



# ARTS IN THE LOOP ECONOMIC IMPACT STUDY

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CHICAGO  
**LOOP**  
ALLIANCE.

SPECIAL SERVICE  
AREA #1-2015



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# INTRODUCTION

This is a report commissioned by Chicago Loop Alliance, a downtown management organization with the mission to create, manage and promote high-performing urban experiences, attracting people and investment to the Loop. Together with an engaged set of Loop arts organizations, a taskforce was formed to work with professional consultants ArtsMarket, Inc., and HR&A Advisors to better understand the economic impact of the arts in the Loop.

# PURPOSE

As part of CLA's efforts to promote economic development and provide services that benefit businesses, individuals and stakeholders within the Loop, CLA seeks to help its members gain a deeper understanding of the impact the large collection of arts and cultural assets in the area have on the Loop economy.

The results of this study will be used to enhance the CLA brand and marketing narrative, provide case-making data to Loop arts and cultural organizations that will improve their position when advocating for public- and private-sector support and reposition arts and cultural organizations as economic drivers in the Loop and the City of Chicago. The information will also be useful to other Chicago economic development organizations, like Choose Chicago, World Business Chicago and the City of Chicago Department of Cultural Affairs and Special Events.

# METHODOLOGY



There are two primary ways to capture economic value. The first is the expenditures of the institutions and organizations being studied. The second is the expenditure of the visitors to these institutions, both on-site (admissions, refreshments) and off-site related to the visit. Off-site impacts include spending by visitors on hotels, restaurants, retail purchases, transportation and more.

To construct the model for the Arts in the Loop analysis, this study design was based on data reported by each organization using the IRS Form 990s as filed by all the nonprofit cultural organizations in the Loop. Exact parallel data was obtained from government and for-profit institutions.

This data provided consistent categories of institutional spending

data along with visitation and employee count information.

Visitor information in this study was obtained through an online survey embedded on CLA and arts organizations' websites and widely promoted. A total of 12,161 surveys were submitted by Arts in the Loop visitors between Oct. 15, 2017, and Jan. 15, 2018. The survey responses were cleaned and standardized for analysis, and multiple surveys from the same email address were rejected.

Initially, the researchers sought a response pool of 4,145 to obtain a 2 percent margin of error and a 95 percent confidence rate. Since the actual response pool totaled over 12,000, the researchers were able to use subsets of the responses by geography, demographics and participation, with a high level of confidence.

## THREE AREAS OF IMPACT



### DIRECT IMPACT

The actual spending of the Loop's arts institutions – their payroll, the programs they produce and the related costs of operating their buildings. Direct impact of visitors attending an event is the visitor spending on the ticket for the event.



### INDIRECT IMPACT

Spending by the Loop's arts institutions and arts visitors on goods and services outside of direct impact spending. For example, institutional spending on advertising and marketing or visitor spending on a meal out fall under indirect impact.



### INDUCED IMPACT

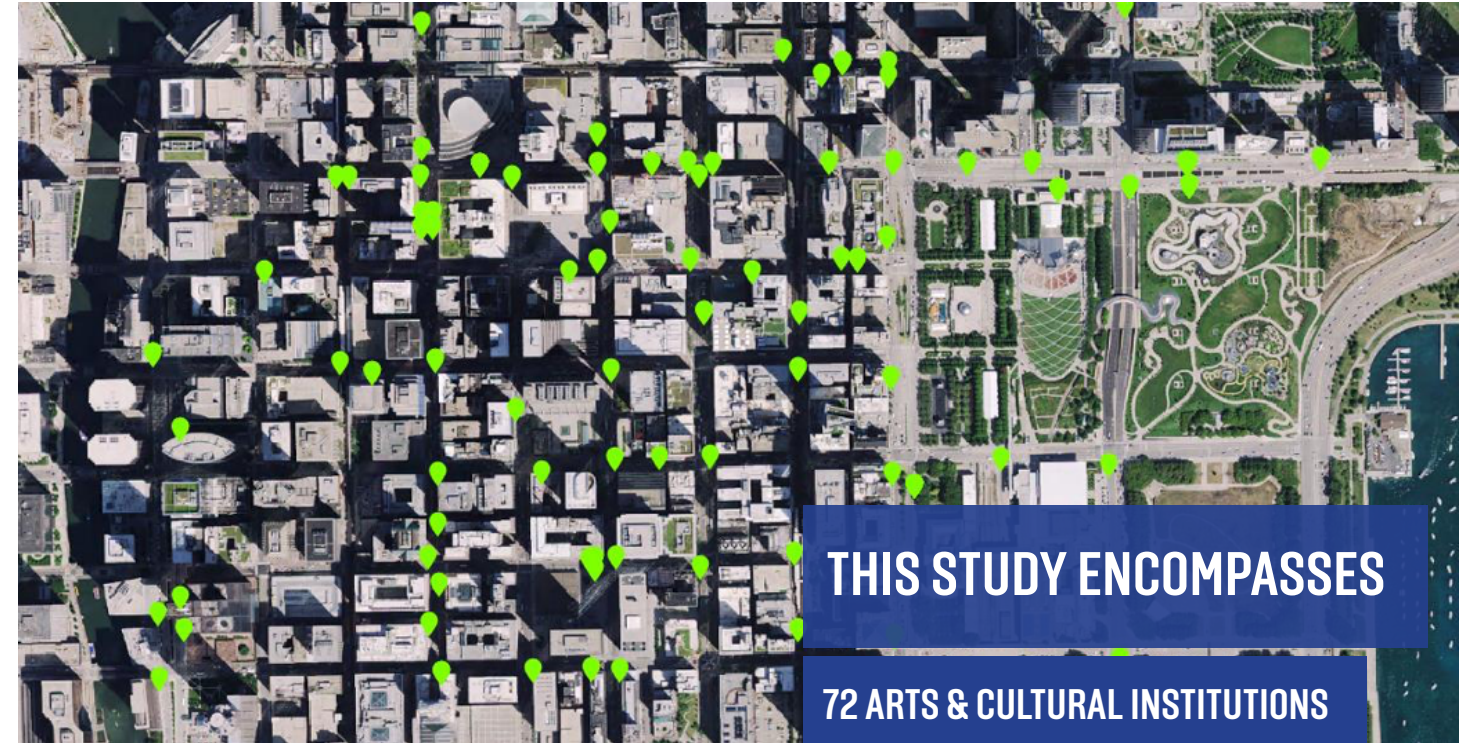
This is the economic benefit that is created by both the direct and indirect spending combined. For example, jobs in other industries supported by spending related to the Arts in the Loop represent an induced impact.

## UNIQUE DESIGN

Few economic impacts of the arts studies include data reflective of all sectors of the arts in a region. This study has. Typically, for-profit arts presenters are left out, which is a particular void in a city such as Chicago in which Broadway in Chicago serves an annual audience of 1.6 million. Typically, arts economic impact studies use as their information sample audiences who complete paper surveys within venues they are attending. This means there is no

opportunity to capture information from visitors who come into a city for the experience of public art, enjoying a park such as Millennium Park or who explore historic architecture.

The Arts in the Loop study includes data collection from the for-profit arts and their audiences and collected visitor information from those who didn't purchase tickets or attend ticketed- or counted-admissions events.



## GEOGRAPHY OF STUDY AREA

The Loop, as defined for this study, extends to the Chicago River to the north; to the south branch of the Chicago River to the west; to Congress Parkway to the south; and to Lake Shore Drive to the east. Included within this boundary are Grant Park, Maggie Daley Park and Millennium Park.

### THIS STUDY ENCOMPASSES

72 ARTS & CULTURAL INSTITUTIONS

APPROXIMATELY 120 PUBLIC ART PIECES

AND MORE THAN 50 ARCHITECTURALLY

IMPORTANT BUILDINGS WITHIN THE LOOP,

AMOUNTING TO A TOTAL OF APPROXIMATELY 250 ARTS & CULTURAL ASSETS.

# HISTORY



CSO credit-Todd Rosenberg Photography

The Loop arts district had its genesis in the 1880s following the Chicago Fire of 1871. In 1887 the Art Institute of Chicago opened its doors, and the Auditorium Theatre opened two years later. By the end of the decade the Studebaker Theatre – within the Fine Arts Building – had opened. Orchestra Hall followed in 1904, and by the 1920s scores of theaters opened, including the Oriental and the Goodman, with the construction of the Civic Opera House coming to completion in 1929.

By the 1980s, many of these theaters had fallen into disrepair, and many had evolved from live entertainment venues to movie theaters. By the end of the decade, the lights on those marquees had flickered out as well. But during this time, the Auditorium Theatre received a \$13 million grant from the State of Illinois for interior upgrades. The Auditorium – together with Orchestra Hall and Lyric Opera House – was a consistently brightly-lit venue during the 1990s when the nascent Theatre District was being planned.

In the 1990s, the Loop Theatre District became its own major destination, featuring the Shubert (now the CIBC), Oriental and Cadillac Palace theaters – all operated by Broadway in Chicago – and the Goodman Theatre complex,

along with the Gene Siskel Film Center and the restored Chicago Theatre. In the Loop’s public art realm, a great new era began with the 1967 installation of the Picasso sculpture. In 1978, Chicago became the largest city in the United States – as well as one of the first – to pass a percent for public art ordinance, making it possible to fund additional iconic public art.

A major breakthrough in reshaping the Loop as an interconnected cultural zone came in 1998 when then-Mayor Richard M. Daley announced a project that would later be named Millennium Park, which opened in 2004 and which extends Grant Park’s footprint north and includes such cultural gems as Anish Kapoor’s Cloud Gate (“The Bean”) and Jay Pritzker Pavilion.

**IN 1978, CHICAGO BECAME THE LARGEST CITY**

**- AS WELL AS ONE OF THE FIRST - TO PASS A**



**PUBLIC ART ORDINANCE**

**MAKING IT POSSIBLE TO**

**FUND ADDITIONAL**

**ICONIC PUBLIC ART.**

Today, there are at least 250 cultural assets whose collective presence defines the Loop. The Loop is home to 11 major performing arts and theatrical venues, 13 museums and galleries, scores of performing and visual arts organizations and one of the world’s most iconic outdoor arts venues. And connecting them, this cultural district is home to 120 works of public art, including some of the world’s greatest contemporary as well as historically important works. At its

foundation is the built environment of Chicago architecture, where it’s hard to go a block in any direction without encountering at least one world-famous building.

Restaurants flourish in the Loop as theater-goers stream in by the thousands each day. New hotels have been built embracing the arts and theater theme. And new residents have moved to the Loop specifically for the arts.

**TODAY IN THE LOOP**

**250 CULTURAL ASSETS**

**120 WORKS OF PUBLIC ART**

**11 MAJOR PERFORMING ARTS VENUES**

**13 MUSEUMS & GALLERIES**

Credit-Jude Howell

# ECONOMIC IMPACT



This study found that, in total, the Arts in the Loop are responsible for \$2.25 billion in economic impact to the Loop and Chicago each year. This includes \$1.4 billion from institutions, \$600 million from their visitors and \$250 million from visitors to public art, who spend their money on meals, retail and transportation. Annually, from these collective impacts, the Arts in the Loop are responsible for driving \$113.5 million in Loop restaurant revenue, \$81.3 million in Loop real estate revenue, \$78 million in hotel revenue, \$63 million in Loop retail sales, \$43 million in transportation and parking revenue and \$40 million in tax revenue (\$34 million for the State of Illinois and \$6 million for the City of Chicago).

The Arts in the Loop also have a major impact on employment in the Loop – arts and cultural institutions are responsible for 15,500 full-time-equivalent (FTE) jobs each year. The economic impact of Arts in the Loop supports 1,352 FTE Loop restaurant jobs, 319 FTE Loop hotel jobs and 250 FTE Loop real estate jobs.

With an annual visitation of 28.4 million, the Loop benefits from an average of 77,800 Loop arts attendances per day, more than double the daily count of theater visitors to Times Square. For every \$1 spent on

a ticket or admission to the Arts in the Loop, \$12 in total economic impact is generated, and more paid admission visits are made to the Arts in the Loop each year (7.3 million) than to all of Chicago’s professional sports teams combined (6.7 million).

One of the most powerful facets of the arts institutions in the Loop is the loyalty they have built among their audiences and visitors. The typical Arts in the Loop visitor comes into the Loop 12 times a year specifically for the arts, visiting 2.2 arts destinations per trip. Seventy-five percent say they would not have made their trips to the Loop if not for the arts. With an average of 2.8 people per visitor group each trip, the Arts in the Loop visitor brings an annual value of thousands of dollars in economic impact to the Loop.



**\$2.25  
BILLION  
IN  
ECONOMIC  
IMPACT  
FROM ARTS  
IN THE LOOP**

## VISITOR DEMOGRAPHICS

An exciting characteristic of the Arts in the Loop audience is the significant diversity it represents. All geographic segments of the Arts in the Loop audience, except for those coming from beyond the MSA, are at least 5 percent more diverse than the national average.

