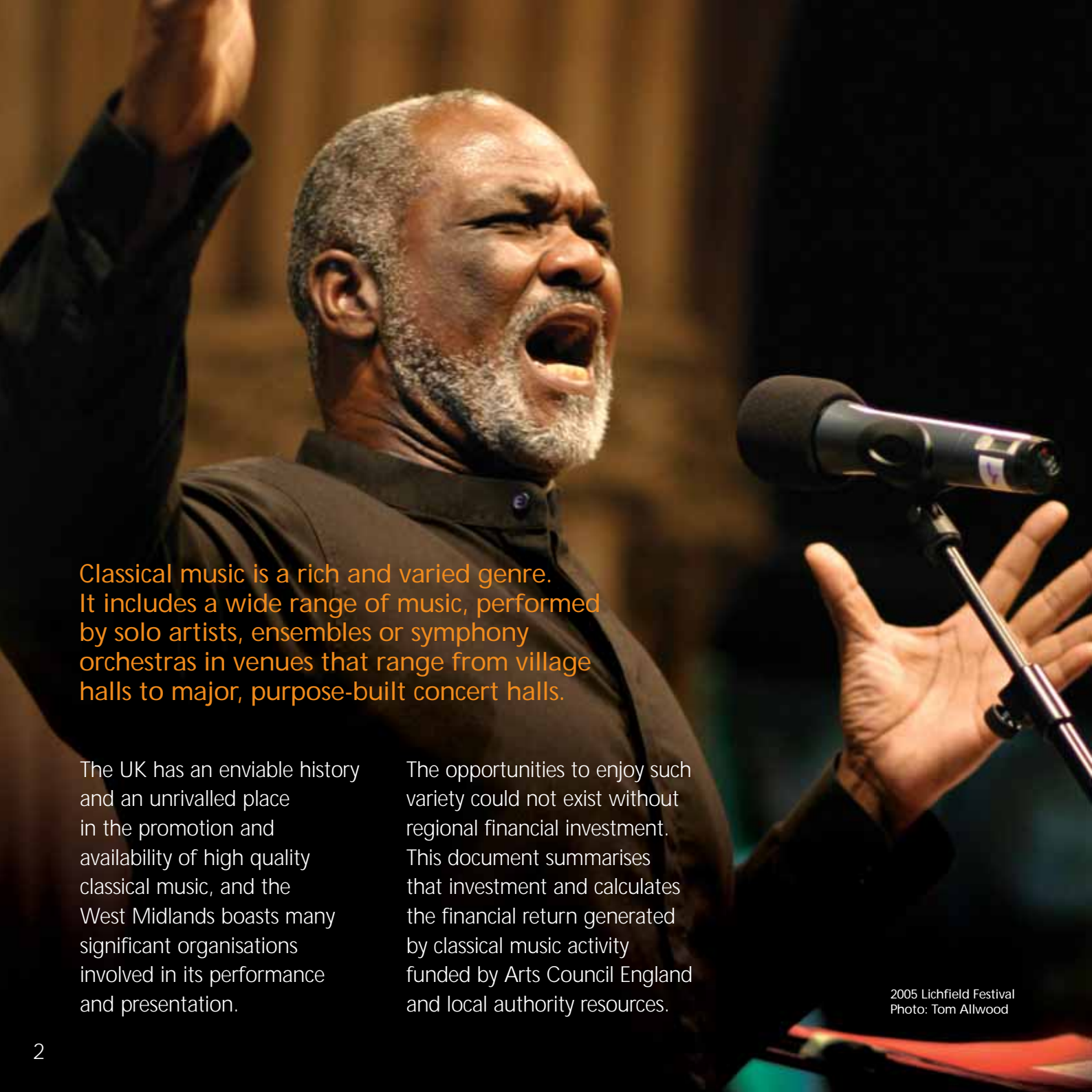


Making a noise

The economic impact of classical music in the West Midlands





Classical music is a rich and varied genre. It includes a wide range of music, performed by solo artists, ensembles or symphony orchestras in venues that range from village halls to major, purpose-built concert halls.

The UK has an enviable history and an unrivalled place in the promotion and availability of high quality classical music, and the West Midlands boasts many significant organisations involved in its performance and presentation.

