

— The **ART** of —
Ensuring a Bright
Future for Texas

**TEXAS CULTURAL TRUST
2015 STATE OF THE ARTS REPORT**





The Arts provide a vital economic engine for Texas, and help ensure **A SUCCESSFUL FUTURE FOR STUDENTS.**



The Arts generate **\$5.1 BILLION** for our state's economy now & prepare students to be key contributors to our economy in the future.



Students who complete more arts classes have up to **15% HIGHER PASS RATES** on standardized tests than students with fewer arts classes.



The Arts contribute nearly **\$320 MILLION** in state sales tax revenue annually.



At-risk high school students who complete more than one art class are **HALF AS LIKELY** to drop out.



80% OF TEXAS VOTERS support increased funding for The Arts in schools.

OVERVIEW

At the Texas Cultural Trust, our goal is to provide leadership to promote and highlight the importance of the arts in educating our children and sustaining our vibrant Texas economy. We believe that supporting the arts ensures Texas' cultural and economic advantage for the future.

We know Arts and Culture enrich our lives, creating meaningful experiences, and memories. We also know they play an extraordinarily important role in our economy, creating jobs, and economic opportunity throughout the state. In fact, **the Arts and Culture Industry generates \$5.1 billion for our state's economy, and contributes nearly \$320 million in state sales tax revenue annually.** This impact on the statewide economy has grown steadily since 2003, increasing 24.6 percent over the past 10 years.

In communities big and small, the arts generate tax revenue, create jobs, and help prepare Texas students to succeed in work and life. This year, for the first time, we have taken a look at the impact that arts education has on Texas students. The results are powerful. From increased pass rates, higher test scores, and improved attendance, the arts can have a profound impact on elevating student success across the board. For example, **at-risk high school students who complete more than one art class are half as likely to drop out.** It is clear that investment in arts education is investment in student success.

We also conducted a statewide survey of Texas voters to assess support for arts funding. Again, the results are powerful. Texans overwhelmingly support the arts, in fact, **80 percent of Texas voters support increased funding for the arts in schools.**

Because of all of this new and compelling data we have decided to issue this "State of the Arts" report to detail the economic and educational impact of the arts on the state of Texas. The data are impressive, powerful and impactful. It is our hope that all Texas will know, understand and appreciate that the arts provide a vital economic engine for Texas, and help ensure a successful future for Texas students.

On the following pages you will find detailed data and information on:

- The art of fueling our state economy.
- The art of creating jobs.
- The art of attracting tourists.
- The art of building support.
- The art of elevating student success.

The arts provide a vital economic engine for Texas and help ensure a successful future for students. The data on the following pages helps prove it. We hope you will join us in supporting the Arts and Culture Industry and improving access to arts education for all Texas students.

A special thank you to the Houston Endowment, a philanthropy endowed by Jesse H. and Mary Gibbs Jones for funding this research.

— The **ART** of —
Fueling our
State Economy



THE ART OF FUELING OUR STATE ECONOMY

Texas' Arts and Culture Industry plays a major role in the state's overall economy. The 42 industry sectors that comprise the Arts and Culture Industry create, distribute, and sell products and services to national and international markets. The 10,000 Arts and Culture Industry businesses located throughout Texas employ nearly 120,000 workers.



The Arts and Culture Industry generates **\$5.1 BILLION** for our state's economy and contributes nearly **\$320 MILLION** in state sales tax revenue annually.

Texas' Arts and Culture Industry promotes innovation and long-term growth and generates \$5.1 billion per year in taxable sales contributing nearly \$318.5 million in state sales tax revenue in 2013. This impact on the statewide economy has grown steadily since 2003, increasing 24.6 percent over the past 10 years. Beyond state tax revenue, these sectors generate millions for local taxing entities including cities and economic development organizations whose funding comes from local sales tax revenue.

