

The Economic Impact of the Music Industry
In the Nashville-Davidson-Murfreesboro MSA
College of Business Administration
Belmont University
Nashville Area Chamber of Commerce
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Executive Summary

The Nashville Area Chamber of Commerce, as part of its effort to create stronger working relationships between the music industry and the Nashville business community, spearheaded the request for an economic impact study to assess the impact of the music industry in the larger Nashville community. This report provides an analytical assessment of the music industry in the Nashville-Davidson-Murfreesboro Metropolitan Statistical Area (MSA).

Economic impact studies of music industries have been completed for The State of Georgia and the cities of Seattle WA, Austin TX, and Memphis TN. Although the nature of the music industries varied, a standard methodology was employed. Selected firm data were gathered from either commercial vendors of employment, sales and tax data (e.g. ReferenceUSA) or from U.S. Census Bureau data. Then, regional economic multipliers (e.g. REMI or IMPLAN) were applied to the direct values to determine the secondary impacts (“ripple effects”) on employment and economic output for the region. While statistically reliable, these studies were void of behavioral modeling to lend additional credibility to final economic estimates. A unique feature of this study is the level cooperation that evolved between leaders in the music industry and the investigators for this study. Thus, the final results of this study reflect a distinctly more real world analysis than comparable studies of music industries.

Nashville’s music industry is a combination of global corporations and independent artists, songwriters, and musicians supported by local businesses. Nashville has long been recognized and referred to as *Music City*. Evidence of the economic and cultural importance of the music industry is pervasive. Music Row businesses, the Grand Ole Opry, the Ryman Auditorium, the Country Music Hall of Fame, the Schermerhorn Symphony Center, the Gaylord Entertainment Center, Opryland Hotel, the Bluebird Café, Broadway music venues (Tootsie’s and Legends), The Tour of Stars Homes, and statues and monuments salute our musical heritage. The institutions of higher learning within the MSA such as Belmont University, Vanderbilt, Fisk and Middle Tennessee State University offer world class programs in music and music business and are an important resource for the entertainment talent and managerial skills in the music industry. The schools and departments of music in eight universities in the Middle Tennessee area employ over 200 full-time music teachers in their programs.

The music industry in the Nashville MSA creates employment opportunities in many industries, including musicians, songwriters, agents, managers, audio engineers, public relations and promotions firms, financial services, security, stage production, transportation operators and business services. This study estimates that the music industry creates 19,437 jobs directly related to music production. Those jobs provide **\$722 million** dollars in labor income annually. When music industry employees spend their income, additional jobs are indirectly created within the Nashville MSA. The amount of employment created from this "ripple effect" is estimated to be an additional 19,826 employees. Music-related tourism supports an additional 14,995 employees in the area economy. Thus, the total employment impact of the music industry is over **54,000 jobs** within the MSA.

Relative comparisons of the total direct sales of industries in the music business indicate that the Nashville MSA is larger than the direct sales in the State of Georgia, Austin TX, Seattle WA, and Memphis TN. For the time periods covered, the total direct sales for the comparable cities were \$3.14 billion. Direct spending by music industry firms in Nashville was **\$2.64 billion**. The combined impact of direct and secondary spending in Nashville was **\$3.96 billion**. When the impact of music-related tourism is added to the direct and secondary impact of music industry spending, the total impact of the music industry in the Nashville MSA is **\$6.38 billion**. Thus, the economic impact of the music industry in the Nashville MSA almost exceeds the cumulative impact of the music industries in Georgia, Seattle WA, Austin TX, and Memphis TN.

The fiscal impact of sales, property and accommodation tax revenues is important for state and local governments. Based on data collected from the Tennessee Department of Revenue, sales taxes collected from core music businesses exceeded \$24 million dollars. Property taxes added another \$45.07 million to local government treasuries and the share of the accommodation taxes attributable to music-related tourism is approximately \$7 million. Thus, a total of more than **\$75 million** in tax revenues is estimated to have been generated by the music industry.

Benefits of the Study

The points which follow suggest some of the potential benefits and uses that should result from an economic impact study of the music industry.

- For the first time, an economic analysis can help policymakers, citizens, business people, developers and entertainers see the *economic value* of the music industry, rather than merely assuming the *entertainment value* of the industry.
- Knowledge concerning the economic output and employment of the music industry could help leverage the resources in the community to *promote economic development* in the region and to counter threats from other regions seeking to capitalize on the economic benefits of the music industry. Prospective local employers and employees should be increasingly sensitive to the local support in the Nashville community when making their hiring and location decisions.
- There is no question that music is a defining element in the Nashville culture. Evidence of the economic importance of the music industry will contribute to Chamber of Commerce and Convention and Visitors Bureau efforts to enhance the Nashville brand; Nashville can *confidently assert itself as "Music City"*.
- Quality of life considerations are increasingly important in the decision to locate corporate headquarters as well as individual relocation decisions. The arts, music and cultural amenities are increasingly important to *recruiting and retaining firms* to the Nashville MSA.
- Music events and attractions have become *a major element for tourism spending* in the Nashville MSA. Off-site spending of attendees to music events and attractions brings millions of dollars directly into the area and creates additional economic impacts resulting from multiplier effects. This study identifies direct and indirect economic effects of visitor spending on music events and attractions as well as the fiscal impact of tourist spending.

Introduction

The pervasive and diverse nature of Nashville, Tennessee's music industry makes it difficult to fully comprehend that the music and entertainment industry is a vibrant and profitable partner in the city's rapidly expanding economic base. The Nashville MSA is home to over 80 record labels, 130 music publishers, more than 180 recording studios, 40 national producers of ad jingles, 27 entertainment publications, and some 5,000 working union musicians.

The Nashville MSA with a population of just over 1.2 million is a relatively small metropolitan area with the feel of both a rural Southern town and a growing metropolis. This latter fact is exemplified by Nashville's selection by *Expansion Management* magazine as the *number one* city on its 2005 list of America's 50 Hottest Cities for business expansions and relocations, based on business climate, workforce quality, and government incentives.

Nashville's message to entrepreneurs and small businesses is a loud and clear, "Y'all come." Partnership 2010, a pooling of resources among Nashville and nine regional counties, has resulted in more than 350 companies relocating to Nashville and a spate of high-skill, high-wage manufacturing opportunities. In 2003-04, 31 companies relocated, accounting for nearly 2,500 jobs and \$500 million in investment, and net job growth topped 11,000 in nonagricultural employment. Meanwhile, various city- and state-run incentive programs have been encouraging minorities and women to start their own businesses.

Country music, long the Nashville music industry's bread and butter, is more popular than ever before. Nashville artists had some of the top-grossing tours of 2004. Artists such as Gretchen Wilson, Alan Jackson and Tim McGraw helped country music sell over 77 million records in 2004, a 12 percent increase over the year before. After the Country music scene was firmly planted in Nashville, the growing Contemporary Christian music industry was jump-started, when native Nashvillian Amy Grant became the genre's first breakout artist in 1976. Today, the Christian music industry enjoys a growing status in and beyond Nashville.