The opportunities to enjoy such variety could not exist without regional financial investment. This document summarises that investment and calculates the financial return generated by classical music activity funded by Arts Council England and local authority resources.

2005 Lichfield Festival
Photo: Tom Allwood

Overall economic impact

Classical music in the West Midlands is a smaller sector than theatre, for which an economic impact study was published in 2006. However it still has a significant impact on the regional economy.

Classical music creates a direct value to the West Midlands region of at least £55 million annually.

As with the theatre study, this is a conservative figure. The data used to provide it does not include, for example, the impact of a number of large scale open-air experiences held in the summer at castles and stately homes throughout the region, for which figures are unavailable.

With the addition of income generated by promoting venues and ensembles (their annual turnover) and work done overseas, the annual impact figure is boosted from £55 million to more than £67 million.

Data for this study was collected from 38 promoting venues, festivals and professional ensembles. A list of the musical genres that were included within the definition 'classical music' is shown in Appendix A, and a list of venue/ensemble respondents is shown in Appendix B.

While this report aims to be as comprehensive as possible, it has not been possible to be completely inclusive. For example, performances at the many mixed art form festivals in the region have not been researched owing to the sheer number of such festivals in the region. Therefore, these findings can safely be taken to represent the lower end of the number of performances in the year, and a minimum indicator of economic impact generated.

What is 'economic impact'?

Every promoting venue, festival or ensemble makes both direct and indirect contributions to its local economy. The direct impact consists of local spending on supplies and services, plus wages paid to staff. The indirect impact is the 'knock-on' effect generated by the direct impact, where spending money leads to more money being spent.

When an organisation buys supplies from a local company, the related income helps the supplier company pay wages to its staff, who then use it to buy other goods. All that expenditure is constantly circulating around the local economy, helping to preserve jobs and boost economic growth.

Additional visitor spend (AVS) also demonstrates that audience spending makes a significant difference to the local economy.

By attracting people into an area – where they might eat out, spend money on transport or buy goods in local shops – theatres and concert halls help to sustain jobs, generate additional economic activity and act as forces for economic and social regeneration.

Key components of the economic impact figure are:

1. spending by concert goers - in particular food bought outside the theatre, transport costs to get there and back and necessary child care costs

The study also takes into account spending by promoting venues and ensembles, notably

2. expenditure on staff (including musicians, conductors and other creative team members) and goods and services
3. subsistence allowances to freelance staff to enable them to stay in the area while a project is under way:

this generates important income for local landlords and hoteliers

This formula produces the basic economic impact calculation of £55.4 million.

A more comprehensive formula also includes:

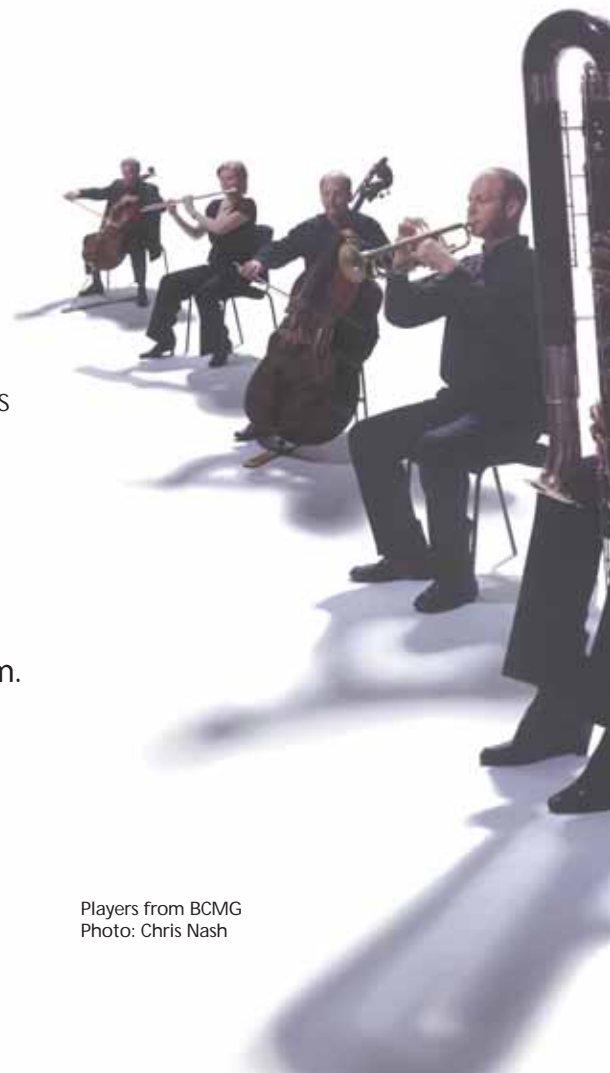
4. income generated by the organisations - including ticket sales, sponsorship, grants, donations, programme and refreshment sales, merchandise and catering sales
5. income generated by working overseas - the fees received by sending performers abroad or any sponsorship or grants relevant to that work

