



# INSPIRE

## DSO Impact Study

March 2023

## AGENDA



**Introduction**

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Economic impact

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Educational impact

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Cultural impact

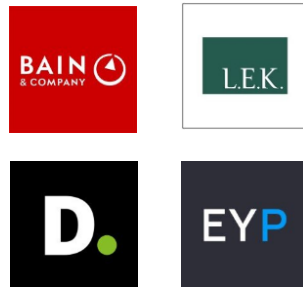
# What is Inspire?

## Mission

Our mission is to build a better world by helping nonprofit organizations achieve breakthrough results

## Our people and reach

- Consultants from 4 leading strategy consulting firms
  - *\*Inspire is a completely independent organization*
- 500+ volunteers
- 25 offices in 11 cities nationwide



## Our clients

Inspire works with **over 70 non-profits per year**, across a range of focus areas including education, sustainability, racial justice, and more



# Meet the team

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## Case team leads

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**Aidan Chandlee**  
Bain & Company



**Manuela Murillo**  
Bain & Company

## LT / Advisors

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**Mike McKay**  
Bain & Company



**Eghosa Amadin**  
Bain & Company

## Working team

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**Grace Cao**  
Bain & Company



**Anne Gold**  
Bain & Company



**Abhi Nadella**  
Bain & Company



**Nikitha Vicas**  
Bain & Company

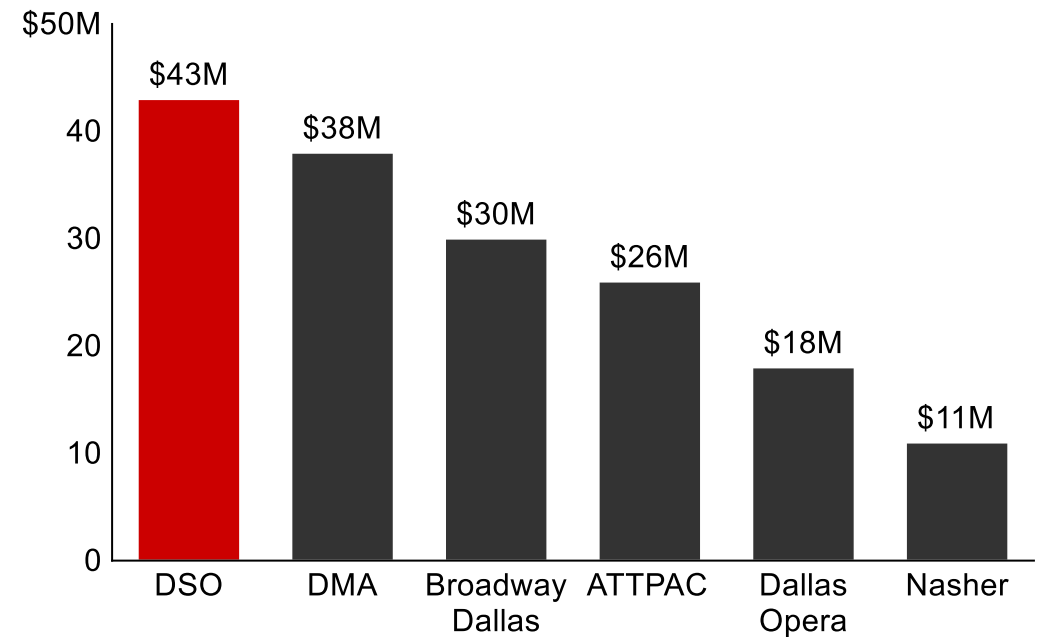
# DSO is Dallas's premier fine arts institution

## DSO is a pillar of Dallas' cultural landscape

- **Largest performing arts organization** in Southwest US
- Each season has **200+ concerts** serving **~240K patrons** and **2M+ virtually**
- Over **20 educational and community** engagement programs
- Engages **~224 full time employees** across the DSO and Meyerson
- Internationally renowned music director and world-class musicians

## Largest arts institution based on 2022 budgets

2022 budgets for Dallas arts institutions (\$M)



Source: DSO; Nonprofit 990 filings

## AGENDA

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Educational impact

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Cultural impact

# Summary | DSO and audience spend in 2022 generated economic, employment, household, and tax revenue impact

/ PRELIMINARY

## 1 DSO + Audience Spend Economic Impact

For 2022, DSO and audience spend generated **~\$107M in economic impact**

## 2 DSO + Audience Spend # of FTEs generated

For 2022, DSO and audience spend generated **~3k FTEs**

## 3 DSO + Audience Spend Household Income generated

For 2022, DSO and audience spend generated **~\$51M in household income**

## 4 DSO + Audience Spend Tax Revenue generated

For 2022, DSO and audience spend generated **~\$5M in state and local tax revenue**