TABLE 1: STATE OF TEXAS SALES TAX GENERATED BY THE ARTS AND CULTURE INDUSTRIESⁱ

Year	Taxable Sales	Tax Generated (@6.25%)
2003	\$4,082,919,814	\$255,182,488
2004	\$4,060,238,510	\$253,764,907
2005	\$4,397,228,994	\$274,826,812
2006	\$4,652,696,052	\$290,793,503
2007	\$4,845,547,767	\$302,846,735
2008	\$4,892,251,875	\$305,765,742
2009	\$4,656,255,378	\$291,015,961
2010	\$4,506,001,820	\$281,625,114
2011	\$4,669,233,785	\$291,827,112
2012	\$4,905,152,939	\$306,572,059
2013	\$5,095,599,168	\$318,474,948

Local tax rates differ across the state, but if you estimate cities charge a 1.0 percent sales tax rate, Arts and Culture Industries generated \$32.5 million in 2013 for the five largest metro areas in Texas.

TABLE 2: ESTIMATED METRO AREA SALE TAX COLLECTION GENERATED BY THE ARTS AND CULTURE INDUSTRIES IN 2013ⁱⁱ

Metro Area	Taxable Sales	Dollars Returned to Local Sales Taxing Cities
Austin–Round Rock	\$443,524,050	\$4,435,241
Dallas–Plano–Irving	\$1,176,680,521	\$11,766,805
Fort Worth–Arlington	\$326,927,778	\$3,269,278
Houston–Sugar Land–Baytown	\$993,105,062	\$9,931,051
San Antonio	\$313,524,222	\$3,135,242

THE ART OF CREATING JOBS

Texas' creative sector (defined by occupations) currently employs nearly 730,000 innovation workers. Almost 1 in 15 Texas workers are employed in creative occupation jobs. According to occupation employment forecasts produced by the Texas Workforce Commission, Texas' creative sector employment is projected to increase by 22.2 percent or 170,000 net new jobs by 2022.

The 2013 average annual wage for the creative sector was approximately \$77,400 compared to \$42,000 for non-creative industries. This represents an 84.2 percent wage premium for creative sector workers.



Texas' creative sector employs nearly **730,000 INNOVATION WORKERS** in good, high paying jobs.

The creative sector is defined using occupation codes that focus on the innovation workforce—job types that rely heavily on critical thinking, innovation, and creativity. Special attention was given to occupations that are in high demand, are portable, and are found in a diverse set of industry sectors.

TABLE 3: TEXAS CREATIVE SECTOR BY MAJOR OCCUPATION DIVISION (2013) ⁱⁱⁱ

Major Group Code	Occupations	2013 Texas Employment
15-0000	Computer & Mathematical	310,440
17-0000	Architecture & Engineering	233,820
19-0000	Life, Physical & Social Science	80,770
27-0000	Arts, Design, Entertainment, Sports & Media	104,640
TOTAL EMPLOYMENT		729,670

TABLE 4: TEXAS METRO AREA CREATIVE SECTOR EMPLOYMENT & WAGES (2013) ^{iv}

Metro Area	Creative Employment	% of Total Workforce	% of TX Creative	Creative Wage	Non-Creative Wage
Austin	97,910	11.5%	13.4%	\$75,505	\$44,330
Dallas	184,880	8.6%	25.3%	\$77,323	\$45,580
El Paso	8,960	3.2%	1.2%	\$58,356	\$35,286
Fort Worth	53,930	5.9%	7.4%	\$73,163	\$41,348
Houston	220,650	8.0%	30.2%	\$89,302	\$46,397
San Antonio	50,460	5.7%	6.9%	\$68,621	\$39,706

The **2013 ANNUAL WAGE** for the creative sector was **\$77,400** compared to \$42,000 for non-creative industries.

In 2013, the Austin metro area had the highest percentage of total local employment in the creative sector registering 11.5 percent. Dallas and Houston lead the state's metro areas in terms of total number of creative sector employees.

