INDIANA UNIVERSITY
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ECONOMIC IMPACT OF THE INDIANAPOLIS SYMPHONY ORCHESTRA

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EXECUTIVE SUMMARY

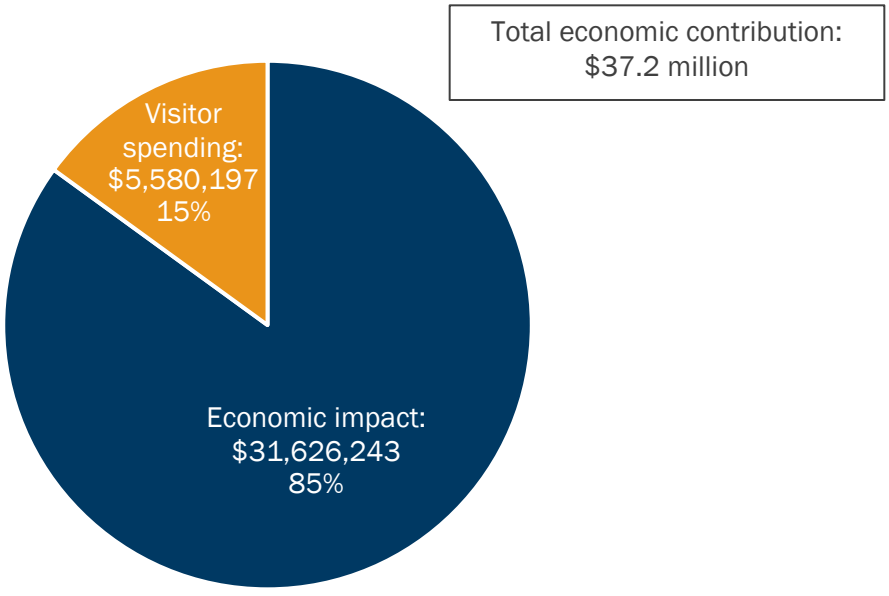
The Indianapolis Symphony Orchestra (ISO), established in 1930, performs nearly 200 concerts a year and is known as one of the most versatile professional orchestras in the United States. ISO is one of only a few U.S. symphony orchestras to own its venue, the historic Hilbert Circle Theatre. A key fixture on Monument Circle—the physical and spiritual center of Indianapolis—ISO lies near a great deal of new development and new residents who are eager to take advantage of what an urban downtown has to offer.

The only fixed entertainment destination directly on the Circle, Hilbert Circle Theatre is important to the vitality of the Monument Circle Historic District and other adjacent areas. The orchestra provides a variety of musical programming, including the 18-week Classical Series, an 8-week Pops Series, a 3-week Film Series, a 3-week creative musical fusion Uncharted Series, Coffee Classical and Pops concerts, and special performances. It also offers a monthlong AES Indiana Yuletide Celebration, the summer Lunch Break Series, and the Kroger Symphony on the Prairie outdoor summer concerts at Conner Prairie.

During 2023, concerts, programming, and operations, plus ticket holder spending resulted in a total economic contribution of over $37 million to the greater Indianapolis economy (Figure 1). ISO revenue during fiscal year 2023 resulted in an estimated impact on the greater Indianapolis economy of $31.6 million. Of this total, AES Indiana Yuletide Celebration and Kroger Symphony on the Prairie each were responsible for nearly $5 million of the total economic impact. ISO's revenue resulted in 239 full-time equivalent jobs and total labor income of $16 million.

ISO ticket holders also made significant contributions to the downtown Indianapolis and Hamilton County economies. When they attended an ISO event, they often spent money on parking, food, shopping, and other entertainment. These expenditures bolstered the greater Indianapolis economy by $5.6 million in 2023. ISO's signature holiday season event, the AES Indiana Yuletide Celebration, alone brought $1.2 million in spending to the Indianapolis downtown economy in December. In partnership with Conner Prairie, the Kroger Symphony on the Prairie series contributed an estimated $1.4 million to the Hamilton County economy in visitor spending.

FIGURE 1. Total economic contribution of ISO, FY 2023



ISO patrons who made contributions during fiscal year 2023 indirectly influenced the total economic activity attributable to ISO and its visitors. Each $100 in patron contributions resulted in $354 in economic activity connected to ISO events and operations. This patron contribution level also resulted in $80 in visitor spending, of which $50 likely occurred in downtown Indianapolis near the Hilbert Circle Theatre. Thus, each contribution by an ISO patron resulted in more than four times that amount in economic value to the greater Indianapolis economy, demonstrating the importance of ISO patrons not only to the organization but also to the economic vitality of the Indianapolis area.

BACKGROUND

The Indianapolis Symphony Orchestra (ISO) contracted with the Indiana University Public Policy Institute (PPI) to conduct a study estimating the economic impact of its activities and the amount of new spending that resulted from those activities in Center Township and Hamilton County.