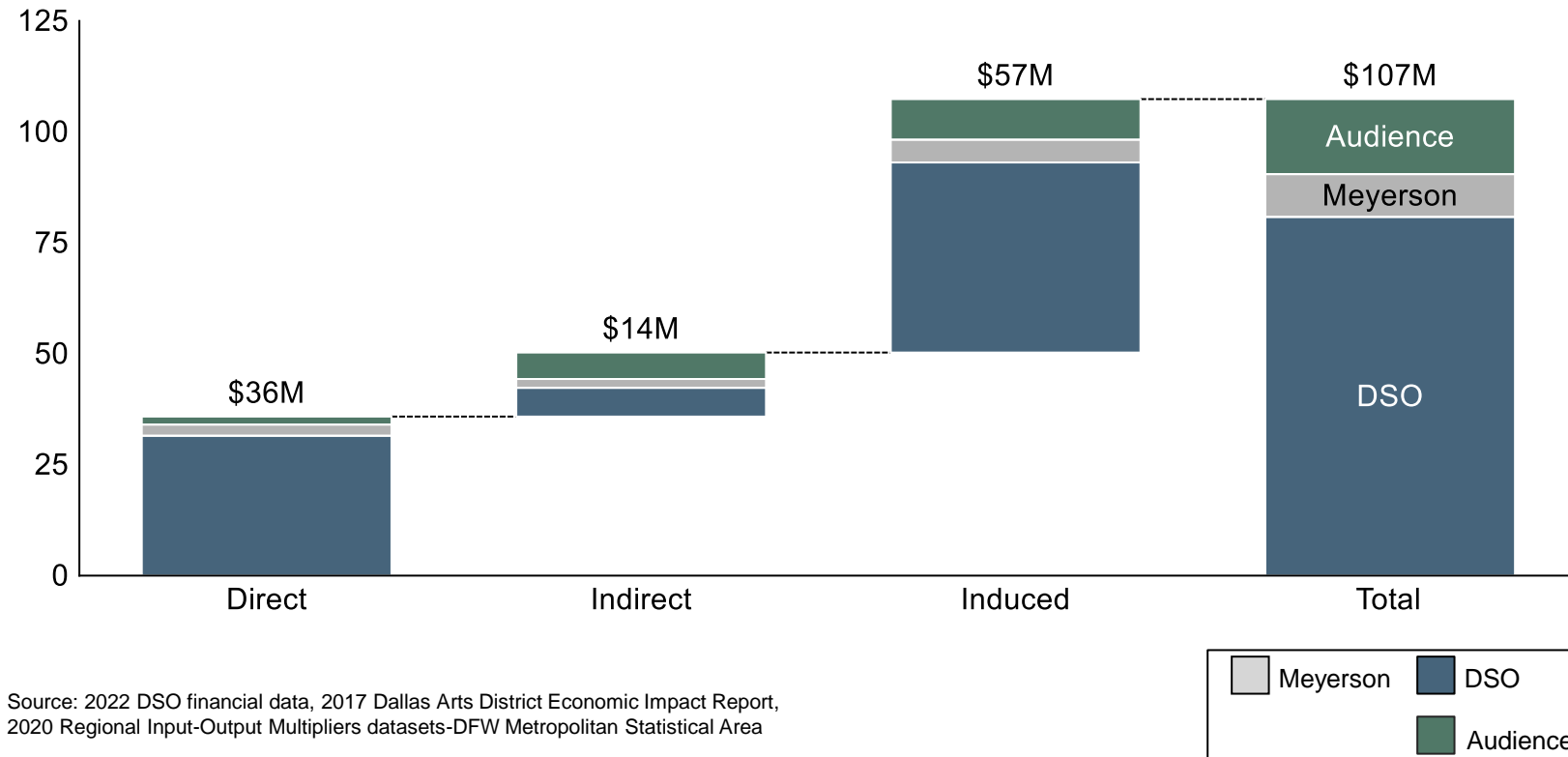
# DSO Economic Impact | DSO and audience spend economic impact totals ~\$107M

/ PRELIMINARY

## Commentary

- Economic impact has ~\$81M from DSO base operations, ~\$10M from Meyerson, ~\$17M Audience spend
- Audience spend ~16% of total – majority of audience from induced
- Induced spend is 53% of DSO's total economic impact – 114% increase from direct/indirect spend

2022 Total DSO Spend (in \$M)

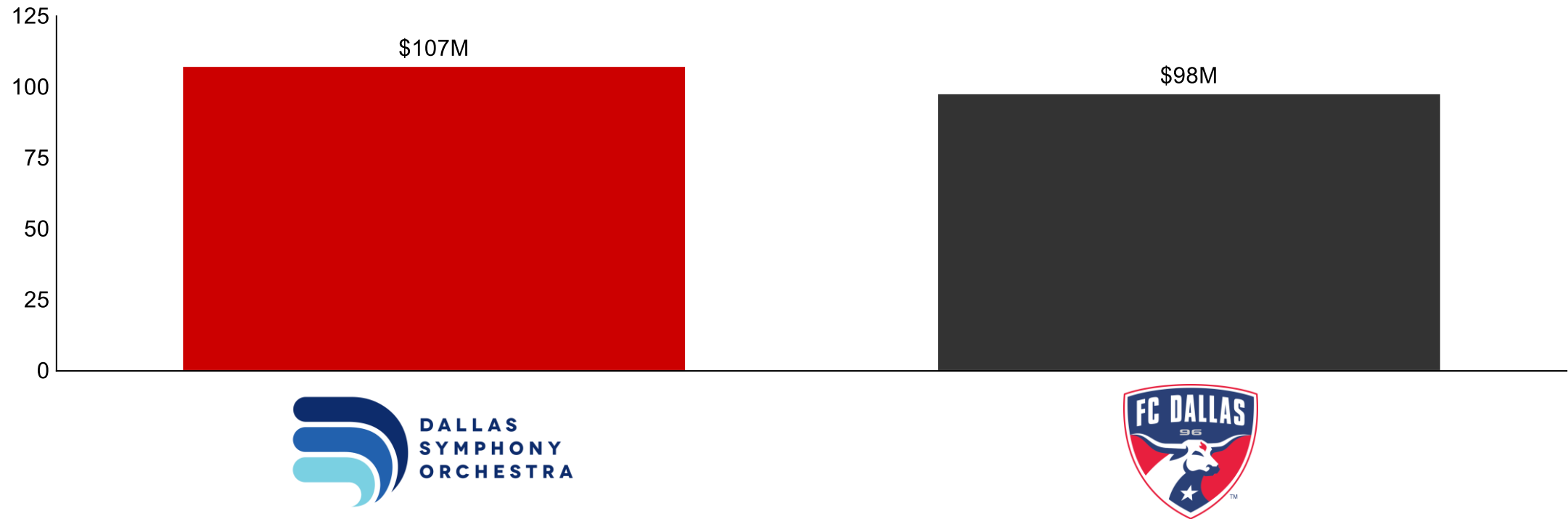


Source: 2022 DSO financial data, 2017 Dallas Arts District Economic Impact Report, 2020 Regional Input-Output Multipliers datasets-DFW Metropolitan Statistical Area