In fact, the creative sector employs more Texans than the total employment in many large counties including Travis, Collin, Hidalgo, and Fort Bend. If the creative sector was a county, it would rank 5th in terms of total employment by county.

THE ART OF ATTRACTING TOURISTS

Total travel and tourism spending in Texas surpassed \$67.5 billion in 2013. Last year, travel-generated employment was 601,300 jobs with earnings in excess of \$20.4 billion.^v Out-of-state visitors travel to Texas for a variety of reasons, but Arts and Culture are a major reason tourists come to Texas.

According to research^{vi} commissioned by the Office of the Governor, Economic Development and Tourism, thousands of out of town visitors come to Texas to see the state’s art and culture attractions such as the Alamo, Houston Museum District, Bob Bullock Museum, and the Kimbell Art Museum. In fact, three of the top 12 activities for non-resident visitors are arts, culture, and festival-related activities:

- Museums, Art Exhibits, etc. (13.0 percent)
- Concerts / Theatre / Dance, etc. (8.1 percent)
- Festivals / Fairs (State, Craft, etc.) (7.9 percent)



Arts and Culture Tourists
STAY LONGER, BRING MORE PEOPLE, AND SPEND MORE
 than the average tourist.

In 2013, an estimated 13.8 percent of all travelers (resident and non-resident) attended Concerts, Theater / Dance, Festivals / Fairs, or Museum / Art Exhibits. This translates into roughly 1 in 7 visitors participating in “Arts and Culture Tourism” when traveling in Texas.



ONE IN 7 TEXAS VISITORS enjoys cultural activities while on vacation.

Based on research commissioned by the Office of the Governor, Economic Development and Tourism,^{vii} Arts and Culture Tourists stay longer, bring more people, and spend more than the average tourist.

TABLE 5: TEXAS ARTS AND CULTURE TOURIST STATISTICS^{viii}

Tourist Topic	Texas Tourist Average	Arts and Culture Tourist
Average Travel Party Size	1.78	1.96
Average Stay Length	2.03	3.59
Average Daily Spending	\$131.60	\$147.00

The **ART** of
Boosting
Graduation Rates



THE ART OF BUILDING SUPPORT

One way we help inspire, integrate and illuminate the arts in Texas is by building support for arts education in our schools. We build support by educating Texans about the important role the arts can play in improving our economy, and preparing our children for the future. To assess current levels of support, and understand what data were most impactful to Texans, the Texas Cultural Trust commissioned a survey of Texas voters in late 2014.

What we learned is that when Texans are armed with facts **about the impact of the arts, they support more public funding for arts education.**

The good news is that across demographic factors, including education, geography, race and ethnicity, and political affiliation, support was strong to begin with—information simply amplified that support. In fact, 70 percent of Texas voters expressed initial support for increased funding for the arts in their school district. (For purposes of the survey, art included music, art, and the performing arts.) Support rose to 80 percent after being presented with data about the impact of the arts.

For example, when voters learned that studies show students highly engaged in the arts had higher standardized test scores in reading than similar students, support increased. When voters heard that students highly engaged in the arts had a higher graduation rate than similar students not engaged in the arts, support increased.

Overall, the survey demonstrated a strong appetite among Texas voters for increased funding for arts education, and showcased the importance of providing fact-based communication about the profound impact of the arts on Texas student achievement.



\$80% OF TEXAS VOTERS support increased funding for the arts in their school district.

“I believe strongly in the value of arts in education. **Exposure to the arts is vital to the creation of well-rounded adults**, and participation in the performing arts produces invaluable life skills. I was heavily involved in theater productions in high school and these experiences gave me the confidence that only performing can give. Without my time on stage in high school, I don't believe I could have succeeded in the business world.”

