

The Multiplying Effect of Culture



How does culture creates spending for other businesses?

The study documents the economic activity stimulated in our local economy by the spending of scientific and cultural nonprofits and their audiences.

Just as with any organization or business, the operating and capital spending of cultural nonprofits ripples out into the community when they purchase office supplies, rent space, pay for accounting and marketing services (operating expenditures), and hire contractors to build or renovate facilities (capital expenditures). Audiences also spend additional money when they attend cultural events; paying for gas and parking, shopping at local retailers, dining out, and staying overnight at hotels – and let's not forget the babysitter!

How much business does cultural spending create?

Each \$1 in cultural spending creates \$1.32 for other businesses

Cultural spending ripples out to fuel business

What do a *hotel*, an *accountant*, a *restaurant*, and a *general contractor* have in common?

They all get money from culture!

Cultural spending has a multiplying effect, creating spending across the business sector.

Consider a **typical evening at the theater**. In addition to the money spent on the actual ticket, a patron may also hire a babysitter (and leave money for pizza for the sitter and kids), buy gas and pay for parking, stop in at a restaurant for dinner, purchase a souvenir, go out afterwards for a nightcap, and stay overnight in a hotel. All of those businesses, and the companies that they do business with, benefit from the multiplying effects of cultural spending.



Economic Activity Summary				
Expenditure	Direct	Multiplier	Indirect	Total
Operating	\$ 241 million	\$1.47	\$ 356 million	\$ 597 million
Capital	\$ 19 million	\$1.36	\$ 26 million	\$ 44 million
Audience Ancillary	\$ 354 million	\$1.21	\$431 million	\$ 785 million
Total	\$ 614 million	\$1.32	\$ 813 million	\$1,426 million

Multipliers generated by U.S. Bureau of Economic Analysis, customized by Deloitte Consulting with input from Colorado Department of Local Affairs, Division of Local Government Services.

Want to know more?

CBCA and membership

Additional *2006 Study* information, Presentations, and interviews

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