

Source: Economic Census

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