# Benchmark: DSO had a greater impact on the DFW economy in 2022 than FC Dallas

2022 Economic Impact (\$M)



Note: FC Dallas economic impact calculated using 2022 revenue and economic multiplier for DFW spectator sports teams

Source: 2022 DSO financial data, 2017 Dallas Arts District Economic Impact Report, 2020 Regional Input-Output Multipliers datasets-Dallas-Fort Worth-Arlington Metropolitan Statistical Area; Forbes

## A G E N D A

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Economic impact

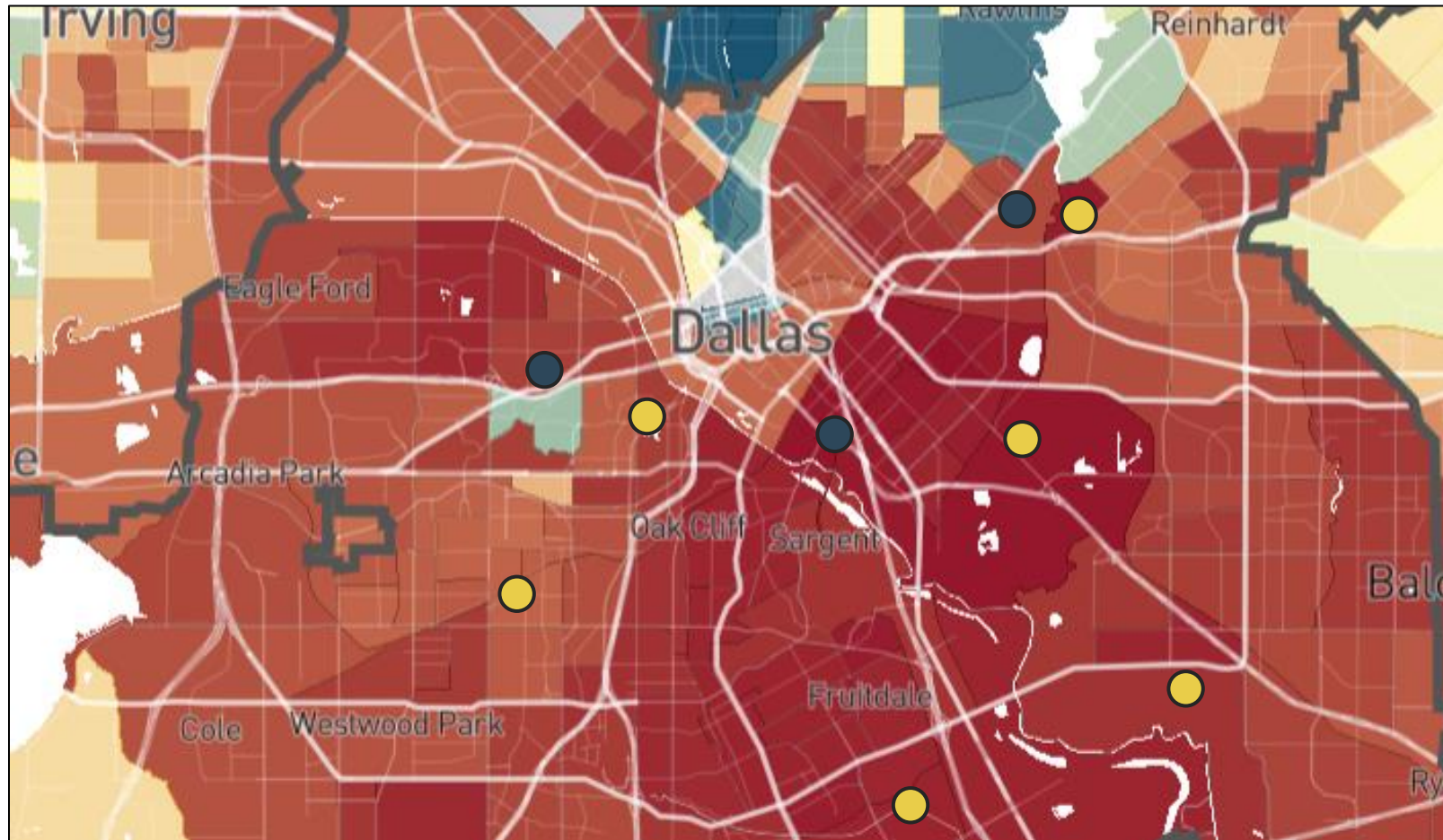
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**Educational impact**

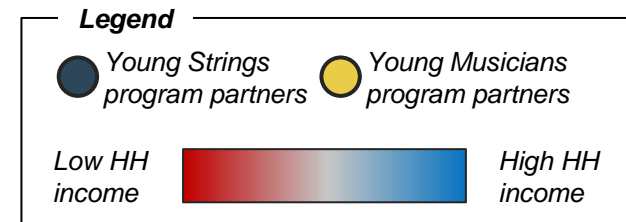
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Cultural impact

