

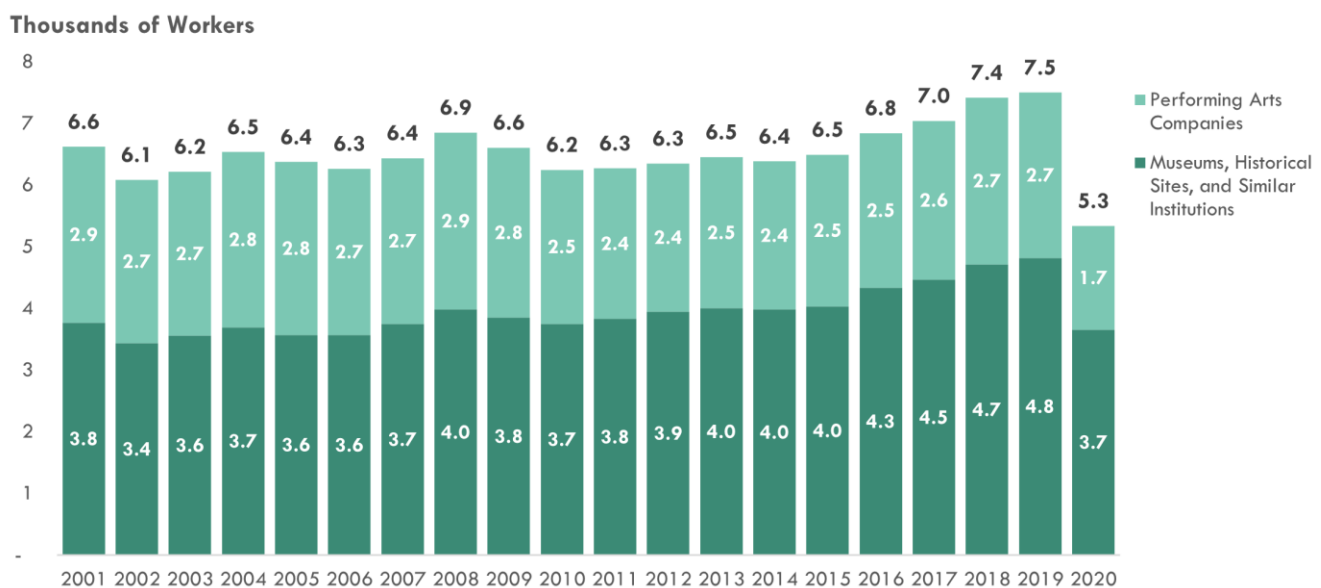
Arts and Culture Labor Force Dynamics Analysis

PSRC Arts and Culture Economic Recovery Strategy

According to the recent ArtsFund COVID Cultural Impact Study (2022), the two primary North American Industry Classification System (NAICS) codes representing the arts and culture sector are 712 (“Museums, Historical Sites, and Similar Institutions”) and 7111 (“Performing Arts Companies”). Based on this definition, in 2020 there were more than 5,300 direct jobs among businesses and organizations across the four-county Puget Sound region (King, Kitsap, Pierce, and Snohomish) (Exhibit 1). This total was down by 29% compared with 2019, due largely to pandemic-related curtailed operations and closures.

The sector-wide average salary among these organizations across the Puget Sound region was \$50,300, not including the monetary value of supplemental benefits, such as healthcare (U.S. Bureau of Labor Statistics, 2022a).

Exhibit 1. Puget Sound Regional Covered Employment, Arts and Culture Organizations, 2001-2020



Note: values for 2001-2018 are estimated due to data suppression for NAICS 712 for King County during those years.

Sources: U.S. Bureau of Labor Statistics, 2022; High Peak Strategy LLC, 2022.

These estimates represent only workers covered as payroll employees in the unemployment insurance system. Many additional workers, employed as independent contractors (also known as gig workers), are not captured under this total. According to a study commissioned by the Washington State Department of Commerce (2019), in 2017 there were an estimated 320,030 workers whose primary source of income was through independent contracting work, equal to 9.1% of the entire statewide labor force. More than 6% of all workers in “Arts, Entertainment and Recreation” in Washington State were independent in 2016, according to the study (p. 15).

