

A Meta-Analysis of Price and Income Elasticity in the Performing Arts

This meta-analysis synthesizes the literature on price and income elasticity in the performing arts. This pool of 31 primary studies conducted over the last five decades includes 125 effect sizes for price elasticity and 61 effect sizes for income elasticity. Consistent with an aggregation effect, studies performed at the consumer level tend to be price elastic ($E_d = -1.30$) while product level studies reach unit elasticity ($E_d = -1.01$) and category level estimates are inelastic ($E_d = -.43$). For product level estimates, studies examining theater show greater elasticity ($E_d = -2.12$) than other forms of performing arts such as ballet, orchestra music and opera ($E_d = -.98, -1.37$ and -1.36 respectively). We attribute this difference to the greater number of substitutes for theater productions in a given market. Elasticity tend to increase over time ($\beta = -.06$ per year). Studies using OLS methods show lower elasticity ($\beta = .74$). These differences are not found at the consumer or category level. For income elasticity, studies performed at the consumer and product level are close to unit elasticity ($E_y = .85$ and $.89$ respectively) while reaching elasticity at the category level ($E_y = 1.47$).