

A silhouette of the Chicago skyline is visible in the background, with various skyscrapers and buildings. The word "CHICAGO" is written in large, white, bold, sans-serif capital letters across the top. A blue rectangular banner is overlaid on the bottom right of the "CHICAGO" text, containing the words "MUSIC CITY" in white, bold, sans-serif capital letters.

# CHICAGO

## MUSIC CITY

**A SUMMARY REPORT ON  
THE MUSIC INDUSTRY IN CHICAGO**

prepared for  
**THE CHICAGO MUSIC COMMISSION**  
by  
**THE CULTURAL POLICY CENTER  
AT THE UNIVERSITY OF CHICAGO**

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# WHAT KIND OF MUSIC CITY IS CHICAGO?

Over the past few years, cities around the United States have increasingly been touting the vigor of their music industries. From Austin to Nashville, Atlanta to Seattle, studies have identified music as a significant contributor to the local economy.

These studies reveal much of value about the individual cities for which they were commissioned. But by focusing almost exclusively on their home cities, they provide few comparative statistics about other music cities. And by concentrating on the direct monetary impacts of making and buying music, they may miss other phenomena, such as a music scene's ability to entice music lovers to visit or even relocate.

When we set out to do a similar study for Chicago, we also wanted to see how the economic characteristics of its music industry and the creative and experiential qualities of its live music scene stack up against those in comparable cities. To do this, we developed a set of indicators for which we could gather 2004 data not just on the Chicago area, but also on all fifty of the largest metropolitan areas in the United States. For most of these indicators, Chicago's strengths can best be gauged against a comparison group of ten other cities, made up of two categories: the largest urban centers (New York, Los Angeles, Chicago) and other important cities with reputations for musical richness (Atlanta, Austin, Boston, Las Vegas, Memphis, Nashville, New Orleans and Seattle<sup>\*</sup>).

For each of the eleven metropolitan areas in this summary:

We examined the size and shape of the music industry, measured by number of businesses and total employment, payroll size, revenues and record sales.

We studied the availability, affordability and accessibility of live music, measured by numbers of performances, tickets sold, sell-out rates and gross receipts for these shows.

We investigated the quality, variety and intensity of the live music scene, measured by the percentage of shows performed by the biggest stars and the most critically-acclaimed artists, size of venues, range of musical offerings, number of grassroots performers and geographical distribution of clubs.

Viewed from all of these angles, Chicago shows impressive strength as a music city.

Chicago ranks third among metropolitan areas in the size of music industry, as measured by overall employment, number of business establishments, payroll size and recording sales.

Chicago ranks fourth among all U.S. cities in the number of concerts and performances in 2004. Those shows generated \$80 million in ticket sales, placing Chicago fifth among cities in the comparison group. Both best-selling and critically-acclaimed artists drew significant audiences in Chicago, and the city offers more kinds of music regularly than anywhere except New York or Los Angeles.

Chicago has a strong live music scene that is attractive to tourists and the "creative class," offering an impressive number of affordable tickets to high quality shows. Specialized musical venues account for a bigger portion of the music scene in Chicago than nearly every other major U.S. city.

\* Because of the inherent limitations of our data sources, our indicators fail to capture some important features of the music industry, including the specific economic circumstances of non-profit music businesses, especially orchestras; self-employed and part-time musicians; performers employed by houses of worship and non-arts schools; festivals; and amateur performers.

# CHICAGO: A CITY WHERE MUSIC PACKS A SIGNIFICANT ECONOMIC PUNCH

Chicago ranks third among metropolitan areas in the size of music industry, according to most of the economic indicators we measured.

Working musicians form the heart of Chicago's music industry. Among the 50 largest metropolitan areas examined in this study, Chicago ranks fifth in the number of musicians and musical groups employed, supporting twice as many musicians as Seattle and ten times as many as Austin.

