

**The Economic Impact of Cultural
Organizations on the Broward County Economy**

Prepared by

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George Vredeveld, Director

Jeff Rexhausen, Project Manager

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The Economic Impact of Cultural Organizations on the Broward County Economy

A number of recent economic impact studies in cities throughout the country have revealed that cultural organizations have a significant influence on the economic strength and quality of life of a community.

Our study reveals that the same is true in Broward County, where cultural organizations benefit the regional economy through construction and renovation expenditures, local business purchases, payroll expenditures, and employment. In addition, Broward County cultural organizations directly and indirectly generate new money in the economy by attracting visitors to the region.¹

- Based on 1998 data, we estimate a total of \$130 million is directly and indirectly generated in Broward County due to cultural organizations. Of the total economic impact, \$76 million is in the form of regional business sales, and \$54 million is in the form of earnings to Broward County households. Cultural organizations and events directly and indirectly support 2,372 jobs throughout a number of Broward County industries. See Table 1 for a summary of the economic impacts of cultural organizations on the Broward County economy.
- When we include the Broward County Library and Broward Cultural Affairs in this analysis, the total economic impact of cultural organizations increases to \$187 million. Of this, \$89 million is in the form of business sales and \$98 is in the form of earnings to Broward County households. A total of 3,619 regional jobs are directly and indirectly supported by this broader definition of Broward County cultural organizations. See Table 2 for economic impact results that include the Broward County Library and Broward Cultural Affairs.
- In 1998, Broward County cultural organizations had total expenditures of \$54 million. Operating expenditures on business transactions and other types of spending total \$22 million, or 45 percent of all expenditures. Fifty-five percent of the total expenditures by these organizations are for payroll and benefits, which account for \$27 million of total spending. The remaining expenditures of regional cultural organizations are for construction and renovation projects, which total nearly \$5 million.
- Local construction expenditures associated with Broward County cultural organizations generate a one-time economic impact of over \$8 million. Of this \$8 million, \$2 million enters households in the Broward County community in the form of wages and income. The employment generated from these construction and renovation expenditures is 101 regional jobs. Table 3 summarizes the one-time construction impacts of Broward County cultural organizations.

¹ Except when noted otherwise, we have not included the Broward County Library or Broward Cultural Affairs in this analysis.

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- The organizations participating in this analysis incurred business expenses of \$22 million in 1998. These expenditures are made in payment for goods and services such as utilities, financial services, equipment, and facility maintenance. These business expenditures of \$22 million generated an additional \$9 million in business activity throughout a number of industries in Broward County. The total economic impact on business sales from the operation activities of local cultural organizations is \$31 million. Table 4 summarizes the impact on business sales of Broward County cultural organizations.
- The organizations participating in this analysis paid employees a total of \$27 million in wages, salaries, and benefits. Of this \$27 million, approximately \$19 million was paid to employees that actually live in Broward County. This income generates an additional \$17 million in household income throughout the Broward County economy, for a total economic impact on household income of \$36 million. Table 5 summarizes the impact of Broward County cultural organizations on household income in the county.
- Broward County cultural organizations directly supported a total of 1,174 full- and part-time jobs in 1998. These jobs support an additional 259 full- and part-time jobs throughout various industries in the Broward County economy. Therefore, the economic impact of Broward County cultural organizations on employment is 1,433 full- and part-time jobs. Table 6 reports the impact of cultural organizations on employment in Broward County.
- The economic impact of out-of-town visitors that participate in Broward County cultural events is significant. Based on a survey of travelers conducted by the Travel Industry Association of America, travelers extend out-of-town trips an average of .825 days in order to participate in cultural activities or events. When we applied these data to our survey data, we found that the economic impact of visitors to cultural organizations in Broward County is \$55 million. Of this, \$39 million is in the form of business sales and \$16 million is in the form of wages to Broward County households. A total of 838 Broward County jobs are supported by tourists to Broward County cultural organizations. Table 7 reports the impact of visitors to cultural organizations on business sales in Broward County.
- This economic impact analysis was performed using the Regional Input Output Modeling System (RIMS II), developed by the Bureau of Economic Analysis at the U.S. Department of Commerce. RIMS II measures the impact of an organization's direct annual spending by using location specific "multipliers" which determine the total amount of business activity, household earnings, and employment that will be generated within the Broward County region. For more information about our research methodology and data sources, please see the Appendix.

