

Brief Summary of the Economic Impact of the Kenosha Public Museums in Kenosha, Wisconsin

Three museum facilities constitute the Kenosha Public Museums: the flagship Kenosha Public Museum (KPM); the Dinosaur Discovery Museum (DDM); and the Civil War Museum (CVM). In estimating the economic impact of the Kenosha Public Museums, we used an approximate budget of \$2,800,000 per year for the budget to jointly operate the three facilities. We calculated the impact of non-local visitors based on an examination of attendance statistics and address and guest book data made available to us by the Kenosha Public Museums. KPM's facilities receive roughly 237,150 unique visits per year, of which roughly 49% come from outside Kenosha County (an estimated 116,204 unique visits). These "nonlocal" visitors bring money, through their local expenditures, into the Kenosha County economy that most likely would otherwise have been spent in their own county.

The summary of results provided below represent the total economic impact of the Kenosha Public Museums as estimated using an inter-industry model of the flow of goods and services between sectors of the economy in Kenosha County. Expenditures are made by the museum; those monies circulate through the local economy. The suppliers of goods and services to the museum increase their own purchases to meet the new demand; increased local employment results in additional expenditures by local households. Similar modeling has been undertaken to estimate the impact of expenditures by nonlocal visitors as well.

The results are calculated for the specific case of the Kenosha Public Museums and Kenosha County. Estimates of average spending by each nonlocal visitor are based upon an extensive national survey by Americans for the Arts of expenditures made by nonlocal visitors on the day of attendance to a cultural site or event.¹

Results:

- The \$2,800,000 in annual expenditures by the Kenosha Public Museums has an estimated economic impact of \$4,820,409. Sectors of the Kenosha County local economy (beyond the museum sector) that experience a significant increase in economic activity due to the presence of the museum are *real estate*, *electric power generation*, *wholesale trade*, and *food services*. In addition, the expenditures of the Museum result in an estimated 81 jobs locally.
- An estimated 115,000 visitors from outside Kenosha County visit the Kenosha Public Museums each year. The local expenditures made during their visits have a total

¹ Information on the Americans for the Arts study is available for download at http://www.artsusa.org/information_services/research/services/economic_impact/default.asp. The survey was carefully designed to only count the expenditures directly tied to visiting a cultural organization on a specific day, so as not to "take credit" for expenditures primarily resulting from an extended vacation or other reasons for traveling.

economic impact of approximately \$7,301,709. Sectors of the local economy that benefit most from their presence are *food services, hotels and motels, retail stores, real estate,* and *wholesale trade*. The expenditures of visitors result in an additional 126 jobs locally.

- The total economic impact of the Kenosha Public Museums consists of the impact of its own annual expenditures and the local expenditures made by visitors who reside outside Kenosha County. ***The total economic impact of the Kenosha Public Museums is approximately \$12,122,117 annually. The total impact in terms of local employment is an estimated 206 jobs.***

The Kenosha Public Museums benefits its community in many ways beyond its economic impact. This summary is only an estimate of the economic impact on Kenosha County's local economy.

About the Kenosha Public Museums

The Kenosha Public Museums, a cultural organization operating three distinct museum facilities in Kenosha, Wisconsin, is an entity of the City of Kenosha providing cultural opportunities and economic development. The flagship Kenosha Public Museum, established in 1933, collects, preserves, and interprets decorative and fine arts, natural science specimens, and cultural artifacts from around the world and throughout time. The Museum's collections have grown to over 70,000, including almost 1,000 works in the fine arts collection. The current museum facility is located in a Brownfields redevelopment site on Lake Michigan, a site formerly occupied by an American Motors Corporation plant.

The nearby Dinosaur Discovery Museum opened in 2006 and is the only museum to exclusively focus on the link between birds and meat-eating dinosaurs, one of the most complete known fossil records. The Carthage Institute of Paleontology is housed in the Museum, and is dedicated to the preparation and conservation of dinosaur fossils.

Kenosha's Civil War Museum, opened in 2008, is located immediately adjacent to the Kenosha Public Museum. Through state-of-the-art museum technology, life-size dioramas, and interactive engaging exhibits, visitors travel back in history to the social, political and economic influences that contributed to the Civil War. The 15,000 square feet permanent exhibit gallery tells the stories of those whose lives were changed by the Civil War and how those people shaped the course of American history.

More information about the museums is available at www.kenosha.org/museum

About the Williams College Center for Creative Community Development (C³D)

The Center for Creative Community Development (C³D) was founded in June 2004 with an initial grant from The Ford Foundation and subsequent funding from the Institute of Museum and Library Services, New England Foundation for the Arts, Massachusetts Cultural Council and others. C³D is a research organization working to better quantify and characterize the impacts that neighborhood-based arts and cultural organizations have on their surrounding communities. The Center provides sound data and case studies that can be used for case-making as well as for planning and evaluation purposes. Such measurements are essential for communities to manage

the process of change, and to ensure equitable distribution of the benefits created by cultural economic development.

C³D is located on the campus of Williams College in Williamstown, Massachusetts, and is directed by Stephen Sheppard, Class of 2012 Professor of Economics. Professor Sheppard (PhD from Washington University) is an economist who specializes in inter-industry analysis and the use of economic geography to analyze the impacts of brownfields, cultural amenities and other influences on household income, job creation, housing markets and neighborhood development.

More information about C³D and its analyses is available at www.c-3-d.org.

About this Study

The economic impacts reported above are based on standard input/output analysis. This type of model has been in use at least since the publication in 1960 of Walter Isard's important book *Methods of Regional Analysis: an Introduction to Regional Science* (M.I.T. Press). An input/output model is a set of mathematical formulas whose values are based on statistical analysis of actual observations. In this case, the formulas are designed to represent the working of the local economy. The economic impact estimates provided here are the result of a predictive model that estimates the amount of aggregate local income and employment that is attributable to expenditures by a particular cultural organization and its non-local visitors (visitors living outside the county). The model is designed for analysis at the county level, meaning the estimates cover impacts occurring throughout the county in which the organization is located.

The input-output model utilizes data from a variety of sources (including the U.S. Bureau of Economic Analysis, the U.S. Bureau of Labor, and the U.S. Census Bureau) to characterize the flow of goods and services among sectors of the economy and the employment and consumption patterns of different sectors of the local economy. The sectors are identified by NAICS (North American Industry Classification System) codes. Much of the data is collected at the county level through a survey process that examines the spending patterns of representative firms in every sector of the economy in every county throughout the country. The data collected provides estimates of the purchasing patterns of each sector of the county economy, identifying how much of every dollar spent in one particular sector is received as income in every other sector of the county economy, and how much of every dollar "leaks" outside the county economy or is considered "final consumption." The input-output economic model divides the economy up into over 400 sectors ranging from "Abrasive Products" to "Wood window and door manufacturing". Not all of these sectors are present in every local area. The model also draws heavily on data from the federal ES202 database of unemployment insurance filings and the "Regional Economic Information System" of the U.S. Bureau of Economic Analysis.

This study was supported by a research grant from the Institute of Museum and Library Services.

For more detailed background on our input/output models for cultural organizations, you are encouraged to visit <http://www.williams.edu/Economics/ArtsEcon/econpages/FAQ.html>.