In addition to Country and Contemporary Christian, classical music will have a luxurious new home in Music City in 2006. The Schermerhorn Symphony Center will be one of

the world's premier venues, as well as the home of the Grammy-nominated Nashville Symphony. The Nashville Symphony has sold more CDs than almost any other American orchestra. This synergy recently influenced Naxos of America, one of the best-selling classical labels in the world, to choose Nashville for its North American headquarters.

Nashville continues to draw inspiration from all genres of music. Duets pairing Hank Williams, Jr. and Kid Rock, Alan Jackson and Jimmy Buffett, Tim McGraw and Nelly, and Loretta Lynn and Jack White are increasingly being recorded in Nashville and exuberantly accepted in the marketplace. Nashville has a vibrant urban, R&B and hip-hop music scene boasting such stars as Young Buck and Haystak. And local rock groups such as Kings of Leon, The Features, Be Your Own Pet, The Pink Spiders, and De Novo Dahl continue to garner international attention for Nashville's rapidly growing alternative rock scene.

Purpose

This study estimates the economic impact of the music industry in the Nashville-Davidson-Murfreesboro MSA. Using 21st century data mining techniques and standard modeling procedures, the study provides the income and employment effects from direct and indirect spending both in the music industry and by patrons and visitors to music events and attractions.

Specifically, the report demonstrates the economic value that the music industry generates for the middle Tennessee economy. Four different types of economic impacts generated by the music industry have been estimated based on 2002 information. They are: (1) output impacts; (2) employment impacts; (3) employee compensation impacts; and (4) fiscal impacts. These impacts were estimated for the entire Nashville Metropolitan Statistical Area (MSA). The report also contains estimates for the value of entertainer/promoter "goodwill" from the direct and imputed value of benefit events.

The music industry in Nashville shapes the culture of our community and enhances the quality of life we enjoy. Additionally, the music industry has a significant economic impact on the Nashville MSA. This economic impact can be measured through a careful examination of the activities of music industry firms and organizations. Organizations and associations included in this study are:

- Major musical genres (e.g., Country, Christian, Gospel, Classical, Jazz, Bluegrass and Americana)
- Professional organizations (e.g., CMA, GMA, IBMA, NARAS)
- Record Labels (major and independent labels)
- Music Performing Rights Organizations
- Venues (e.g. The Ryman, Gaylord Entertainment Center, live music clubs)
- Media (print publications, radio, TV, video and web based)
- Travel and Hospitality Industry (Lodging and Restaurants)
- Artist Management & Booking (agents, publicists and managers)
- Associated Businesses (legal and accounting services)

An accurate and comprehensive analysis of the economic impact of the music industry is of interest to business leaders, policymakers, developers, citizens and music industry professionals. The new dollars generated or retained in Nashville by music businesses, organizations, and individuals provide employment and income for many people in the area. This includes those who work directly in the music industry as well as employees at businesses which benefit from the spending of music industry workers. Further, local governments benefit from tax revenues that are generated through performances, events and attractions. Tax revenues are crucial for additional support from local governments in the form of municipal services and infrastructure benefiting the music industry. This study will, therefore, demonstrate the economic value of the music industry through the income generated, the jobs created, and the taxes provided for local governments.

Background and Support

In November 2003, Mike Neal, President and CEO of the Nashville Area Chamber of Commerce, and Tony Conway, Vice Chair of the Chamber's Arts, Entertainment & Music Committee and President of Buddy Lee Attractions, invited the leaders of several Nashville Music Associations to join them for a discussion of the benefits of working to create stronger relationships with the Nashville business community.

Thus, the Music Association Task Force was established in November 2003 and has met regularly since then. The Task Force has added more association leaders, communicated and shared information regularly, and has increased its focus on strengthening the partnership with the Nashville business community. In 2004, the Task Force requested that Belmont University lead in conducting an Economic Impact Study that would demonstrate in clear economic terms the impact of the music industry on the larger Nashville community (MSA).

The Music Association Task Force agreed in the summer of 2004 that a broader and even stronger coalition of people would be needed to support an economic impact study and the overall goal of significantly enhancing the partnership between the music industry and the larger community. Thus, what has become known as the Music City Partnership emerged. It included members of the Music Association Task Force, the Nashville Area Chamber of Commerce, the Convention and Visitors Bureau, and other community and music industry leaders. This partnership readily endorsed the Economic Impact Study and saw the study as critical to further enhancing Nashville's brand as *Music City*.

In short, the music industry asked for the Economic Impact Study and Belmont University became the logical leader of the study because of its long-standing history with music and Music Row. Dr. Patrick Raines, Dean of the College of Business and Professor of Economics at Belmont, was selected to lead the study. He was assisted by Dr. LaTanya Brown while she was an Instructor of Economics at Belmont University.

Methodology

The methodology used for this study replicates methods used by institutions in other metropolitan areas to estimate the impact of entertainment, music business and sporting events in their respective markets. Generally, one of three approaches is employed. A unique feature of this study is that a synthesis of approaches was developed to estimate and validate the findings.

In most cases, surveys are developed for firms in the defined industry to request information on earnings, employment, wages and taxes. Once the survey participant's responses are collected and aggregated (assuming a statistically reliable sample size), the results are run through multiplier models to determine the induced or "ripple effects" from the firms' initial spending. Finally, the direct and induced values are added to produce the total economic impact of an industry.