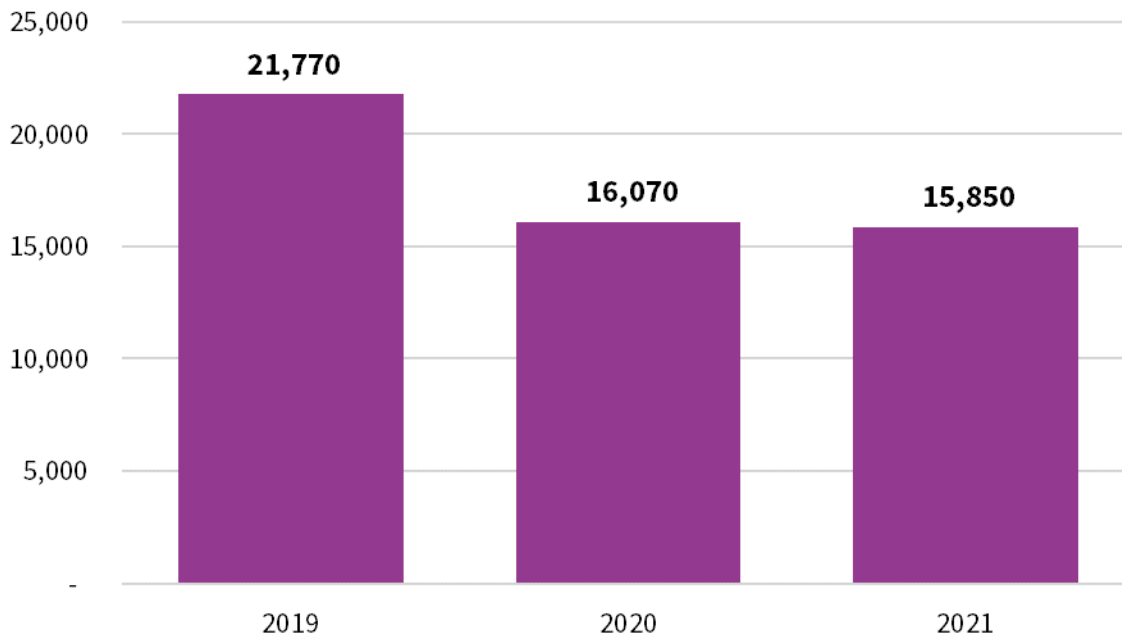
Estimated Size of the Arts & Culture Sector, Central Puget Sound

In this study, we define the arts and culture sector to include industries and operations whose primary activities are related to the production, presentation, curation, and management of visual, performing, and audio arts. This definition covers both whole industries (e.g., “Museums, Historical Sites, and Similar Institutions,” “Motion Picture and Video Industries,” and “Fine Arts Schools”) as well as specific businesses and organizations outside these industries, e.g., arts colleges, venues classified as restaurants (see Appendix A: Industry Codes Included in Analysis for a complete list of industry codes used for this study). Employment, labor income, and revenues were estimated for all these activities, including estimated among the self-employed and gig workers. Estimates draw from state and federal data sources for covered employment, self-employment, revenues, income, estimated supplemental benefits, and survey data collected by ArtsFund in late 2021. All estimates are for the Central Puget Sound Region, covering the counties of King, Kitsap, Pierce, and Snohomish.

In 2021, there were an estimated 15,850 workers directly employed in the arts and culture sector, based on an annual average.¹ This total was down 27% compared with 2019, when just prior to the pandemic there were an estimated 21,770 arts and culture workers in the region. After declining 26% from 2019 to 2020, regional employer in the sector further declined 1% in 2021 (Exhibit 2).

¹ Many arts and culture sector workers hold multiple seasonal employment positions throughout the year. For example, four projects running three months each, consecutively. In this analysis, we count one annual worker across all these projects, not four since each position is 0.25 years.