In terms of age, there is a distinct difference between Arts in the Loop visitors who live in the City of Chicago and those who live in the Metro area and beyond. Essentially, visitors who journey into the Loop from the Metro area for the arts are nearly identical in age from visitors who come from longer distances in the United States or beyond. But Arts in the Loop attendees who live in the city and those who live in the Loop itself are decidedly younger.

The profile of Arts in the Loop visitors is fascinating and in many ways counter-intuitive. There is often the perception that attendees to the arts who drive in from the suburbs represent the most wealthy visitor segment. For the Loop, however, the Metro visitors from outside the city

represent the most income-diverse group and the group most dominated by household incomes under \$60,000.

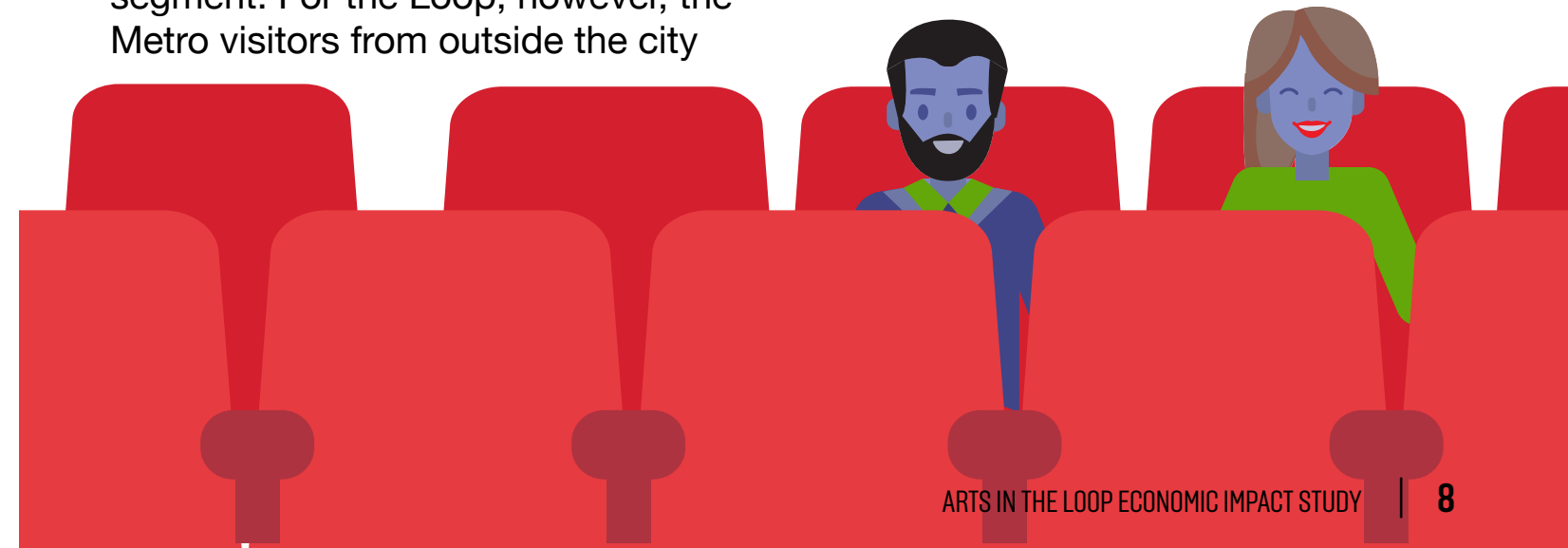
Arts in the Loop visitors include the more than 150,000 students a year who come into the Loop to experience performances and special programs offered by every Loop arts organization. The area also benefits from more than 6,000 pre-professional artists, from filmmakers and graphic designers to opera singers and symphony musicians, studying, rehearsing or performing in the Loop.

ARTS IN THE LOOP ATTENDEES WHO LIVE IN

CHICAGO AND THOSE WHO LIVE IN THE LOOP

ARE DECIDEDLY YOUNGER THAN ATTENDEES

FROM OUTSIDE THE CITY.



# CONTINUED EVOLUTION

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The Arts in the Loop continue to evolve and expand. New museums like the American Writers Museum, new public art like Arts on the Mart projections and festivals like Chicago Blues Festival, which moved to Millennium Park in 2017, welcome an increasingly diverse audience. This new audience, as well as Chicago residents who come to the Loop frequently for the arts, spoke with one voice in this study in calling the Loop one of the world's greatest arts districts and in saying that it is the Arts in the Loop that best represent Chicago to the world.

## THIS STUDY WAS COMMISSIONED BY



CHICAGO  
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AREA #1-2015

## MEMBERS OF THE ARTS IN THE LOOP TASK FORCE

Sandra Aponte, The Chicago Community Trust  
Greg Cameron, Joffrey Ballet  
Jean de St. Aubin, Gene Siskel Film Center  
Nora Gainer, Art Institute of Chicago  
Judie Green, Auditorium Theatre  
Philip Koester, Chicago Symphony Orchestra  
Lisa Middleton, Lyric Opera of Chicago  
Lynn Osmond, Chicago Architecture Foundation  
Lou Raizin, Broadway In Chicago  
Claire Rice, Arts Alliance Illinois  
Roche Schulfer, Goodman Theatre  
Melanie Wang, City of Chicago's Department of Cultural Affairs and Special Events

## RESEARCH & REPORT BY

The research team for this study was comprised of ArtsMarket, Inc., and HR&A Advisors, Inc. The report was written by Louise K. Stevens, ArtsMarket, Inc.

# THE EVOLUTION OF ARTS IN THE LOOP



## EARLY HISTORY

Like most of Chicago's civic landscape, the Loop first emerged as a center of architectural greatness and public celebration during the huge building boom that redesigned the city following the Great Chicago Fire of 1871. The 1880s became the first great decade of Chicago architecture and civic design, with historically significant buildings by the likes of Burnham, Sullivan, Adler, Root, Atwood and the many other greats who made up the first Chicago School of Architecture. The Art Institute of Chicago opened its doors in 1887, and the Auditorium Theatre, the masterpiece designed by Adler and Sullivan, opened its doors two years later. Frank Lloyd Wright, who as a young apprentice draftsman worked on the Auditorium, called it "the greatest room for music and opera in the world – bar none" – a fitting description for what was the first home for the Chicago Symphony Orchestra and the Chicago Opera Company that would later go on to become Lyric Opera.

At the end of the 1880s, yet another world-class theater building was constructed – the Studebaker Theater – within the Fine Arts Building, which today still houses multiple arts organizations. Orchestra Hall (Symphony Center) was designed by



THE AUDITORIUM THEATRE

Daniel Burnham and opened in 1904. The Majestic Theatre (today the CIBC Theatre) opened in 1906. The '20s brought another burst of theater when both the Palace and Oriental opened (1926) as venues for popular touring entertainment. The '20s also brought the launch of the Goodman Theatre (1925) and the construction of Lyric Opera House, then called the Civic Opera House, which opened only days after the Wall Street crash of 1929.

## THE END OF THE FIRST ARTS IN THE LOOP ERA

By the 1980s, there was a build-up of tarnish on the Loop's great cultural profile. The grand theaters of the North Loop had fallen into disrepair. The Cadillac Palace had been turned into a banquet hall and then a rock venue.

critic, had lamented when the Oriental was closed to the public in 1981, writing, "It had fallen on hard times, exhibiting grade B exploitation films." The North Loop's Harris and Selwyn Theaters, built for theatrical production in 1922, had been transformed into movie theaters and subsequently closed in the '80s. Most of the Loop movie theaters – which are what major venues like the Oriental had become – were still showing first-run films until the 1970s, and then first-runs moved to the suburbs. As suburban malls became the centers of retail and entertainment, the Loop struggled as a cultural destination. Film historian Gerald R. Butters wrote, "Through the mid to the late 1970s, perceptions of the Loop (as a theater and entertainment center) failed to improve." The major department stores had placed priority on their suburban locations, reducing foot traffic in the Loop, he noted. "And less foot traffic meant fewer people would take time to see a movie" in the Loop.<sup>1</sup>

The Chicago Tribune architecture critic Paul Gapp wrote, "Virtually every downtown Chicago movie palace was doomed to demolition...Chicago's movie palaces were the dinosaurs of 20th Century architecture..."

gawked at like so many reconstructed brontosauri." His colleague, the columnist Bob Greene, went on to say that "the lights on the marquees have been flickering out one by one." In the '80s, for the first time in the century, there were almost no lit marquees in the Loop.

Fortunately, early redevelopment plans for the North Loop that focused on tearing down most of the historic venues gave way to a place-based vision for a Theatre District. Tribune critic Gapp wrote that the 1978 North Loop Renewal Plan – which had called for the demolition of theaters like the Oriental, Chicago and Palace – was doomed and that, fortunately, "the theaters closed before the city could tear them down." Some were torn down, including the McVickers and the Loop, while others, including the Chicago, were narrowly saved from demolition.

"By the late 1970s, the Loop was largely deserted after 5 p.m. and had become an intimidating area for many," said Roche Schulfer, longtime executive director of the Goodman Theatre. By the late 1980s, the Goodman was exploring the possibility of a new facility that would be able to support a world class theater company

(1 From Sweetback to Super Fly, Race and Film Audiences in Chicago, by Gerald R. Butters. 2015, University of Missouri Press.)



in the 21st century. “We considered a variety of sites but kept returning to the idea of a central Loop location that could anchor a new Theatre District – a vision that had been championed by legendary Chicago civic leader Lewis Manilow since 1980,” Schulfer noted. But there was no momentum toward a North Loop Theatre District until Mayor Richard M. Daley (along with his wife, Maggie) became dedicated advocates. The mayor’s leadership led to the creation of the Theatre District, but he endured criticism for providing partial financial support for the renovation of the theaters.

“Few believed that the Goodman could be successful, and few believed there was enough ‘product’ to make a Theatre District successful,” Schulfer said. “There were virtually no restaurants and little upscale retail – there was a pawn shop on the corner of State and Randolph.”

There were signs of progress elsewhere in the Loop, though, to hint at a new era of cultural greatness. Chicago’s entrance into contemporary public art began in 1967 when Mayor Richard J. Daley dedicated the first of the city’s monumental modern works, known simply as “The Chicago Picasso.” The Sears Tower (now Willis Tower) reaffirmed Chicago’s worldwide reputation for architecture when it opened in 1973. In 1974, Alexander Calder’s “Flamingo” brought the bright splash of red whimsy to the Federal

(2 Chicago Tribune, March 22, 1998).

Center Plaza on Dearborn and Adams. In 1978, Chicago became the largest city in the United States – as well as one of the first – to pass a percent for art ordinance, making it possible to fund additional iconic public art.

## THE START OF A NEW ERA

A major break-through in reshaping the Loop as an interconnected cultural zone came when Illinois Central no longer needed its huge century-old train yards along Michigan Avenue. In 1998, then-Mayor Richard M. Daley announced that the City had reached an agreement with Illinois Central by which it would redevelop the yards into something then called Lakefront Gardens, a green space and family entertainment area that would extend Grant Park’s footprint north on top of a multi-story parking garage that would be constructed on the rail yard site. It would be something that Chicago could use, Daley said, “to usher in the new millennium.”<sup>2</sup> It would, of course, go on to become Millennium Park.

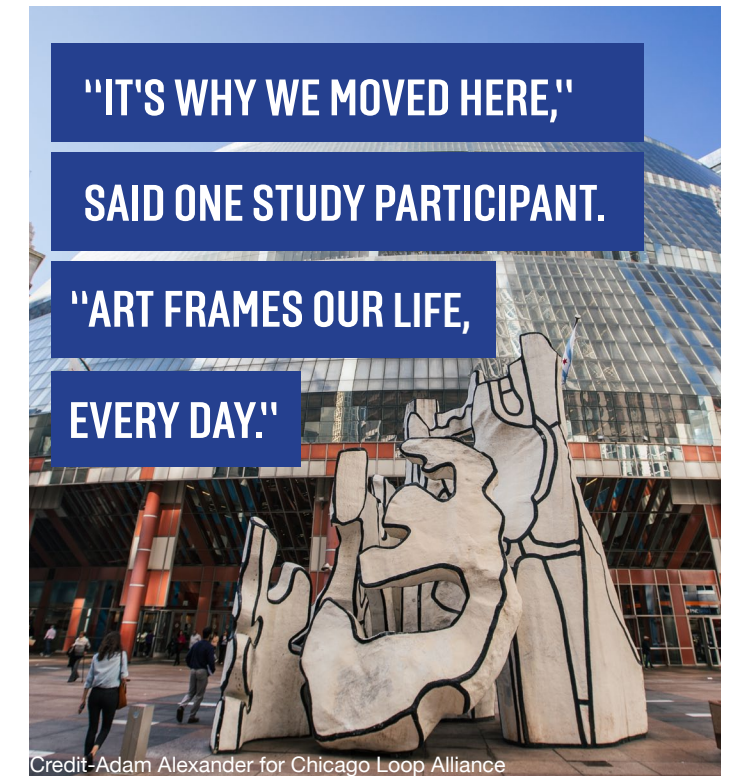


Credit-Adam Alexander for Chicago Loop Alliance

While the Theatre District was evolving and Millennium Park was in development, the Auditorium Theatre received a \$13 million grant from the State of Illinois for interior upgrades. The Auditorium – together with Orchestra Hall and Lyric Opera House – had been a consistently brightly lit venue during the ’90s when the nascent Theatre District was being planned. “Between 1990 and 1998, the Auditorium played host to blockbusters like ‘Phantom of the Opera,’ ‘Les Misérables,’ ‘Miss Saigon,’ ‘Crazy For You’ and more than nine months of ‘Show Boat,’” said Auditorium Theatre Chief Development Officer Judie Green. “Many of these productions ran for five to six months at time, helping to keep the Loop alive.”