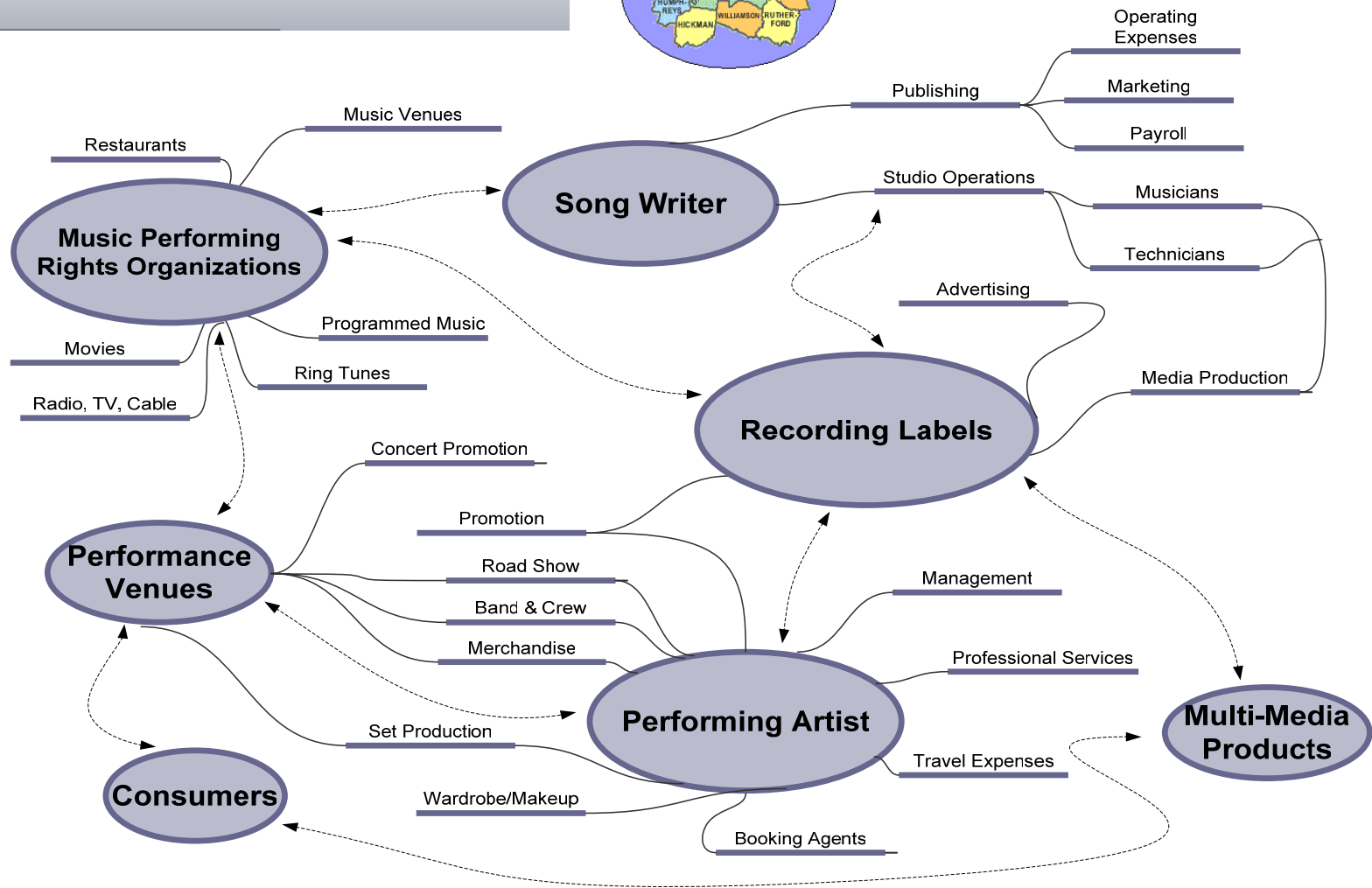
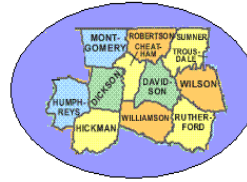
In order to determine the economic impact of the music industry, which consists of a myriad of independent (freelance) artists, large music industry corporations, international organizations, and local support businesses and venues, specialized sources of for revenue and sales data are required. Financial data for this study was mined from the U.S Census Bureau and purchased from ReferenceUSA, a commercial vendor of firms' financial data. Once the relevant businesses' financial information was collected, total impacts were calculated by inputting the data through the Regional Economic Models, Inc. (REMI) input-output analysis.

Finally, financial modeling of sectors within an industry is used to determine values that aren't included in government or proprietary data sets. This approach enhances the accuracy of forecasts for the total impact of an industry. It was employed in this study to capture the impact of artist touring, due to the difficulty of extracting sales and revenues for touring businesses specific to the music industry.

To summarize, a list of 335 "decision makers" in the music industry was compiled from lists provided by the Nashville Music Association Task Force and through collaboration with *Music Row Magazine*. The data collected from the surveys was cross referenced with the financial records from ReferenceUSA and Census Bureau data (County Business Patterns, 2002). Estimates of sales of businesses supporting artist tours were included from the touring artist model. The comparison of the data sets minimized double counting and ensured that a larger percentage of relevant businesses were included in the study.

Surveys were also taken at the Country Music Association Festival on June 6-8, 2005. Results from the surveys were compared with similar surveys conducted during the CMA festival by the Nashville Convention and Visitors Bureau. The data ascertained from these surveys were used as part of the analysis for estimating music-related tourism in Nashville. The surveys also provided insight into the extent to which the music scene is a factor in tourists' decisions to visit the Nashville area.

Economic Model of the Music Industry



Comparison of Music Industry Economic Impacts

The table shows the direct annual economic impact, the induced economic impact and the total number of jobs created in the music industries for the State of Georgia and cities of Austin, Seattle, and Memphis. The largest estimated direct economic impact, initial spending by all firms in the industry, was \$1.3 billion for Seattle, WA. Seattle was

Impact Study	Direct Annual Economic Impact (\$\$\$)	Gross Sales (\$\$\$)	Total Jobs Created	Tax Revenue (\$\$\$)
State of Georgia	989.9 million	1.9 billion	8,943	94.7 million
Austin, TX	616 million	969 million	11,200	11.2 million
Seattle, WA	1.3 billion	2.2 billion	10,700	45.8 million
Memphis, TN	238 million	1.65 billion	4,155	5.8 million
Totals	3.14 billion	6.71 billion	N/A	N/A

followed by Georgia, Austin, and Memphis. Although the regional multiplier effects differ, the induced effects (Gross Sales) are directly related and consistent with the initial sales figure. Significant effects of tourism estimated by Memphis caused the city's level of induced spending to exceed Austin.

Each dollar spent in the music industry has an impact on employment. Regional input-output analysis was used to estimate the number of jobs created in each region. The table shows significant variation (e.g. in Georgia \$ 110,889 is required to create one job while only \$ 57,280 in sales will create a job in Memphis).

Estimating Business Activity in the Nashville, TN MSA

This section presents estimates for business activity related to the music industry within the Nashville Metropolitan Statistical Area (MSA). The first section presents the descriptive findings taken from the 2002 U.S. County Business Patterns and U.S. Census Nonemployer Statistics database. We begin with a description of the employment found within the Nashville MSA that is music-related. Second, we present the sales generated from industries that are music-related. The third section compares the relationship of the number of establishments, employment and earnings earned by each music-related industry sector within the 2002 period of the County Business Patterns database. The fourth section presents the economic impact of the music industry on the Nashville economy through presentation of the results from the REMI multiplier model. The fifth section presents the economic impact of the tourism industry that is influenced by Nashville's popular music industry. The last section will present the fiscal impact of the Nashville music industry by generating the music industry's impact on sales and residential property tax collection.

Data

The authors captured Nashville's music-related employment, revenue, establishments and earnings by analyzing various sources of data. They developed an accurate picture of the music industry through various industry sectors within the economy. The U.S. Census County Business Patterns database and Nonemployer Statistics database were the primary sources for the findings. Relevant music-related industries were defined based upon Standard Industry Classification (SIC) codes. The 2002 County Business Patterns contain the North American Industry Classification System (NAICS) while the REMI simulation model is based upon Standard Industry Classification (SIC) system. All relevant NAICS codes were converted into SIC codes using the Census bridging program. After converting NAICS codes to SIC codes, the authors derived employment, establishment, annual payroll data and sales revenue data from the County Business Patterns and Nonemployer Statistics databases.