ISO contributes to the greater Indianapolis economy in the same manner any organization does through wages and compensation paid to staff and performers, plus purchases of goods and services to support performances and operations. It also directly and indirectly impacts the quality of life and image of the region, which in turn, contributes to the region's attractiveness for individuals, families, and businesses. Additionally, to further engage the community, ISO provides free events designed to engage and educate students of all ages. While these events are free, they also provide quantifiable benefits to Indianapolis and the surrounding region. Finally, events at the Hilbert Circle Theatre attract thousands of visitors to downtown Indianapolis and contribute to the vibrancy of downtown Indianapolis, primarily through the spending of ISO ticket holders.

Of particular importance is the location of the ISO offices in downtown Indianapolis. ISO played a significant role in early downtown revitalization efforts when it moved to the historic Hilbert Circle Theatre in 1984. Civic and political leaders and organizations like ISO laid the groundwork for reversing a downward trend in downtown that occurred with suburbanization in the decades following World War II. In the 2000s, there was a surge in development in the Mile Square and surrounding areas with such projects as the Cummins Headquarters, Bottleworks, the JW Marriott, and such amenities as the Indianapolis Cultural Trail. Downtown living became highly desirable with the conversion of former business buildings into apartments and condominiums. By 2018, downtown was the fastest-growing neighborhood in Marion County.[1]

Downtown development stumbled with the pandemic but has recovered quickly. In 2023, the downtown Regional Center—defined by Downtown Indy, Inc. as the 6.3 miles bordered by 16th Street and Fall Creek to the north, White River to the west, I-70 to the south, and I-65 to the east—accounted for 1.5% of the county's geographical area but contributed nearly 22% of Marion County's annual tax revenue. Between 2010 and 2023, the area's population increased by 46%, households by 62%, and housing units by 45%.[2] Commercial real estate broker Cushman and Wakefield projected another 16% increase during the next two years[3] with the addition of such major projects as the Gathyr at Elevator Hill, Industry Indianapolis apartments (421 N. Pennsylvania Street), Rise on Meridian (915 S. Meridian Street), Bottleworks Phase II (an expansion of the redevelopment of the Indianapolis Coca-Cola Bottling Plant), Eleven Park at the former Diamond Chain Company location, and Elanco's new headquarters at the former General Motors Stamping Plant; the redevelopment of the City Market, the old City Hall, Pan Am Plaza, and Circle Centre Mall; and the expansion of the Cultural Trail.[4]

About 29,000 people lived downtown in 2023. More than half of them were college-educated,[5] compared to 38% in Center Township as a whole.[6] The downtown population in Indianapolis is much larger than in similar cities. For example, Columbus, Ohio, had 11,650 downtown residents, and Louisville, Kentucky, had only 4,629.[7] Indianapolis' downtown residents had a median income of $63,426,[8] higher than that of other Center Township residents whose median income was $56,465 a year.[9] The average age of downtown residents is 36.[10] In the larger geographic area of Center Township, the largest age group is 20–39-year-olds.[11] Increasingly, the downtown area is becoming a place not only to start a career but also to raise a family. The number of families living in the downtown area has grown by 53% since 2012. In February 2023, downtown residents told the Indiana Business Journal they lived downtown "because of its walkability, vibrancy, convenience, and access to entertainment and restaurants." They also said they planned to stay.[12]

The post-pandemic era presents opportunities for cities to reimagine their downtowns as more than workplaces. Urbanist Richard Florida predicts cities' future success lies in their ability to turn central districts into what he describes as better neighborhoods with a wide range of amenities that make them more appealing places to live, work, and play.[13] Florida identifies technology, talent, and tolerance as the key drivers of economic development. He argues that cities must be centers of innovation and technology, be populated with people who have bachelor's degrees and above, and be diverse to succeed. Moreover, he contends that they need to attract what he defines as the creative class—engineers, managers, academics, musicians, researchers, designers, entrepreneurs, lawyers, poets, and organizers—to prosper. In the 21st century, more than a third of the American workforce creates for a living, and the choices these creatives make will determine which cities thrive. Although Florida's ideas regarding a creative class have been criticized for being elitist, evidence suggests there is a strong connection between places that have successfully harnessed talent and technology and those that are open to immigrants, racial integration, the LGBTQ community, and artists.[14] Florida says, "Such places gain an economic advantage in both harnessing the creative capabilities of a broader range of their own people and in capturing a disproportionate share of the flow" of talent and positive economic growth.[15] Indianapolis seems to be taking important steps to reach these goals, and a world-class symphony orchestra such as the ISO is both a critical attraction to a vibrant, growing central district and a key to attracting creatives and those who enjoy the fine arts.

METHODOLOGY

VISITOR SPENDING ANALYSIS

PPI based attendee spending estimates on responses to a survey electronically mailed to people who purchased tickets for ISO events at Hilbert Circle Theatre or Kroger Symphony on the Prairie during 2023. PPI distributed the surveys from February 2–13, 2024, and collected 1,063 responses from Hilbert Circle Theatre attendees and 597 from Kroger Symphony on the Prairie attendees. The survey gathered information on attendees' experiences at both locations, as well as what they spent on food and beverages, shopping, and entertainment outside each venue before and after an ISO performance. PPI analysts then used that information to project spending per ticket holder and total spending in Center Township—to approximate downtown Indianapolis and the surrounding area—and Hamilton County attributable to ISO events.