By 2005 the Theatre District began to exceed even the most optimistic expectation for success. The North Loop Theatre District had become its own destination, featuring the Shubert (now the CIBC), Oriental and Cadillac Palace theaters – all operated by Broadway In Chicago. The Goodman Theatre re-opened at 170 N. Dearborn St. in 2000 with two stages in a 171,000-square-foot facility. And the Gene Siskel Film Center, along with the restored Chicago Theatre, both opened on State Street.

Suddenly, there were more than 1.5 million visitors per year to the district, leading to a rapid expansion of restaurant, retail, hotel and residential development. In short order, the



**"IT'S WHY WE MOVED HERE,"**  
**SAID ONE STUDY PARTICIPANT.**  
**"ART FRAMES OUR LIFE,**  
**EVERY DAY."**

Credit-Adam Alexander for Chicago Loop Alliance

Theatre District became a model of public-private partnership that generated substantive economic activity and tax revenue for the city.

“The Theatre District suddenly impacted everything,” said Broadway In Chicago President Lou Raizin. “To me, two of the most important impacts have been the increased value of real estate and the ability of corporations in the Loop to suddenly start attracting new talent who wanted to be here.” Raizin references studies such as one completed by EY Europe and the Urban Land Institute in 2017, in which access to quality cultural resources was one of the top most frequently listed as “very important, top consideration” drivers of real estate investment world-wide.<sup>3</sup>

(3 Infrastructure 2014: Shaping the Competitive City, Urban Land Institute and EY.)

## MILLENNIUM PARK CAMPUS HELPS SHAPE THE LOOP

It has been 20 years since the concept of the Millennium Park was announced, and today, with its instantly recognizable Frank Gehry-designed Jay Pritzker Pavilion and its iconic twin works of public art – Anish Kapoor’s “Cloud Gate” (affectionately known as “The Bean”) and Jaume Plensa’s “Crown Fountain” – it has become Chicago’s most visited destination.

Millennium Park also brought the Loop a major new venue designed specifically for music and dance, the Harris Theater, and a new home for contemporary art installations, the Boeing Galleries.

Across the street and connected by the stunning Nichols Bridgeway, the Art Institute of Chicago’s Renzo Piano-designed Modern Wing opened in 2009, establishing the Art Institute of Chicago as America’s second largest art museum.

Thanks both to its Modern Wing addition and its neighbor across the street, Millennium Park, the Art Institute of Chicago is now “in the center of the visit” for tourists. Ranked as the top museum in the world by Trip Advisor<sup>4</sup>, the Art Institute of Chicago attracts more than 1.5 million visitors a year. Of paid admissions, 80 percent are tourists, and of those visitors, 35 percent are from outside the United States.

(4 The Art Institute has been ranked among the top four museums in the world for the past 4 years. It achieved the #1 rank in 2014.)

One of the many positive changes seen by the museum is the way visitors approach the Loop as an arts district. “Go to a free concert, walk on the Gehry-designed BP Bridge over to Maggie Daley Park, come for a visit here – it’s easy to connect these cultural experiences because of the proximity,” said Nora Gainer, Director of Tourism Marketing and Partnerships at the Art Institute of Chicago. “There is a vibrancy, aided by the new residential developments as well as a series of renovations and new hip hotels and restaurants in the area.” For Gainer, it is the world-class nature of the developments that are key. “We talk about excellence here every day, and we believe that permeates throughout the Loop.”



The School of the Art Institute has itself expanded, now occupying 10 Loop buildings beyond the Art Institute complex, including the Gene Siskel Film Center on State Street.

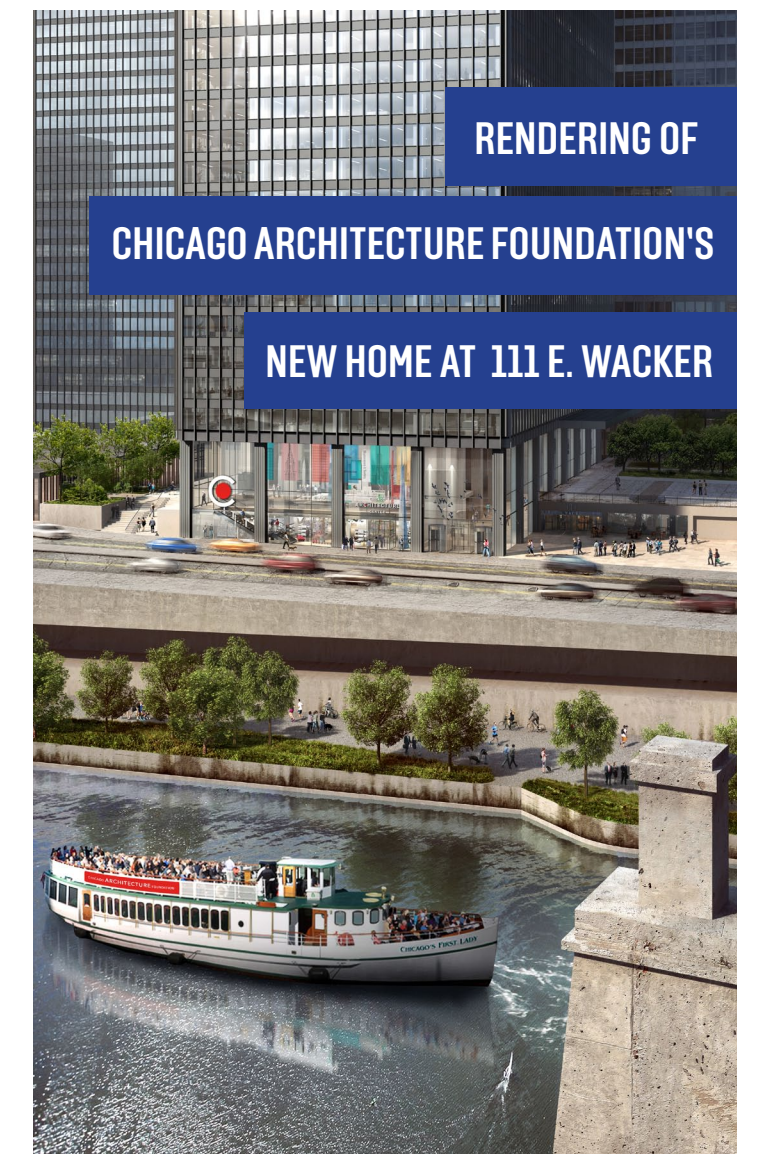
Orchestra Hall expanded to become Symphony Center, adding a second performance venue within its National Historic Landmark building. Anchoring the Loop cultural district on the west, Lyric Opera House continued to evolve with world-class operatic programming since it opened in 1929. On State Street, Joffrey Tower was completed in 2008 in the heart of the Loop’s historic Retail District and features 53,000 square feet of studio, education and operations space.

## STILL EVOLVING AND GROWING

Far from finished in its expansion as a cultural district, the Loop in 2017-18 welcomes two major new museums: The American Writers Museum, which in its first year won a USA Today Reader’s Choice Award as a museum destination, and the Chicago Architecture Foundation, will move to a more central Loop location at 111 E. Wacker Drive.

Public art will also continue to grow its footprint of major installations. By fall, Loop visitors will benefit from the new “Art on theMART” light installation that, while located high on Merchandise Mart, will beam video images and artwork to viewers in the Loop.

“It is important to keep in mind that the Loop’s evolution as a cultural district isn’t done,” said Kate Welham, Senior Director of Institutional Giving and Development Operations at the Goodman Theatre. “A misconception that I encounter is that the Loop – and the organizations that call it home – is complete, finished. In reality, as the Loop attracts more and more attention and audiences, organizations do more programming and take new risks. Arts in the Loop today operate on a world stage.”



# THE LOOP BELONGS TO EVERYONE

One of the reasons behind the Loop's success is that it "belongs to everyone," in the words of one of this study's survey respondents. "Accessibility is something that I see Chicago striving for and succeeding in time and time again. By making art in the Loop accessible and public, it makes people curious for more."

One of the major institutions ensuring arts experiences are accessible to all is the City of Chicago's Department of Cultural Affairs and Special Events (DCASE). DCASE is headquartered in the Chicago Cultural Center at 78 E. Washington St., a building just west of Millennium Park that is in itself a public art and architecture asset. DCASE produces and markets the city's cultural assets to a worldwide audience and presents free and affordable cultural programs, including many in the Loop, like the free Chicago Blues, Chicago Jazz and Chicago

House Music festivals, Summer Film Series and more in Millennium Park.

DCASE Commissioner Mark Kelly was appointed in 2016 by Mayor Rahm Emanuel to lead the department in guiding the city's future cultural and economic growth via its 2012 Chicago Cultural Plan.

DCASE has named 2018 the Year of Creative Youth and has built programming around the theme of encouraging young people to become involved with the arts, including a collaboration with Chicago Loop Alliance in which young artists will interpret historical banner design to be displayed on State Street and will also have a hand in the programming of Lightscape, CLA's light and sound installation that creates vivid patterns of color choreographed to audio along State Street.

The idea that the arts in the Loop are for everyone is reflected in the wide demographics of individuals who are able to enjoy these cultural assets.

The Gene Siskel Film Center's Executive Director Jean de St. Aubin noted that the "Loop is not seen as any one ethnic group's neighborhood, but Chicago's neighborhood, which makes it an attractive location for our many international film festivals such as the Black Harvest Film Festival, which celebrates filmmaking from the African diaspora." Now in its 24th year, the attendance for the BHFF grows each year, bringing people from Chicago's diverse neighborhoods to the Loop and attracting audiences from the drive-distance cities like Milwaukee, Gary, Indianapolis and St. Louis.

"It is," noted one visitor, "a free museum."

Chief among the ways the Loop succeeds as a "free museum" is by virtue of its architecture. Lynn Osmond, president and CEO of the Chicago Architecture Foundation, said, "We really are the world's largest cultural district," and architecture is a major part of it.

"Architecture is one of the defining characteristics of the Loop, going back to the early Chicago skyscrapers. Right

FREE

MILLENNIUM PARK

PROGRAMMING

YEAR-ROUND



Credit - Patrick L. provided by DCASE

now, Chicago architects are building the largest buildings in the world, all over the world" – something to contribute to the Loop's cultural district brand. She noted, "Architecture and design are fundamental to the Loop as a cultural district, fundamental to our brand." Indeed, the Financial Times of London recently called Chicago "perhaps the most architecturally aware city in the world," and the Loop's architecture is its epicenter.



THE CHICAGO CULTURAL CENTER

DCASE Chicago Architectural Biennial Chicago Cultural Center  
Credit-Spencer McNeil

# YOUNG ARTISTS IN THE LOOP

The Loop is also defined by youth – its young artists enrolled at Joffrey Ballet’s academy, the School of the Art Institute of Chicago and others. “We have 400 students a day popping in and out of our studios at Randolph and State,” said Joffrey Executive Director Greg Cameron. “Youth is one of the great changes in the Loop.” There are 3,000 undergraduate and graduate art students at the School of the Art Institute, living in student housing located on State, Wabash, Madison and Van Buren. Loop arts students also include those at the American Academy of Art, which dates its Loop presence back to 1923.

Hundreds of additional arts students flock to the Loop for summer intensive programs, and suburban universities are now offering Loop-based arts intensives that include internships at Loop institutions.<sup>5</sup> Youth performing arts ensembles in the Loop are also plentiful, including the Chicago Youth Symphony Orchestras and the Chicago Children’s Choir.

The Civic Orchestra of Chicago, founded in 1919 as a part of the Chicago Symphony Orchestra portfolio, is one of the premier pre-professional orchestras in the world, and its collegiate performers from throughout Chicago rehearse weekly

(5 Lake Forest College’s Arts and Experience in the Loop Semester – Long Arts Learning Program)

and annually perform 30 free concerts at Orchestra Hall within Symphony Center. Today, they are a part of the Negaunee Music Institute, a program of the CSO that itself serves thousands of students and community members each year. Students benefit from working with international artists like cellist Yo-Yo Ma and conductor Riccardo Muti.

