

# ECONOMIC EAR

## Classical music, football or coffee?

In the third of our series of articles on the business of classical music, Antony Feeny looks at the funds available to classical music compared with some other areas of the UK economy

Shall I buy a seat for the opera, a ticket for Premier League football, or just settle for a pumpkin spice latte? This is probably not a dilemma that worries the average consumer on a daily basis, and if you were to believe the popular media the typical operagoer wouldn't be seen dead slumming it at the local footie let alone substituting a mere cup of coffee for an overflowing champagne flute. Unfortunately for classical music the financial data confirm that a lot more of us are now prepared to shell out for a designer coffee before moving on to the local stadium than to make a trip to the concert hall.

Let's go back for a second. I'd previously established (*CM* October) that the total income (≈expenditure) of UK live classical music performing organisations in the single year 2013 was around £550m. If you include dedicated music schools, broadcasting and recording organisations, this figure rose to around £785m with other educational and ancillary activities raising the overall total to perhaps £925m.

The funding for live performance came from a combination of government (36%), box office (33%), private donations (16%), commercial (14%), and other (1%) sources (*CM* November).

That means that for every one of the UK's 2013 population of 64,105,700 our society as a whole spent just over £8.55 on live classical music or £12.25 if you include music schools, broadcasting and recording. So is that a little or a lot? Well, the government contributed £3.08 to classical music per head of the total population, which doesn't sound like very much, particularly when you consider that this figure is roughly what the various levels of the German government paid per capita of its total population just to the seven opera houses in Berlin, Frankfurt, Munich, Hamburg, and Leipzig.

On the other hand, the beneficiaries in Britain (ie the ticket-buying audience, including those overseas) paid even less at £2.80 per head of the UK's total population, so perhaps the government's contribution (at 10% higher)

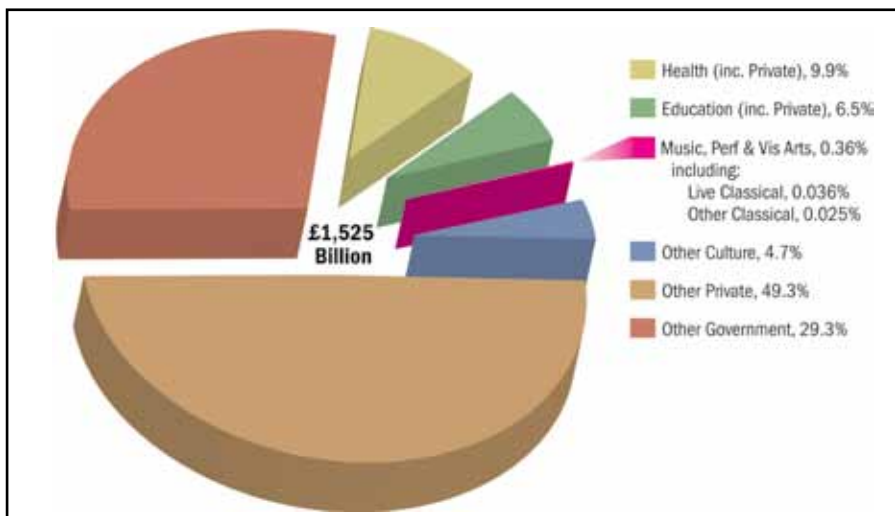
wasn't so small after all. And those generous private donors (who, one assumes, largely overlap with the paying audience) paid an additional amount of £1.39 per capita which adds another 50% to the box office takings.

