

## Brief Summary of the Economic Impact of the Polk Museum of Art in Lakeland, Florida

In estimating the economic impact of the Polk Museum of Art, we used an approximate budget of \$1,644,000 per year. We calculated the impact of visitors based on an average annual attendance of 101,000 attendees. Utilizing information provided to us by the Polk Museum, we calculated that approximately 30% of museum attendees came from outside Polk County. These “nonlocal” visitors (an estimated 30,300 per year) bring money, through their local expenditures, into the Polk 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 Polk Museum as estimated using an inter-industry model of the flow of goods and services between sectors of the economy in Polk 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 Polk Museum of Art and Polk 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.<sup>1</sup>

### Results:

- The \$1,644,000 in annual expenditures by the Polk Museum has an estimated economic impact of \$2,985,053. Sectors of the Polk 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, wholesale trade, insurance carriers, and offices of physicians and dentists*. In addition, the expenditures of the Museum result in an estimated 41 jobs locally.
- An estimated 30,300 visitors from outside Polk County visit the Polk Museum of Art each year. The local expenditures made during their visits have a total economic impact of approximately \$2,015,806. Sectors of the local economy that benefit most from their

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<sup>1</sup> 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](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.

presence are *food services, hotels and motels, retail stores, real estate, and wholesale trade*. Expenditures of visitors result in an additional 29 jobs locally.

- The total economic impact of the Polk Museum of Art consists of the impact of its own annual expenditures and the local expenditures made by visitors who reside outside Polk County. ***The total economic impact of the Polk Museum of Art is approximately \$5,000,859 annually. The total impact in terms of local employment is an estimated 69 jobs.***

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

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### **About the Polk Museum of Art**

The Polk Museum of Art is an arts leader in Florida. It educates and inspires the community through creative and diverse exhibitions and collections, cultural alliances, and diverse events and programming such as the annual Mayfair by the Lake Arts Festival.

The Polk Museum of Art had its beginnings in the all-volunteer Imperial Youth Museum founded by the Junior Welfare League in 1966. In 1969 the Museum was renamed Polk Public Museum to reflect the broadened emphasis on art, history and science. In 1970, the Board of Trustees purchased a vacant supermarket building from Florida Southern College, which doubled exhibition and classroom space. In addition, the Museum established a strong art education program, working closely with the School Board.

In 1983, the American Association of Museums accredited the Museum and planning began for the first building campaign. As part of that endeavor, the name "Polk Museum of Art" was adopted, reflecting the commitment to countywide outreach. The current facility was formally dedicated in September 1988 and opened debt-free.

More information about the Polk Museum of Art is available at [www.polkmuseumofart.org](http://www.polkmuseumofart.org)

### **About the Williams College Center for Creative Community Development (C<sup>3</sup>D)**

The Center for Creative Community Development (C<sup>3</sup>D) 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. C<sup>3</sup>D 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.

C<sup>3</sup>D 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 C<sup>3</sup>D and its analyses is available at [www.c-3-d.org](http://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>.