ISO also provided PPI with ticket data by ZIP code, which PPI used to segment ticket holders by county and township. To estimate how much new visitor spending contributed to the downtown Indianapolis and Hamilton County economies, PPI created estimates based on where visitors lived. For Hilbert Circle Theatre, analysts based estimates on the proportion of ticket holders who lived outside Center Township. For Kroger Symphony on the Prairie, they based estimates on the proportion of ticket holders who lived outside Hamilton County. This analysis did not include non-event visitors or non-ticketed performances at ISO.

ECONOMIC IMPACT ANALYSIS

The analysis utilized input/output modeling, which is a common method for estimating the economic contributions of businesses, nonprofits, and governmental activities. Input/output modeling estimates the direct, indirect, and induced benefits—the latter two are also known as spin-off benefits—attributable to the business activity in a defined geographic area. For purposes of this study, PPI modeled the economic contribution of ISO on the greater Indianapolis area, which includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, and Shelby counties. PPI used the 2022 IMPLAN software input/output model to estimate economic activity. IMPLAN uses data from various federal databases, as well as income and product accounts and matrices to model the business-to-business spending patterns of firms within an industry, employment patterns and wages, and final demand consumption of goods and services.

The primary measure of economic impact in IMPLAN is output, which IMPLAN estimates based on industry analyses of the value of goods and services a business consumes from suppliers, plus the generation of business income. Essentially, output measures the total value of all goods and services produced and reflects all the economic activity stimulated by a particular business or industry while producing its goods and services.

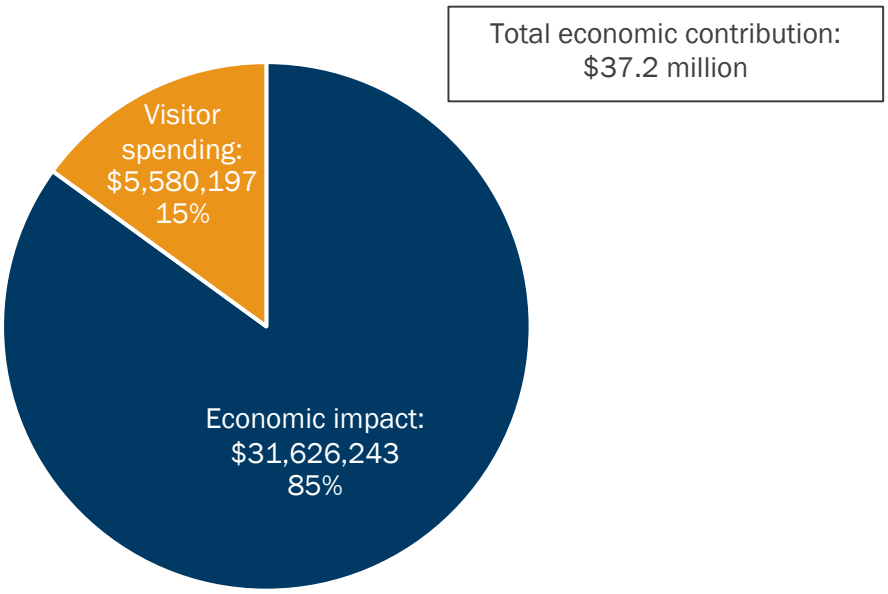
ISO provided the data used to estimate the economic impact in this analysis. These data included ISO operational expenditures, revenue, number of employees, and employee wages. PPI reviewed the financial data provided by ISO to determine the revenue and expenditures for the AES Indiana Yuletide Celebration performances, the Kroger Symphony on the Prairie performances, and all ISO events and performances that occurred during the remainder of the year. PPI also used the data for ISO employees, including wages, and ISO revenues to run the IMPLAN model and determine the economic impact of the AES Indiana Yuletide Celebration, Kroger Symphony on the Prairie, and events and performances at ISO during the rest of the year. The results shown represent the total gross economic contribution attributable to ISO operations.

RESULTS

TOTAL ECONOMIC CONTRIBUTION

ISO contributes more than $37 million to the greater Indianapolis economy (Figure 2). This includes nearly $32 million in economic impact generated by ISO's operations and activities throughout fiscal year 2023. ISO ticket holder spending on outside food and beverages, shopping, entertainment, and parking accounted for the remaining $5.6 million.