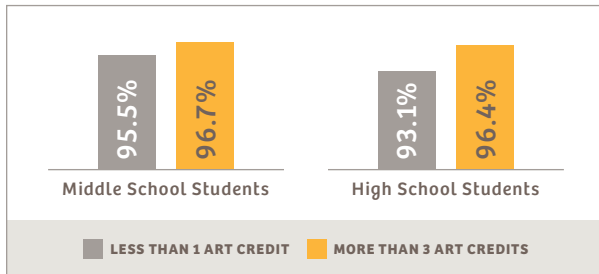
— **MARC SERIFF**, Co-Founder of AOL

— The **ART** of —
Elevating Student
Test Scores



THE ART OF ELEVATING STUDENT SUCCESS

The arts contribute to positive academic outcomes for Texas students. Statewide, students who completed more arts course credits^{xi} while in middle or high school, had higher attendance rates.



Across all grade levels, greater arts course completion was associated with higher attendance rates, with the greatest impact at the high school level. Texas high school students engaged in the arts had a 3.3 percentage point greater attendance rate—the equivalent of attending an additional week of school—than their counterparts who were not engaged in the arts.

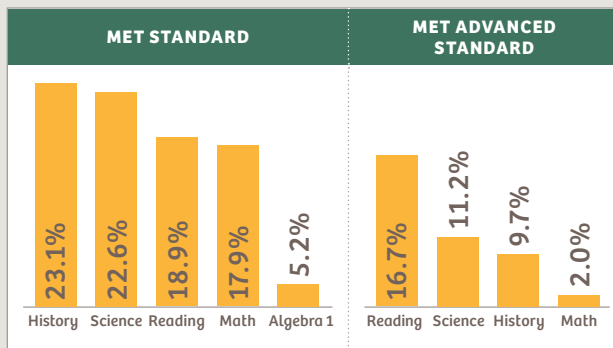
Across all subjects, students who completed more arts courses performed better on state assessments. In general, both middle and high school students who completed three or more arts course credits met the state performance standard at higher rates than their counterparts who completed less than one art course credit. This outcome was particularly notable for middle school students engaged in the arts, who outperformed their peers on meeting the state standard by greater than 17 percentage points across all subjects except Algebra 1, at which they still outperformed other students by 5.2 percentage points. In addition, high school students engaged in the arts outperformed their peers on meeting the commended standard by more than 15 percentage points across all subjects.



At-risk high school students who complete more than one art class are **HALF AS LIKELY** to drop out.

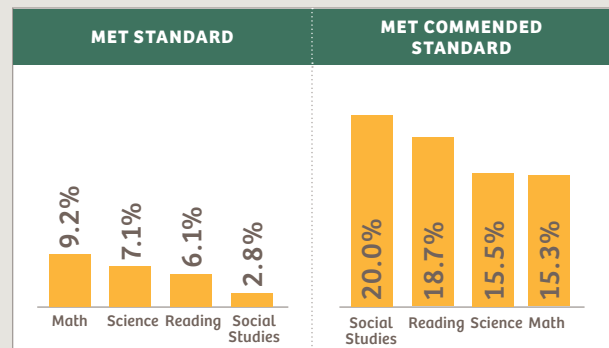
MIDDLE SCHOOL

Percentage point difference in State of Texas Assessment of Academic Readiness^x passing rates between arts engaged students and other students.