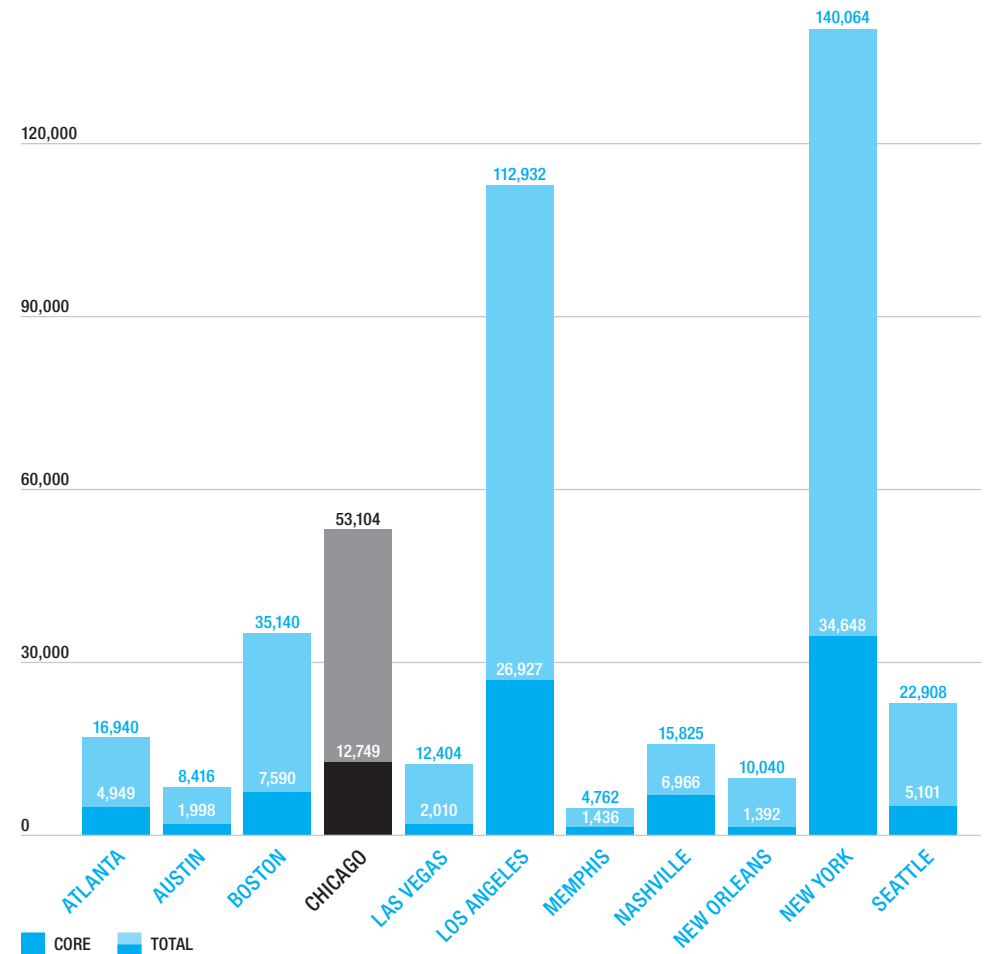
A total of 13,000 Chicago-area residents are working in the core musical sub-industries. Of these, nearly 2000 are working musicians. Approximately 11,000 more people are employed by companies that record, publish, produce, or broadcast music—or that make, sell, or repair musical instruments. In this measure of music industry employment, Chicago ranks third among cities in our comparison group, behind only New York and Los Angeles. This rank is even more impressive when we adjust the figures for population size, and when we consider that the music industries in those larger cities is so strongly supported by the television, film, and for-profit theater industries.

Chicago also ranks in third place behind New York and Los Angeles for the total amount of revenue generated by these core sub-industries—approximately \$84 million in revenue in 2004. Recording studios in Chicago produced more revenue than their Atlanta equivalents, nearly matching Nashville but trailing far behind New York and Los Angeles. Chicago also ranks third in how this sector is compensated—providing about \$282 million in take-home pay and benefits to its workers. However, the average employee in the core musical industries is paid less in Chicago—about \$24,000 less than in Los Angeles, \$19,000 less than in New York, and \$15,000 less than in Nashville.