In order to enhance the reliability of the data mined from the U.S. Census databases, the authors crosschecked their findings utilizing three different sources of data. The first source was the ReferenceUSA database. ReferenceUSA is an Internet-based reference service from the library division of *infoUSA*. The ReferenceUSA database

contains, in module format, detailed information on more than 12 million U.S. businesses; 102 million U.S. residents; and 683,000 U.S. health care providers. Information is compiled from the following public sources: more than 5,600 Yellow Page and Business White Page telephone directories; annual reports, 10-Ks and other SEC information; federal, state, provincial and municipal government data; Chamber of Commerce information; leading business magazines, trade publications, newsletters, and major newspapers. 250 employees make telephone calls to verify the information on each business and health care provider in the database. 17 million phone calls are made each year and businesses with 100 or more employees are phone-verified at least twice a year.

The second source of data the authors utilized was from surveys distributed to 325 music industry leaders during the fall of 2005. The list was compiled from membership and client lists obtained from music business associations and from *Music Row* magazine's annual "In Charge" edition. The survey requested information on each firm's annual sales, employment, expenses and taxes (see Appendix A). The response rate was consistent for mail surveys distributed in similar impact study analysis (12% to 20%). The financial data was useful for estimating data for firms in comparable industries and confirming census data.

The third source of data was an accounting model that helped to capture the expenses and revenues from touring artists who launch tours or travel to performances from Nashville. Estimates of tour income flowing into the Nashville MSA and merchandise sales were important income estimates for the study.

Once the three sources of data were cross referenced with the findings from the U.S. Census, the authors were confident that the numbers presented within the following sections captured the universe of music-related industries within the Nashville MSA.

Estimating Employment

Table 1 displays the employment that is music-related within the Nashville MSA. The authors compiled the number of employees for each music-related industry through weighted percentages and/or by deriving the median between a small category range. For example: SIC category 5932 representing Music Stores had a category range of 500 to 999 employees. The authors took the median between the 500 to 999 range to derive 750 employees for this particular music industry.

Table 1 shows that 19,437 jobs within the Nashville MSA are music-related. The largest music-related category is music-related self-employed individuals. The music-related self-employed category encompasses independent artist, writers and performers that are self-employed and generating an income through the music industry. 5,361 employees are in this self-employed individual category. Musical groups and artists and promoters with facilities, in SIC category 7929, placed second with 2,124 employees within this industry. Agents and managers of artists and musical theaters performers and employees followed with 1,874 music-related jobs within the Nashville, MSA. Radio and television broadcasting were the next largest employer with 1,750 employees. The category, labeled "Business Trade Associations", included such industries as the American Society of Composers, National Academy of Recording Arts and Sciences, and the music performing rights groups located in Nashville. Within this business association's category, the authors found 927 employees were related to the music industry.

Table 1

Estimated Employment in the Nashville Music Industry		
SIC	Industry Sub-Category	Estimated Employment
2732	Music books printing or printing and binding without publishing	12
2752	Music, sheet, lithographic (offset) printing without publishing	64
2754	Music, sheet, gravure printing without publishing	29
2759	Music, sheet printing without publishing	62
3651	Audio & video equipment mfg	175
3652	Record production, distribution & Music publishing	700
3931	Musical instrument mfg	225
4832	Radio & television broadcasting	1,750
5099	Prerecorded tape, CD & record stores	350
5736	Musical instrument & supplies stores	175
5813	Clubs, Taverns and Lodges	922
5932	Music stores (e.g., cassette, instrument, record, tape), used	750
7359	Music Instrument Rental	343
7389	Sound recording studios	502
7699	Musical instrument repair shops without retailing new musical instruments	175
7819	Music video production	750
7922	Agents, managers for artists & other public figures	1,874
7929	Musical groups & artists	2,124
8049	Music therapists' offices (e.g., centers, clinics)	417
8221	Colleges and Universities	200
8299	Music instruction (e.g., guitar, piano)	227
8611	Business Trade Associations	927
8743	Public Relations	225
8999	Record production and or Independent artists, writers & performers	1,099
	Music-related self-employed individuals	5,361
Total Music-related Employment		19,437

Source: 2002 County Business Patterns and U.S. Census Nonemployer Statistics

Business Revenue

The total music-related business revenue for the Nashville MSA is over \$2.6 billion. Table 2 presents estimates for business revenue by sector for each music industry in the Nashville, MSA. The integrated record production and music publishing generated the largest sales revenue, estimated to be around \$627 million. Radio and Television broadcasting industries also contributed to Nashville's music-related sales revenue by collecting \$341.6 million. Music-related self-employed individuals (\$290.7 million), agents and managers (\$281.3 million) and musical groups and artists (\$278.2 million) followed. The income generated by artists, songwriters and performers is indicative of the creative synergy that exists in Nashville and it supports the *Music City* brand.

Table 2

Estimated Revenue in the Nashville Music Industry		
SIC	Industry Sub-Category	Estimated Revenue (millions)
2732	Music books printing or printing and binding without publishing	\$ 1.70
2752	Music, sheet, lithographic (offset) printing without publishing	8.68
2754	Music, sheet, gravure printing without publishing	6.51
2759	Music, sheet printing without publishing	8.45
3651	Audio & video equipment mfg	98.55
3652	Record production, distribution & Music publishing	627.94
3931	Musical instrument mfg	19.50
4832	Radio & television broadcasting	341.56
5099	Prerecorded tape, CD & record stores	58.09
5736	Musical instrument & supplies stores	37.89
5813	Clubs, Taverns and Lodges	47.81
5932	Music stores (e.g., cassette, instrument, record, tape), used	52.46
7359	Music Instrument Rental	37.65
7389	Sound recording studios	27.30
7699	Musical instrument repair shops without retailing new musical instruments	12.21
7819	Music video production	65.06
7922	Agents, managers for artists & other public figures	281.26
7929	Musical groups & artists	278.16
8049	Music therapists' offices (e.g., centers, clinics)	67.64
8221	Colleges and Universities	9.85
8299	Music instruction (e.g., guitar, piano)	4.76
8611	Business Trade Associations	52.12
8743	Public Relations	24.52
8999	Record production and or Independent artists, writers & performers	184.28
	Music-related self-employed individuals	290.69
Total Music-related Revenue		\$ 2,644.65

Source: 2002 County Business Patterns and U.S. Census Nonemployer Statistics

Earnings per Worker and Total Earnings

Table 3 contains the number of establishments within the music industry by sector, along with estimated earnings. The Nashville music industry has over 2,000 business establishments. The largest number of music-related business establishments is SIC category 7929, musical groups and artists, with 593 establishments in the Nashville MSA. Industry category 8999, record production and/or artist writer and performers, came in second with 211 establishments.

Estimated employment from Table 1 is included in Table 3 because the earnings per worker are calculated by dividing estimated earnings into estimated employment. The estimated earning for Nashville music-related industry is the annual payroll data from the U.S. Census, in music-related industry sectors. The authors found that the Nashville music industry generated \$722 million dollars in income. The music-related self-employed category generated the largest earnings among music-related sectors with an estimated \$40 thousand per worker. The music groups and artist category also estimated total earnings of \$99.4 million.