Meanwhile, across the Loop at Lyric Opera House, for the past 40 years, the Patrick G. and Shirley W. Ryan Opera Center has prepared young opera singers for careers on the international stage, each year auditioning singers from around the globe to come to the Loop in one of the highest ranked professional training programs in the international opera world.



Credit - James John Jetel for Chicago Loop Alliance

In January 2016, the Goodman Theatre completed construction on the Alice Rapoport Center for Education and Engagement, a 10,000-square-foot arts and community center in the heart of the Loop.

Altogether, there are well over 6,000 young artists – singers, filmmakers, architects, designers, dancers and musicians – practicing their art in the Loop every day. Thousands more come into the Loop each week on school field trips made possible by every one of the Loop’s arts organizations.

The CSO alone performs 40 concerts expressly for students in Chicago’s schools, bringing 40,000 students a year, from 175 schools, into the Loop for the arts. The Auditorium Theatre brings 11,000 students from the Chicago Metropolitan area into performances and boasts Creative Engagement programs including the ArtsXChange Teacher Professional Development Program serving 24 teachers and 600 students annually.

The Goodman provides free tickets, enriched learning opportunities and intensive training for 3,000 local high school students per year. Lyric Opera brings in more than 6,000 students a year to see performances at Lyric Opera House. The City of Chicago’s Department of Cultural Affairs and

Special Events annually brings 21,000 students to the Loop for programs at the Chicago Cultural Center. Between them, Arts in the Loop institutions annually serve more than 150,000 students from hundreds of schools throughout the Chicago Metro area.

Their teachers come to the Loop for the arts, too. Teachers from throughout Chicago annually participate in professional development programs at places like the Goodman Theatre, which offers professional development for educators, leaders and activists, and the Art Institute. The museum’s TEAM (Thinking Experiences at the Art Museum) program brings together 4th and 5th grade educators from Chicago Public Schools who learn how to use the museum’s resources in teaching both critical and creative thinking skills.



Clifford Lobby Goodman Theatre credit Steve Hall



# DETERMINING THE ECONOMIC VALUE



The Joffrey Ballet credit-Cheryl Mann

Its high annual visitor count and its depth of arts assets combine to make Chicago's Loop the country's most economically powerful arts district in the United States after Broadway/Times Square.<sup>6</sup> No other arts district in the United States comes close to the Loop. And, because of this, no other arts district – and, indeed, no other city<sup>7</sup> in the United States – comes close to having the impact of the Arts in the Loop.

## METHODOLOGY

The methodology to capture economic value of arts in the loop includes expenditures of the institutions and organizations being studied. It also includes the expenditures of the visitors to these institutions, both on-site (admissions, refreshments) and off-site related to the visit. Off-site impacts include spending by visitors on hotels, restaurants, retail purchases, transportation and more. For a full description and details of methodology please see Appendix A.

(6 According to a Baruch College 2014 study of Broadway, the Broadway Industry as represented by the Broadway theaters/Times Square generate \$11.8 billion annually in economic impact

(7 The Arts and Economic Prosperity V study shows that the City of Chicago as a whole receives greater economic impact than any other American city. The Arts in the Loop study finds that the Loop has greater economic impact than any other city or city-county with populations 1 million+. It also finds that the Loop as an arts district generates greater economic impact through the arts than any other identified arts district in the United States.)

## KEY FINDINGS

Based on institutional spending, visitor spending to institutions and estimated visitor spending related to viewing public art in the Loop, the total economic value of the Arts in the Loop is \$2.25 billion per year.

**THE TOTAL ECONOMIC VALUE OF THE ARTS IN THE LOOP IS \$2.25 BILLION PER YEAR.**

The arts and cultural institutions in the Loop are responsible for generating \$1.4 billion in economic impacts from operations, including payroll, facility, programmatic, production and overhead expenses.

Arts in the Loop visitors are responsible for generating \$846 million in economic impact from their spending. Of this, \$248.9 million is direct expenditure spent on tickets and admissions, and the balance is spent on other items ranging from refreshments, shopping, eating out, parking and hotels. This includes spending off-site by visitors who paid no admission, as calculated above.

The Arts in the Loop annually generate a total of \$40 million in tax revenue for the city and state. The City of Chicago annually benefits from \$6 million in tax revenue generated by Arts in the Loop institution visitors: \$2.5 million in retail and food & beverage tax and \$3.5 million in hotel tax. The State of Illinois collects a total of \$34 million in tax revenue from the Arts in the Loop institution visitors. This includes \$20.2 million in retail, food & beverage and hotel tax generated by Arts in the Loop visitors; and \$14.15 million in income tax.

The Arts in the Loop institutions<sup>8</sup> are responsible for 15,500 FTE Loop jobs each year, resulting in \$493.5 million. These jobs pay on average \$41,000. Eleven thousand nine hundred ninety (11,990) of these jobs are direct jobs, while 2,175 are indirect, and 1,320 are induced jobs from the institutions and their visitors. Arts in the Loop institutions are responsible for providing \$330.9 million in compensation for direct jobs. Another \$162.6 of indirect and induced job compensation is also realized because of the Arts in the Loop.

The Arts in the Loop institution visitors are responsible for driving

(8 This report focuses on the full economic impacts caused directly, indirectly and induced by the Loop cultural institutions and their visitors. A separate calculation is made for indirect impact of non-paying public art/architecture visitors.)

(9 2013 Leisure Visitor Profile for the State of Illinois and the City of Chicago, D.K. Schifflet & Assoc.)

\$63 million in retail sales within the Loop each year. The Arts in the Loop institution visitors are responsible for generating \$113.5 million in revenue for Loop restaurants each year, and for supporting 1,352 jobs in Loop restaurants. Transit and group passenger transportation and parking in the Loop benefits from \$43 million in revenue generated by Arts in the Loop visitors.

Loop hotels benefit from \$78 million in revenue from Arts in the Loop institution visitors, representing 319 hotel jobs. The Arts in the Loop institutions are responsible for \$81.3 million annual impact on Loop real estate, representing 250 real estate jobs.

National and international Arts in the Loop visitors spend \$761.88 per party per visit. This makes them significantly more valuable than the average visitor party that spends \$600 per visit.<sup>9</sup> The average Arts in the Loop visitor comes into the Loop 12 times per year because of the Loop's arts.

Share of Arts in the Loop Visitors Who Live:	
In the Loop	4%
Elsewhere in the City of Chicago	35%
Outside the City of Chicago, in the Metro Area	41%
Elsewhere, US and International	20%
75%	61%
Percent whose reason for the trip To the Loop was the Arts.	National average percent whose reason for trip was the Arts
2.8	2.2
Average size of party, Loop Visitors	Average size of party, National Average
AVERAGE NUMBER OF INSTITUTIONS VISITED ON A TRIP TO THE ARTS IN THE LOOP	
2.2	

## COMPARING ARTS IN THE LOOP ECONOMIC IMPACT TO ELSEWHERE

Economic studies use wide-ranging methodologies, making it challenging to precisely compare study to study. However, it is possible to infer how the Loop stacks up, in general, in comparison to other cities in the U.S. The organization Americans for the Arts conducts periodic economic impact of the arts studies throughout the U.S. with the most recent completed such study announced in

2017.<sup>10</sup> As can be seen on the graph below, total impact includes the direct, indirect, and induced impacts of the Loop arts institutions and their visitors, as well as the indirect impact of public art/architecture in the Loop visitors.

Economic Impact of the Arts by City	Total Impact
Chicago Loop District <sup>11</sup>	\$2,240,000,000
City and County of Philadelphia	\$1,000,000,000
Houston and Harris County	\$1,000,000,000
San Francisco	\$1,400,000,000
Miami-Dade County	\$1,200,000,000
Boston	\$1,300,000,000

(10 Arts and Economic Prosperity Study V, national averages.)

(11 Includes the direct, indirect, and induced impacts of the Loop arts institutions and their visitors, as well as the indirect impact of public art/architecture in the Loop visitors.)

Arts in the Loop generate nearly a half million visitor hotel room nights in the Loop per year. Arts in the Loop institution visitors are responsible for 3.35 million restaurant meals in the Loop per year. And, they are responsible for the equivalent of 3.3 million individual purchases made in Loop retail stores each year.

Loop residents to Arts in the Loop are the second highest per-trip spenders of all Arts in the Loop visitors – exceeding per-trip spending by residents from elsewhere in Chicago or from the Metro area and beyond. They are second in per-trip spending only to national/international visitors, with spending of \$137.58 per visit. At 48 visits to the Arts in the Loop a year, these residents spend more than \$6,600 in the Loop because of its arts each year, attesting to the symbiosis between living in the Loop and partaking of the arts.

## CONSIDERING THE IMPACT OF FREE OUTDOOR ARTS IN THE LOOP

This report focuses on the economic impact of operations and visitation to ticketed or counted-admission events. What if the economic model was extended to include visitors who are beyond this group?

The study was able to identify a sample of visitors who spent nothing on tickets and admissions, but who came to the Loop for the Arts. They are visitors who enjoyed public art such as the Chicago “Picasso” and Calder’s “Flamingo” or self-guided architectural

walking tours like Open House Chicago, or who may take advantage of a visit to historic architecture such as the Fine Arts or Rookery buildings. These visitors spend, on average, \$122.50 per person in refreshments and souvenirs on-site and on off-site meals, retail purchases and parking.

It is possible to calculate this out as impact by using the universe of non-event visitors to Millennium Park or Maggie Daley Park. It would be inappropriate to count all non-event Millennium Park visitors, as the park visitation includes many who may pass through the park frequently to or from other locations in the Loop. A modest hypothesis is to use just 10 percent of the non-event visitors to the park, or 2.1 million visitors, who are in the Loop each year for visits to its public art and architecture. This increases the total indirect economic impact by another \$257 million.

Visitors to the Arts in the Loop are loyal, bring larger parties into the Loop for their visit than the national average and are more likely than the national norm to make their trip primarily for the arts. More visitors to the Arts in the Loop come from outside the City of Chicago than from inside – driving longer distances, taking more time for their trip, incurring more expense. This is powerful testimony to the quality and diversity of programming and the renown of the arts institutions.

To accurately compare the Loop to the impact of the arts in other cities, the researchers removed the reported capital expenditure spending included in the national benchmark study impacts, thus lowering the reported totals.<sup>12</sup> However, it is important to note that the benchmark cities' calculations do not include the impact of for-profit arts or of free arts, each of which would likely increase their comparison numbers if this had been included.

How does the Loop spending by visitors and by institutions compare to national averages?

The following table compares the way Arts in the Loop visitors spend compared to national averages. The strength of the Loop as a retail hub is immediately visible, with a higher proportion of visitor spending going to retail than in the comparison cities of 1 million+ population. The Loop's recent boom of hotels also factors in, with a higher share of overall Arts in the Loop visitor spending going to hotels than in other comparison cities of 1 million+ population.<sup>13</sup> The availability of public transportation is an important factor lowering that cost for visitors to the Arts in the Loop as compared to peer cities.

(12 Ibid)

(13 Data is extracted from Arts and Economic Prosperity V, 2017. Twenty-one cities with population 1 million+ participated in the study and are used as the comparison for the data from Arts in the Loop visitors.)

(14 The percentage of off-site/indirect spending to institutional spending calculated for the Loop includes free modeled "free" public art visitation. It is important to note that the average of 2.2 destinations per visit includes visitors.)who only noted going to free arts: they, too, did multiple visits per trip – i.e. public art plus architecture.)

## ARTS IN THE LOOP PER PERSON VISITOR SPENDING BY CATEGORY

National comparison data shows extremely high visitor off-site spending elsewhere in comparison with the findings for the Arts in the Loop study though revealing less per-person spending than we find here. And, elsewhere in peer markets of 1 million+ residents, studies find 51 percent of total economic impact in any market is due to visitor spending. The Arts in the Loop study shows that 37 percent of the economic value of Arts in the Loop is due to visitor spending separate from admissions. Why so low for the Loop in comparison to elsewhere?

This is because the Arts in the Loop study uniquely captured data showing that each trip to the Loop includes an average of 2.2 arts destinations.<sup>14</sup> Thus, while the total institutional/ticketed visitation count to the Arts in the Loop as reported in this study is

	National Average	Arts in the Loop
Other	2%	1%
Retail	14%	18%
Transportation	13%	12%
Lodging	20%	22%
Restaurants/Meals/Drinks	38%	34%
Refreshments on site	13%	13%

7.4 million – the total number as reported by the arts institutions on their Form 990 – the economic model was designed to accurately reflect that these aren't 7.4 million individual visits,

but 3.36 million visits that involve, on-average, stops at 2.2 arts venues per visit. It would artificially inflate the off-site spending by visitors to the Arts in the Loop to do otherwise.