Studies that explore the local economic impact of the music industry generally measure the size of related but peripheral musical sub-industries. From teachers to agents and promoters to the owners and operators of performance venues, these people are crucial to the way the for-profit music world works. Data available on a nationwide basis do not always allow for precise measurement of the music-related portion of the employment, payroll, or revenue in these sub-industries.\*\* When both core and peripheral components of the music industry are combined, Chicago is in a strong third place among comparison cities, in terms of number of employees, total payroll, and total revenues generated.

It is clear that the music industry has a significant economic impact on Chicagoland, not only because of the tax revenues it generates but also because the music industry creates jobs beyond itself. A statistical analysis of counties nationwide suggests a strong relationship between local music industry employment and overall county-level job growth.

MUSIC INDUSTRY EMPLOYMENT: CORE COMPONENT AND TOTAL



County Business Pattern Data 2004. The core of the music industry includes, but is not limited to, commercial enterprises dedicated to performing, producing, and broadcasting, and selling music. The total includes the core, plus peripheral sub-industries that support it, including promoters, managers, schools of art, music, and dance. Please see Figure 1 of full report for further details.

\*\* For example, although many studies identify "drinking establishments" as a sub-industry linked to music, the U.S. Bureau of Labor Statistics does not distinguish between employees who book talent and those who serve food and drink. Likewise, it is difficult to differentiate cover charge revenue from food or drink sale revenue.

# CHICAGO: A CITY FOR MUSIC FANS AND AFICIONADOS

Chicago's concert scene is more robust than in almost any other U.S. city, and is much stronger than comparison cities in several important measures.

In 2004, about 1.8 million tickets were sold for 1,093 live performances of musicians touring Chicago, according to data collected by POLLSTAR. In terms of sheer numbers of shows, Chicago was in fourth place among the 50 largest U.S. cities, behind New York, Los Angeles and Washington, D.C. This activity generated nearly \$80 million in ticket sales, the fifth-highest figure among metropolitan areas.

Forty-seven of the 2004 *Billboard* Top 100 artists headlined in Chicago, almost the same number as appeared in the much bigger New York and Los Angeles markets. *Billboard* chart leaders accounted for nearly 30% of all tickets sold to Chicago shows tracked by POLLSTAR, bringing in \$24.5 million in 2004—an average of nearly \$350,000 per show.

