

The Economic Impact of MASS MoCA in 2017

by

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A. Overview

With the opening of the Robert W. Wilson Building – sometimes simply referred to as Building 6 – in late May of 2017, the Massachusetts Museum of Contemporary Art further solidified its reputation as one of the premier art destinations and exhibition spaces in the world. Extensive press coverage from the *New York Times*¹, the PBS Newshour² among others has called the complex “weird and wonderful” and marveled at the “luxuriant” space it provides for large and diverse works of art. The enlarged facility has been described as “... a huge showcase for modern creativity.”



Interior view of Robert W. Wilson Building

justified in part by its economic and social impacts. Impacts that were presumed to be available prior to construction and that subsequent studies have shown to be present. In this way MASS MoCA, North Adams and Berkshire County comprise an ongoing socio-economic experiment in economic and community development that is as innovative as the visual and performing arts programming that takes place on the North Adams campus.

This report provides an update and evaluation of the economic and employment impacts of MASS MoCA on the surrounding region as of 2017. The report makes use of preliminary attendance figures for the 2017 season, along with budget data for the complex and the results of visitor surveys to measure expected local spending by those who come to the area.

Press accounts also openly wondered about the ability of art, and in particular of MASS MoCA, to “anchor” the local economy, and thereby address some of the problems that confront US communities once dominated by manufacturing and now working to create an alternative or expanded basis for recovered vitality and perhaps prosperity. This has always been an important component of the MASS MoCA mission. Public sector support for creation and operation of the museum and performing arts center has been

¹ “A Museum Where Giant Art Has Room to Breathe” by Hilarie M. Sheets, *New York Times*, May 26, 2017

<https://www.nytimes.com/2017/05/26/arts/design/mass-moca-new-building.html>

² “Can a contemporary art mecca anchor this once-industrial town?” August 3, 2017,

<http://www.pbs.org/newshour/bb/can-contemporary-art-mecca-anchor-industrial-town/>

Previous evaluations, produced in C³D reports for 2006³ and subsequently included implicitly in reports on the impacts of non-profits in Berkshire County for 2010⁴ and 2012⁵, have suggested total impacts of between \$14 million and \$24 million per year, including operations and the effects of spending by visitors who travel from outside the region to visit MASS MoCA. This report presents the first update since those reports on the comprehensive impacts of MASS MoCA on the economy of Berkshire County, and specifically takes into account the expanded operations budget of the museum and performing arts program as well as the significant increase in total visitors that have come as a result of the growing reputation of the museum, the expansion of performing arts and periodic festivals on the premises, and the expansion of exhibition space and content with the opening of Building 6.

B. Summary of Impacts

In order to obtain the estimates of economic impact presented below, we have made use of the information presented in Table 1.

Table 1: Data used in modeling economic impacts

Item	Amount	Source of data
Museum	\$5,091,015	Audited financial report, FY 2015
Performing arts	\$6,007,474	Audited financial report, FY 2015
Total operating expenditures for MASS MoCA	\$11,098,489	Audited financial report, FY 2015
Total number of visitors (visitor-days)	245,200	Box Office attendance
Total number of visitors from outside region	205,968	Attendance x 0.84 (from survey)
Expenditure per visitor day on lodging	\$46.26	2017 Survey of Berkshire visitors
Expenditure per visitor day on food	\$43.32	2017 Survey of Berkshire visitors
Expenditure per visitor day on local retail	\$17.40	2017 Survey of Berkshire visitors
Expenditure per visitor day on transportation	\$7.33	2017 Survey of Berkshire visitors
Expenditure per visitor day on childcare, etc.	\$2.02	2017 Survey of Berkshire visitors
Total expenditure per visitor day	\$116.33	2017 Survey of Berkshire visitors

As noted in Table 1, total MASS MoCA expenditures for operation and production are taken from the FY2015 audited financial reports filed with the Massachusetts state attorney general's office. We have broken total expenditures into two components, one for the museum and one for performing arts, because these are represented as different industrial sectors in the economic model used for the analysis. This breakdown is based on the representation in tables presented in the reports.