Spending	Per Person Visitor Spending for Paid Admissions Visits	Per Person Visitor Spending for Public Art/Architecture Free Visits
Tickets and admissions	\$94.78	
Refreshments on-site?	\$22.09	\$13
Retail	\$64.82	\$30
Restaurant	\$48.69	\$36
Transportation and parking	\$16.25	\$18.50
Hotel	\$157.77	\$25
<b>Total</b>	<b>\$404.40</b>	<b>\$122.50</b>

Source: ArtsMarket, HR&A

## TOTAL UNIQUE VISITOR SPENDING

Spending by Visitors to Ticketed Loop Arts Destinations	Total Unique Visitor Spending
Tickets and admissions	\$248,867,872
Refreshments on-site	\$41,831,796
Retail	\$63,358,792
Restaurant	\$113,516,024
Parking and local transportation	\$43,318,856
Hotels	\$77,925,225
<b>Total</b>	<b>\$588,818,564</b>

Source: ArtsMarket, HR&A Analysis

Spending by Visitors to Public Art and Architecture	Total Unique Visitor Spending
Refreshments on-site	\$27,300,000
Retail	\$63,000,000
Restaurant	\$75,600,000
Parking and local transportation	\$38,850,000
Hotels	\$52,500,000
<b>Total</b>	<b>\$257,250,000.00</b>

Source: ArtsMarket

### SUMMARY OF INSTITUTION VISITOR SPENDING IMPLAN INPUTS

Spending	IMPLAN Sector Description	% of Spending	Total Unique Visitor Spending by IMPLAN Code
Tickets and admissions	Performing arts companies	36%	\$89,592,434
	Museums and historical sites	63%	\$156,786,759
	Support organizations	1%	\$2,488,679
Refreshments on-site	Performing arts companies	36%	\$15,059,446
	Museums and historical sites	63%	\$26,354,031
	Support organizations	1%	\$418,318
Retail in the Loop	Retail – General merchandise stores	100%	\$63,358,792
Loop Restaurant	Full-service restaurants	52%	\$59,028,332
	Limited-service restaurants	39%	\$44,271,249
	All other food and drinking places	9%	\$10,216,442
Ground/train transportation and parking	Transit and ground passenger transportation	100%	\$43,318,856
Hotel	Hotels	100%	\$77,925,225
<b>Total</b>			<b>\$588,818,564</b>

Source: ArtsMarket, U.S. Census Bureau, 990 Forms, HR&A

One of the Loop’s many strengths as an arts district is the variety of arts institutions that call it home. Museums and performing arts venues in the Loop are joined by numerous support, membership and advocacy organizations that also are a part of the economic impact of the Arts in the Loop story.

### SUMMARY OF INSTITUTIONAL SPENDING IMPLAN INPUTS: VARIETY OF ARTS IN THE LOOP INSTITUTIONS

IMPLAN Sector Description	Institutional Spending: Operations	Total Employees
Performing arts companies	\$233,116,584	5,934
Museums and historical sites	\$284,885,327	3,983
Support orgs	\$39,754,337	2,282
<b>Total</b>	<b>\$557,756,248</b>	<b>12,199*</b>

Source: ArtsMarket Analysis of 990 Forms, HR&A

\*Direct jobs do not equal the total number of employees listed above due to the conversion of full time and part time jobs to full time equivalent (FTE) jobs.

### SUMMARY OF ECONOMIC IMPACTS FROM OPERATIONS: LOOP ARTS INSTITUTIONS <sup>15</sup>

Economic Output, 2016\$	
Direct	\$882,450,000
Indirect	\$327,550,000
<u>Induced</u>	<u>\$227,300,000</u>
<b>Total</b>	<b>\$1,437,300,000</b>

	Jobs (FTE)	Total Compensation	Average Compensation
Direct	11,990*	\$330,900,000	\$28,000
Indirect	2,175	\$92,900,000	\$43,000
<u>Induced</u>	<u>1,320</u>	<u>\$69,700,000</u>	<u>\$53,000</u>
<b>Total</b>	<b>15,485</b>	<b>\$493,500,000</b>	<b>\$41,000</b>

Source: ArtsMarket, HR&A Analysis

(15 This includes nonprofit, educational (i.e. School of the Art Institute of Chicago), government (DCASE), and for-profit.)



## TAX IMPACTS

The City of Chicago and the State of Illinois derive fiscal impacts because of the operations of arts and cultural institutions in the Loop. Fiscal revenues quantified in this analysis include 1) sales and restaurant taxes, 2) hotel taxes and 3) income taxes (for the State of Illinois only). The City of Chicago also levies additional taxes and fees.

## SALES IMPACTS

To project sales taxes, the study applied the City's 1 percent sales and use tax rate for on-site purchases and shopping in the Loop, and 1.25 percent tax rate for food and beverage-related purchases as the City levies an additional 0.25 percent restaurant tax. HR&A applied the State's 6.25 percent tax rate for all retail and F&B expenses.

## SALES TAX REVENUE BY RETAIL TYPE

Use	Chicago		Illinois	
	Tax Rate	Fiscal Impact	Tax Rate	Fiscal Impact
Retail	1.00%	\$1,051,906	6.25%	\$8,574,988
F&B	0.25%	\$1,418,950*	6.25%	\$7,094,752
<b>Total</b>		<b>\$2,470,856</b>		<b>\$15,669,740</b>

Source: [The City of Chicago](#), [The State of Illinois](#), ArtsMarket, HR&A

\* This number is conservative as some on-site purchases, which were only calculated at a 1% tax rate, may have occurred at a museum café and could have been subject to the 1.25% tax rate.

## HOTEL TAXES

Chicago's 4.5 percent hotel tax and Illinois' 6 percent hotel tax are applied to room revenues. To derive room revenues from the ongoing operations of Chicago's arts and cultural institutions, HR&A relied on data collected through the ArtsMarket survey that focused hotel spending.

## HOTEL TAX REVENUE

Use	Chicago		Illinois	
	Tax Rate	Fiscal Impact	Tax Rate	Fiscal Impact
Hotel	4.5%	\$3,506,635	6.00%	\$4,675,513
<b>Total</b>		<b>\$3,506,635</b>		<b>\$4,675,513</b>

Source: [The City of Chicago](#), [The State of Illinois](#), ArtsMarket, HR&A

## INCOME TAXES

The City of Chicago does not levy an income tax, so income tax revenues were only calculated for the state. To derive income tax revenues, HR&A applied the state's 4.95 percent tax rate to the direct compensation earned by workers at the cultural institutions in the Loop.

## INCOME TAX REVENUE

	Chicago		Illinois	
	Tax Rate	Fiscal Impact	Tax Rate	Fiscal Impact
Income	N/A	-	4.95%	\$14,147,100
<b>Total</b>		<b>-</b>		<b>\$14,147,100</b>

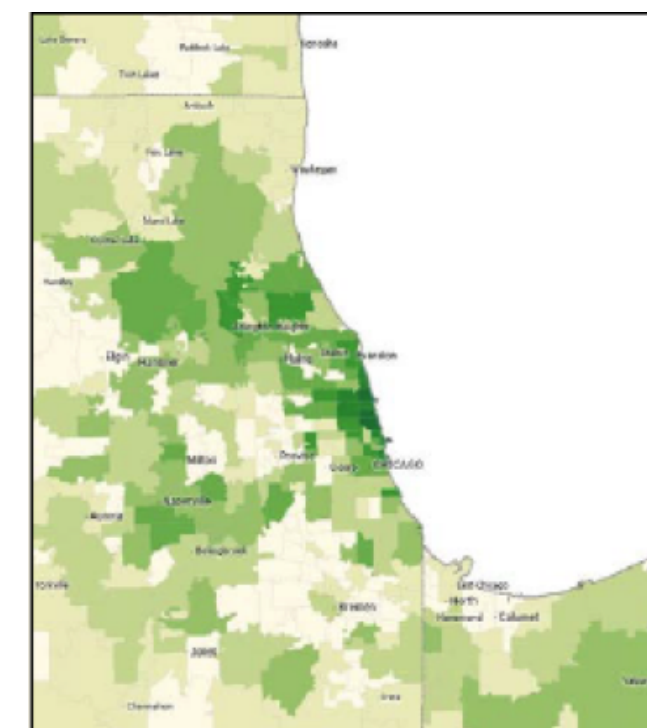
Source: [The State of Illinois](#), IMPLAN, HR&A Analysis

## SUMMARY OF FISCAL IMPACTS

	Chicago	Illinois
<b>Sales Tax</b>	<b>\$2,470,856</b>	<b>\$15,669,740</b>
Retail	\$1,051,906	\$8,574,988
F&B	\$1,418,950	\$7,094,752
Hotel Tax	\$3,506,635	\$4,675,513
Income Tax	-	\$14,147,100
<b>TOTAL FISCAL IMPACT</b>	<b>\$5,977,491</b>	<b>\$34,492,353</b>

## WHO COMES? WHERE ARE THEY FROM?

Survey respondents from the MSA by density of respondents



Visitors who come from a greater distance, not surprisingly, spend more per trip, making their visits especially valuable. This, coupled with their frequency of 12 visits per year, shows the power of the Loop's arts institutions in driving such high-frequency, high-value visitors.

Note: The darker green areas indicate the areas of greatest Loop visitors.

Source: ArtsMarket

## PER PERSON VISITOR SPENDING BY ZIP CODE

Spending	Loop Zip Codes	City Zip Codes	MSA Zip Codes	Other Zip Codes
Tickets and Admission	\$75.37	\$58.31	\$65.51	\$93.49
Refreshments on site	\$9.99	\$9.33	\$10.04	\$17.03
Retail	\$23.22	\$11.90	\$12.36	\$32.11
Restaurants	\$20.31	\$21.37	\$25.72	\$51.32
Transportation and Parking	\$4.03	\$6.91	\$9.07	\$21.36
Hotel	\$4.67	\$3.03	\$6.38	\$56.79
<b>Total</b>	<b>\$137.58</b>	<b>\$110.85</b>	<b>\$129.08</b>	<b>\$272.10</b>
Visitor Responses Used for Analysis	299	2,568	5,258	2,450

Source: ArtsMarket, HR&A

Note: ZIP codes on this table are inclusive, meaning that City ZIP codes include ZIP codes in the Loop and elsewhere in the City, and MSA ZIP codes include ZIP codes in the Loop, City and remainder of the MSA.

Visitors to the Arts in the Loop who come 10 times a year or less are more likely to splurge a bit more. They spend 27 percent more on retail, 30 percent more on restaurants and nearly 40 percent more on parking and ground transportation. High-frequency visitors make up for it by their frequency, including a sizable share of visitors who attend the arts 50 or more times a year.

## PER PERSON VISITOR SPENDING BY FREQUENCY

Spending	1-10 visits per year	11-49 visits per year	50+ visits per year
Tickets and Admission	\$89.70	\$74.64	\$64.94
Refreshments on site	\$15.30	\$11.00	\$11.03
Retail	\$23.35	\$18.10	\$17.84
Restaurants	\$42.41	\$29.20	\$28.01
Transportation and Parking	\$17.65	\$11.04	\$6.92
Hotel	\$37.45	\$9.17	\$3.25
<b>Total</b>	<b>\$225.86</b>	<b>\$153.15</b>	<b>\$132.00</b>
Responses	3,521	1,245	706

Source: ArtsMarket, HR&A

Visitors with wide ranging budgets can come to the Arts in the Loop and find a range of ways to experience the arts. An Arts in the Loop film visitor can spend an average of only \$53 including transportation, retail, food and more, while a visitor to a festival may spend \$132, and a visitor to the performing arts may spend, on average, \$146.