Economic Impact Estimates – Employment

The economic impact of Nashville music industry employment from Table 1 was calculated using the REMI multiplier model. The authors inputted the employment data into the REMI multiplier input-output program to determine the economic impact of music-related employment on the Nashville economy. The results in Table 4 indicate that the 19,437 jobs in the core music-related industries supported an additional 19,826 jobs in the Nashville MSA in all sectors of the economy, including agriculture, manufacturing and transportation. Thus, the total number of jobs produced by the music industry is 39,263. The Nashville music industry employment had a multiplier of 2.02, which implies that for every one employee employed by the music industry, that employee's economic activity, such as consumption of other industry goods and services, will create an additional two jobs for the Nashville Middle Tennessee area. The music-related self-employed individuals that generated the largest number of additional jobs through indirect and induced expenditure was the music stores industry, creating 944 additional jobs. The clubs, taverns and lodges (SIC category 5813) also generated twice the jobs within this category to the Nashville economy.

Table 3

Earnings and Work-Related Income in the Nashville Music Industry 2002					
SIC	Industry Sub-Category	Total Establishments	Estimated Employment	Earnings per worker	Estimated Earnings (millions)
2732	Music books printing or printing and binding without publishing	D	12	\$ 39,700.00	\$.47
2752	Music, sheet, lithographic (offset) printing without publishing	94	64	\$ 39,350.20	2.52
2754	Music, sheet, gravure printing without publishing	D	29	\$ 39,350.10	1.14
2759	Music, sheet printing without publishing	53	62	\$ 39,991.00	2.48
3651	Audio & video equipment mfg	D	175	\$ 39,575.10	6.92
3652	Record production, distribution & Music publishing	120	700	\$ 42,490.50	29.74
3931	Musical instrument mfg	11	225	\$ 39,560.00	8.90
4832	Radio & television broadcasting	60	1,750	\$ 42,539.10	74.44
5099	Prerecorded tape, CD & record stores	49	350	\$ 14,831.80	5.19
5736	Musical instrument & supplies stores	33	175	\$ 14,810.60	2.59
5813	Clubs, Taverns and Lodges	86	922	\$ 12,175.70	11.23
5932	Music stores (e.g., cassette, instrument, record, tape), used	114	750	\$ 19,111.60	14.33
7359	Music Instrument Rental	38	343	\$ 21,034.30	7.21
7389	Sound recording studios	188	502	\$ 42,370.00	21.27
7699	Musical instrument repair shops without retailing new musical instruments	42	175	\$ 21,918.80	3.84
7819	Music video production	73	750	\$ 42,551.20	31.89
7922	Agents, managers for artists & other public figures	170	1,874	\$ 46,797.20	87.67
7929	Musical groups & artists	593	2,124	\$ 46,784.50	99.37
8049	Music therapists' offices (e.g., centers, clinics)	82	417	\$ 8,756.50	3.65
8221	Colleges and Universities	24	200	\$ 49,250.00	9.85
8299	Music instruction (e.g., guitar, piano)	40	227	-	-
8611	Business Trade Associations	14	927	\$ 21,981.60	20.38
8743	Public Relations	30	225	\$ 39,773.30	8.95
8999	Record production and or Independent artists, writers & performers	211	1,099	\$ 45,446.90	49.95
	Music-related self-employed individuals		5,361	\$ 40,668.00	218.02
Totals		2,140	19,437		\$ 722.02

Source: 2002 County Business Patterns and U.S. Census

D = Withheld to avoid disclosing data of individual companies

Table 4

Economic Impact of the Nashville Music Industry (Employment)				
SIC	Industry Sub-Category	Direct	Induced/ Indirect	Total
2732	Music books printing or printing and binding without publishing	12	18	30
2752	Music, sheet, lithographic (offset) printing without publishing	64	97	161
2754	Music, sheet, gravure printing without publishing	29	44	73
2759	Music, sheet, screen and flexographic printing without publishing	62	94	156
3651	Audio & video equipment mfg	175	97	1,847
3652	Integrated record production, distribution / Music Publishers	700	39	739
3931	Musical instrument mfg	225	69	819
4832	Radio & television broadcasting	1,750	214	1,964
5099	Prerecorded tape, CD & record stores	350	738	1,088
5736	Musical instrument & supplies stores	175	16	191
5813	Clubs, Tavern and Lodges	922	940	1,862
5932	Music stores (e.g., cassette, instrument, record, tape), used	750	765	1,515
7359	Sound recording studios	343	350	693
7389	Other sound recording industries	502	512	1,014
7699	Musical instrument repair shops without retailing new musical instruments	175	179	354
7819	Music video production	750	388	1,138
7922	Theater companies & dinner theaters	1,874	271	2,144
7929	Musical groups & artists	2,124	307	2,431
8049	Music therapists' offices (e.g., centers, clinics)	417	325	742
8221	Colleges and Universities Music-related faculty	200	33	233
8299	Music instruction (e.g., guitar, piano)	227	37	264
8611	Business Associations	927	155	1,082
8743	Public Relations	225	39	264
8999	Record production	1,099	194	1,293
	Music-related self-employed individuals	5,361	944	6,305
Estimated Employment from the Music Industry		Economic Impact on Nashville Economy		Multiplier
19,437		39,263		2.02

Economic Impact of Music-related Tourism

Studies of the economic impacts of music and arts performances and exhibits throughout the country have found that the spending of persons attending these events makes a significant contribution to the economic impact of these industries. Frequently, the off-site spending of entertainment seeking tourists is *the largest economic component* of the industry being studied. Nashville visitors bring new revenue into the MSA through their spending at music-related events and through spending at nearby restaurants, hotels and retail outlets. The circulation of this spending throughout the Nashville MSA increases the disposable income of residents and raises the level of local spending, thus, creating more jobs, income and taxes.

Interviews with the Nashville Convention and Visitors Bureau support the estimate that at least 35% of the 10.5 million Nashville visitors travel to Nashville for music-related leisure and entertainment. While Nashville's brand as *Music City* plays a significant role in attracting business travelers and conventions, several annual events are directly related to the music industry. In 2004, for example, Nashville hosted over 23,000 members for the annual meeting of the National Association of Music and 5,600 attendees to the International Convention of the Percussive Arts Society.

Nashville is home to Country Music's biggest party: the CMA Music Festival "fanFare", a four-day festival that brings people from all over the world. The average stay for fans that attended the 2005 CMA Fest was 5.31 days and their average total expenditure was \$1,544. The attendance for the 2005 CMA Music Festival, held June 9-12 in downtown Nashville, was estimated to be a record attendance of 145,355 people. Attendance has grown from 124,000 in 2003 to 132,000 in 2004 to more than 145,000 in 2005.

