Live music
Industry
Venues and
Entertainment

Valuing Live Entertainment

Carey & Chambers (June 2020)

media insight consulting

Contents

An approach to the valuation of the UK live entertainment industries

Key Results

Live entertainment and Theatre generate £11.25 billion in Gross Value Added each year

The sector supports over 600,000 jobs, ranging from on stage talent to temporary bar staff

Theatre contributes £4.8 billion GVA, supporting 290,000 jobs

Music contributes £4.5 billion GVA; £2.74 billion from concerts, £1.76 from festivals

Music supports 210,000 FTE roles, 85,000 through festivals, 125,000 through concerts

Other entertainment contributes £1.95 billion GVA, supporting another 100,000 roles

Context

Whilst the creative industries as defined by the DCMS are broadly understood, the individual sectors within live entertainment can have differing geographical spread, economic models, ownership structures and pricing, and therefore the impact of COVID-19 and the resultant social-distancing and hygiene guidelines will have dissimilar levels of impact, with some sectors more dramatically affected than others.

This report provides an outline of the scale of UK Live Entertainment specifically, music concerts and festivals, the performing arts and theatre, utilising a consistent set of analytical tools which harmonizes definitions, avoids any double-counting of revenues by differing sector service providers, whilst enabling a coherent structure for sector comparison as well as the total live entertainment activities.

Under the time constraint it was not possible to commission lengthy assessments, so instead the approach was to take existing published insights combined with sector expertise and private data from industry sources to best represent the most affected sectors on a consistent basis.

Sources included:

- **The Association of Festival Organisers** [AFO]
  https://www.festivalorganisers.org
- **Association of Independent Festivals** [AIF]
  https://aiforg.com
- **Music Venue Trust** [MVT]
  http://musicvenuetrust.com
- **National Arenas Association** [NAA]
  http://www.nationalarenasassociation.com
- **Night Time Industries Association** [NTIA]
  https://www.ntia.co.uk
- **International Music Summit** [IMS]
  https://www.internationalmusicsummit.com
- **UK Music** 'Measuring Music' Report
  https://www.ukmusic.org/assets/general/UK_Music_Measuring_Music_2018.pdf
- **UK Music** 'Measuring Music' Report which broadly defines the combined live, recorded and publishing music sectors, and others.
  https://www.ukmusic.org/assets/general/Music_By_Numbers_2019_Report.pdf

Methodology

The authors analysed key differences in approach to music (including data from UK Music's Music by Numbers [MBN] and the National Arena Association [NAA]) and the Society of London Theatre [SOLT] (https://solt.co.uk/) and UK Theatre's [UK Theatre] combined sales data report (https://uktheatre.org/theatre-industry/guidance-reports-and-resources/sales-data-reports/) which identifies the scale of the theatre sector.

Definitions of the music industry can vary and give ranging results. For example, the widely quoted UK Music MBN report gives a total value of £1.1 billion for live music in 2018. However, their methodology counts creative talent and artist representatives separately, but both contribute to live music activity. In consultation with UK Music, the authors calculated that the full contribution to GVA from live is actually just over £2.5 billion.

The headline GVA figure in the UK Music report focuses on the immediate live music industry and does not capture ancillary services and spend from outside the event, such as hotel nights, meals near the venue etc. The purpose of the Carey and Chambers report was to capture the broader definition of the live music industry and the other sectors it impacts, making it comparable to the theatre methodology.

This analysis started with data from the National Arena Association, which values their portion of the industry as delivering £1.9 billion GVA, excluding ticket sales. The authors took the NAA economic impact, in combination with the concert share of ticket sales as captured by UK Music to arrive at a total valuation for concerts. This was then scaled up to also reflect non-arena concerts, giving a GVA of £2.74 billion for all music concerts in the UK.

Non-music events (excluding festivals) occurring within the UK were then added in proportion to the ticketing for live music sales, adding a further £0.6 billion.

Festivals have a different economic profile to concerts. Audiences travel further to attend, spend a lot more time on site, and so on, but attend less frequently. As such, 'at event' and 'around event' spending accounts for a much larger share of total spend in proportion to ticket price when compared to a concert.

On site spending data from the Association of Independent Festivals suggests that the average festival spend is up to 6 times the average concert spend.

Taking the festival share of ticket sales captured by UK Music gives a value of £0.26 billion GVA for total festival tickets.