## PER PERSON VISITOR SPENDING BY TYPE OF INSTITUTION

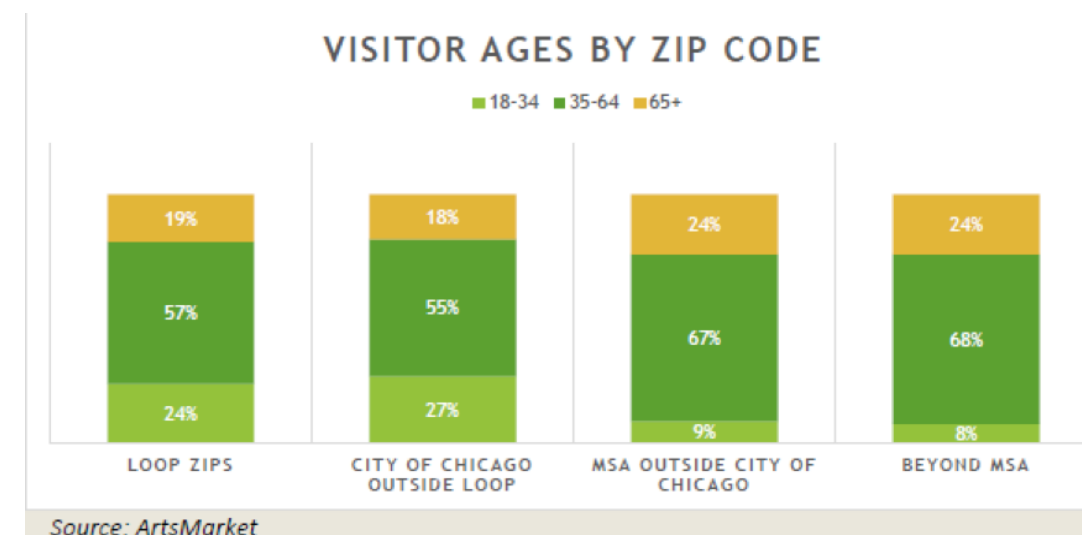
Spending	Performing Arts Only	Museums Only	Civic Institutions Only	Architecture Only	Film Only	Festivals and Other Entertainment Only
Tickets and Admission	\$82.34	\$16.67	\$35.89	\$14.19	\$13.63	\$50.18
Refreshments on site	\$8.36	\$12.49	\$7.93	\$6.50	\$5.77	\$11.35
Retail	\$8.10	\$8.16	\$8.07	\$11.42	\$14.68	\$13.01
Restaurants	\$27.44	\$36.06	\$17.22	\$21.38	\$11.69	\$23.35
Transportation and Parking	\$9.75	\$7.77	\$7.30	\$7.09	\$5.48	\$11.07
Hotel	\$10.76	\$10.01	\$5.10	\$18.36	\$1.52	\$23.70
<b>Total</b>	<b>\$146.75</b>	<b>\$91.16</b>	<b>\$81.50</b>	<b>\$78.95</b>	<b>\$52.78</b>	<b>\$132.66</b>
Responses	3,087	301	307	146	51	136

Source: ArtsMarket, HR&A

Note: This table provides per person visitor spending by destination type if the visitor only attended institutions that fall within each category (e.g., only performing arts destinations and no other destinations).

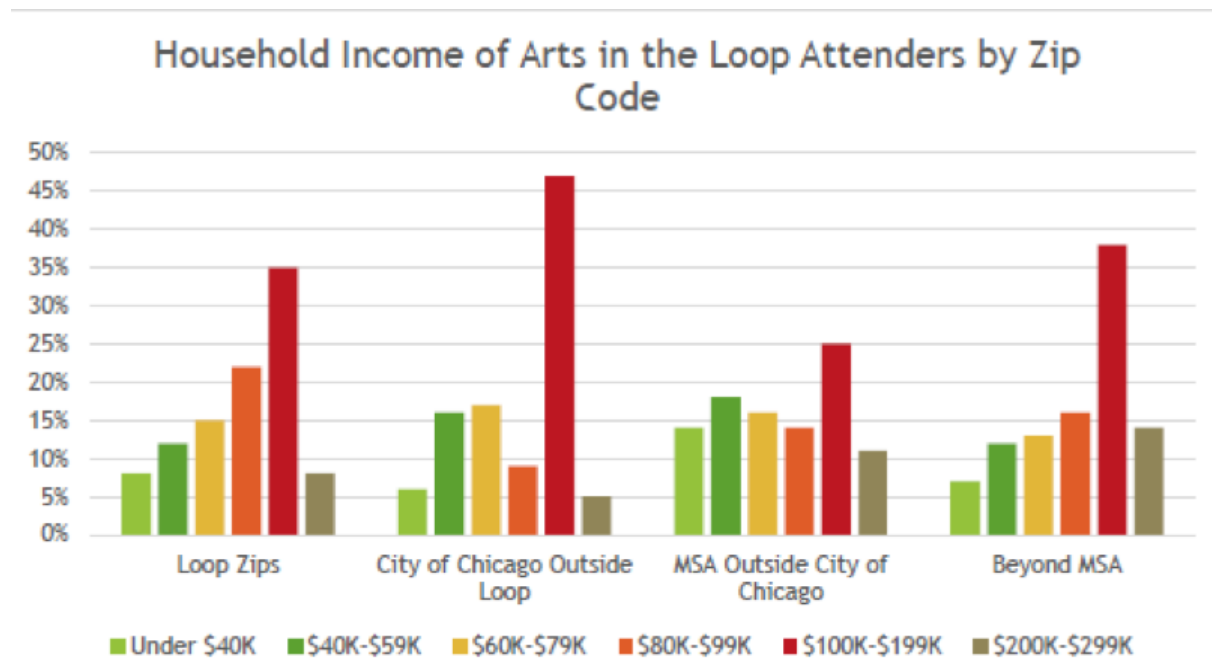
## ARTS IN THE LOOP VISITORS BY AGE

There is a distinct difference between Arts in the Loop visitors who live in the City of Chicago and those who live outside it in the Metro area or beyond. Essentially, visitors to Arts in the Loop who journey into the Loop for the arts are nearly identical in age to visitors who come from longer distances in the United States or beyond. But Arts in the Loop attendees who live in the city, and those who live in the Loop itself, are both decidedly younger. The youngest audience is that from the City of Chicago outside the Loop.

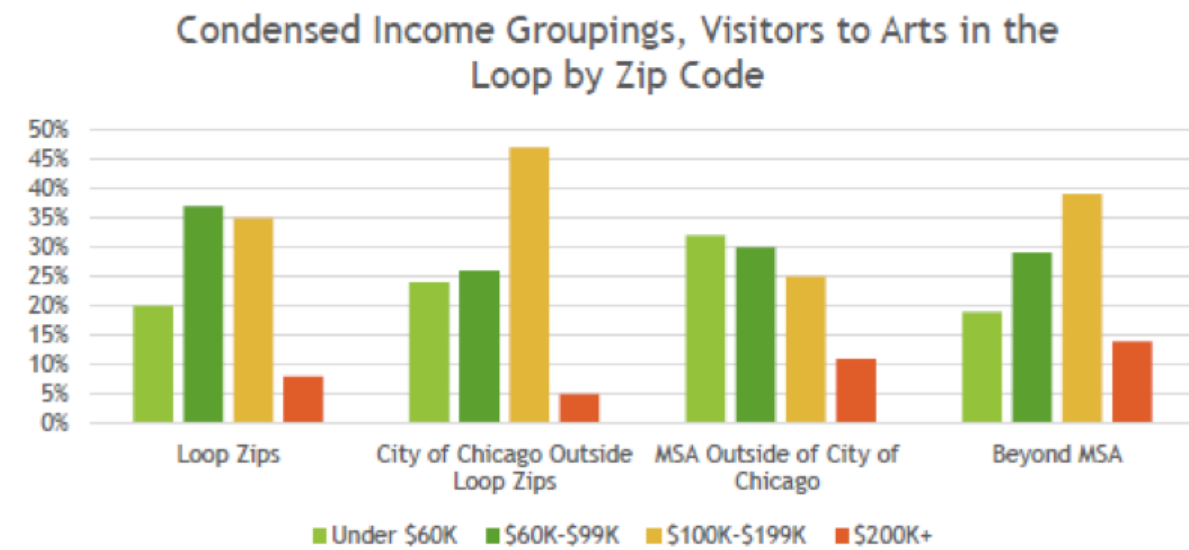


## ARTS IN THE LOOP VISITORS BY HOUSEHOLD INCOME

The profile of Arts in the Loop visitors by household income is fascinating and in many ways counter-intuitive. There is often a perception that attendees to the arts who drive in from the suburbs in any metro area represent the wealthiest visitor segment. For the Loop, however, the metro visitors from outside the city represent the most income-diverse group and the group most dominated by household incomes less than \$60,000. It is important to note that visitors from this geography spend more per visit than those coming from the City of Chicago outside of the Loop, spending more in every category but significantly more in tickets than City of Chicago residents – 11 percent more.

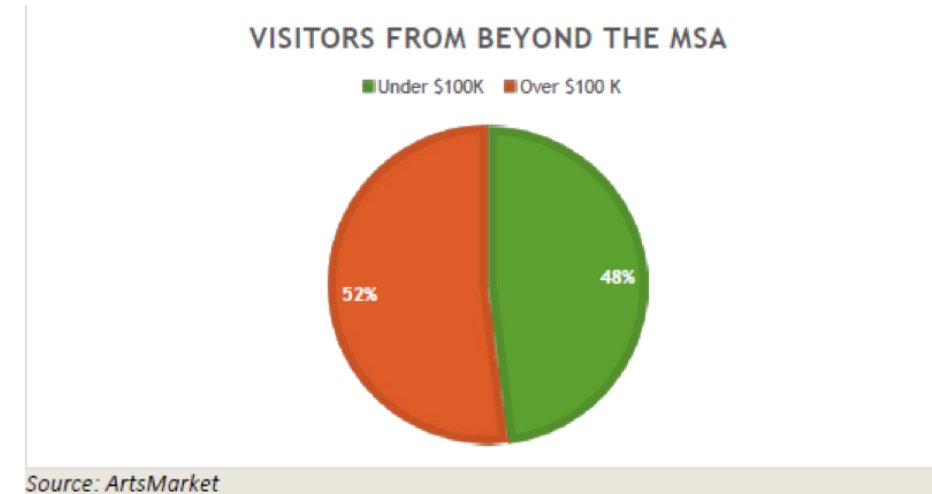


Source: ArtsMarket



Source: ArtsMarket

There is a strong correlation between age and income for the households in the MSA outside the Loop: 65+ households dominate the incomes under \$100,000, showing a retiree population that is drawn into the city. Anecdotal input from the visitor surveys suggest this group is dominated by subscribers and museum members who realize enough savings through these to come into the Loop frequently for the Arts.

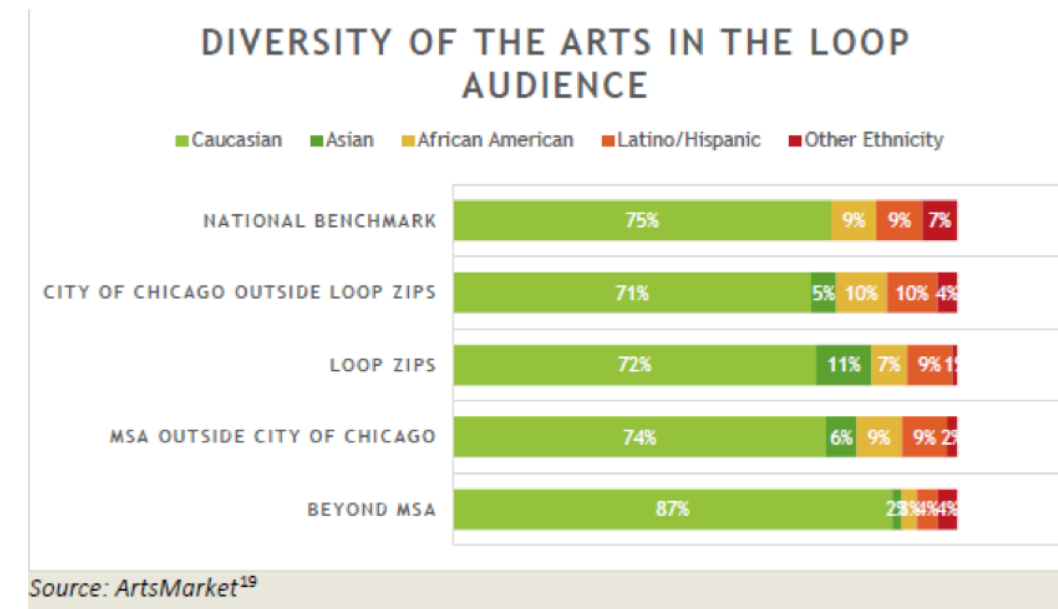


Source: ArtsMarket

It is interesting to note that visitors to the Arts in the Loop from beyond the Chicago Metro area are almost evenly split between households earning less than \$100,000 and those earning \$100,000 or more.

## AUDIENCE DIVERSITY

An exciting characteristic of the Arts in the Loop audience is the significant diversity it represents. All geographic segments of the Arts in the Loop audience except for those coming from beyond the MSA are at least 5 percent more diverse than the national average<sup>16</sup> with the exception of visitors coming from outside the metro area.