Total visitors (each taken as representing one visitor-day) are taken from FY 2017 box office totals for MASS MoCA. A survey of Berkshire County audiences was undertaken as part of a separate study for the Boston Symphony Orchestra in the spring of 2017, and this study indicated that 84% of those attending BSO events in the region normally resided outside of the County. This is almost identical to the share of audience that is "non-

³ "Culture and Revitalization: The Economic Effects of MASS MoCA on its Community" by Stephen C. Sheppard, Kay Oehler. Blair Benjamin and Ari Kessler, 2006,

<http://web.williams.edu/Economics/ArtsEcon/library/pdfs/NA%20Economic%20Impacts%2032006.pdf>

⁴ "The Economic Impact of Non-profit Organizations in Berkshire County" by Stephen Sheppard and Kay Oehler, December 2010,

<http://web.williams.edu/Economics/ArtsEcon/library/pdfs/BerkNonprofReportRevDec2010.pdf>

⁵ "The State of Non-profit Organizations in Berkshire County" by Kay Oehler and Stephen C. Sheppard, April 2012,

<http://web.williams.edu/Economics/ArtsEcon/library/pdfs/StateOfNonProfitsFINAL.pdf>

local” measured in earlier studies of MASS MoCA. We therefore applied this percentage to the box-office total to obtain an estimate of total non-local attendance.

It may be somewhat conservative to count each admitted audience member or gallery visitor as only a single “visitor day” since some persons may travel to the region with the main purpose of visiting MASS MoCA and then stay several days either to return to MASS MoCA or to otherwise enjoy the area. In general, this won’t apply to multi-day events like the Fresh Grass festival, since each day is separately ticketed and a person who purchases tickets to multiple days is counted as multiple “visitors”. With the opening of the new Wilson Building, however, some persons may find that the museum itself has become so significant that they spend an entire day in the museum and another day to rest and reflect on what they have seen. Such persons might be expected to spend more in the area as part of their visit to MASS MoCA, so that our figure may be a slight undercount.

How much is spent by a typical visitor who spends one day in the region? The final six lines of Table 1 provide the estimated figures of expenditure per visitor day, again taken from the survey of Berkshire County audiences undertaken earlier in 2017. These figures are averages of survey responses, divided by the number of persons in the group. Thus an “average” family of two adults and two children spend about \$465 per day during a visit to the Berkshires.

Table 2 summarizes the total impact of MASS MoCA on Berkshire County. The row labeled “Operations” shows the impact of MASS MoCA expenditures on the North Adams campus for museum and performing arts production. The row labeled “Visitors” shows the impact of the more than 200 thousand visitors who come from outside the region to visit, and the final row shows the combination of both sources.

Table 2: Total impact of MASS MoCA

Source	Total economic output in region			Employment in region			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Income per worker
Operations	\$11,098,489	\$9,823,925	\$20,922,414	115	95	211	\$36,078
Visitors	\$19,711,144	\$10,204,709	\$29,915,853	293	83	376	\$29,826
Total	\$30,809,633	\$20,028,634	\$50,838,267	408	178	586	\$32,072