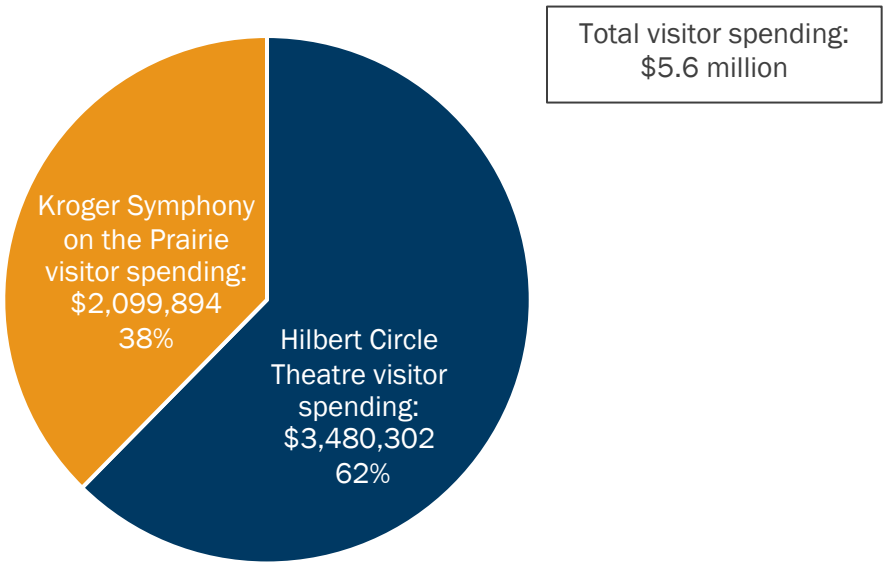
FIGURE 2. Total economic contribution of ISO, FY 2023



VISITOR SPENDING ANALYSIS

Spending on food and beverages, shopping, entertainment, and parking by people attending ISO performances at the Hilbert Circle Theatre and Kroger Symphony on the Prairie at Conner Prairie generated $5.5 million in economic contribution (Figure 3). The analysis is based on visitor spending before and after attending ISO events. It does not include money spent while at the Hilbert Circle Theatre or Conner Prairie. Attendance at ISO performances at the Hilbert Circle Theatre made up $3.5 million of this total, while $2 million was attributable to those who attended Kroger Symphony on the Prairie.

FIGURE 3. Total visitor spending before and after ISO events



Performances at the Hilbert Circle Theatre

In 2023, the ISO attracted more than 100,000 attendees to performances at the Hilbert Circle Theatre and generated nearly $3.5 million in visitor spending at establishments outside of the theatre (Figure 4). Attendees from outside Center Township accounted for $3.4 million of the total. Because PPI defined Center Township as downtown and based new revenue to the downtown Indianapolis economy on what ISO ticket holders outside this area contributed to spending, this $3.4 million (98%) was considered new to downtown (Figure 5). ISO ticket holders spent more than $2 million in and around downtown visiting restaurants (food and beverage purchases), followed by parking ($760,000), entertainment ($416,000), and shopping ($262,000).

FIGURE 4. Hilbert Circle Theatre visitor spending by category

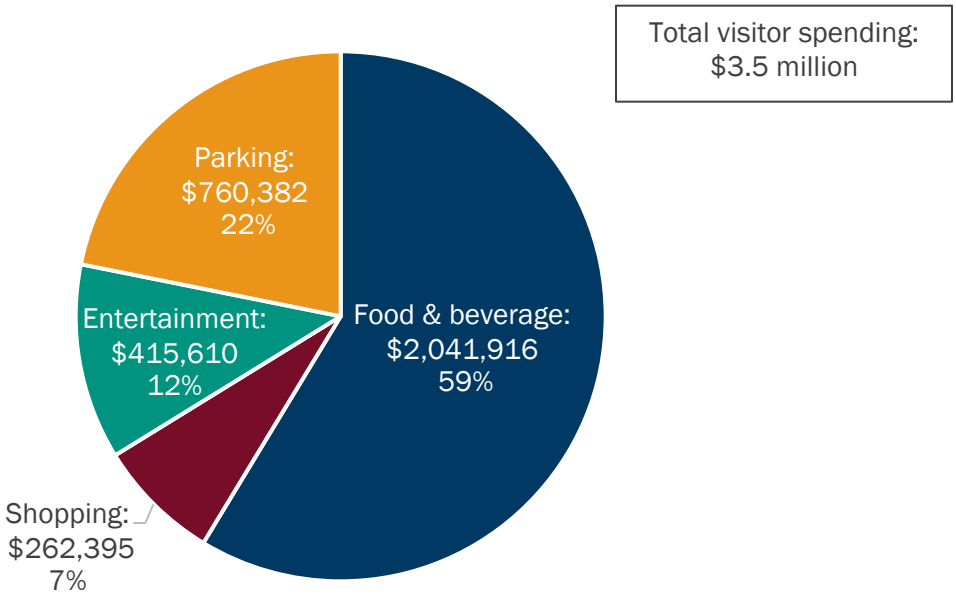
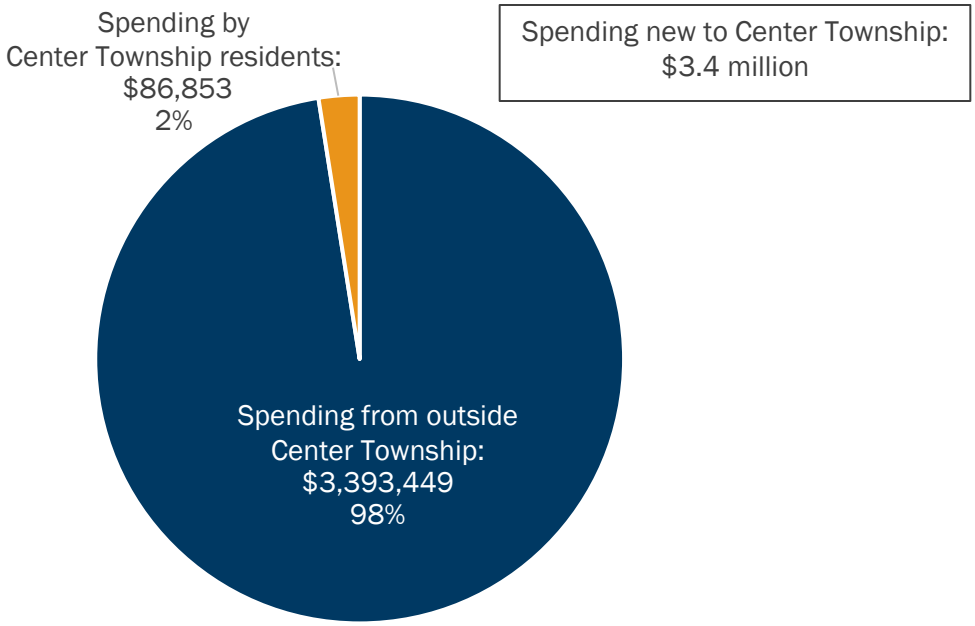