# Students are primarily located in **lower income schools districts** across **South Dallas**



- **Median household income in South Dallas is ~\$30k**, significantly lower than the median household income for DFW of ~\$64k
- **Poverty rate in South Dallas was ~40%** in 2019, compared to ~10% for the Metro area



# Young Musician and Young Strings program participants are predominantly Hispanic; **>95% are students of color**

Young Strings



*Students of color*

Young Musicians



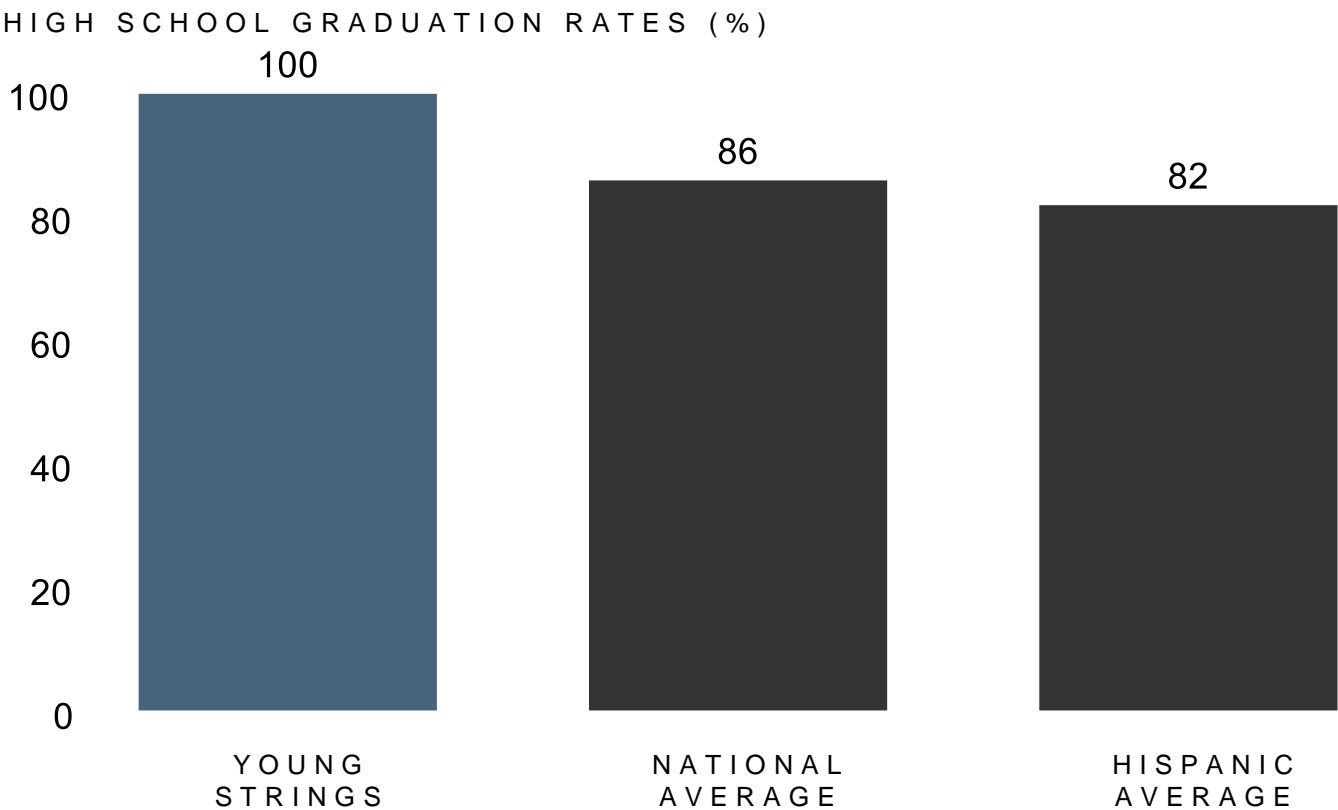
*Students of color*



# Students in programs see **higher graduation rates**



**Young Strings HS graduation rate 14 p.p. higher than average**

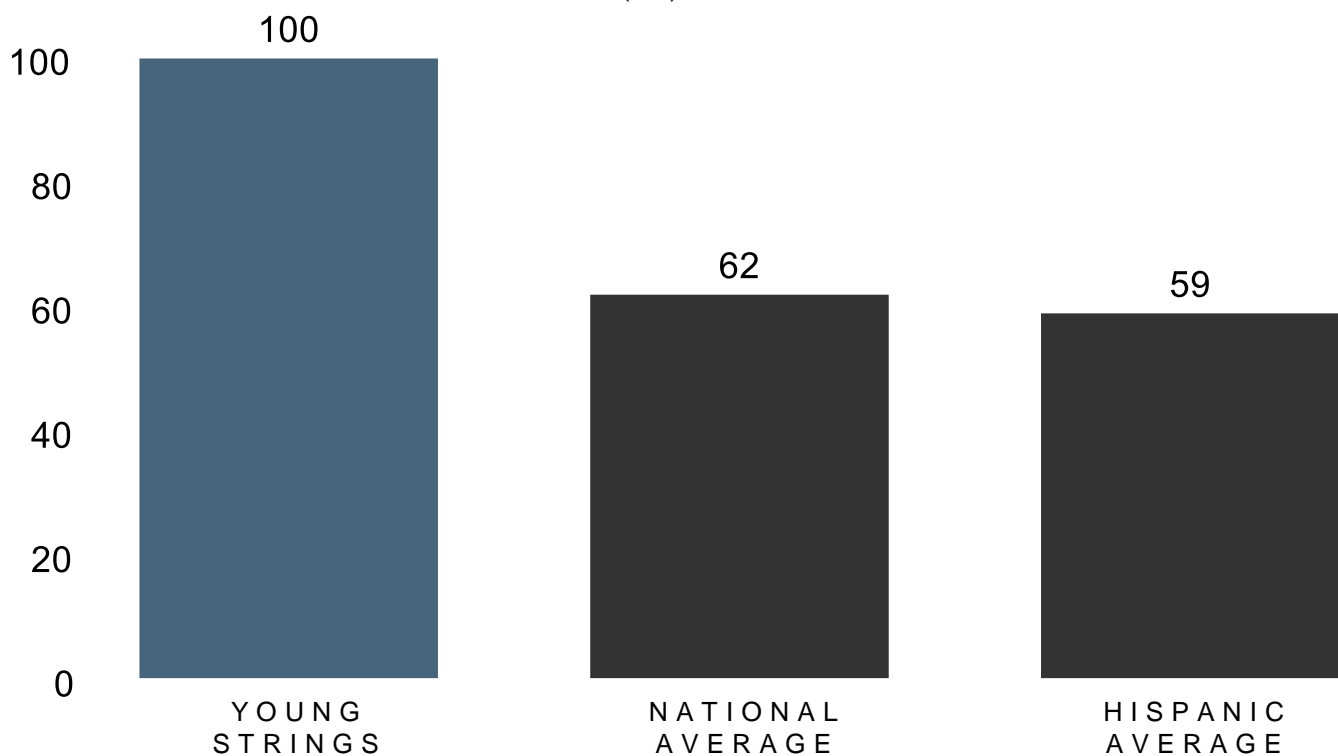


Source: DSO, Bureau of Labor Statistics, National Center for Education Statistics

# Students in programs see **higher college acceptance rates**

## College acceptance rate dramatically higher than average

COLLEGE ACCEPTANCE RATES (%)