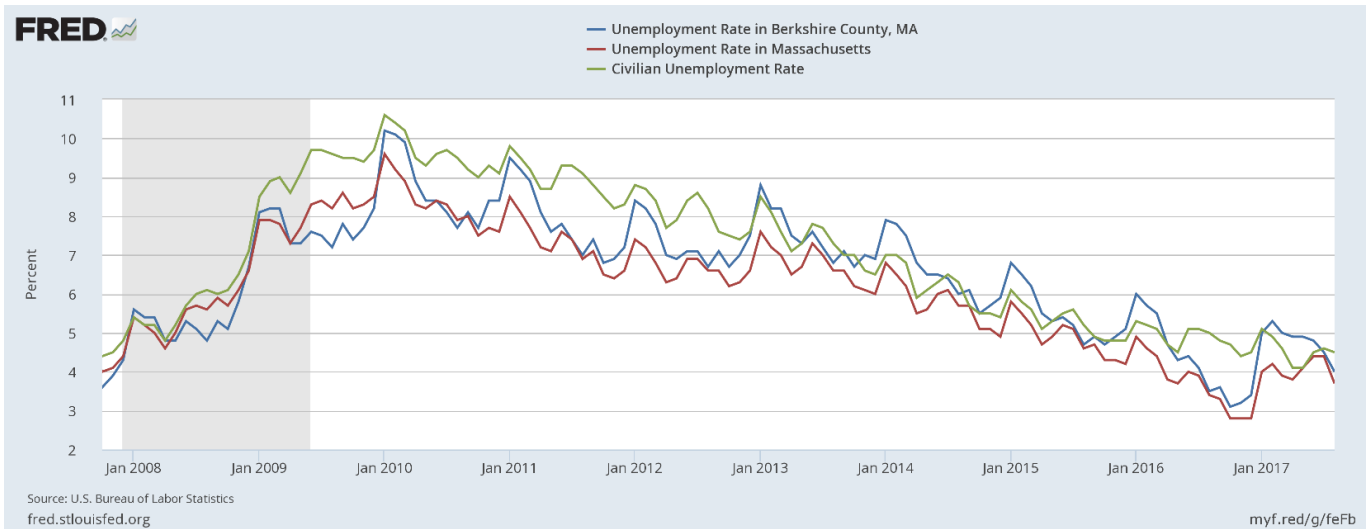
After the column that identifies the source of impact, the next 3 columns show the impacts on the value of total economic output in the region. The column labeled “Direct” shows the direct effect – the direct impact from local spending in all industrial sectors. This will comprise the \$11 million of expenditures that MASS MoCA itself makes, plus the \$19.7 million that we estimate is total expenditures by audience members and visitors who come to the region. The “Indirect + Induced” column shows what are sometimes called the “multiplier effects” in the local economy. This captures the expansion of the local economy to produce the inputs, goods and services that are purchased by MASS MoCA and by visitors, as well as the expansion caused as the workers employed in this production spend some of their incomes locally.

The “Total” column sums all of these together, and shows that including all sources and all types of impact MASS MoCA increases local economic output by almost \$51 million in 2017. This represents more than double our earlier estimates of the impact of MASS MoCA on the local economy, and is much more than would be accounted for by the effects of the modest rate of inflation that have been experienced since our last evaluation. This represents real growth in impact and expansion of MASS MoCA to become the dominant cultural destination in northern Berkshire County.

Of course the region continues to experience economic difficulties and even a large positive boost from MASS MoCA cannot automatically eliminate every problem. While the poverty rate for the county, estimated to be 13%, is lower than the national average of 14.7%, the number of persons living in poverty has increased since 2000

(though not as much as in many other Massachusetts counties or, for that matter, other regions of the US). Income and wage inequality also remains high in the region. It is important to note, however, that conditions in the region would likely be much worse if not for the beneficial impacts that are driven, in part, by MASS MoCA's continued growth.

Employment opportunities, for example, are significantly enhanced by MASS MoCA's presence in the region. The rightmost columns of Table 2 show the impacts on local employment, showing the direct, indirect and total impact on jobs in the region as well as the average labor income per worker. Altogether, MASS MoCA's presence accounts for 586 jobs that, on average, pay over \$32 thousand per year (some of these are part-time jobs). These employment opportunities help to explain why Berkshire County often has a lower unemployment rate than the US as a whole, and sometimes lower than Massachusetts, as illustrated below.



C. Summary

MASS MoCA has grown to become a cornerstone of the Berkshire County economy and is now the second most important cultural destination in a region well-known nationally for cultural tourism and the creative economy. Only the BSO's Tanglewood attracted more visitors in 2017.

