

Brief Summary of the Economic Impact of the Toledo Museum of Art in Toledo, Ohio

In estimating the economic impact of the Toledo Museum of Art, we used an approximate budget of \$12,856,000 per year. We calculated the impact of visitors based on an average annual attendance of approximately 340,000 attendees. Examining address data made available to us by the Toledo Museum of Art, we calculated that approximately 53% of museum attendees came from outside Lucas County. These “nonlocal” visitors (an estimated 180,200 per year) bring money, through their local expenditures, into the Lucas 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 Toledo Museum of Art as estimated using an inter-industry model of the flow of goods and services between sectors of the economy in Lucas 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 Toledo Museum of Art and Lucas 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 \$12,856,000 in annual expenditures by the Toledo Museum of Art has an estimated economic impact of \$22,315,090. Sectors of the Lucas 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, insurance carriers, hospitals, food services, and offices of physicians and dentists*. In addition, the expenditures of the Museum result in an estimated 335 jobs locally.
- An estimated 180,200 visitors from outside Lucas County visit the Toledo Museum of Art each year. The local expenditures made during their visits have a total economic impact of approximately \$11,431,667. Sectors of the local economy that benefit most from their presence are *food services, hotels and motels, retail stores, real estate, and*

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.

management of companies. The expenditures of visitors result in an additional 178 jobs locally.

- The total economic impact of the Toledo Museum of Art consists of the impact of its own annual expenditures and the local expenditures made by visitors who reside outside Lucas County. ***The total economic impact of the Toledo Museum of Art is approximately \$33,746,757 annually. The total impact in terms of local employment is an estimated 513 jobs.***

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

About the Toledo Museum of Art

The Toledo Museum of Art campus has grown from a single building to an architecturally significant campus that is a highlight of the city of Toledo. With seven buildings on 32 acres, the museum campus offers Neoclassical, Art Deco, and Postmodern architecture, as well as green space and a sculpture garden.

The museum collection of more than 30,000 works of art ranks among the finest in the United States. In more than 35 galleries, Sculpture Garden, and new Glass Pavilion, the museum boasts important, popular, and outstanding works of art, including paintings and sculptures; masterworks from antiquity and Asia; decorative arts; and highlights from the renowned glass collection.

Opened in 2006, the postmodern Glass Pavilion is the new home of the Toledo Museum of Art's world-renowned glass collection, featuring more than 5,000 works of art from ancient to contemporary times. All exterior and nearly all interior walls consist of large panels of curved glass, resulting in a transparent structure that blurs the boundaries between interior and exterior spaces.

More information about the museum is available at www.toledomuseum.org.

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.

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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>.