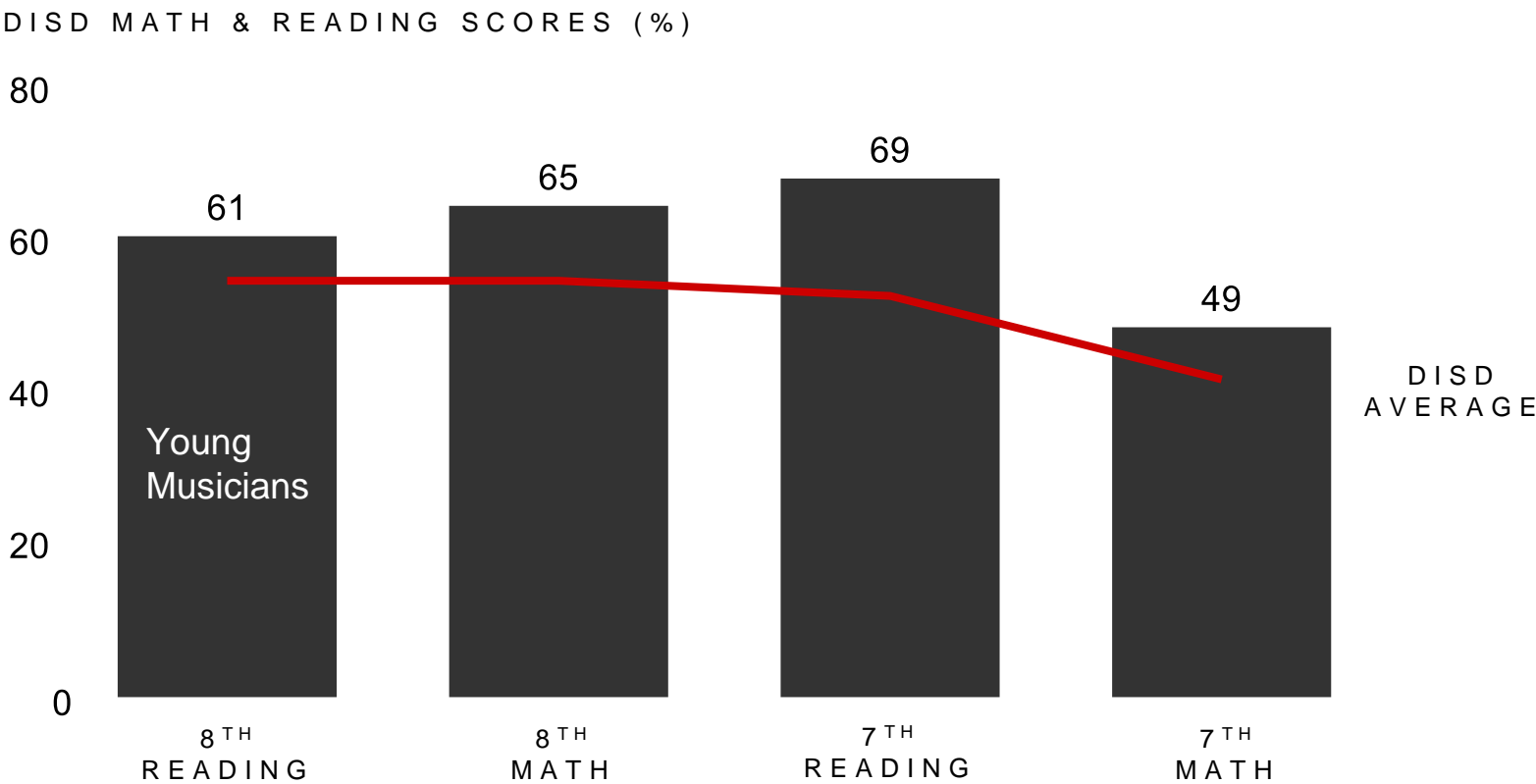


# Students in programs see **higher test scores**



Source: DSO, Dallas ISD

## Young Musicians students score higher on average



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**Cultural impact**



# DSO makes Dallas a more attractive location to corporations as a cultural pillar

## Culture one of key criteria of attractiveness

	Criteria	Description
①	Access to talent	Access to higher ed. and diverse skilled talent pool
②	Business environment	Commercial facilities and economic incentives
③	Infrastructure	Effective transportation and connectivity
④	Quality of life	Employee experience, services, and amenities
⑤	Cultural institutions	Arts, entertainment, and cultural fit
⑥	Cost of living	Affordability for individuals

Note: Criteria were aggregated from numerous publications  
Source: Dallas Regional Chamber; Lit search

## DSO drives robust cultural value for attracting & retaining talent

***“Folks want a city with all the cultural amenities – theaters, museums, fairs, concerts, live music, all forms of entertainment. They **don’t want to be in the middle of nowhere.**”***

Fernando V. Ferreira, Wharton Professor

***“Simplest way to think about what makes a city attractive – infrastructure, great people who feel at home, right schools, affordable housing, **right arts and culture** because you’ve got a wide variety of interests.”***

Rich Templeton, CEO Texas Instruments

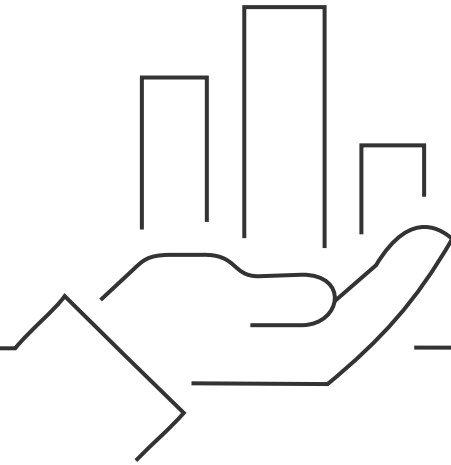
***“Arts & culture represent the soul of a city, and as members of the city of Dallas, we have the **obligation to nurture the arts** and responsibility to fuel that culture. **Supporting the Dallas Symphony** is definitely a part of that.”***

Anne Chow, CEO AT&T Business