Exhibit 2. Puget Sound Regional Arts and Culture Sector Employment, 2019, 2020, and 2021



Sources: U.S. Bureau of Labor Statistics, 2022; ArtsFund, 2022; High Peak Strategy LLC, 2022.

By comparison, Seattle Metropolitan Statistical Area nonfarm employment fell 5.8% in 2020 year-over-year and 4.5% overall between 2019 and 2021 (Exhibit 3). Among the largest sectors of the Seattle MSA, some of the sharpest overall declines occurred within “food services and drinking places” (22.3% decline between 2019 and 2021), aerospace (23.3% decline), and “membership associations and organizations” (8.7% decline). Software publishing saw a 10.8% increase, and “computer systems design and related services” experienced a 12.9% overall employment increase; both latter industries were part of a large regional and statewide growth trend in the tech sector during the pandemic (Washington Technology Industry Association, 2021).

Exhibit 3. Seattle MSA Employment and Employment Change, Industries with At Least 30,000 workers in 2019, Compared with Puget Sound Arts & Culture Sector

Sector	Employment, 2019 Thousands of jobs	Annual Change		
		2019-2020	2020-2021	2019-2021
Food Services and Drinking Places	124.9	-26.0%	5.0%	-22.3%
Administrative and Support Services	83.9	-6.5%	3.7%	-3.1%
Aerospace	81.9	-9.3%	-15.4%	-23.3%
Ambulatory Health Care Services	75.0	-5.7%	3.8%	-2.1%
Software Publishers	67.9	7.3%	3.2%	10.8%
Specialty Trade Contractors	67.7	-4.6%	4.9%	0.1%
Social Assistance	54.0	0.4%	2.9%	3.3%
Computer Systems Design and Related Services	47.5	3.4%	9.2%	12.9%
Hospitals	38.2	-6.3%	-0.1%	-6.5%
Membership Associations and Organizations	31.5	-4.0%	-5.0%	-8.7%
Food and Beverage Stores	30.5	5.6%	1.7%	7.4%
Arts & Culture Sector*	21.8	-26.2%	-1.4%	-27.2%
All nonfarm employment	1,763.4	-5.8%	1.4%	-4.5%

*Arts and Culture estimates are for the four-county Central Puget Sound region, whereas all other totals and growth rates are for the Seattle MSA only (King and Snohomish counties).

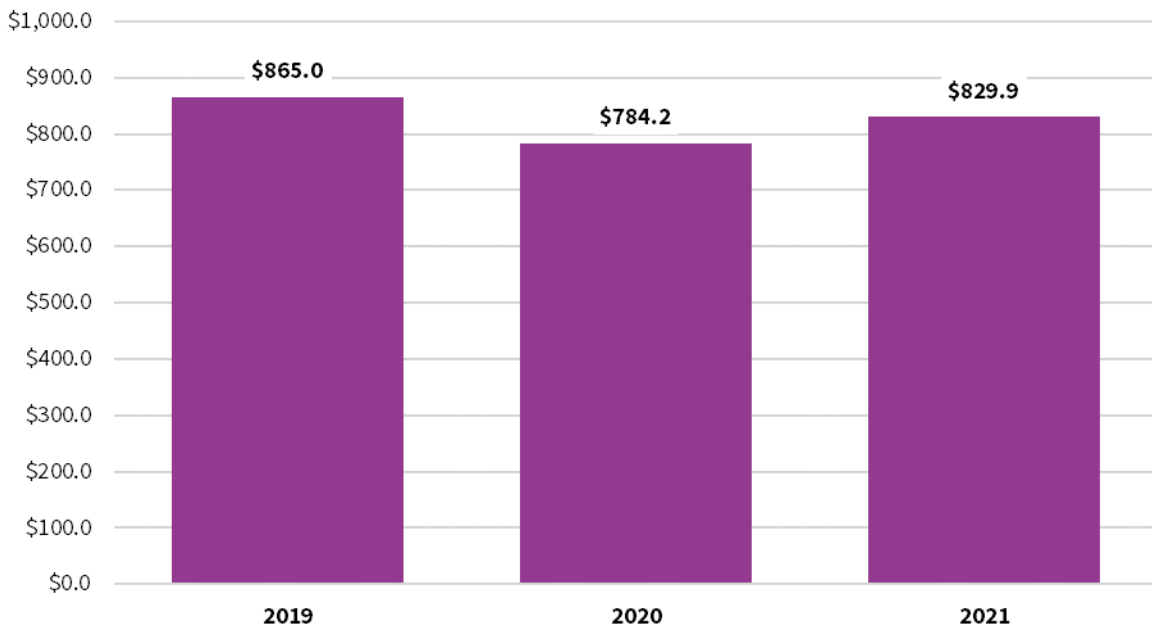
Note: Red-colored cells indicate negative growth.