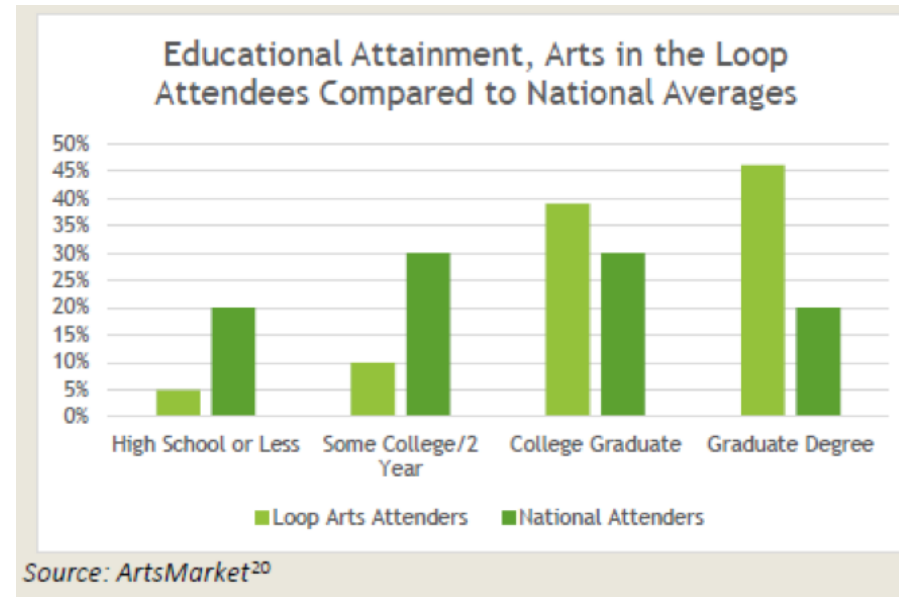


Source: ArtsMarket<sup>19</sup>

Source: The SPPA study does not include Asian ethnicity, simply including

## EDUCATION LEVELS: VISITORS TO ARTS IN THE LOOP

Numerous studies over the past decades have associated high levels of educational attainment with arts participation. The Arts in the Loop study showed that attenders in the Loop have, in general, even higher levels of educational attainment than found in national studies.

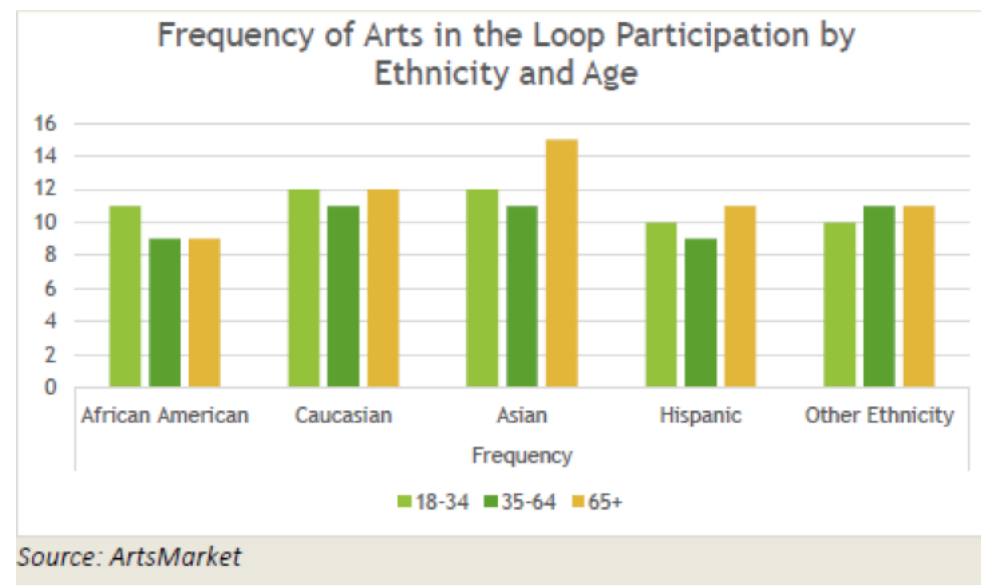


Source: A decade of Arts Engagement, Findings from the Survey of Public Participation in the Arts (SPPA), 2002-2012, National Endowment for the Arts research paper, 2015.

## DIVERSITY, AGE AND FREQUENCY

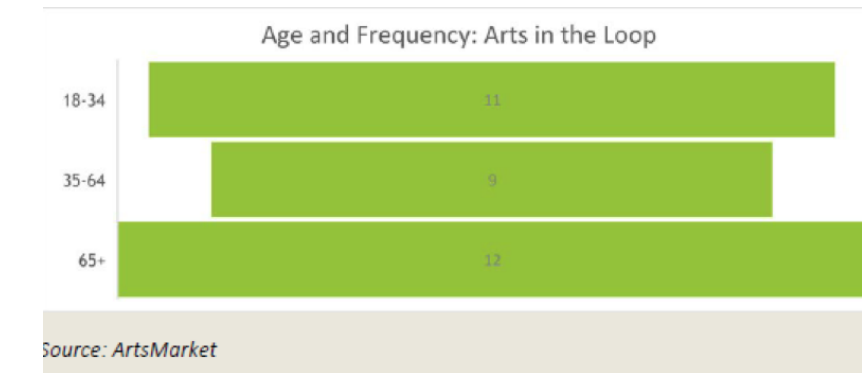
A logical question based on the demographics of Arts in the Loop attendees is the degree to which these demographics influence participation.

There is little difference in frequency of participation by ethnicity, with the sole exception of higher frequency of attendance at Arts in the Loop by Asian attendees over age 65.

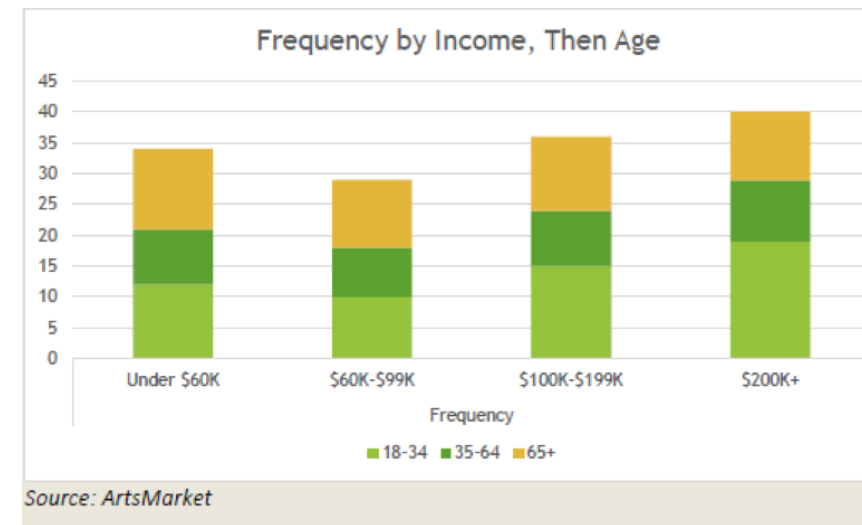


## AGE, INCOME AND FREQUENCY OF PARTICIPATION

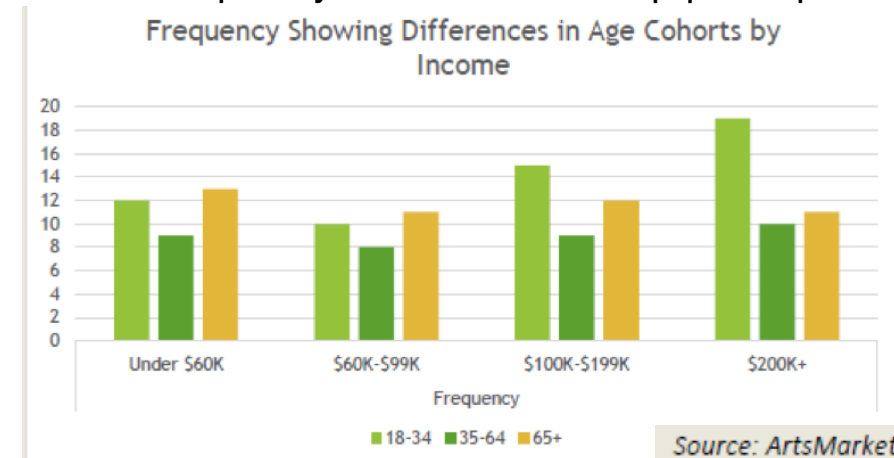
Younger and older arts audiences come to the Loop more frequently than those in the middle.



Frequency can be shown in two ways, by age and by income:



This shows the high importance of affluent young attenders in shaping the overall frequency of Arts in the Loop participation.



In sum, the Arts in the Loop – as well as the overall economy of the Loop – are benefiting from the young affluent who live in the Loop and in the City of Chicago. While national data such as SPPA find that older attenders over age 65 are consistently the most frequent attenders, the Arts in the Loop prove that the young audience is a significant factor driving economic impact.



# APPENDIX

**A** **METHODOLOGY**

**B** **PARTICIPATING ARTS ORGANIZATIONS**

**C** **STUDY BOUNDARY MAP**

There are two primary ways to capture economic value. The first is the expenditures of the institutions and organizations being studied. The second is the expenditures of the visitors to these institutions, both on-site (admissions, refreshments) and off-site related to the visit. Off-site impacts include spending by visitors on hotels, restaurants, retail purchases, transportation and more.

These impacts translate into additional impacts. For example, it is possible to count the total direct jobs made possible by the institutions themselves – their payrolls of full- and part-time workers. The off-site spending by visitors also creates and sustains jobs in restaurants, retail stores, hotels and more. The spending of the institutions themselves on services and supplies adds to the jobs made possible.

Tax revenue to the city and the state is part of the economic impact generated. This includes admission tax, income tax on jobs and sales tax.

There are three areas of impact: direct, indirect and induced.

Direct impact is the actual institutional spending – their payroll, the programs they produce and the related costs of operating their buildings. Direct impact of visitors attending an event is the visitor spending on the ticket for the event.

Indirect impact is the second layer of impact. The Arts in the Loop, for example, found that the Loop's arts institutions spend \$18 million a year on Loop-based advertising and marketing. Likewise, indirect spending by a visitor to the Arts in the Loop would be spending on a meal out, on parking or on purchasing something related to the visit to the arts.

Induced impact is the third layer of impact. This is the economic benefit that is created by both the direct and indirect spending combined. For example, the publication in which an Arts in the Loop ad is placed hires people to lay out the ads; this is an impact induced by the Arts in the Loop. A restaurant that benefits from Arts in the Loop attendees who eat out prior to a show is able to hire more wait staff because of the volume of meals served; this is an induced impact.

Leakage is an important element of induced impact. When a visitor to Arts in the Loop stays outside of the Loop as compared to a Loop hotel, the value of that expenditure is lost to the Loop. When a Loop arts organization spends money on services or materials they can't purchase in the Loop, that expenditure is lost to the Loop. However, if the service or product can be purchased within the Loop, that expenditure becomes a part of the indirect and induced spending that directly benefits the Loop.

## MODELING IMPACT

There are numerous ways to model impact – i.e. to calculate the layers of impact, jobs created and so on. The Arts in the Loop researchers employed the IMpact analysis for PLANing (IMPLAN) input-output model, an industry-leading tool utilized by public and private sector organizations across the United States, to analyze the operational economic impacts of cultural institutions in Chicago. The model works by tracing the pattern of commodity purchases and sales between 536 industries within the specified geography – in this case a unique geography created using all the ZIP codes in the City of Chicago – for each dollar of spending in the economy.

## UNIQUE STUDY DESIGN

Few economic impact of the arts studies include data reflective of all sectors of the arts in a region. This study has. Typically, for-profit arts presenters are left out, which is a particular void in a city like Chicago, in which Broadway In Chicago serves an annual audience of 1.6 million. Typically, arts economic impact studies use as their information sample audiences who complete paper surveys within venues they are attending. This means there is no opportunity to capture information from visitors who come into a city for the experience of public art, enjoying a park like Millennium Park or who explore historic architecture. The Arts in the Loop study included

data collection from the for-profit arts and their audiences and collected visitor information from those who didn't purchase tickets or attend ticketed-or-counted-admissions events.

Standard arts economic impact studies use organizational questionnaires to collect information from participating arts organizations and include items that could be construed to inflate the economic activity of the sector. For example, most ask organizations to calculate the number of hours of volunteer time, assign an hourly value to this time and include it within the organizational spending even though it is not a real expenditure, as a way of demonstrating the value of volunteerism in furthering the organizations' abilities to deliver services. By adding this in, organizational budgets can become inflated, leading to overstatement of both direct and indirect impacts. Similarly, standard arts impact studies include capital expenditures.

To construct the model for the Arts in the Loop analysis, this study design was based data reported by each organization to the IRS using the IRS Form 990s as filed by all the nonprofit cultural organizations in the Loop. Exact parallel data was obtained from government and for-profit institutions. This data provided consistent categories of institutional spending data along with visitation and employee count information.

Because standard arts economic studies rely on audience surveys, the sample used to model visitor spending and its related impacts can be very small in proportion to the universe. This can yield unreliable results. There are also greater difficulties administering such surveys in museums, where visitors move rapidly through lobbies, as compared to performing arts venues, where visitors can complete surveys prior to the curtain or during intermission, typically leading to significant under-representation of museum visit data. The Arts in the Loop study sought a much larger and more reliable sample on which to base visitor spending calculations by using a survey embedded on the Chicago Loop Alliance website and widely promoted for a multi-month period.