FIGURE 5. Hilbert Circle Theatre visitor spending by place of residence



AES Indiana Yuletide Celebration

In 2023, the AES Indiana Yuletide Celebration attracted more than 38,000 ticket holders—nearly 40% of the 100,000 people who attended an ISO performance at the Hilbert Circle Theatre. Visitor spending outside the theatre accounted for more than $1.2 million (Figure 6). Visitors spent the most money on food and beverages ($677,000), followed by parking ($292,477), entertainment ($159,000), and shopping ($110,000). Of the $945,000 in visitor spending, 96% ($1.2 million) came from ticket holders who lived outside of Center Township and, therefore, was considered new to downtown Indianapolis (Figure 7).

FIGURE 6. AES Indiana Yuletide Celebration visitor spending by category

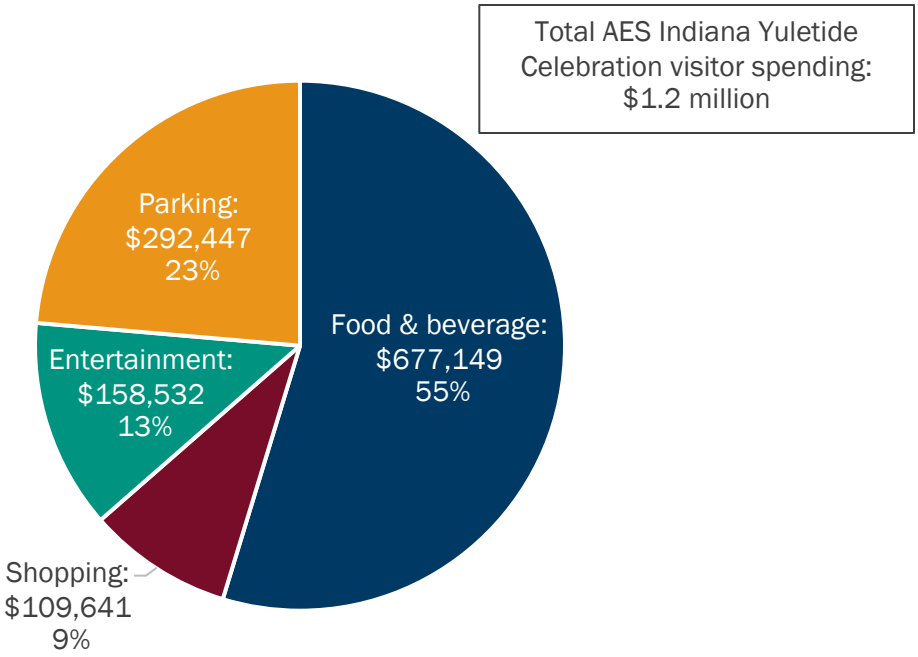
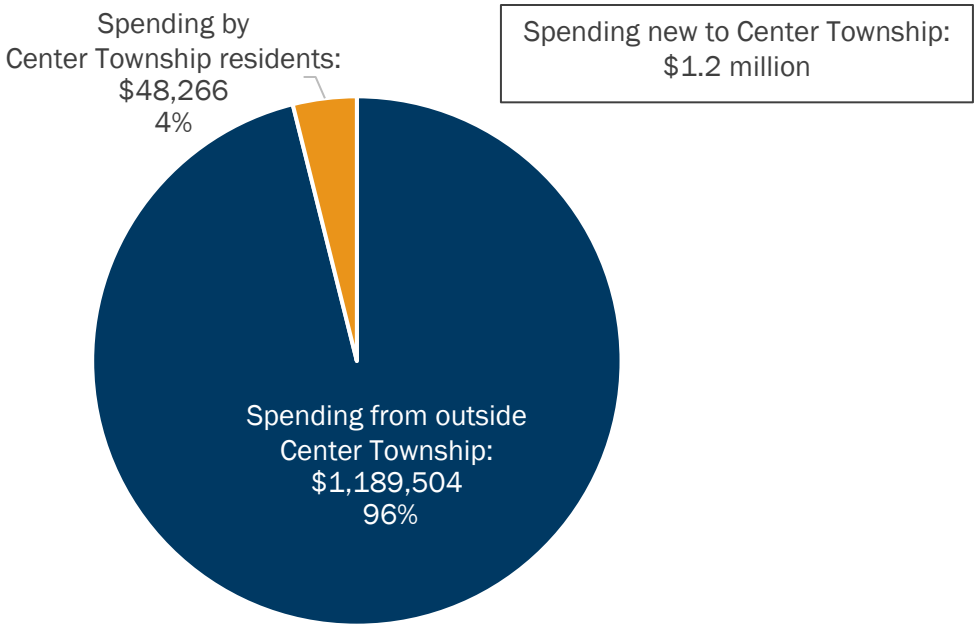