***“It’s not just about doing business. Those who relocate to Dallas find life here is pretty spectacular – **world-class arts and culture**, pro sports, year-round outdoor culture. Dallas has something for everyone.”***

Dallas Regional Chamber

# Backup



# Definitions | DSO's economic impact is captured through direct, indirect, and induced spend

## DEFINITIONS

	Direct Spend	Indirect Spend	Induced Spend
<b>Definition</b>	<ul style="list-style-type: none"> <li>Costs involved in procuring goods, materials, and services for both the Meyerson and DSO</li> </ul>	<ul style="list-style-type: none"> <li>Costs involved in management / maintenance of goods, materials, and services for both the Meyerson and DSO</li> </ul>	<ul style="list-style-type: none"> <li>Effect of subsequent rounds of spending by recipient individuals and organizations into local community</li> </ul>
<b>DSO Example</b>	<ul style="list-style-type: none"> <li>Salaries &amp; Benefits</li> <li>Concert Production</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Utilities &amp; Building Expenses</li> <li>Capital Expenditure / Repairs</li> <li>Marketing / Promotion</li> <li>Insurance &amp; UBIT</li> <li>Small Group Programs</li> </ul>	<ul style="list-style-type: none"> <li>DSO purchased a new piano for \$2000                             <ul style="list-style-type: none"> <li>→ Piano store uses some of the \$2000 to pay clerks</li> <li>→ Clerks use the money to pay for groceries</li> <li>→ Grocery stores pay their cashiers</li> </ul> </li> </ul>
<b>Audience Example</b>	<ul style="list-style-type: none"> <li>Refreshments</li> <li>Souvenirs / DSO merchandise</li> </ul>	<ul style="list-style-type: none"> <li>Transportation / parking</li> <li>Restaurants</li> <li>Childcare</li> </ul>	<ul style="list-style-type: none"> <li>Audience spent \$20 at a local restaurant                             <ul style="list-style-type: none"> <li>→ Restaurant uses the money to pay their staff members</li> </ul> </li> </ul>