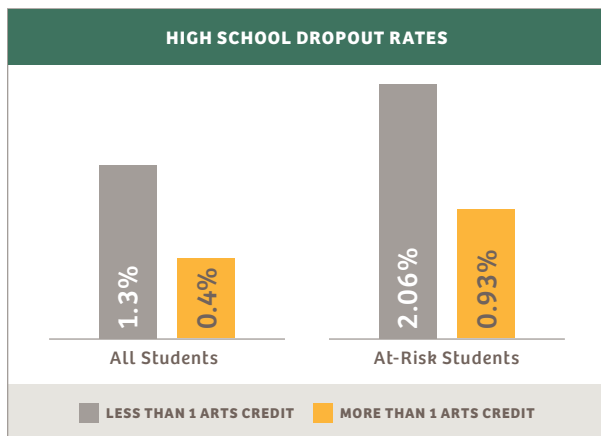


HIGH SCHOOL

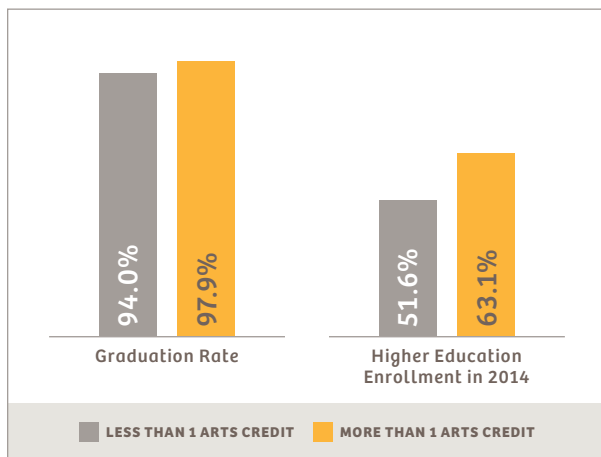
Percentage point difference in Texas Assessment of Knowledge and Skills^{xi} passing rates between arts engaged students and other students.



At the high school level, in addition to having better performance on state assessments, students who were engaged in the arts early in high school also **had lower dropout rates, greater graduation rates, and greater rates of enrollment in higher education in Texas** than students who were not.



Specifically, students who completed at least one art course credit in the 9th grade were less than one third as likely to dropout as students who did not complete one art credit. Arts engagement also benefited students who were at risk of dropping out, as they were only half as likely to drop out if they completed a least one arts course credit in the 9th grade, as compared to at-risk peers who did not. Graduation rates for students engaged in the arts in the 9th grade were nearly four percentage points greater than their peers who were not, and enrollment in higher education in the fall semester following graduation was 11.5 percentage points greater for arts engaged students as well.



Students who complete more arts classes have up to **15% HIGHER PASS RATES** on standardized tests than students with fewer arts classes.

THE CONCLUSION? ARTS INVOLVEMENT IS RELATED TO POSITIVE SCHOOL OUTCOMES FOR TEXAS STUDENTS.

Middle and high school students who complete three or more arts course credits have higher attendance rates, meet both the standard and the advanced or commended standards on state tests across all subjects at higher rates than their peers who completed less than one arts course credit. In addition, high school students who complete at least one arts course credit during their 9th grade year have lower dropout rates, higher graduation rates, and enroll in higher education following graduation at higher rates than their peers who did not complete at least one arts course credit in the 9th grade.

ABOUT THE RESEARCH

The research referenced in this report was conducted by the Texas Cultural Trust and several different parties with support from the Houston Endowment, a philanthropy endowed by Jesse H. and Mary Gibbs Jones. Additional information about each section of the report can be found below.

TEXAS VOTER SURVEY

The Texas Voter survey was conducted for the Texas Cultural Trust by Mike Baselice of Baselice & Associates, Inc. It was conducted on August 12–17, 2014 with 601 respondents and a margin of error: $\pm 4.0\%$. The research objectives were to: 1) assess support for additional funding for the arts and 2) to measure the persuasiveness of informative statements regarding arts programs.

ECONOMIC IMPACT DATA

Research into the economic impact of the Arts and Culture Industry was conducted for the Texas Cultural Trust by Travis James of TXP, Inc. The research utilized data sets from the Texas Comptroller of Public Accounts, the U.S. Bureau of Labor Statistics, the Office of the Governor, Economic Development and Tourism (Texas Tourism) and D.K. Shifflet & Associates. The Objectives of the research were to assess the statewide economic impact of the 42 industry sectors that comprise the Arts and Culture Industry, the 10,000 Arts and Culture Industry businesses throughout Texas that employ nearly 120,000 workers, and the impact of Arts and Culture travel and tourism dollars.