FIGURE 7. AES Indiana Yuletide Celebration visitor spending by place of residence



Kroger Symphony on the Prairie

In 2023, attendees at Kroger Symphony on the Prairie at Conner Prairie generated $2.1 million in spending (Figure 8). They spent $1.1 million at bars and restaurants, followed by shopping ($674,000), and entertainment ($271,000). Ticket holders who lived outside Hamilton County contributed $1.4 million (67%) of the $2.1 million in visitor spending (Figure 9). PPI investigators defined spending by non-Hamilton County residents as new revenue to Hamilton County. As with the analysis of spending by Hilbert Circle Theatre attendees, these figures represent visitor spending before and after Kroger Symphony on the Prairie performances, not money spent while at Conner Prairie.

FIGURE 8. Kroger Symphony on the Prairie visitor spending by category

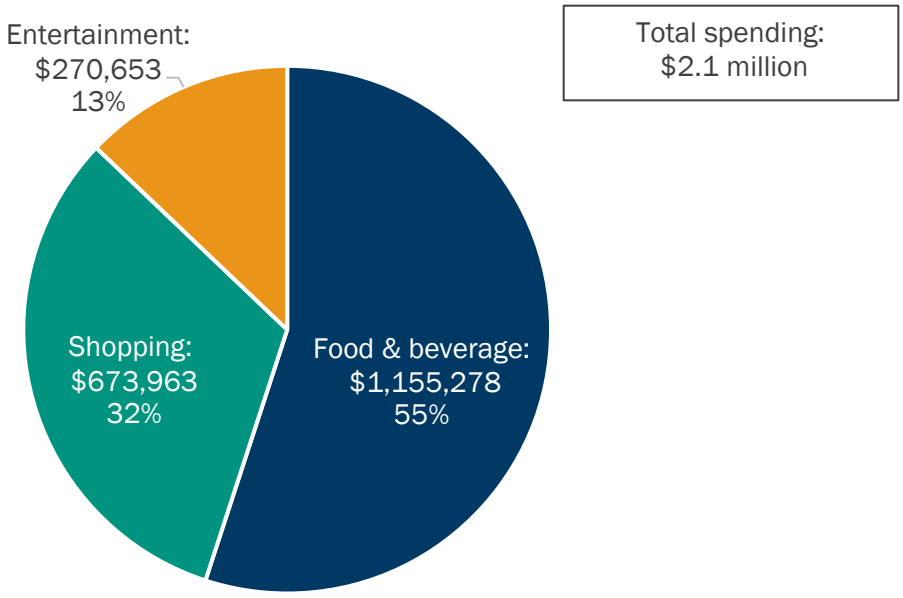
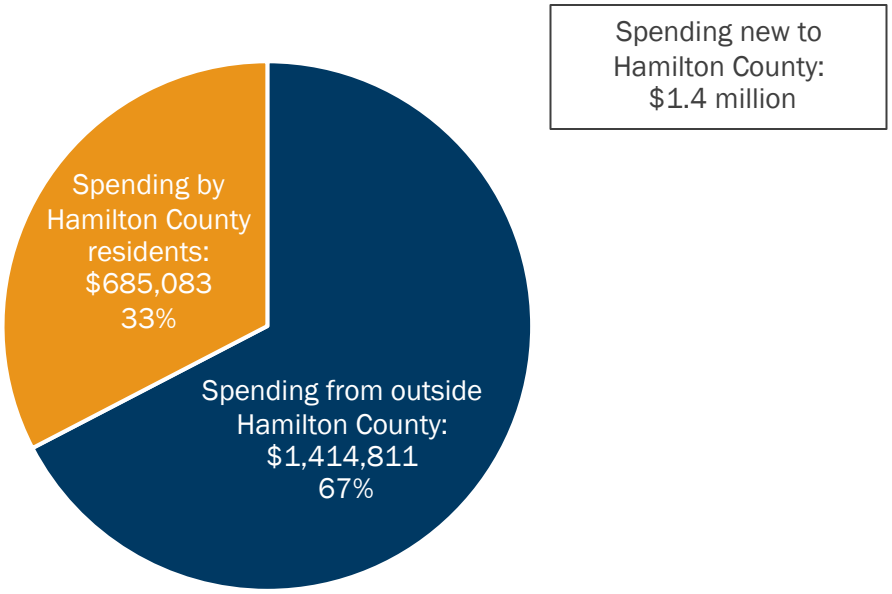