In which case, the figure rises from £55.4m to £67.8m.

Return on public investment

These figures are generated from relatively modest public subsidy at regional level:

£2.9m from Arts Council England, West Midlands together with £3.9m from the local authorities of the West Midlands. Therefore £6.8m of regional public investment produces close to a ten-fold multiplier: **£67.8m** of local public benefit.



Players from BCMG
Photo: Chris Nash

Audience spend

The average spend per attender at a classical music performance in the West Midlands is £32.96. This is made up of an average £16.10

spent on the cost of admission, and a further £16.86 on additional expenditure, which includes travel, food and drink, programmes, gifts etc.

Out of region visitors

Expenditure is boosted by those audience members visiting from outside the West Midlands. About 10% of the audience for classical music travels from beyond the West Midlands boundary to attend, bringing additional revenue into this region.





Armonico Consort's production of
The Magic Flute, at its premiere
performance at Warwick Arts Centre
Photo: oliviahemingway.com

The economic impact of individual workers

The classical music sector in the West Midlands is dependent on the work of at least 275 full time equivalent posts (a total of 358 full time and part time employees was reported). Therefore, the minimum average economic output per full time individual employed in the sector is calculated at £197,628, based on the figures reported by the 38 organisations who responded to the request for information.

Volunteers in the West Midlands classical music sector

Organisations also reported on the number of volunteers who worked at their venues.

Responses showed that there are at least 930 volunteers giving their time in the West Midlands in support of the classical music sector.

It should be noted that for promoting venues involved in presenting a range of different arts activities in addition to classical music, appropriate proportions of their workforce and volunteers have been calculated pro rata with the amount of classical music programming within their overall annual activity.

How was the survey carried out?

Questionnaires were devised to collect the following information from individual venue-based organisations and ensembles for the 2004/05 financial year*:

- proportion of activity represented by classical music
- number of classical music events and tickets sold
- organisational turnover
- overseas earnings
- salaries and fees

- subsistence allowances paid
- value of goods and services bought
- number of part time and full time employees
- number of volunteers

Questionnaires were distributed from February 2006. A total of 38 organisations responded with data. Missing data for a total of seven organisations was modelled according to known information for size and scale of their operation to provide a more complete picture.

The data returned by responding venues

The financial figures overleaf relate to the classical music activity of 31 organisations who responded to the organisational questionnaire with complete data.

*Where data related to a different financial year, cost of living adjustments have been made to reflect this and bring the values into line with 2004/05.

Item	Total amount
Organisational turnover	£16,905,647
Overseas earnings	£616,066
Organisational expenditure	£18,514,483
Wages, salaries and fees	£10,111,717
Personal expenses and subsistence allowances paid, including accommodation	£415,653
Value of goods and services bought	£7,003,985
Total number of classical music events/performances	1,182
Total number of tickets sold in the year for classical music events/performances	567,121

Approximate numbers of people employed by or volunteering within the 38 participating organisations:

Full time employees	191
Part time employees	167
Number of employees paid personal subsistence allowances	317
Number of volunteers	929

It should be noted that for organisations also involved in promoting other arts activities in addition to classical music, only a pro rata proportion of their workforce has been included.