**Table 1: Summary of Results
Economic Impact of Cultural Organizations on the
Broward County Economy**

	Total Economic Impact	Impact on Regional Business Sales	Impact on Regional Household Income	Impact on Regional Employment
Construction	\$ 8,542,586	\$ 6,114,930	\$ 2,427,657	101
Operations	\$ 66,513,218	\$ 30,781,738	\$ 35,731,480	1,433
Visitors	\$ 55,362,939	\$ 39,102,309	\$ 16,260,629	838
TOTAL	\$130,418,743	\$ 75,998,977	\$ 54,419,766	2,372

**Table 2: Economic Impact of Cultural Organizations on the
Broward County Economy, Including Broward County Library and Broward
Cultural Affairs**

	Total Economic Impact	Impact on Regional Business Sales	Impact on Regional Household Income	Impact on Regional Employment
Construction	\$ 13,964,231	\$ 9,995,836	\$ 3,968,396	165
Operations	\$117,275,800	\$ 39,653,113	\$ 77,622,687	2,616
Visitors	\$ 55,362,939	\$ 39,102,309	\$ 16,260,629	838
TOTAL	\$186,602,970	\$ 88,751,258	\$ 97,851,712	3,619

**Table 3: The Construction Impact of Broward County
Cultural Organizations**

Total Construction Spending	\$ 4,672,165
Total Economic Impact	\$ 8,542,586
Impact on Business Sales	\$ 6,114,930
Impact on Household Earnings	\$ 2,427,657
Impact on Employment	101

Table 4: The Business Sales Impact of Broward County Cultural Organizations

Broward County Cultural Organization	Business Sales Economic Impact by Organization
ArtServe	\$ 651,366
Ashanti Cultural Arts	4,388
Bonnet House	857,185
Broward County Film Society	617,176
Broward Performing Arts Center Authority	4,647,759
Concert Association of Florida	992,511
Coral Springs Chinese Culture Association	105,002
Florida Philharmonic Orchestra	4,295,507
Florida's Singing Sons Boychoir	243,177
Fort Lauderdale Children's Theatre	177,162
Fort Lauderdale Players	196,733
Gold Coast Jazz Society	122,343
Gold Coast Opera	177,791
Graves Museum	469,399
Hollywood Art and Culture Center	86,117
Hollywood Beach Theatre	215,782
Hollywood Playhouse	500,378
Lovewell Institute for the Creative Arts	17,727
Miami City Ballet	7,088,879
Museum of Art	1,669,127
Museum of Discovery and Science	4,015,355
Old Dillard Museum	9,650
Opera Guild of Fort Lauderdale	1,831,300
Pompano Players	60,848
South Florida Choral Arts	68,485
South Florida Friends of Jazz	98,293
Story Theatre Productions	207,832
Stranahan House	176,071
Sunrise Symphonic Pops Orchestra	9,168
Symphony of the Americas	371,943
The Hollywood Blvd. Theatre	231,107
The Tony Lardge Dance Theatre	38,250
The White-Willis Theatre	95,204
Vinnette Carroll Repertory Company	46,278
Young at Art of Broward	210,629
Youth Orchestra of Florida	175,817
Total	\$ 30,781,738