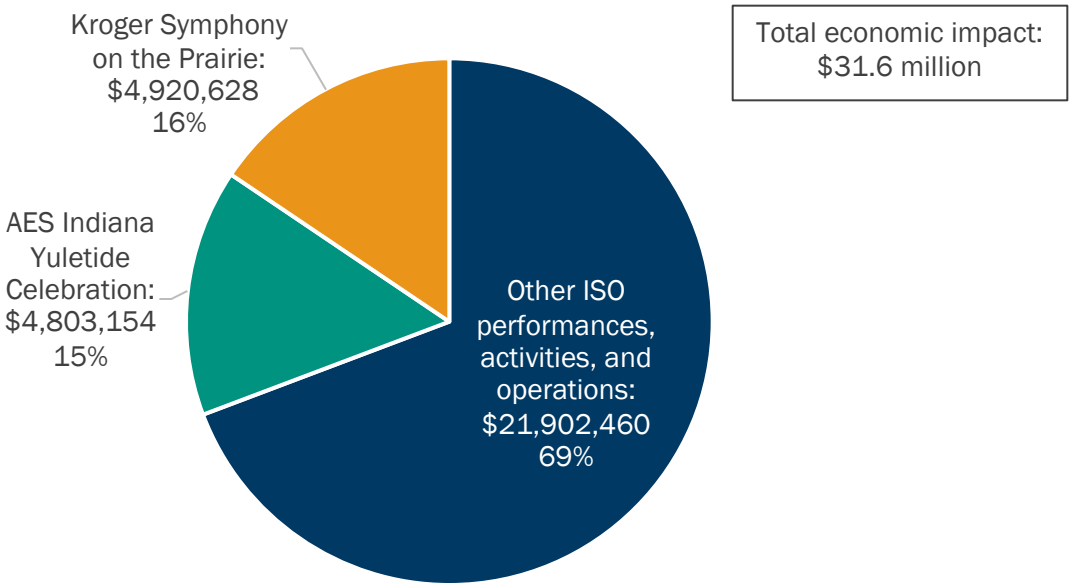
FIGURE 9. Kroger Symphony on the Prairie visitor spending by place of residence



ECONOMIC IMPACT ANALYSIS

The impact of ISO events and operations was based on total ISO revenue for fiscal year 2023, including revenue associated with the AES Indiana Yuletide Celebration, Kroger Symphony on the Prairie, all other activities put on by ISO as well as other philanthropic support. During fiscal year 2023, ISO contributed $31.6 million to the Indianapolis and Hamilton County economies. AES Indiana Yuletide Celebration and Kroger Symphony on the Prairie each generated $5 million in economic impact. Overall, the AES Indiana Yuletide Celebration and the Kroger Symphony on the Prairie series represented nearly one-third (31%) of ISO's total economic contribution.

FIGURE 10. Total economic impact of ISO activities

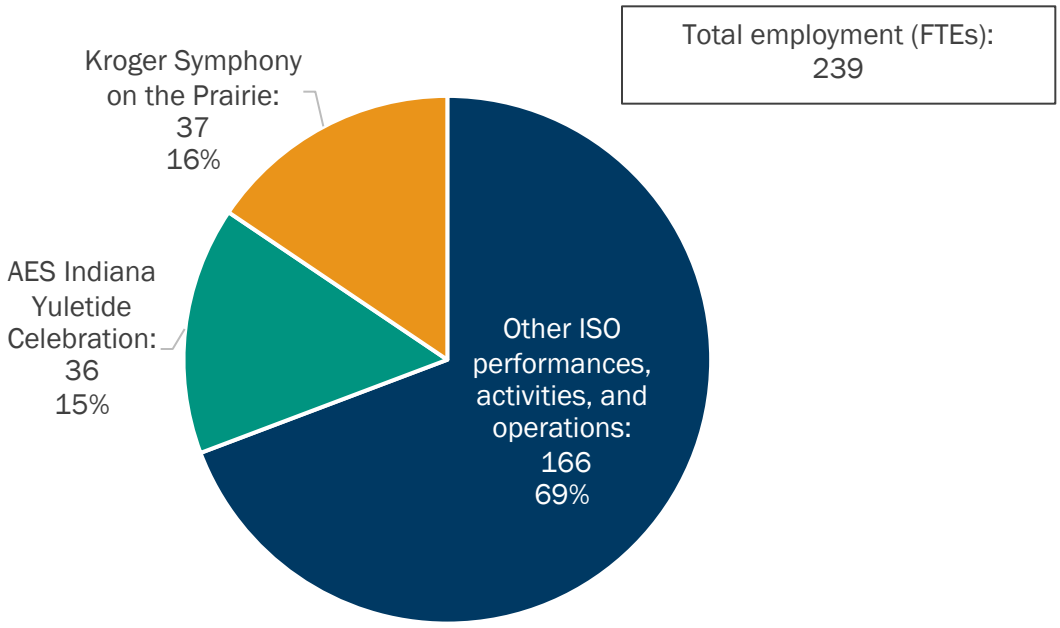


Employment

All ISO performances, activities, and operations during fiscal year 2023 added 239 full-time equivalent (FTE) jobs to the greater Indianapolis economy (Figure 11). Of these FTE jobs, ISO directly employed 171 people, representing total labor income of $11,397,369. The remaining 68 FTE jobs resulted from spin-off effects of ISO's performances, activities, and operations. These FTE jobs totaled $4,777,549 in labor income.