Sources: Washington State Employment Security Department, 2022; ArtsFund, 2022; High Peak Strategy LLC, 2022.

The average compensation, including estimated supplemental benefits, for arts and culture workers was \$52,400 in 2021. This compares with an average wage, across all industries in the region, of \$91,200. Total income in arts and culture declined 9% between 2019 and 2020, far less than employment (Exhibit 4). This in part is due to the composition of the employment contraction in 2020; the largest losses were among those industries that provided the lowest average wages. For example, the two largest drops in employment between 2019 and 2020 were in “performing arts companies” (loss of 1,300 jobs) and “promoters of performing arts, sports, and similar events” (loss of 1,530 jobs). These industries paid average wages in 2019 of \$31,400 and \$22,000, respectively.

Total income rebounded in 2021, growing nearly 6%. This was due in part to increases—some significant—in the average wage among some of the largest components of the sector, married with modest employment growth. For example, the motion picture and video industries, the second largest subsector within arts and culture, saw a modest increase in employment of 40 workers year-over-year in 2021. However, the average compensation for these workers grew 20%, reaching \$96,900. In 2019, the top 10 highest paying subsectors within arts and culture represented about 52% in the sector; in 2021, this increased to 56%, helping to drive up wages despite overall negative employment growth.

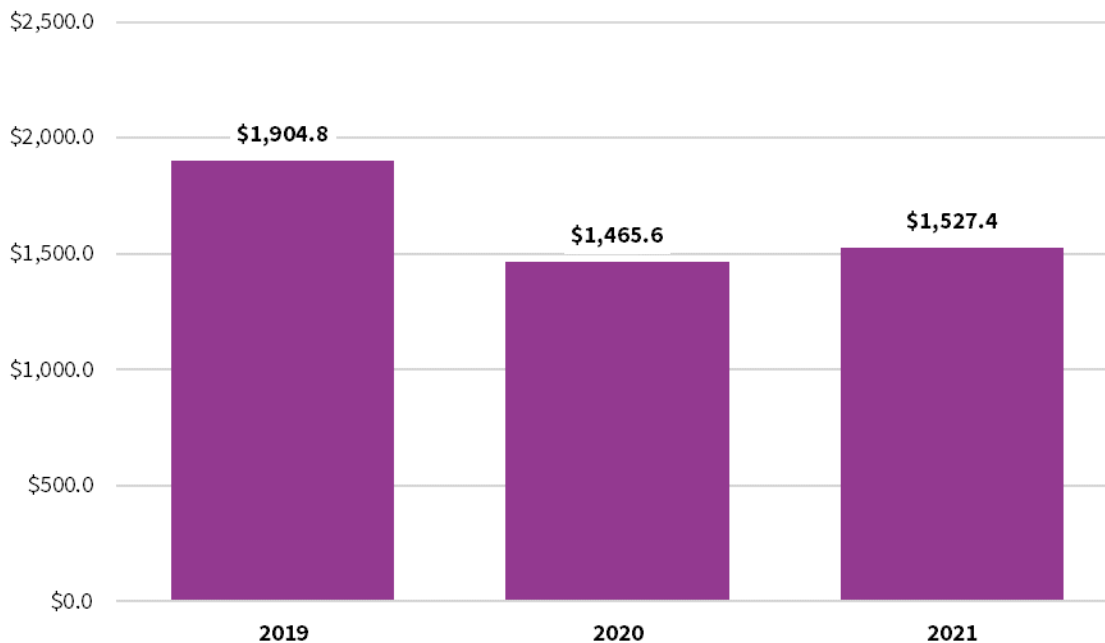
Exhibit 4. Puget Sound Regional Arts and Culture Sector Labor Income, 2019, 2020, and 2021