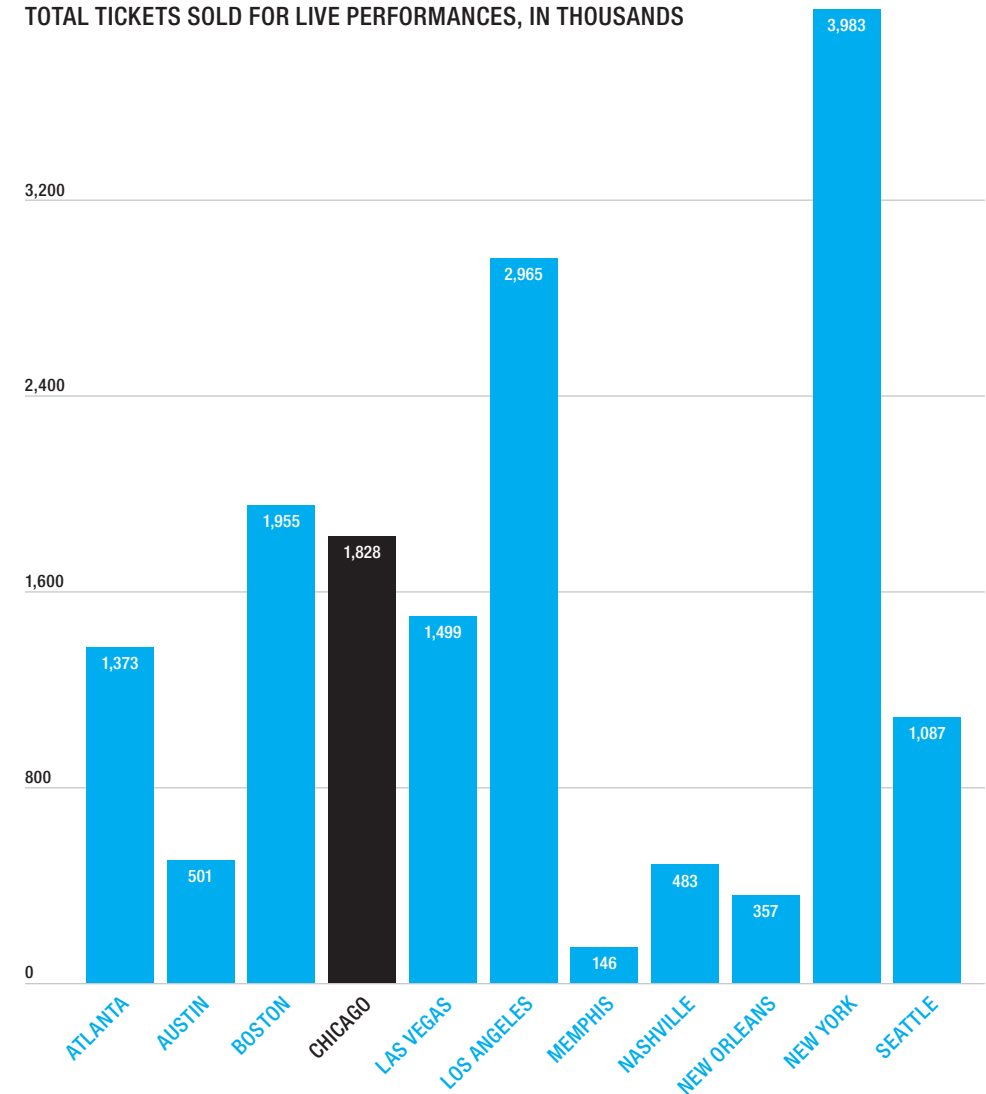
In addition to mainstream favorites, Chicago also attracts musical performers who are highly regarded by aficionados and critics. We compared acts that headlined in all eleven comparison cities against the top 100 artists in the *Village Voice's* 2004 Pazz and Jop Critics Poll, compiled from lists generated by 800 music reviewers. Forty-three of these acts performed in Chicago, ten more than in New York. In no other city do critically-acclaimed artists sell a higher percentage of total tickets or generate a larger percentage of the city's gross receipts from live performances.

Tickets to concerts by critics' favorites sell well, but these shows do not sell out as frequently as they do in several comparison cities. So while there's a good chance that high-quality acts will be appearing in Chicago on any given night, there's also a good chance that tickets will be available.

In addition, the study reveals, Chicagoans are more able than fans elsewhere to secure a ticket at an affordable price to a show in a relatively intimate venue. Catching a show in Chicago is less expensive than in New York or Los Angeles, and comparable to the cost in Nashville, Seattle or Austin. And for shows featuring performers on the *Billboard* charts, only Austin offers cheaper low-end tickets.

Chicago offers affordable, available concerts by a wide variety of artists in high demand.

TOTAL TICKETS SOLD FOR LIVE PERFORMANCES, IN THOUSANDS



POLLSTAR Tour Histories, 2004. Aggregated to Metropolitan Statistical Area.