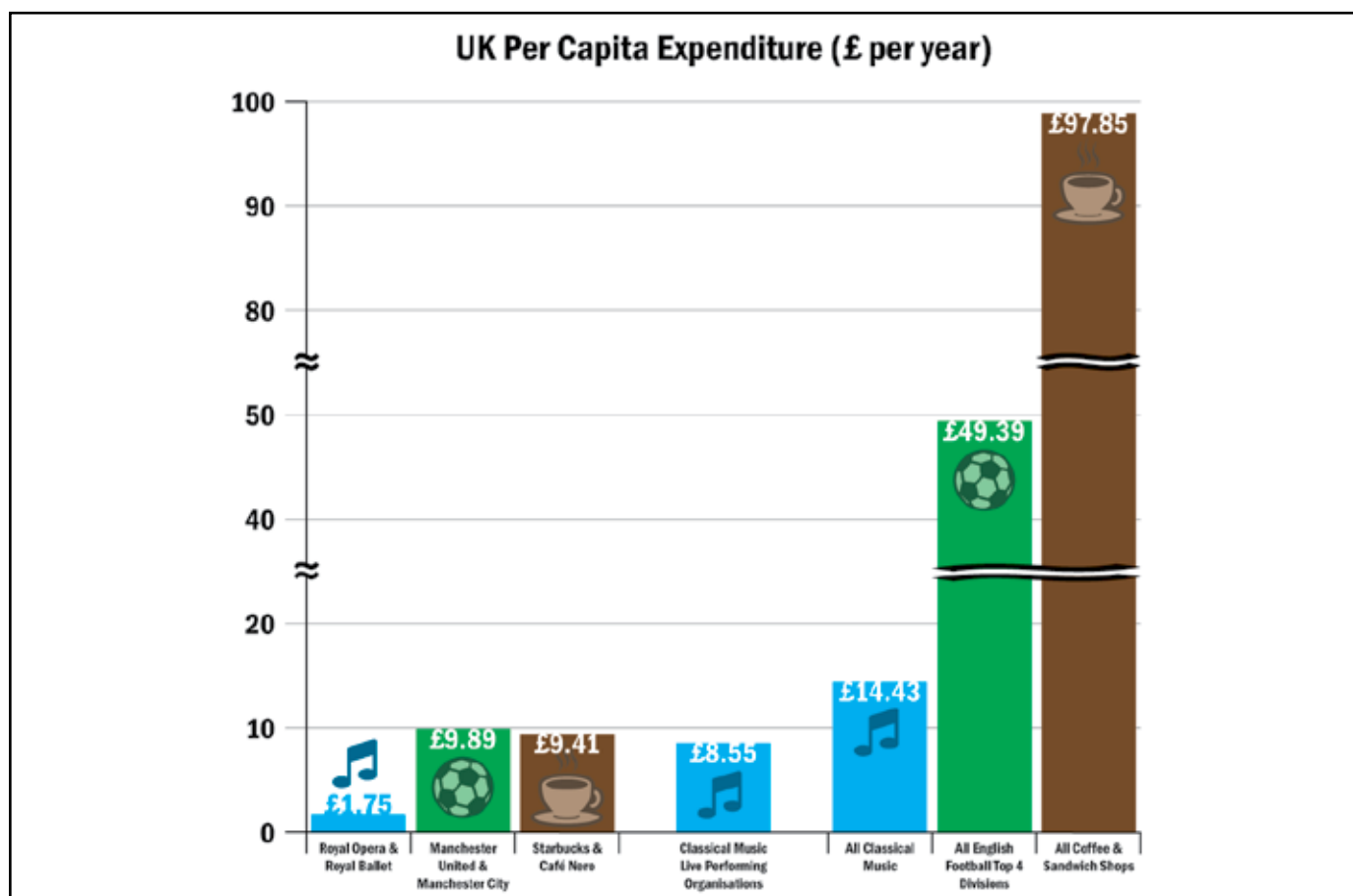
You might argue that this comparison per capita of the total population is slightly false since (unfortunately) only a small proportion of the British population actually enjoys or benefits directly from classical music, but then that's true of many other services on which we spend money but which our society still chooses to provide. Yes, it would be more instructive to look at the income/expenditure per audience member or customer, but the necessary data are either not available, insufficient or not comparable to do this in anything but the most partial or superficial way – so I'll continue with the comparisons based on these overall data.

So if our society as a whole is spending what seems like the relatively low price of £12.25 per capita per year to provide and maintain a live classical music tradition in the UK, how much are we spending on some alternative or competing activities?

First, let's set the macro context. UK GDP in 2013 was approximately £1,525.3bn. Figures issued in January 2015 by the Department of Culture, Media and Sport estimated that in 2013 the gross value of the creative industries was £76.9bn – or roughly 5% of the UK economy – with music, performing and visual arts accounting for about £5.5bn, or 7% of this total for the creative industries. Although my figures are prepared on a slightly different basis, this suggests that the entire classical music economy including other activities constituted about 0.061% of GDP, and live performing organisations some 0.036%. By way of comparison, health and education accounted for roughly 9.9% and 6.5% respectively of GDP, or roughly 300 and 200 times as much as live classical music. Since your head is probably spinning by

▼ Chart 1: 2013 approximate proportion of UK GDP spent on selected activities including live classical music





▲ Chart 2: 2013 Annual per capita expenditure for whole UK population on selected football teams and coffee shops compared with classical music

now, the adjacent Chart 1 illustrates all this.

But how does spending on classical music compare with some alternative entertainment activities that compete directly for people's time and money? As highlighted at the start, I've selected football and coffee shops as comparators, based also on figures from 2013 (yes, I know their economics are structurally different from classical music, but that's for another article). This comparison shows that the entire annual turnover of live classical music performing organisations in the UK was a little less than the combined turnovers of just the two UK coffee shop chains Starbucks and Caffè Nero, or of Manchester United and Manchester City combined. If you were to compare classical music with the entire coffee and sandwich shop industry in the UK (£6,273m) or the total Premier League income (£3,166m), then live classical music was only 9% and 17% respectively of these totals in 2013.

Chart 2 looks at these three activities on a per capita basis for the entire UK population as against the total spending used above. The per capita expenditures on all six types of live classical music performing organisation (£8.55)

and all forms of classical music (£14.43) are unsurprisingly dwarfed by the coffee shops and the four football divisions.

And what about the relative importance of two major sources of income – government and box office – as against total income? The total contribution of the UK government (arts councils, local, BBC) to live classical music (£197.5m) was about 0.027% of all government expenditure representing just over £3.08 per capita (ignoring tax relief). This compared to government spending per capita of around £1,357 on education, and £1,939 on the NHS.

But then perhaps the government keeps an eye on the box office, since the total audience contribution to live classical music of £179.5m was almost exactly the same as the combined matchday income of just two of the top English football clubs, Manchester United (£109.1m) and Chelsea (£70.7m), and fell far short of the £585m matchday income of the 92 clubs in the top four divisions of English football. So, as I said at the start, it comes as no surprise to hear that the average punter is buying a ticket for English football or a pumpkin spice latte rather than a seat at the opera – unfortunately.

So far I've focused mainly on the classical music live performing organisations. Next month's article will discuss some of the organisations which form part of the classical music 'ecosystem'. <sup>CM</sup>

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### NOTE ON METHODOLOGY

For an explanation of the methodology, assumptions and caveats used to calculate the figures for classical music organisations, your attention is again drawn to the CM website at [www.classicalmusicmagazine.org/economic-ear-methodology](http://www.classicalmusicmagazine.org/economic-ear-methodology).

A list of sources for other data can be found at [www.classicalmusicmagazine.org/economic-ear-sources](http://www.classicalmusicmagazine.org/economic-ear-sources)