Sources: U.S. Bureau of Labor Statistics, 2022; ArtsFund, 2022; High Peak Strategy LLC, 2022.

Estimated revenues generated or earned by arts and culture sector organizations include from sales, donations, grants, and various other income sources. Similar to labor income, after a precipitous drop in 2020 (23%), revenues rebounded in 2021, growing more than 4%, reaching more than \$1.5 billion (Exhibit 5). In addition to direct revenues generated by arts and culture organizations, event attendees typically spend additional disposable income on nearby entertainment, restaurants, and bars, helping to spur further economic activity within the vicinity of the event.

Exhibit 5. Puget Sound Regional Arts and Culture Sector Revenues, 2019, 2020, and 2021



Sources: U.S. Bureau of Labor Statistics, 2022; ArtsFund, 2022; Washington State Department of Revenue, 2022; Washington State Office of Financial Management, 2021; High Peak Strategy LLC, 2022.

Occupations

In 2021, the most common occupations within the arts and culture sector—defined as those with at least 100 workers in the region—were “ushers, lobby attendants, and ticket takers,” “producers and directors,” and “customer service representatives.”² The majority of these occupations provided average labor compensation well below the regional average. For example, the estimated average income, including benefits, for ushers, lobby attendants, and ticket takers in 2021 across the region was \$28,200, 75% less than the regional average of \$111,100 (Exhibit 6).

According to occupational projections published by the Washington State Employment Security Department, employment in acting is projected to grow at a compound annual growth rate of 4.2% per year, while dancer employment is projected to increase 4.7% per year. However, these growth projections are based on very small employment bases (less than 300 workers across the region in 2020).³

² Occupational categories presented in this report use Standard Occupational Classification (SOC) codes defined in the U.S. Bureau of Labor Statistics Occupational Employment Statistics series.

³ Occupational employment was estimated using the Washington State Employment Security Department (ESD) industry-occupational matrices for each county, combined, computing the share of industry sector employment for each occupation, and then applying these percentage splits to industrywide four-county employment totals for NAICS codes 712 and 7111 sourced from the Quarterly Census of Employment and Wages (QCEW). Wages were computed by first calculating total wages per occupation sourced from the ESD occupational employment and wage estimates and the estimated number of workers in the arts and culture sector. These total wages per occupation were then controlled to the QCEW wage total for 2020 for the region, and then divided by estimated employment per occupation to arrive at average wages per occupation.

