THE ECONOMIC IMPACT OF GREATER CINCINNATI CULTURAL ORGANIZATIONS ON THE REGIONAL ECONOMY

Prepared for

Bay Consulting Group

By the

Economics Research Group
Center for Economic Education
University of Cincinnati

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Executive Summary

As has been demonstrated by a number of recent economic impact studies, cultural organizations significantly influence the economic strength and quality of life of a community. Our study reveals that cultural organizations in Greater Cincinnati benefit the regional economy through construction and renovation expenditures, local business purchases, payroll expenditures, and employment. In addition, they directly and indirectly generate new money in the economy by attracting visitors to our region.

- Based on 1997 data, we estimate a total of $674 million is directly and indirectly generated in Greater Cincinnati due to cultural organizations. Regional cultural organizations are a major tourist draw in the area, bringing over 1.2 million out-of-towners into Greater Cincinnati each year. Cultural organizations and events directly and indirectly support 10,868 jobs throughout a number of Greater Cincinnati industries.

- In 1997, Greater Cincinnati cultural organizations had total expenditures of $157 million. Operating expenditures on business transactions and other types of spending total $79 million, or 50 percent of all expenditures. Forty-eight percent of the total expenditures by these organizations are for payroll and benefits, which account for $76 million of total spending. The remaining expenditures of regional cultural organizations are for construction and renovation projects, which total nearly $2.2 million. Greater Cincinnati cultural organization support a total of 3,091 regional jobs.

- Local construction expenditures associated with Greater Cincinnati cultural organizations generate a one-time economic impact on business sales of $4.9 million. Of this $4.9 million, $1.5 million enters households in the Greater Cincinnati region in the form of wages and income. The employment generated from these construction and renovation expenditures is 60 regional jobs.

- The 76 organizations participating in this analysis incurred business expenses of $79 million in 1997. These expenditures are made in payment for goods and services such as utilities, financial services, equipment, and facility maintenance. Of these purchases, approximately 88 percent were made from businesses within the Greater Cincinnati area. Therefore, the local expenditures of cultural organizations totaled $70 million in 1997.

- These local business expenditures of $70 million generated an additional $86 million in business activity throughout a number of industries in Greater Cincinnati. The total economic impact on business sales from the operation activities of local cultural organizations is $155 million.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
Please reference report: 1998-EN-1008 ES Cincinnati Arts Impact Study