The Grand Ole Opry presents more talent-per-minute (and music-per-dollar) than any other musical venue and it has been doing it nonstop for more than 75 years. Each year, the Opry consistently attracts 600,000 customers to performances by new stars, superstars, and the legends of country music.

Famous music clubs and cafes cluster near the Ryman Auditorium, the grande dame of all music halls. Last year, 425,000 visitors toured the Ryman, which is a designated National Historic Landmark. Close by, on Broadway, live music is played constantly at Tootsie's Orchid Lounge; where Willie Nelson and Kris Kristofferson collaborated to write songs, Legends Corner (across from the former Nashville Arena, now called the

Gaylord Entertainment Center); or Robert's Western World, where you can buy a pair of cowboy boots while you listen to the band in the picture window (only in Nashville...).

The \$37 million Country Music Hall of Fame and Museum is open year round to Nashville visitors. Over 288,000 visitors viewed the world's largest repository of country music artifacts during 2004.

Surveys conducted by the Nashville Convention and Visitors Bureau (CVB) and by Belmont University indicate that the Nashville music scene is an end-destination tourist attraction for visitors from in-state and out-of-state and, increasingly, from around the world. Due to the brand recognition of Nashville as *Music City*, it is impossible to separate tourism from the Nashville music scene. Seventy-three percent (73%) of respondents indicated music attractions to be "somewhat to extremely important" to their decision to visit Nashville. The most frequently visited tourist sites included the Grand Ole Opry (most frequent), Gaylord Opryland Hotel (third most frequent), the Country Music Hall of Fame (fourth most frequent) and the Ryman Auditorium (fifth most frequent).

If only 35% of the total spending of the 10.5 million Nashville visitors is attributable to music-related tourism, then a direct spending impact of \$1.12 billion dollars is a reasonable estimate of music-related tourism.

Music-related Tourism – Employment

Table 5 presents direct and induced employment in the Nashville MSA from music-related tourism. Expenditures by tourists enjoying music events and attractions supported 10,000 jobs in the hospitality industry. Another 4,995 jobs were created to support hospitality industry workers. Thus, a total of 14,995 are attributable to music-related tourism. The cumulative employment impact of employment related to tourism and the music industry is over 54,000 jobs within the MSA.

Table 5

Nashville Music-related Tourism Employment			
	Direct	Indirect/Induced	Total
Transportation Services	1,300	18	1,318
Eating and Drinking	5,654	451	6,105
Hotel and lodging	1,646	14	1,660
Amusement and Recreation	1,402	238	1,640
	Employment from Nashville Music-related Tourism	Economic Impact on Nashville Economy	Multiplier
	10,000	14,995	1.5

Economic Impact Estimates – Sales Revenue

In order to determine the economic impact of music-related sales revenue on the Nashville Middle Tennessee area, the sales revenue data from Table 2 were inputted through the REMI multiplier input-output program. The results in Table 6 indicate that the \$2.64 billion in sales revenue directly related to the music industry generated a total of \$3.97 billion in revenue for the entire Nashville MSA. This implies that the direct spending in the Nashville music industry generated a total of \$1.3 billion in additional sales revenue through indirect or induced economic expenditure. The output multiplier is approximately 1.50, which means that every \$1 of output sales revenue by the music industry has a \$1.50 impact on the Nashville economy. Music-related self-employed individuals had one of the largest multiplier effects, generating an additional \$139.9 million in sales either from indirect or induced expenditure to the Nashville economy. Clubs, taverns and lounges also played a large role in generating additional sales revenue to the Nashville economy, generating an induced impact of \$114.6 million in additional sales revenue.

Table 6

Economic Impact of the Nashville Industry Estimated Revenue				
SIC	Industry Sub-Category	Direct (millions)	Indirect/ Induced (millions)	Total (millions)
2732	Music books printing or printing and binding without publishing	\$ 1.70	\$ 2.89	\$ 4.60
2752	Music, sheet, lithographic (offset) printing without publishing	8.68	14.71	23.39
2754	Music, sheet, gravure printing without publishing	6.51	11.05	17.56
2759	Music, sheet printing without publishing	8.44	14.32	22.77
3651	Audio & video equipment mfg	98.54	36.99	135.54
3652	Record production, distribution & Music publishing	627.93	36.15	664.09
3931	Musical instrument mfg	19.50	11.67	31.17
4832	Radio & television broadcasting	341.56	61.56	403.12
5099	Prerecorded tape, CD & record stores	58.09	59.25	117.35
5736	Musical instrument & supplies stores	37.89	3.17	41.07
5813	Clubs, Taverns and Lodges	47.81	66.75	114.56
5932	Music stores (e.g., cassette, instrument, record, tape), used	52.46	53.51	105.97
7359	Music Instrument Rental	37.65	38.40	76.05
7389	Sound recording studios	27.30	27.84	55.14
7699	Musical instrument repair shops without retailing new musical instruments	12.21	12.46	24.67
7819	Music video production	65.05	46.77	147.83
7922	Agents, managers for artists & other public figures	281.26	30.70	311.96
7929	Musical groups & artists	278.15	30.36	308.52
8049	Music therapists' offices (e.g., centers, clinics)	67.64	28.12	95.76
8221	Colleges and Universities	9.85	10.25	20.11
8299	Music instruction (e.g., guitar, piano)	4.76	4.96	9.71
8611	Business Trade Associations	52.12	24.07	76.19
8743	Public Relations	24.52	9.76	34.28
8999	Record production and or Independent artists, writers & performers	184.28	86.19	270.47
	Music-related self-employed individuals	290.69	135.95	426.64
Estimated Revenue from the Music Industry		Economic Impact on Nashville Economy		Multiplier
\$ 2,644.65		\$ 3,966.98		1.50

Source: 2002 County Business Patterns and U.S. Census Nonemployer Statistics

Music-related Tourism – Sales

To further understand Nashville's role as "*Music City USA*" the authors also inputted \$1.12 billion in sales revenue from music-related tourism into the REMI model. Table 7 shows that music-related tourism has a total impact of \$2.4 billion on the Nashville MSA. Music-related tourism had a multiplier of 2.16, which implies that for \$1 in music-related tourism sales it creates an additional \$2.16 in sales in the area. Table 7 displays that the largest impact from music related tourism comes from the retail industry with induced and indirect expenditures over \$265 million. The combination of sales revenue from the music industry and tourism produces a total output of nearly \$6.4 billion for the Nashville MSA (see Table 11).

Table 7

Nashville Music-related Tourism Sales		
Direct Sales from Nashville Music-related Tourism	Total Sales Impact on Nashville MSA	Multiplier
\$ 1,120	\$ 2,421.90	2.16

Fiscal Impact of the Music Industry – Sales Tax

Sales Tax revenue associated with the music industry (not including the music tourism industry) was estimated to be \$24 million to the Nashville MSA. As reported in Table 8, sound recording studios generated the largest sales tax revenue, totaling over \$6.1 million. Music repair shops came in second with sales tax revenue of approximately \$6 million.