To notify audiences of the survey, email blasts were sent by all the Loop arts institutions informing their ticket buyers of the survey. In addition, redirects from their ticketing pages, as well as banner advertising on arts information sites, were employed to ensure significant response rates. Using this, a total of 12,161 surveys were submitted by Arts in the Loop visitors between October 15, 2017, and January 15, 2018.<sup>1</sup> Eligible surveys were those reflecting a visit to the Arts in the Loop between these dates, containing ZIP code and correctly inputted information on spending, as well as additional information responding to questions about

public art, overall impressions of the Arts in the Loop, number of visits to the Loop for the arts over the course of a year and basic demographics. The survey responses were cleaned and standardized for analysis. Multiple surveys from the same email were rejected.

The researchers sought a response pool of 4,145 to obtain a 2 percent margin of error and a 95 percent confidence rate. The actual response pool totaled over 12,000, which allowed the researchers to use subsets of the responses by geography, demographics and participation, with a high level of confidence.

### ARTS IN THE LOOP RESPONSES USED IN THE ECONOMIC ANALYSIS

As compared to other non-audience surveying methods – i.e. phone or mail – researchers in recent years have found that the response rates and completion rates for web-based surveys are generally higher than for mail or phone surveys.

Question	Total Responses	Responses Used
Ticket and Admission spending responses	12,161	8,856
On-site refreshments or souvenir spending responses	12,161	8,210
Retail expenditure responses	12,161	5,413
Restaurant expenditure responses	12,161	7,645
Ground and rail transportation expenditure responses	12,161	8,294
Airfare expenditure responses	12,161	2,243
Hotel expenditure responses	12,161	3,000
<b>Total responses used</b>		<b>43,661</b>
<b>Average responses used</b>		<b>6,237</b>

(1 This compares to a total of 824 surveys which were collected from 400 arts organizations throughout the City of Chicago in the recently completed Arts in Economic Prosperity V national study of arts economic impact.)

Demographically, researchers find that there is a slight difference among older respondents, with elderly respondents less like to take web-based surveys. In a web-based survey, consideration must be given to sampling and weighting to be certain that the responses mirror the universe. In the Arts in the Loop study, the responses used generally mirror the overall annual visitation reported by Arts in the Loop organizations. Seasonality was a factor influencing the respondents. Because the survey was conducted in late fall and early winter, it was not a surprise that the share of respondents who may be attendees to summer programming at Millennium Park was significantly lower than the share these attenders represent of the universe. Holiday programming likewise needs to be taken into consideration, insofar as respondents who had just attended a performance of “The Nutcracker,” “A Christmas Carol” or a holiday concert may have led to slight over-representation of attendance at venues offering these programs. Respondents who noted they attended the Art Institute are over-represented because more than 40 percent of these respondents noted going somewhere else in association with their visit to the Art

Entity	Share of Universe of Ticketed/Counted Attendances	Share of Respondents
Broadway In Chicago	14%	22%
Art Institute of Chicago	15%	27%
CSO	5%	8%
Goodman	3%	9%
Lyric	3%	8%
Auditorium	1%	4%
Other Indoor Theatres/Venues	2%	3%
Outdoor Performance Venues	37%	17%
Library/Cultural Center	18%	4%
Film	1%	1%
Other	1%	>.5%

Institute – a play, concert, opera or other museum.

Is it possible that the study either inflated or under-estimated the economic value of the audiences attending the Arts in the Loop? This is not likely, because the researchers applied the average spending by visitors to each type of entity to the total annual count of visitors from that entity over a 12-month period. Thus, the respondents who reported they attended a specific venue or type of programming during 2017 – i.e. dance – were used as the sample for all those who attended that form during the year.

Finally, national arts economic studies reject information from visitors who say their travel party spent more than \$500 as a result of attending the cultural event. This is unrealistic and undervalues the high impact of major destination performing arts venues. A single main floor opera ticket to Lyric Opera can be more than \$500; a party visiting Broadway In Chicago during the run of “Hamilton” could easily report spending \$1500 for their party. High spending on admissions leads to higher spending on meals and retail/souvenirs, as well as leads to visitors who stay overnight at a

Loop hotel because they have come to the city specifically for the ticketed show. The Arts in the Loop study captured this spending.

# PARTICIPATING ARTS ORGANIZATIONS

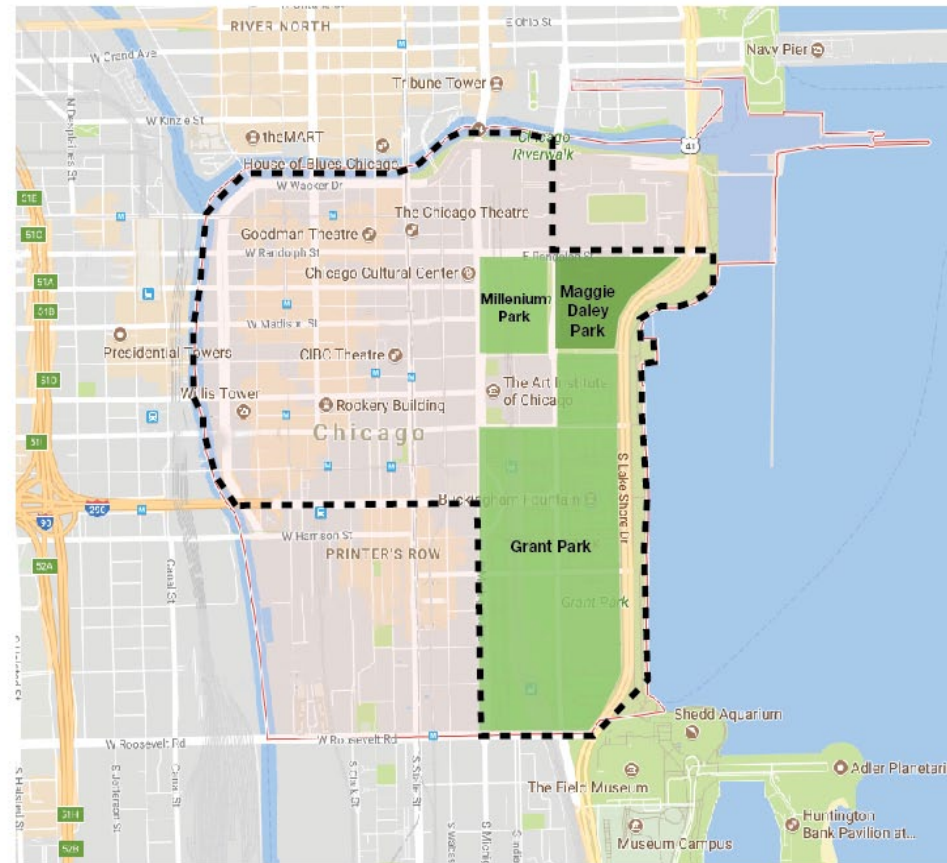
## APPENDIX B

Hands of Peace	The Loop	Civic Opera House Pediment	Federal Reserve Bank of Chicago Money Museum	DuSable's Journey	Gallery 37 Center for the Arts
Chicago Totem	LaSalle Corridor with Holding Pattern	Two Deer/The Fawn	Willis Tower	Untitled (Two Heads)	Miro's Chicago
Lobby	Daedalus and Icarus	Untitled Sounding Sculpture	Arts and Artisans	Events in the Life of Harold Washington	Chicago Sinfonietta
Hyatt Kinetic Art Panels	Repose in Amber	Sculpture/Sonambients	Petrillo Music Shell	Carriona Figure No.2	Chicago Opera Theatre
American Institute of Graphic Arts Sculptures	Spirit of Electricity	Reflections	Broadway In Chicago/ Oriental Theatre	The Winner	Illinois Arts Alliance
Prudential Building Logo	Tablet	Poster Plus	Vietnam Veterans Memorial	Spinning Head	Irv Kupcinet Memorial
Glass Panels	City Hall Relief #1	Blown Glass Sculpture	Music of the Baroque	Collaborative painting	Hilton Photo Project
The Joffrey Ballet	City Hall Relief #2	Dawn Shadows	International Music Foundation	Studebaker Theater	Hilton Photo Pproject Part 2
American Academy of Arts and Letters Trust	City Hall Relief #3	Boeing Gallery	Radiant I	Blair Thomas & Co Puppeet Theatre	Fulcrum Point New Music Project
Music and Dance Foundation	City Hall Relief #4	Millenium Park	International Horn Society	Cerque Rivera Art Experience	Signums Papermakers Garden
Lines in Four Directions wall	We Will	Jay Pritzker Pavillion	Buckingham Fountain	Chicago Human Rhythm Project	The Town-Ho's Story
Chicago Design Museum	Winged Victory	Cloud Gate	Larca Gallery	Chicago Youth Symphony Orchestras	Three Lawyers and a Judge
Monument with Standing Beast	Chicago Board of Trade Building	Millennium Park Foundation	American Academy of Art/Bill L. Parks Gallery	Ossia Musical Forum	Big Eyelids
Bridgeport	Field Building	BP Bridge	Fifth House Ensemble	Jazz Institute of Chicago	Twisted Columns
The Dayly Upsen Downs	Sculptures and Reliefs Board of Trade	Spheres	Relief Panels	Friends of the Chicago River	Cultural Center Stained Glass Dome
Illinois River Landscape	Ceres	Float	Christopher Columbus	San Marco II	Chicago Cultural Center
Public Speaker No. 1	Communication X9	John Alexander Logan Monument	Fisher Boy Fountain	Arts and Business Council of Chicago	City of Chicago DCASE Events
Winged Form	Broadway In Chicago/Cadillac Palace Theatre	The Lurie Garden	Reading Cones	Audience Architects	Chicago Children's Choir
Illinois State Museum	Freeform	Grant Park Orchestral Association	Central Station Fragments	Chicago Multi-cultural Dance Center	Cultural Center Mosaics
Night Before Last Chicago	Gene Siskel Film Center of the Art Institute of Chicago	Gus Giordano Jazz Dance Co	Artists and Automobiles: Lillies	Auditorium Theatre of Roosevelt University, Inc.	Bert Green Fine Art
La Tormenta (The Storm)	Muddy Waters Tribute	Hubbard Street Dance Co	Artists and Automobiles: Arise 2	Richard J. Daley Center	We Own the Future
Pritzker Military Museum & Library	Illinois Humanities Council	Stage Curtain for Opera Theatre of St. Louis	Artists and Automobiles: Hedge Row	The Picasso	Reliefs
North Lion	League of Chicago Theatres	Harris Theatre for Music and Dance	Abraham Lincoln	Harmony	Chicago Rising from the Lake
Large Interior Form	Ballet Chicago Co	Hromovytsia Ukrainian Dance Ensemble	Maggie Daily Park	Frank Lloyd Wright Building Conservancy	Flamingo
Celebration of the 200th Anniversary	Goodman Theatre	Puerto Rican Arts Alliance	Reading Cones	Monadnock Building	The Four Seasons
Spirit of the Great Lakes Fountain	Broadway In Chicago/CIBC Theatre	Visceral Dance	Crane Girl Fountain	Marquette and Joliet Reliefs over elevators	The Bowman, The Spearman
Cubi VII	American Writers Museum	Urban Gateways	Dove Girl Fountain	Marquette Building	Agora
Flying Dragon	Loomings	School of the Art Institute of Chicago	Turtle Boy Fountain	Marquette Ceiling Mosaic Lobby	Riverwalk Gateway
Chicago Stock Exchange Arch	Knights and Squires	Rookery Building	Fisher Building City Apartments	Journey Bronze Relief over elevators	Untitled
Untitled	Chicago Fugue	Chicago International Film Festival	AIA Chicago	Door Panels and Push figures	Paris Metro Entryway
Art Institute of Chicago	Monument with Standing Beast	Chicago Symphony Orchestra	Jewelers Building	Gillory Institute Silk Road Rising	Defense, Regeneration
Fountain	War? Why?	Symphony Center	Heald Square Monument	Panels	DuSable Bridge
South Lion	Inside a Cloud	Silent Rain	Old Colony Shop	Loop Tattoo	Universe
School of the Art Institute of Maclean Center	Stone Arbor	Aqua Apartments	Harold Washington Library (Theater and Garden)	I am You/You are Me	
Chi Boy	Lyric Opera	Sullivan Chicago Stock Exchange Tapestry	Chicago Philharmonic Society	After School Matters, Inc.	
Cook County Buildign Relief 2	Ryan Opera Center	Chicago Arts Partnerships in Arts Education			
Cook County Building Relief 1	Civic Opera House Reliefs	Vincentian Letter			



# STUDY BOUNDARY MAP

# APPENDIX C



Chicago Loop Alliance Arts and Culture Study  
Study Area Map





# MORE INFORMATION

For more information on the Chicago Loop Alliance or to download this study please visit:

[LoopChicago.com/ArtsintheLoop](https://LoopChicago.com/ArtsintheLoop)



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