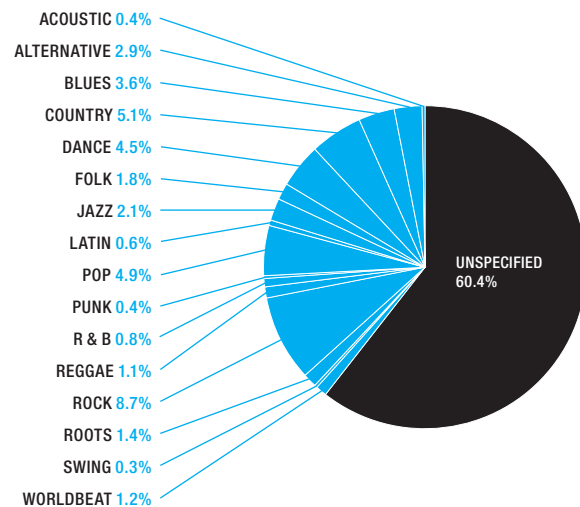
# CHICAGO: A CITY OF AND FOR MUSICAL OMNIVORES

Chicago boasts a uniquely vibrant and varied array of musical offerings.

A significant portion of the performance capacity of most cities is provided by large venues (multi-purpose theaters and arenas also used for sporting events); in Chicago this accounts for 93% of all seats. But Chicago stands out among its competitors for the range of venue sizes—and musical experiences—it offers. According to POLLSTAR data, Chicago has 28,000 seats in clubs and small venues, more than Austin, Nashville, or Memphis. The average club in Chicago is about the same size as the average club in Austin, but Chicago has more of them.

This makes Chicago a great city for musical adventurers and people with specialized preferences. As is the case in most cities, the majority of music club seats are in venues that do not specialize in any particular kind of music. But specialized venues account for a bigger portion of the music scene in Chicago than in any other city in our comparison group except for Atlanta. Additionally, Chicago has seats for almost every taste, something Atlanta does not come close to offering. Although a few more genres of music are found in New York and Los Angeles clubs than in Chicago (14, 17, and 13 genres, respectively), the specialty-music scene provides a much larger segment of available seats in Chicago than in its mega-city rivals.

## SMALL VENUE AND CLUB SPECIALIZATION, PERCENTAGE OF SEATS BY MUSICAL FORMAT

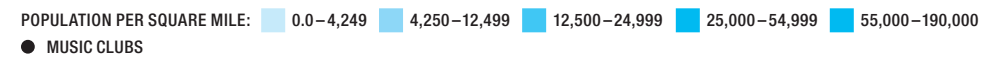
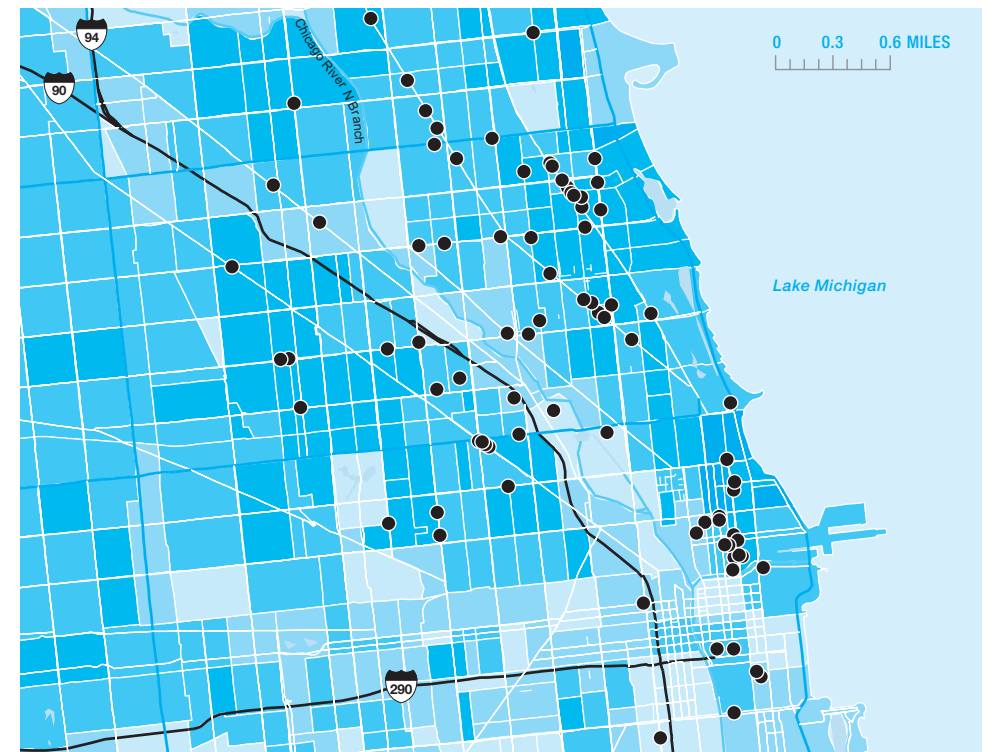