AES Indiana Yuletide Celebration generated 36 FTE jobs; Kroger Symphony on the Prairie added 37 jobs (FTEs); and other ISO performances, activities, and operations during the remainder of the year resulted in 166 jobs (FTEs).

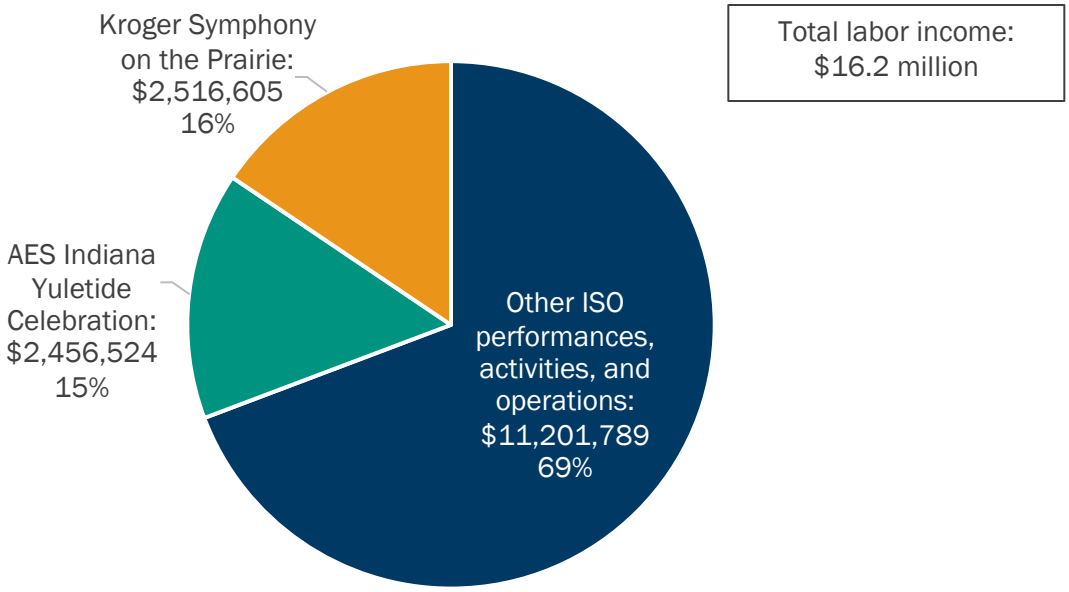
FIGURE 11. Employment (FTEs) generated by ISO activities



Labor income

The labor income—also known as wages—associated with the economic impact of all ISO performances, activities, and operations during fiscal year 2023 was $16.2 million, with an average income of $63,256 per job (Figure 12). AES Indiana Yuletide Celebration and Kroger Symphony on the Prairie performances each generated $2.5 million in wages. The remaining ISO performances, activities, and operations for the rest of the year resulted in $11.2 million in labor income.

FIGURE 12. Labor income generated by ISO activities



CONCLUSION

The ISO not only contributes to the greater Indianapolis economy directly through its activities but also indirectly. Area businesses benefit from the goods and services the organization purchases from them and from the expenditures of those from whom it receives wages directly and indirectly. ISO ticket holders also make significant contributions to the Indianapolis economy through their spending before and after attending an ISO event.

Sales—especially ticket sales—and philanthropic contributions are important revenue sources for arts and culture nonprofit organizations in the United States. In this regard, ISO is no different. In fiscal year 2023, its donors contributed nearly $7 million. These contributions indirectly influenced the total economic activity attributable to ISO and its ticket holders. Each $100 in patron contributions resulted in $354 of economic activity connected to ISO events and operations. This $100 also resulted in $80 of visitor spending before and after ISO events, of which $50 likely occurred in or near downtown Indianapolis close to the location of the Hilbert Circle Theatre. Thus, each $100 contribution by an ISO patron resulted in more than four times that amount in economic value to the greater Indianapolis economy. This demonstrates the importance of ISO patrons not only to its activities but also to the growth and vitality of the Indianapolis area, especially downtown.

ISO's economic contributions to the local economy, however, do not end there. Celebrating its 40th year as a resident of Monument Circle at the historic Hilbert Circle Theatre, the orchestra has played a significant role in the revitalization of downtown Indianapolis that began in the last decades of the 20th century. In the 21st century, it remains a valuable asset for a developing downtown that civic leaders are reimagining as more than a workplace in the post-pandemic era. ISO is an important ingredient for attracting creative professionals who enjoy living in a vibrant location with many amenities.

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