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*A thousand years makes economics silly
and a work of art endures forever . . . Ernest Hemingway*

I. Introduction

Recently, I stood on a hill overlooking Bilbao, an urban center in the Basque region of Spain. The community yui002s s7.91.1 8 0 rrTw(o9 0.5



III. The Role of Cultural Arts in The Texas Economy— A Regional Perspective

Benefits from the cultural arts are widely dispersed across the



It is also instructive to examine the importance of the arts in the MSAs of the state on a relative basis. This analysis permits us to evaluate the “arts intensity” of production as it





Planning Region	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
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In summary, the arts exert an enormous influence on the overall economy of Texas. Their effects span a broad range





resulting from their direct participation in the cultural arts. This level of participation is 5.5% of the state total, which is modestly below the fraction of total output across all sectors (8.3%) now occurring in rural Texas. Thus, we again observe that (1) the arts are a vital component of all local economies, and (2) investment in the arts may well be a vital mechanism to support growth in the less prosperous areas of Texas.

As with the earlier measures of the overall role of the arts in the economy, it is instructive to view the benefits of direct cultural arts activities on a relative basis. As a percentage of



Economic Region	Total Expenditures	Gross Product	Personal Income	Employment (Permanent Jobs)
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Figure 8
Total Composition of Nonprofit Cultural Arts
Expenditures in Texas



The impact of the aggregate nonprofit arts sector on the state economy is estimated to be

- J \$19.0 billion in annual Total Expenditures
- J \$9.5 billion in annual Gross Product
- J \$5.9 billion in annual Personal Income
- J \$3.4 billion in annual Retail Sales
- J









Employment





lagging behind. These findings reinforce the benefits of economic development strategies focusing on the cultural arts.

VIII. The Role of Cultural Arts in The Texas Economy— Retrospect and Prospect



An externality is nothing more than some good or bad attribute of a product or service that is not captured in the market. As a widely publicized example of a negative externality, the price of tobacco products has historically failed to captur



effective, must have the ability to experiment, to break molds, to take risks, and to fail. Maximizing our potential requires that cultural forums be available to all segments of society. While corporate support of the arts has been notable in recent years, the contributions tend to be cyclical and the focus tends to be on established, traditional approaches. With some notable exceptions, philanthropic organizations also often promote the kinds of activities desired by their membership, benefactors, or other constituencies. The result is that many of the most





Approximately 5.5% of the economic impact of traditional cultural arts occurs in rural segments of the state.

- J The cultural arts are responsible for about 19.8% of the total tourism in the state.
- J The nonprofit segment of the arts brings a net benefit to Texas of \$19.0 billion in Total Expenditures, \$9.5 billion in Gross Product, \$5.9 billion in Personal Income, and over 200,000 Permanent Jobs.
- J The areas with the highest level33 Tw0 sru



The significance of Roosevelt's actions cannot be overlooked. He put the preservation and progress of our culture on a par with securing the Union itself—and well he should. The arts are a vital part of our lives, our communities, our well-being, our economy, and our very social fabric. Our cultural arts and heritage define who we are as a people—and as Texans. We cannot afford to be less than our very best.

Respectfully submitted,

M. Ray Perryman, President