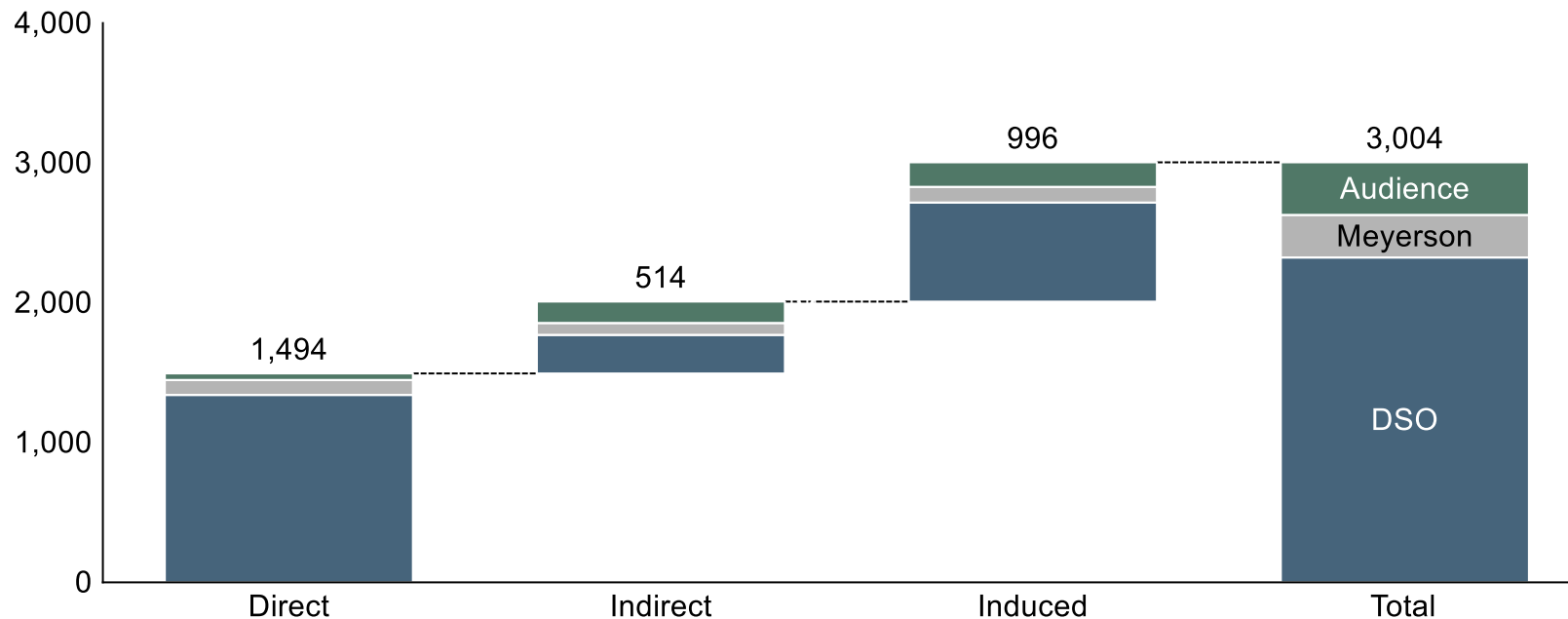
# DSO Economic Impact | DSO and audience direct, indirect, and induced spend creates ~3k FTEs as a result

2 FTEs

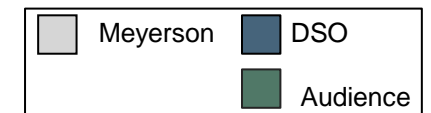
/ PRELIMINARY

## Commentary

2022 # of FTEs generated from DSO Spend



- The Dallas Symphony Orchestra directly employs ~224 FTEs across both operational segments
- DSO spend generates ~10x the number of FTEs in the greater DFW area and beyond than it directly employs
- Total audience spend generates ~200 FTEs

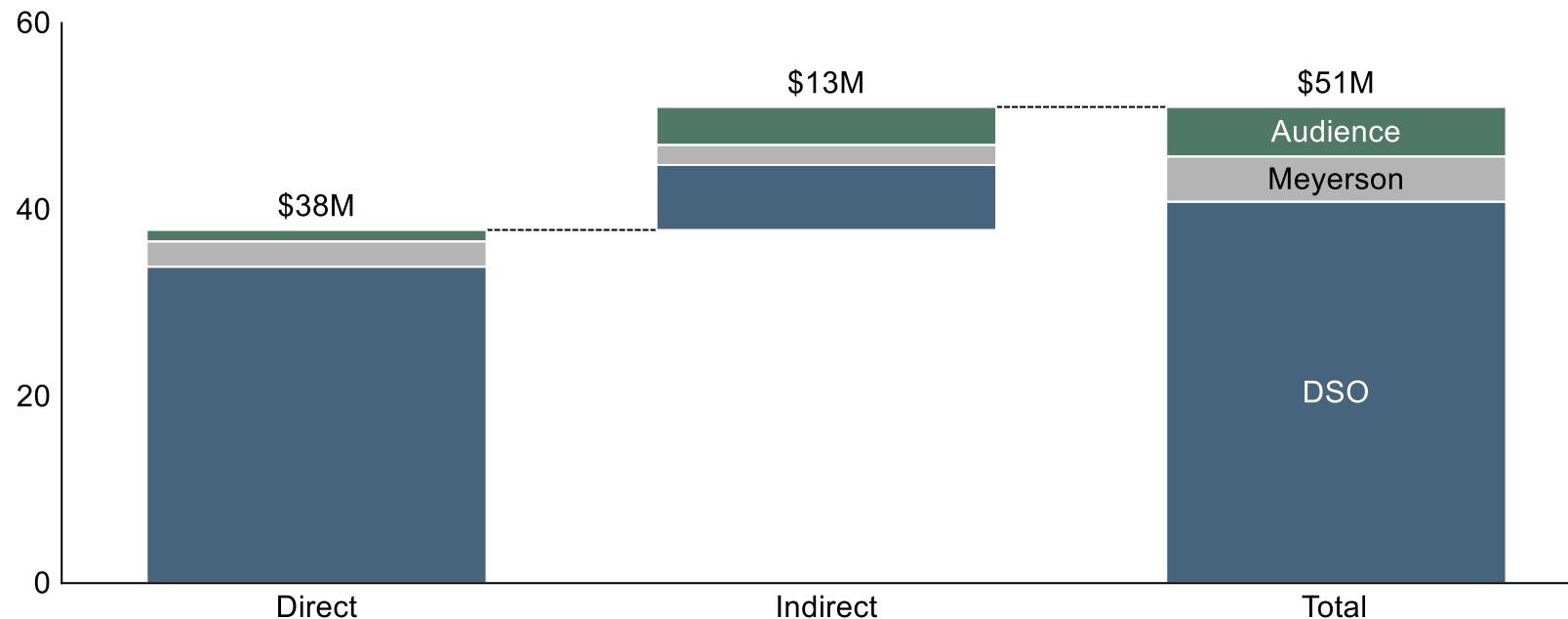


Source: 2022 DSO financial data, 2017 Dallas Arts District Economic Impact Report, 2020 Regional Input-Output Multipliers datasets-DFW Metropolitan Statistical Area