POLLSTAR Talent Buyer Directory, 2004. Aggregated to Metropolitan Statistical Area.

Because sociological research has shown that cultural omnivores tend to be better educated and wealthier than the average person, Chicago's highly diversified music club scene has the potential to give the city an advantage in attracting this coveted demographic.

Chicago's musical smorgasbord may not be as visible to visitors and newcomers as the offerings in other cities, however, because its clubs are not as geographically concentrated. Live music clubs in some cities—Nashville, Austin, and Memphis, for instance—are packed into a few blocks. In other cities, clubs are scattered relatively evenly across many blocks (Seattle) or miles (Los Angeles). Chicago's clubs are more densely packed than those in Los Angeles, but tend to be distributed along major arteries rather than clustered within walkable neighborhoods as in New York. Even those genre-specific clubs that had once been more geographically concentrated are now spread out. Chicago blues clubs were once clustered on the South Side but are increasingly found downtown and on the city's North Side.

## GEOGRAPHIC DISTRIBUTION OF MUSIC VENUES



City Search, 2007.

# CHICAGO: A MUSIC CITY IN HIDING

By almost every measure, Chicago is a great music city. It ranks in the top five of the eleven music cities in our comparison group for almost every category examined, and in the top three in most of those. As a more or less stand-alone industry, Chicago's music industry cannot hope to match the size of its counterparts in New York and Los Angeles where the music industry enjoys a symbiotic relationship with television and film.

Even so, the music industry generates significant and quantifiable revenue for the public and private sector. The core of Chicago's music industry generated \$84 million in 2004. The music industry provides income to a substantial number of Chicago area residents, and improves the quality of life for millions more. The quantity and variety of performances by local, national, and international musical acts is unequalled anywhere in the U.S.

Yet other cities with smaller music industries and less vibrant scenes are much better known for their music. Unlike Nashville or Atlanta, Chicago has not carved out a specialty niche as a recording capital for a particular genre, nor has it established itself as a hub for the music industry's trade shows, as Austin has done. And its variegated music scene has not developed a distinctive physiognomy like those found in some other cities with readily identifiable music districts.

The statistics presented here make it clear where Chicago stands today as a music city. What it becomes in the future depends on the genius of its music makers, to be sure, but also on what industry leaders, policymakers, and other stakeholders do with these findings.

Separately, executives of non-music industries, city and county agencies, and representatives of the tourism and nonprofit cultural sectors contribute to and benefit from Chicago as a music city. Together—through partnerships to support marketing, creative collaborations, urban planning initiatives and educational outreach—they could transform music into a more significant economic and social engine for the city.

DESIGN: Tandemodus, LLC

This executive summary describes the principal findings of *Chicago Music City*.

The full report is available at:

<http://www.chicago-music.org>

<http://culturalpolicy.uchicago.edu/chicagomusic2007>

The research and conclusions expressed herein are the work of the researchers at the Cultural Policy Center, and do not necessarily represent the views of the Chicago Music Commission, the Chicago Community Trust or the Chicago Federation of Musicians.

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