Exhibit 6. Puget Sound Regional Arts & Culture Sector Occupations, 2021

Occupation	Est. Jobs	Est. Average Income	Difference with Average Regional Compensation, 2021	Share of All Jobs in Arts & Culture
Ushers, Lobby Attendants, and Ticket Takers	960	\$28,200	-74.6%	6.1%
Producers and Directors	570	\$65,800	-40.8%	3.6%
Customer Service Representatives	470	\$38,500	-65.3%	3.0%
Self-Enrichment Teachers	460	\$45,900	-58.7%	2.9%
Meeting, Convention, and Event Planners	380	\$58,800	-47.1%	2.4%
Business Operations Specialists, All Other	370	\$75,000	-32.5%	2.4%
Fast Food and Counter Workers	330	\$27,600	-75.1%	2.1%
Teaching Assistants, All Other	330	\$38,600	-65.2%	2.1%
Security Guards	300	\$33,700	-69.7%	1.9%
General and Operations Managers	300	\$123,100	10.8%	1.9%
Office Clerks, General	290	\$37,400	-66.3%	1.9%
Elementary School Teachers, Except Special Education	280	\$61,900	-44.3%	1.8%
Audio and Video Technicians	260	\$65,700	-40.8%	1.7%
Coaches and Scouts	250	\$39,400	-64.5%	1.6%
First-Line Supervisors of Personal Service Workers	230	\$46,500	-58.1%	1.5%
Laborers and Freight, Stock, and Material Movers, Hand	230	\$33,000	-70.3%	1.5%
Tour and Travel Guides	200	\$41,100	-63.0%	1.3%
Maintenance and Repair Workers, General	200	\$41,300	-62.8%	1.3%
Market Research Analysts and Marketing Specialists	200	\$79,000	-28.9%	1.3%
All other occupations	9,240	\$54,340	-51.1%	60.4%
Total	15,850	\$52,400	-52.8%	100.0%

Sources: U.S. Bureau of Labor Statistics, 2022; ArtsFund, 2022; Washington State Department of Revenue, 2022; Washington State Office of Financial Management, 2021; Washington State Employment Security Department, 2021; U.S. Bureau of Economic Analysis, 2021, 2022; High Peak Strategy LLC, 2022.

Appendix A: Industry Codes Included in Analysis

NAICS	Description	Method for Inclusion
5121	Motion Picture and Video Industries	Core: All activities in industry sector
7111	Performing Arts Companies	Core: All activities in industry sector
7113	Promoters of Performing Arts, Sports, and Similar Events	Core: All activities in industry sector
7121	Museums, Historical Sites, and Similar Institutions	Core: All activities in industry sector
327215	Glass Product Manufacturing Made of Purchased Glass	Core: All activities in industry sector
453920	Art Dealers	Core: All activities in industry sector
512240	Sound Recording Studios	Core: All activities in industry sector
515112	Radio Stations	Core: All activities in industry sector
611610	Fine Arts Schools	Core: All activities in industry sector
711510	Independent Artists, Writers, and Performers	Core: All activities in industry sector
813219	Other Grantmaking and Giving Services	Core: All activities in industry sector
453210	Office Supplies and Stationery Stores	Only select organizations, based on survey data
453220	Gift, Novelty, and Souvenir Stores	Only select organizations, based on survey data
453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	Only select organizations, based on survey data
531312	Nonresidential Property Managers	Only select organizations, based on survey data
541720	Research and Development in the Social Sciences and Humanities	Only select organizations, based on survey data
541990	All Other Professional, Scientific, and Technical Services	Only select organizations, based on survey data
611110	Elementary and Secondary Schools	Only select organizations, based on survey data
611310	Colleges, Universities, and Professional Schools	Only select organizations, based on survey data
611691	Exam Preparation and Tutoring	Only select organizations, based on survey data
611699	All Other Miscellaneous Schools and Instruction	Only select organizations, based on survey data
624410	Child Day Care Services	Only select organizations, based on survey data
713990	All Other Amusement and Recreation Industries	Only select organizations, based on survey data
722310	Food Service Contractors	Only select organizations, based on survey data
813211	Grantmaking Foundations	Only select organizations, based on survey data
813410	Civic and Social Organizations	Only select organizations, based on survey data
813990	Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)	Only select organizations, based on survey data
926110	Administration of General Economic Programs	Only select organizations, based on survey data

Appendix B: Estimation Methods

Employment and Income

Employment estimates draw on multiple methods. The ArtsFund Covid Cultural Impact Study (2022) included detail data on employment, labor income, revenues, and other important indicators by organization. We first looked up and identified all of the North American Industry Classification System (NAICS) codes associated with these organizations. We then determined which of these, informed by previous studies and supplemental sources, could be considered entirely within the arts and culture sector, e.g., motion picture and video industries. For these “all-in” codes, we gathered data from federal and state sources on jobs and wages reported for the entire industry code.

