

Chicago Ranks 3rd in Size of Music Industry But is a Music City in Hiding

A study conducted by the [University of Chicago's](#) esteemed [Cultural Policy Center](#) titled "[Chicago Music City: A Report on the Music Industry in Chicago](#)" reveals that, "Chicago ranks third among metropolitan areas in the size of music industry, according to most of the economic indicators" researchers measured. According to the study:

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.

The report, commissioned by the [Chicago Music Commission](#), says "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," the study notes, adding: "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," according to the study. "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."

For more information on the study, contact Larry Rothfield, lary@uchicago.edu, 773.702.7302.