Table 8

Fiscal Impact of Music Industry (Nashville, MSA)		
SIC	Industry Sub-Category	Sales Tax
2752	Music, sheet, lithographic (offset) printing without publishing	\$ 602,420
2759	Music, sheet, flexographic printing without publishing	317,950
5736	Musical instrument & supplies stores	1,537,836
5932	Music stores (e.g., cassette, instrument, record, tape), used	5,289,091
7359	Music Instrument Rental	3,554,430
7389	Sound recording studios	6,159,525
7699	Musical instrument repair shops without retailing new musical instruments	6,032,312
7819	Music video production	55,206
7922	Theater companies & dinner theaters	303,873
7929	Musical groups & artists	83,310
8049	Music therapists' offices (e.g., centers, clinics)	34,745
	All Others	70,641
Total		\$ 24,041,343

Source: State of Tennessee Department of the Treasury, Controller's Office

Fiscal Impact of the Music Industry – Residential Property Tax

Tables 9 and 10 display the fiscal impact of the music industry on residential property taxes. A model to estimate Nashville's residential property tax was developed based on the number of employees estimated to be in the music industry through direct, indirect, and induced economic activity. The total estimated value of residential property taxes collected from employees in music businesses is \$32.6 million and is presented in Table 9.

Table 10 combines the music industry employment total with the music tourism employment total. Estimates of property taxes depend on the number of workers assumed to be employed either directly or indirectly by the music industry. Once the number of music industry employees is estimated, 75% are assumed to be homeowners within the Nashville MSA.¹ The authors derive the mean home value for

¹ This figure is also taken from *U.S. Census Quick Facts*

the Nashville MSA by averaging the median home value of each county within the Nashville MSA. The mean home value was then multiplied by the 25% cap that is placed on housing assessment within the Nashville MSA, resulting in a mean tax assessed house value of \$31,647. The mean tax assessed house value was then multiplied by the \$3.50 per hundred property tax rate, which then was multiplied by the number of music industry employees that are homeowners to derive the fiscal impact of the music industry on residential property taxes. In Table 9, a fiscal impact of the music industry of \$32.6 million is estimated. The estimated residential property taxes for all music-related employees is presented in Table 10. The total value of residential property taxes is approximately \$45.07 million.

Table 9

Fiscal Impact Residential Property Tax	
REMI Multiplier Number of Employees ¹	39,263
Percent Home Ownership	75%
Number of Employees that are Homeowners ²	29,447
25 percent Cap of House Assessment	25%
Nashville MSA Mean Home Value	126,588
Property Tax Rate	\$ 3.50 per hundred
Assessed Property Value	\$ 31,647
Fiscal Impact of the Music Industry on Residential Property Taxes	\$ 32.62 million

¹Total Number of Jobs Impacted from the Nashville Music Industry

²Source: U.S. Census Quickfacts

Table 10

Fiscal Impact Residential Property Tax (Including Music-related Tourism)	
REMI Multiplier Number of Employees ¹	54,258
Percent Home Ownership	75%
Number of Employees that are Homeowners ²	40,694
25 percent Cap of House Assessment	25%
Nashville MSA Mean Home Value	\$ 126,588
Property Tax Rate	\$ 3.50 per hundred
Assessed Property Value	\$ 31,647
Fiscal Impact of the Music Industry on Residential Property Taxes	\$ 45.07 million

¹Total Number of Jobs Impacted from the Nashville Music Industry

²Source: U.S. Census Quickfacts

The total fiscal impact of the music industry in the Nashville MSA includes sales, property, and accommodation taxes. Based on the sales taxes collected from music industry businesses and individuals, estimated property taxes and an imputed share of the accommodation tax, the total fiscal impact of the music industry is estimated to be over \$75 million.

Economic Impact Estimates for the Nashville MSA

This study estimated the economic impacts in the Nashville MSA for expenditures, employment, income, and taxes. This model takes the direct spending and employment impacts shown in Tables 1 and 2 and calculates the secondary spending and employment effects by using the REMI input-output model. A summary of the impacts from this study is presented in Table 11. Total sales attributable to the music industry in the Nashville-Davidson-Murfreesboro MSA are \$6.38 billion. The total music-related employment is over 54,000 jobs. The income earned by all occupations directly employed in the music industry is estimated to be \$722 million. Based on the tax models utilized in this study, the fiscal impact of the music industry is over \$75 million.

Table 11**Summary of Economic Impact Estimates
for the Nashville MSA**

Output (billions of dollars)	
Direct	\$2.64
Indirect	1.32
Tourism Related	2.42
Total Output (billion)	\$6.38
Employment (number of jobs)	
Direct	19,437
Indirect	19,826
Tourism Related	14,995
Estimated Total Number of Jobs	54,258
Wages	
Direct	\$722
Taxes (millions of dollars)	
Sales	\$24.04
Residential Property	45.07
Tourism Related	7.00
Total Taxes (million)	\$76.11

Philanthropic Donations by the Music Industry

The music industry also makes significant philanthropic donations within the geographic region covered by this report. Lisa M. Dietlin and Associates, Inc. (LMDA), Chicago, IL, determined the amount of charitable dollars raised and donated to nonprofit organizations within the Nashville Metropolitan Statistical Area (MSA) by the music industry.

LMDA used its proprietary databases, published accounts, and individual interviews to estimate the amounts raised or donated. The key findings show that more than \$13.3 million was raised or donated to nonprofit organizations by the music industry in 2004 and more than \$16.2 million was raised or donated within the Nashville MSA in 2003. Additional findings and recommendations are found in Appendix C, the Executive Summary of the LMDA report.

Conclusions

The findings of this study indicate that the music industry is a powerful driver in the Nashville economic community. Nashville's creative synergy and technically sophisticated infrastructure should be leveraged to take advantage of the competitive advantage the area possesses. Although it is beyond the scope of this study to promote specific policy initiatives for the music industry, discussions with stakeholders and observations about initiatives in other cities make clear several pertinent facts:

- 1) Partnerships and cooperation between the music industry, particularly small businesses, and the traditional business community could increase the economic strength of the industry and the benefits to the MSA beyond the cultural impact of being *Music City*,
- 2) Practical, collaborative efforts related to significant music endeavors and events (like the CMA Awards and the annual Music Festival) can increase the attendance and economic benefits to the local economy,
- 3) "Taking Nashville on the road" is important for spreading the word about the economic and cultural opportunities in Nashville. Touring shows and events spread the Nashville image and build the desire to visit the city,
- 4) In addition to developing strategies to promote musicians/venues/artists, strategies/incentives to encourage creative writers, musicians and artists to relocate to Nashville should be considered to build the intellectual infrastructure,
- 5) Encouraging the development of entertainment clusters within the City of Nashville can contribute to the further development of the urban core and historic areas in the metro area.

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Appendix A Survey Questionnaires

Visitor Survey for Music Event Participants
(Please Circle the Response that is Most Accurate for YOU)

1. Do you live in *Middle Tennessee*?

<i>Yes</i>	<i>No</i>
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2. How far did you travel to attend the musical event you are attending?