Additional visitor spend

Apart from the cost of tickets, people mainly spend money on transport, food and drink, gifts, souvenirs and carer costs while attending a classical music event. Data relating to audience spend was collected across the region at 22 selected performances, chosen

with the aim of sampling a representative range of events. Data collected relates to 1,105 audience members. This spend is directly related to classical music activity and to the economic activity generated in the region by professional music promotion.

The total spend was then averaged to reflect the average spend by an attender at a classical music event.

Average spend per attender on tickets for classical music event

£16.10

Average other* spend per attender

£16.86

Average total spend per attender for classical music event

£32.96

After taking the totals of the various components of economic impact, the calculation then uses a multiplier. Multipliers are used in impact studies to take into account the knock-on effect of spending by the theatre throughout the local economy.

To ensure that this study produces a viable but cautious result, a multiplier of 1.5 has been used, the smallest that is realistically possible.

Calculation of economic impact

Formula one: excluding organisational turnover and overseas earnings.

Economic impact =
(audience spend excluding tickets + salaries, wages, fees + subsistence allowances + goods and services bought) x (a multiplier of 1.5)
= **£54,249,009**
approximated to
£54.2 million.

CBSO Musicians
Photo: Adrian Burrows

Formula two: including organisational turnover and overseas earnings.
Economic impact =
(turnover + overseas earnings + audience spend excluding tickets + salaries, wages, fees + subsistence allowances + goods and services bought) x (a multiplier of 1.5)
= **£66,622,792**
approximated to
£66.6 million.

Estimated additional economic impact from seven organisations with incomplete data
= **£1,152,354**
approximated to
£1.2 million

This additional estimate has been added to the figures calculated via formula one and formula two to give the results quoted. The overall result shows that classical music, although a smaller sector than theatre, still generates significant economic impact within the West Midlands.

The strong return on the investment of public funds occurs in a similar ratio of 10:1 to that outlined in the companion report: 'West Midlands theatre - an economic success story'

*Other spend includes expenditure on food and drink, transport, gifts and souvenirs, carer costs etc. Mileage is costed at £0.40 per mile.



APPENDIX A

The term 'classical music' was taken for the purposes of this study to include the following genres:

Orchestral concerts

Instrumental and/or vocal recitals and chamber music concerts

Early music concerts

Contemporary classical music concerts

Concerts of Christmas classical music

Opera and light opera (staged or semi staged and in concert)

Popular classics and light classical concerts

Classical concerts for family audiences

Choral concerts (including performances by amateur choirs with professional orchestras/ensembles where the professional body is the promoter)

Performances by professional musicians who were not paid to perform

The study excluded:

Amateur performances (where all performers/musicians were amateur)

Brass band concerts

Non-western classical music concerts



CBSO Musician Peter Hill
Photo: Adrian Burrows

APPENDIX B

Economic impact study respondents

The 38 venues, festivals and ensembles in the West Midlands that responded to the request for information were:

- Armonico Consort
- Bedworth Civic Hall
- Birmingham Conservatoire
- Birmingham Contemporary Music Group
- Birmingham Hippodrome
- Birmingham Opera Company
- Bromsgrove Concerts
- City of Birmingham Symphony Orchestra
- Ex Cathedra
- Hereford Cathedral
- Hereford Concert Society
- Keele Concerts
- Leasowes Bank Festival
- Lichfield Cathedral
- Lichfield Festival
- Lichfield Garrick
- Ludlow Assembly Rooms
- Malvern Concert Club
- Malvern Theatres
- New Vic Theatre
- The Place @ Oakengates
- Orchestra of the Swan
- Palace Theatre Redditch
- Regent Theatre
- Shropshire Music Trust
- Stoke on Trent Festival
- Stratford Upon Avon Music Festival
- Symphony Hall
- The Barber Institute of Fine Arts
- The Courtyard Centre for the Arts
- Three Choirs Festival
- Victoria Hall
- Warwick Arts Centre
- Warwick Arts Society
- Wolverhampton Civic and Wulfrun Halls
- Worcester Cathedral
- Worcester Concert Club
- Wyaston Theatre

The research and reporting for this study was undertaken in 2006 for Arts Council England, West Midlands by Audiences Central, the audience development agency for the West Midlands region.

This publication summarises the findings of their report, which is available from www.artscouncil.org.uk

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Front cover: Players from BCMG
Photo: Chris Nash