The calculation for on-site spend is more complicated. While on-site spend at festivals is much higher than concerts, it is not reasonable to simply multiply the full economic impact by this figure.

However, it is reasonable that the non-ticket spend at festivals is greater than the cost of the tickets (which would not be true for concerts). As such, the authors took festivals to be 2.5x the ratio of GVA per ticket of concert goers and scaled this up from ticket sales. This gives a value of £1.5 billion for spend in and around festivals.

This is less than the total contribution of concerts but reflects the higher economic impact festivals have. As such, it is reasonable to assume that festivals add £1.76 billion GVA to the UK economy.

Taking the same approach, and analysing the data aggregated by 'Events Industry Forum' (https://www.eventsindustryforum.co.uk/) [EIF] which represents twenty-six representative organisations from across the outdoor events industry, it is estimated that non-music festivals are responsible for a further £1.3 billion in GVA.

For West End and national theatre, the approach was much more straightforward, taking the analysis provided by the Really Useful Group. This data was based on existing Art Council methodology, which was scaled up to reflect revenue growth for the most recent reporting year.

The Theatre sector is therefore valued at £4.8 billion GVA with the overall UK Live Entertainment valued at £11.25 billion GVA.

GVA (£bn)	Type of event	Source
£1.76	Total festivals	UK Music, AIF
£2.74	Total concerts	UK Music, NAA
£4.50	**Total music**	
£0.58	Non music outdoor	EIF
£1.37	Non music indoor	NAA
£1.95	**Total non music entertainment**	
£4.80	**Total Theatre**	RUG
£11.25	**Grand total**	

UK live entertainment employment

Methodology

The definition of employment is a challenge with many contractors, supply services, freelancers and zero hours staff utilised in a wide range of roles from technical specialists (such as lighting or sound), crew, security and event stewards, bar staff and more.

Published data from the National Arena Association states 20,550 jobs are supported by arenas alone. However, this study does not include small venues, concert halls or festivals.

Taking the NAA data as the baseline, we can scale this up to reflect the whole venue market, which would suggest a minimum of 65,000 jobs within the music concert sector. When you take into account the staffing for the events themselves this grows to at least 125,000.

Festivals can have a quite different employment structure to that of venues. The data around festivals varies, with some organisers reporting as having as many as 0.2 employees per attendee. However, the identification of casual workers (some of whom are directly employed, others of whom are brought in by an outsourcing partner) can vary dramatically, and assumptions around working hours can vary too.

Data from the Association of Independent Festivals suggests that each festival supports approximately 15 FTE's, which would equate to approximately 14,500 across the whole festival sector. However, this does not capture those staff who come in to set up events, pack them down, and run them. Scaling up from NAA data, reflecting the more intense staffing needs at festivals relative to concerts, and including casual staff (but not volunteers) then festival staffing totals equate to 85,000 FTEs.

Overall, live music therefore supports around 210,000 FTE positions. This number would comfortably exceed 300,000 FTE jobs if the supporting roles (lawyers, accountants, marketing firms, PR agencies, etc) who take their living from the live music industry were included but measuring this proved impossible in the time frame.

Including non-music events (scaled again from NAA data), and non-music festivals (scaled from EIF data) this adds a further 100,000 jobs, equating to 315,000 jobs across the entertainment sector.

The SOLT / UK Theatres study reports that theatre employs 290,000 people nationally, giving a UK live entertainment FTE contribution of just over 600,000.

Segment	FTE
Music Concerts	125,000
Music festivals	85,102
Music FTE	210,862
Other entertainment	76,714
Other festivals	28,084
Non-music FTE	104,797
Theatre FTE	290,000
Grand total FTE	**605,660**

Report authors

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Chris Carey started his music career as an Economist at PRS for Music. In that role he published a national value of live music for the first time and co-created the 'Adding Up the Music Industry' series (with Will Page) which was the inspiration behind UK Music's 'Measuring Music' and 'Music by Numbers' reports. He moved to be Global Insight Director at EMI Group and then Universal Records, before setting up MIC. He has consulted for leaders in the music space including Spotify, Sony Music and The O2, as well as for LW Theatres.

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Tim Chambers has over thirty years of leadership experience within the international live entertainment and ticketing sectors, including senior executive roles at Ticketmaster and Live Nation. A specialist in the live entertainment space, he has personally directed over $110M+ of UK and European M&A and provides advisory services or growth project management for organisations seeking to strategically transform their business within ticketing and live entertainment.