Less than 100 miles	More than 100 miles	Outside the U.S.
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3. If you live in the U.S., what is your *Zip Code* _____?

4. *Have you or anyone in your household attended concerts, music attractions, night clubs or other music activities or events in Middle Tennessee in the last 12 months?*

<i>Yes</i>	<i>No</i>
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5. *Approximately, how many times in the last 12 months did you or your household attend the music events mentioned in the previous question in Middle Tennessee?*

<i>1-2</i>	<i>2-4</i>	<i>5-9</i>	<i>10 or more</i>
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6. *What is the approximate amount your household spent in the last 12 months to attend musical events in Middle Tennessee such as concerts, dances, music festivals, opera, musical theater, multi-discipline events, jazz performances, music attractions or other events that featured musical presentations?*

\$ _____

7. *Please rank (1 being most frequent-5 being least attended) the types of musical events or attractions that you attended in the last 12 months.*

<i>Music Festivals</i>	
<i>Concerts</i>	
<i>Museums</i>	
<i>Nightclubs</i>	
<i>Benefits</i>	

8. *When attending a musical performance or attraction, how many nights during the last year did you or someone in your household spend the night at a hotel in order to attend of the event or attraction?*

<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
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9. *How much on average does your household spend per night for accommodations during the trip?*

<i>\$50-100</i>	<i>\$100-150</i>	<i>\$150-200</i>	<i>\$200-250</i>	<i>\$250-300</i>
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10. *When attending a musical performance or attraction, how often do you or someone in your household eat a meal and/or have drinks near the site of the performance?*

<i>0</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
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11. *How much on average does your household spend for meals and drinks during the trip?*

<i>\$10-25</i>	<i>\$25-50</i>	<i>\$50-100</i>	<i>\$100-150</i>	<i>\$200-250</i>	<i>\$250-300</i>
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12. *How much did you or your household spend on souvenirs during your trip to attend a musical event or attraction?*

<i>\$ 0</i>	<i>\$10-25</i>	<i>\$25-50</i>	<i>\$50-100</i>	<i>\$100-200</i>	<i>More than \$200</i>
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Nashville, Tennessee Music Industry Economic Impact Project

The Nashville Chamber of Commerce, in conjunction with the Music City Partnership and Belmont University, is conducting an economic impact study of the music industry in Nashville, Tennessee. This survey questionnaire is part of that study. The information received on this questionnaire will be held in strict confidence and no specific firm information will be released or published. In addition, all questionnaires and firm-specific information will be destroyed once the study is completed. If you have any questions, please contact Dr. Patrick Raines of Belmont University at 615-460-6175. Please return this survey by October 24, 2005. A stamped envelope is enclosed for your convenience.

Company Name _____

Contact Person _____

Telephone # _____ Fax # _____

Please specify primary nature of business _____

	Past Fiscal Yr.	Estimated Current Fiscal Yr.
Labor		
Total Number of Full-time Employees (Nashville, MSA ²)	_____	_____
Total Number of Part-time Employees (Nashville, MSA)	_____	_____
Annual Employee Wages and Salaries	_____	_____
Professional/Business Services, contract and additional labor	_____	_____
Operations		
Total Operating Expenditures ³	_____	_____
Capital Improvements		
Total Capital Expenditures	_____	_____
Projected 3-Year Capital Expenditures	_____	_____
Taxes		
State Taxes	_____	_____
Local Taxes	_____	_____
Total Nashville Sales Revenues⁴	_____	_____

² Metropolitan Statistical Area: Cheatham, Davidson, Dickson, Robertson, Rutherford, Sumner, Williamson and Wilson counties

³ Examples: rent, mortgage, office/maintenance supplies and materials, entertainment, events & catering, marketing and advertising, travel expenses

⁴ Total revenue is gross receipts from the sales of goods and services produced by firms/divisions located in the Nashville MSA.

Appendix B The Relationship of Payroll and Business Sales

In review of the literature, many economic impact studies of the music industry included the multiplier effects of not only employment but also business sales revenue. Because of the data constraints, the most recent database utilized for the Nashville study is the 2002 Census Nashville MSA County Business Patterns. The 2002 Nashville MSA Economic Census is not scheduled for release until next year.

While the Nashville MSA County Business Patterns Data, does include categories such as employment, number of establishments, and annual payroll of each industry, it does not include industry level business sales revenue. Understanding the local multiplier effects of business sales revenue is essential to the economic viability of any industry within a local MSA.

In the Settle study, Beyers, Bonds, and Wenzel (2004) derived a formula for calculating business sales based upon local area payroll data and national business and payroll results. This ratio is feasible for our analysis considering the National Economic Census for 2002 is currently available for use.

Therefore to estimate music industry business sales revenue for Nashville, TN, a ratio of the national level sales to payroll will be applied to Nashville's annual payroll data from the 2002 County Business patterns. The equation is listed below:

Nashville MSA Sales = N_sales

Nashville MSA Payroll⁵ = N_pay

U.S. Sales⁶ = US_sales

U.S. Payroll⁷ = US_pay

Equation:

$$N_sales = (US_sales / US_pay) * N_pay$$

⁵ Information taken from 2002 Census Nashville MSA County Business Patterns.

⁶ Information taken from 2002 National Economic Census

⁷ Data taken from 2002 National County Business Patterns

Appendix C Executive Summary

Executive Summary

Lisa M. Dietlin and Associates, Inc. (LMDA) determined the amount of charitable dollars raised and donated to nonprofit organizations within the Nashville Metropolitan Statistical Area (MSA) by the music industry.

LMDA maintains a database which tracks the charitable giving of more than 300 entertainers and artists, as well as the giving of major record companies and other music related businesses. LMDA made use of this database as well as an extensive review of published accounts and individual interviews pertaining to the philanthropy of the music industry in the Nashville MSA to produce this report. Key Findings and Recommendations from this research are included below.

KEY FINDINGS

- More than \$13,300,000 was raised or donated to nonprofit organizations from the music industry in the Nashville MSA in 2004.
- More than \$16,200,000 was raised or donated to nonprofit organizations from the music industry in the Nashville MSA in 2003.
- Entertainers, artists and others in the music industry contribute far more, both in direct contributions and in the donation of goods and services (including performances) in the Nashville MSA than is widely reported or publicly available.
- Individual entertainers and artists generate the largest portion of charitable donations in the Nashville MSA.
- The largest portion of the music industry's philanthropic dollars is directed to nonprofit organizations focused on children.

KEY RECOMMENDATIONS

- Entertainers and artists should carefully identify the causes/charities they care most deeply about and should focus and direct all philanthropic activities to them.
- Entertainers and artists should choose one specific cause and/or no more than three specific charities to which all philanthropic activity is directed.
- Philanthropy is a marketing opportunity and should be utilized in all public relations efforts and included in all marketing plans.
- A bi-annual survey should be conducted to track the philanthropic giving generated by the music industry. This should be publicized and promoted.