The local economy is nearly \$51 million larger each year because of MASS MoCA operations and visitors, and if MASS MoCA were not present there would be at least 586 fewer jobs in the County, increasing the local unemployment rate by nearly a full percentage point.

The increased economic activity and increased employment affects the museum, performing arts, and restaurant and hospitality sectors of course, but the impacts extend well beyond the industrial sectors that are usually thought of as the main beneficiaries. Sectors as diverse as insurance carriers and insurance agencies, hospitals and physicians and many others experience important gains. Details on the sectors experiencing the largest impacts are provided in the Appendix below.

D. Detailed Impacts of MASS MoCA by Sector

Appendix Table: Sectors with the largest impact, sorted by size of impact on total sector output

Description of Sector	Impacts on Sector Output			Employment Impacts			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Compensation
Total	\$30,809,633	\$20,028,634	\$50,838,267	408	178	586	\$32,072
Hotels and motels	\$9,528,080	\$56,818	\$9,584,897	82	0	82	\$36,594
Full-service restaurants	\$8,922,534	\$327,248	\$9,249,782	189	7	196	\$21,414
Promoters of performing arts	\$6,007,474	\$432,854	\$6,440,328	56	4	60	\$25,362
Museums, historical sites, zoos, and parks	\$5,091,015	\$14,506	\$5,105,521	59	0	60	\$47,237
Real estate	\$0	\$2,000,530	\$2,000,530	0	13	13	\$38,183
Owner-occupied dwellings	\$0	\$1,529,050	\$1,529,050	0	0	0	
Retail - General merchandise stores	\$722,015	\$183,236	\$905,251	12	3	15	\$27,032
Insurance carriers	\$0	\$858,692	\$858,692	0	2	2	\$103,424
Hospitals	\$0	\$832,435	\$832,435	0	5	5	\$91,204
Monetary authorities and depository credit	\$0	\$647,654	\$647,654	0	3	3	\$81,027
Independent artists, writers, and performers	\$0	\$562,729	\$562,729	0	17	17	\$16,016
Transit and ground passenger transportation	\$0	\$493,546	\$493,546	0	8	8	\$21,128
Insurance agencies, brokerages, and related	\$0	\$474,135	\$474,135	0	3	3	\$60,464
Child day care services	\$416,055	\$44,090	\$460,146	9	1	10	\$27,103
Wholesale trade	\$0	\$440,919	\$440,919	0	2	2	\$61,598
Maint, repair & const of nonresidential structures	\$0	\$405,828	\$405,828	0	3	3	\$51,570
Offices of physicians	\$0	\$392,614	\$392,614	0	3	3	\$116,859
Limited-service restaurants	\$0	\$389,599	\$389,599	0	4	4	\$19,541
Electric power transmission and distribution	\$0	\$332,501	\$332,501	0	0	0	\$139,466
Lessors of nonfinancial intangible assets	\$0	\$293,031	\$293,031	0	0	0	\$17,043
Other educational services	\$0	\$276,605	\$276,605	0	7	7	\$26,291
Other financial investment activities	\$0	\$259,118	\$259,118	0	2	2	\$16,835
Wired telecommunications carriers	\$0	\$254,478	\$254,478	0	1	1	\$81,509
Management of companies and enterprises	\$0	\$249,625	\$249,625	0	1	1	\$77,398
Retail - Nonstore retailers	\$0	\$237,111	\$237,111	0	2	2	\$32,909
Accounting, tax preparation, bookkeeping	\$0	\$225,311	\$225,311	0	3	3	\$42,594
Legal services	\$0	\$223,267	\$223,267	0	2	2	\$41,360
Junior colleges, colleges, universities	\$0	\$223,029	\$223,029	0	2	2	\$67,235
Internet publishing and broadcasting and web search portals	\$0	\$212,512	\$212,512	0	0	0	\$63,604