For organizations associated with codes we did not consider to be “all-in,” e.g., child day care services, we used a combination of survey-report employment and income and industry-based ratios of revenue-to-worker (for instances when employment was not reported but revenue was) to produce these estimates.

Total employment, including gig workers and self-employed workers, was computed based on 1) ratios of total employment to covered employment; and 2) survey data on contract labor, as reported in the ArtsFund Covid Cultural Impact Study survey. Ratios for total employment to covered employment were developed based on data reported in the Washington State Input-Output (I-O) Model (Washington State Office of Financial Management, 2021) and the nonemployer statistics series published by the U.S. Bureau of Economic Analysis (U.S. Bureau of Labor Statistics, 2022b).

The Washington State Input-Output (I-O) Model was used to compute supplemental benefits. The I-O Model includes estimated total income and total employment, which was then used to develop a scalar for each industry covered in the model and applied to arts and culture industries. These estimates also draw on

estimated wage and salary and supplemental compensation by county reported by the U.S. Bureau of Economic Analysis (2021).

Revenues

Arts and culture revenues include all sources of organizational income, e.g., ticket sales, other forms of earned income, donations, and grants. In some instances, depending on the organization, survey-based reported operating budget. As an alternative, industry-level ratios of business output-to-worker were developed at the four-digit NAICS level and applied to the employment levels of each relevant industry code or organization.

Occupations

The Washington State Employment Security Department’s Industry-Occupational Matrices by Workforce Development Areas (WDAs) were used to estimate the occupational composition of the arts and culture workforce. The three WDAs representing the four counties of King, Kitsap, Pierce, and Snohomish were combined; percentage distributions per standard occupational classification code and weighted by four-digit NAICS codes captured in the sectoral employment total. Wages per occupation within the sector were adjusted by controlled occupational totals by the sector-wide estimate, inclusive of estimated supplemental benefits.

Note on Differences with 2014 ArtsFund Study

The estimates presented in this report differ slightly in approach from the 2014 study, making it difficult to draw temporal, apples-to-apples comparisons over time. The 2014 study reported an estimated 18,778 direct jobs among arts and culture organizations across the four-county region.

The 2014 study is based on a survey of 140 arts and culture organizations in the region, whereas this study begins with the CCIS survey results but introduces additional data for those industries we consider to be entirely within the definition of arts and culture. Estimates in this report leverage survey data along with payroll data from the Quarterly Census of Employment and Wages and nonemployer statistics, both publicly available by industry code aggregations. As part of the broader definition employed in this study, we capture both nonprofit and (though smaller) for-profit organizations.

Estimating 2021 Employment Using the 2014 ArtsFund Baseline Estimate and Comparing with this Report

While this report does not include a similar estimate for 2014, we can approximate what the 2014 methodology might yield if applied to 2021. For example, between 2014 and 2021, there were 44 core NAICS-county cells (11 NAICS codes designated “core” and for each of the four counties). Of these, 23 NAICS-county cells appeared (without data suppression) between 2014, 2019, and 2021. As a reminder, “core” NAICS are those industries this report considers to be entirely within the arts and culture sector, such as “motion picture and video industries” (NAICS 5121), as compared with other industry codes that include specific businesses or organizations we consider to be part of the sector, but also other organizations outside the definition (e.g., grantmaking foundations, NAICS 813211). Summing up the employment across these 23 NAICS-county cells (out of 44 total), the total covered employment changed from 10,831 in 2014 to 12,893 in 2019, or a net change of 19%. Applying this change to the 2014 estimate yields a 2019 estimate of 22,350, as compared with a 2019 estimate in this report of 21,770, or a difference of 580 jobs. Between 2014 and 2021, covered employment among the 23 NAICS-county cells fell 15%. Applying this negative change to the 2014 estimate yields a 2021 estimate of 15,990, as compared with a 2021 estimate in this report of 15,850 – nearly the same.

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