# DSO Economic Impact | DSO and audience's direct and indirect spend generates ~\$51M in household income

## 3 HOUSEHOLD INCOME

2022 Total Residential Household Income Generated (in \$M)

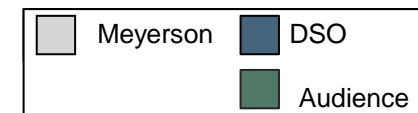


Source: 2022 DSO financial data, 2017 Dallas Arts District Economic Impact Report

/ PRELIMINARY

### Commentary

- Of total household income generated, 80% comes from direct DSO spend
- ~80% of generated income from DSO spend (~\$41M)
- ~10% of generated income from Meyerson spend (~\$5M)
- ~10% of generated income from audience spend (~\$5M)



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# DSO Economic Impact | DSO and audience's direct and indirect spend generates ~\$5M in local & state tax revenue

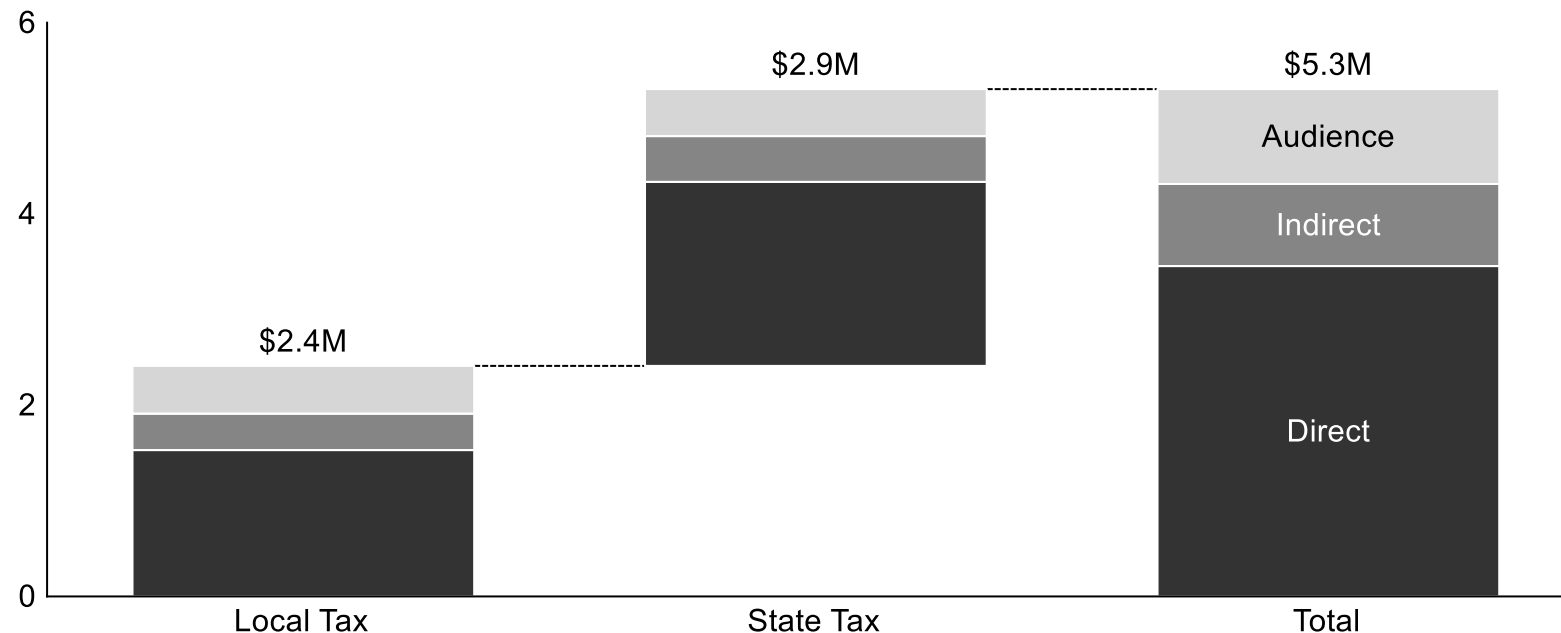
## 4 TAX REVENUE

/ PRELIMINARY

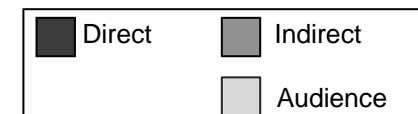
### Commentary

- ~65% of state and local tax revenue generated by direct DSO spend category, ~15% audience spend
- State taxes apply to the state of Texas, but local taxes include city, county, and municipality tax revenue
- This tax generation figure does not include induced spend

2022 Tax Revenue Generated from Spend (in \$M)



Source: 2022 DSO financial data, 2017 Dallas Arts District Economic Impact Report



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Two horizontal lines, one dark blue and one gold, extend across the width of the image, passing behind the word 'INSPIRE'.

**INSPIRE**