Description of Sector	Impacts on Sector Output			Employment Impacts			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Compensation
Waste management and remediation services	\$0	\$204,460	\$204,460	0	1	1	\$93,408
Electric power generation - Fossil fuel	\$0	\$203,823	\$203,823	0	0	0	\$138,398
Retail - Food and beverage stores	\$0	\$203,490	\$203,490	0	3	3	\$29,979
All other food and drinking places	\$0	\$200,989	\$200,989	0	5	5	\$26,683
Printing	\$0	\$198,056	\$198,056	0	1	1	\$60,395
Postal service	\$0	\$195,279	\$195,279	0	2	2	\$87,561
Automotive repair and maintenance	\$0	\$182,824	\$182,824	0	2	2	\$47,778
Wireless telecommunications carriers (except satellite)	\$0	\$168,947	\$168,947	0	0	0	\$42,058
Retail - Gasoline stores	\$122,460	\$44,365	\$166,825	2	1	3	\$39,067
Travel arrangement and reservation services	\$0	\$157,038	\$157,038	0	1	1	\$39,412
Advertising, public relations, and related services	\$0	\$156,822	\$156,822	0	1	1	\$29,740
Religious organizations	\$0	\$150,995	\$150,995	0	1	1	\$31,905
Outpatient care centers	\$0	\$145,695	\$145,695	0	1	1	\$47,942
Retail - Clothing and clothing accessories	\$0	\$142,477	\$142,477	0	2	2	\$24,360
Retail - Building material and garden equipment	\$0	\$140,202	\$140,202	0	1	1	\$48,322
Periodical publishers	\$0	\$139,631	\$139,631	0	1	1	\$54,735
Funds, trusts, and other financial vehicles	\$0	\$138,540	\$138,540	0	0	0	\$42,923
Newspaper publishers	\$0	\$136,453	\$136,453	0	1	1	\$37,174
Office administrative services	\$0	\$135,477	\$135,477	0	1	1	\$73,095
Employment services	\$0	\$135,308	\$135,308	0	2	2	\$32,283
Nursing and community care facilities	\$0	\$132,645	\$132,645	0	2	2	\$44,475
Offices of dentists	\$0	\$131,905	\$131,905	0	1	1	\$62,809
Services to buildings	\$0	\$130,640	\$130,640	0	4	4	\$13,858
Architectural, engineering, and related services	\$0	\$128,101	\$128,101	0	1	1	\$90,643
Landscape and horticultural services	\$0	\$123,860	\$123,860	0	2	2	\$25,685
Natural gas distribution	\$0	\$123,556	\$123,556	0	0	0	\$129,160
Offices of other health practitioners	\$0	\$109,403	\$109,403	0	1	1	\$56,674
Retail - Motor vehicle and parts dealers	\$0	\$107,146	\$107,146	0	1	1	\$51,038
Gambling industries (except casino hotels)	\$0	\$106,067	\$106,067	0	1	1	\$34,180
Maint, repair, const. of residential structures	\$0	\$105,717	\$105,717	0	1	1	\$51,977
Cable and other subscription programming	\$0	\$103,774	\$103,774	0	0	0	\$57,968
Management consulting services	\$0	\$100,779	\$100,779	0	1	1	\$39,205