EDUCATION DATA

Research was conducted for the Texas Cultural Trust by MINDPOP, E3 Alliance, and Austin ISD in November 2014. The study utilized longitudinal statewide education data from The University of Texas at Austin's Education Research Center (ERC), and focused on outcomes for middle and high school students based on their cumulative enrollment in arts courses. Academic outcomes examined included school attendance, standardized test passing rates, graduation rates, and post-secondary enrollment. The cohorts included students registered between 2010–2011 and 2012–2013 (middle school), and between 2009–2010 and 2012–2013 (high school).

ⁱ TXP, Inc., Texas Comptroller of Public Accounts

ⁱⁱ Texas Comptroller of Public Accounts

ⁱⁱⁱ U.S. Bureau of Labor Statistics

^{iv} TXP, Inc.

^v The Office of the Governor, Economic Development and Tourism: www.travel.state.tx.us/TravelResearch/Economic-Impact.aspx

^{vi} The Office of the Governor, Economic Development and Tourism: www.travel.state.tx.us/TravelResearch/Travel-Volume-and-Behavior.aspx

^{vii} D.K. Shifflet & Associates Ltd. (DKSA)

^{viii} Source: TXP, Inc.; DKSA

^{ix} Students earn 0.5 course credits for each semester length course.

^x State of Texas Assessment of Academic Readiness (STAAR)—This is the standardized state accountability test that was administered to all middle level students in the state beginning in the spring of 2011.

^{xi} Texas Assessment of Knowledge and Skills (TAKS)—This is the standardized state accountability test that was administered to all secondary level students who entered the 9th grade before the 2010–2011 school year.

ABOUT TEXAS CULTURAL TRUST

Established in 1995, the Texas Cultural Trust is a 501(c)3 nonprofit organization that promotes and highlights the importance of the arts in educating our children and sustaining our vibrant Texas economy.

The Texas Cultural Trust supports the programs of the Texas Commission on the Arts and other qualifying state agencies. In addition to the biennial Texas Medal of Arts Awards, some of the Trust's other programs include the Young Masters Program, The Art of Economic Development, Art and Digital Literacy Curriculum, Create Texas, *Adventures in the ARTS* children's book, Texas Women for the Arts and Founders for the Arts.

OUR MISSION: TO INSPIRE, INTEGRATE AND ILLUMINATE THE ARTS IN TEXAS.

Our goal is to provide leadership to promote and highlight the importance of the arts in educating our children and sustaining our vibrant Texas economy. Supporting the arts ensures Texas' cultural and economic advantage for the future. Our vision is to have a vibrant Texas where the arts inspire excellence.

PARTNERS: WORKING TOGETHER FOR THE ARTS

The Texas Cultural Trust is dedicated to increasing awareness and raising funds for the arts, and our efforts are amplified by the following partners who are instrumental in ensuring the success of our mission.

TEXANS FOR THE ARTS

Political Advocacy for the Arts

Texans for the Arts is a non-partisan advocacy organization that serves to provide information about legislative activity concerning the arts and advocate for the public funding of arts at the local, state and national levels. To achieve these goals, Texans for the Arts works to develop and implement public policy that supports a strong and vibrant arts and cultural industry statewide.

TEXAS COMMISSION ON THE ARTS

Grants, Information, and Technical Assistance for the Arts

The Texas Commission on the Arts was established by the Texas Legislature in 1965 to advance the state economically and culturally by investing in a creative Texas. By providing resources to enhance economic development, arts education, cultural tourism and artist sustainability initiatives, the Texas Commission on the Arts supports a diverse and innovative arts community statewide.



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**INVEST IN THE ARTS.
THE ARTS PERFORM.**

Learn more at txculturaltrust.org/investinthearts