Impacts on Sector Output

Employment Impacts

Description of Sector	Impacts on Sector Output			Employment Impacts			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Compensation
Retail - Health and personal care stores	\$0	\$90,539	\$90,539	0	1	1	\$43,052
Individual and family services	\$0	\$89,151	\$89,151	0	3	3	\$24,457
Home health care services	\$0	\$84,720	\$84,720	0	2	2	\$40,278
Air transportation	\$0	\$80,621	\$80,621	0	0	0	\$58,390
Truck transportation	\$0	\$74,872	\$74,872	0	0	0	\$58,753
Marketing research and technical services	\$0	\$73,779	\$73,779	0	1	1	\$27,793
Performing arts companies	\$0	\$72,479	\$72,479	0	1	1	\$28,285
Radio and television broadcasting	\$0	\$72,010	\$72,010	0	0	0	\$47,686
Grantmaking, giving, and social advocacy	\$0	\$69,374	\$69,374	0	1	1	\$41,475
Personal care services	\$0	\$68,437	\$68,437	0	2	2	\$25,589
Personal and household goods repair and maint	\$0	\$66,110	\$66,110	0	1	1	\$49,301
Elementary and secondary schools	\$0	\$63,308	\$63,308	0	1	1	\$48,562
Labor and civic organizations	\$0	\$62,701	\$62,701	0	1	1	\$21,262
Retail - Miscellaneous store retailers	\$0	\$60,474	\$60,474	0	2	2	\$19,891
Other amusement and recreation industries	\$0	\$59,839	\$59,839	0	1	1	\$22,510
Couriers and messengers	\$0	\$56,884	\$56,884	0	1	1	\$7,435
Scenic and sightseeing transportation and support activities	\$0	\$55,758	\$55,758	0	0	0	\$55,753
Retail - Furniture and home furnishings stores	\$0	\$54,270	\$54,270	0	1	1	\$34,526
Commercial and industrial machinery and equip rental and leasing	\$0	\$53,592	\$53,592	0	0	0	\$133,495
Nondepository credit intermediation and related activities	\$0	\$51,784	\$51,784	0	0	0	\$156,491
Other personal services	\$0	\$50,750	\$50,750	0	1	1	\$23,854
Securities and commodity brokerage	\$0	\$50,083	\$50,083	0	1	1	\$46,959
News syndicates, libraries, archives and other information services	\$0	\$47,544	\$47,544	0	0	0	\$20,038
Retail - Sporting goods, hobby, music and books	\$0	\$46,812	\$46,812	0	1	1	\$22,332
Other ambulatory health care services	\$0	\$46,552	\$46,552	0	1	1	\$48,079
Dry-cleaning and laundry services	\$0	\$45,886	\$45,886	0	1	1	\$38,256
Other local government enterprises	\$0	\$45,269	\$45,269	0	0	0	\$101,088
Community food, housing, and other relief	\$0	\$44,916	\$44,916	0	1	1	\$37,685
Environmental and other technical consulting	\$0	\$43,307	\$43,307	0	1	1	\$38,271
Data processing, hosting, and related services	\$0	\$41,506	\$41,506	0	0	0	\$33,002
Directory, mailing list, and other publishers	\$0	\$39,621	\$39,621	0	0	0	\$53,899
Automotive equipment rental and leasing	\$0	\$38,523	\$38,523	0	0	0	\$96,557

Impacts on Sector Output

Employment Impacts

Description of Sector	Impacts on Sector Output			Employment Impacts			
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Compensation
Veterinary services	\$0	\$35,947	\$35,947	0	0	0	\$47,589
Residential mental health, substance abuse	\$0	\$33,472	\$33,472	0	1	1	\$36,180
Commercial and industrial machinery and equipment repair	\$0	\$33,441	\$33,441	0	0	0	\$57,316
Motion picture and video industries	\$0	\$30,390	\$30,390	0	0	0	\$21,565
General and consumer goods rental except video tapes and discs	\$0	\$29,730	\$29,730	0	0	0	\$80,790
Business and professional associations	\$0	\$29,621	\$29,621	0	0	0	\$45,003
Commercial Sports Except Racing	\$0	\$29,389	\$29,389	0	1	1	\$24,341
Specialized design services	\$0	\$29,340	\$29,340	0	0	0	\$26,234
Fitness and recreational sports centers	\$0	\$25,048	\$25,048	0	1	1	\$12,424
Business support services	\$0	\$23,838	\$23,838	0	1	1	\$16,667
Other computer related services, including facilities management	\$0	\$21,733	\$21,733	0	0	0	\$47,493
Private households	\$0	\$21,281	\$21,281	0	2	2	\$14,113