Table 5: The Household Income Impact of Broward County Cultural Organizations

Broward County Cultural Organization	Household Income Economic Impact by Organization
ArtServe	\$ 342,212
Ashanti Cultural Arts	34,474
Bonnet House	659,852
Broward County Film Society	389,666
Broward Performing Arts Center Authority	7,743,804
Concert Association of Florida	728,442
Coral Springs Chinese Culture Association	23,626
Florida Philharmonic Orchestra	12,916,387
Florida's Singing Sons Boychoir	207,231
Fort Lauderdale Children's Theatre	397,146
Fort Lauderdale Players	133,841
Gold Coast Jazz Society	196,493
Gold Coast Opera	283,348
Graves Museum	681,115
Hollywood Art and Culture Center	347,004
Hollywood Beach Theatre	333,987
Hollywood Playhouse	303,704
Lovewell Institute for the Creative Arts	74,314
Miami City Ballet	170,394
Museum of Art	1,499,368
Museum of Discovery and Science	5,373,843
Old Dillard Museum (1999)	19,635
Opera Guild of Fort Lauderdale	1,162,595
Pompano Players	47,250
South Florida Choral Arts	25,300
South Florida Friends of Jazz	-
Story Theatre Productions	137,118
Stranahan House	218,688
Sunrise Symphonic Pops Orchestra	74,215
Symphony of the Americas	477,237
The Hollywood Blvd. Theatre	81,116
The Tony Lardge Dance Theatre	20,517
The White-Willis Theatre	49,561
Vinnette Carroll Repertory Company	16,511
Young at Art of Broward	413,528
Youth Orchestra of Florida	147,956
Total	\$ 35,731,480

Table 6: The Employment Impact of Broward County Cultural Organizations

Broward County Cultural Organization	Employment Impact by Organization
ArtServe	23
Ashanti Cultural Arts	14
Bonnet House	20
Broward County Film Society	61
Broward Performing Arts Center Authority	101
Concert Association of Florida	8
Coral Springs Chinese Culture Association	2
Florida Philharmonic Orchestra	139
Florida's Singing Sons Boychoir	12
Fort Lauderdale Children's Theatre	41
Fort Lauderdale Players	16
Gold Coast Jazz Society	2
Gold Coast Opera	63
Graves Museum	23
Hollywood Art and Culture Center	37
Hollywood Beach Theatre	23
Hollywood Playhouse	11
IGFA World Fishing Center	0
Innermotion	4
Lovewell Institute for the Creative Arts	16
Miami City Ballet	4
Museum of Art	64
Museum of Discovery and Science	206
Old Dillard Museum	8
Opera Guild of Fort Lauderdale	79
PACE (Performing Arts for Community and Education)	0
Pompano Players	31
South Florida Choral Arts	6
South Florida Friends of Jazz	0
Story Theatre Productions	12
Stranahan House	12
Sunrise Symphonic Pops Orchestra	108
Symphony of the Americas	102
The Hollywood Blvd. Theatre	8
The Tony Lardge Dance Theatre	25
The White-Willis Theatre	2
Vinnette Carroll Repertory Company	47
Young at Art of Broward	51
Youth Orchestra of Florida	51
Total	1,433

Table 7: The Visitor Spending Impact of Broward County Cultural Organizations

Broward County Cultural Organization	Total Visitor Spending Impact by Organization
ArtServe	\$ 367,302
Ashanti Cultural Arts	-
Bonnet House	706,076
Broward County Film Society	810,488
Broward Performing Arts Center Authority	19,076,112
Concert Association of Florida	275,590
Coral Springs Chinese Culture Association	108,724
Florida Philharmonic Orchestra	3,567,255
Florida's Singing Sons Boychoir	10,543
Fort Lauderdale Children's Theatre	35,633
Fort Lauderdale Players	64,246
Gold Coast Jazz Society	16,379
Gold Coast Opera	2,635,732
Graves Museum	1,233,523
Hollywood Art and Culture Center	28,940
Hollywood Beach Theatre	162,908
Hollywood Playhouse	5,983
IGFA World Fishing Center	-
Innermotion	73,142
Lovewell Institute for the Creative Arts	181,207
Miami City Ballet	1,866,782
Museum of Art	3,263,153
Museum of Discovery and Science	7,319,534
Old Dillard Museum	34,923
Opera Guild of Fort Lauderdale	487,610
PACE (Performing Arts for Community and Education)	2,998,145
Pompano Players	254,454
South Florida Choral Arts	81,444
South Florida Friends of Jazz	434,896
Story Theatre Productions	19,434
Stranahan House	72,410
Sunrise Symphonic Pops Orchestra	148,260
Symphony of the Americas	2,438,052
The Hollywood Blvd. Theatre	207,564
The Tony Lardge Dance Theatre	-
The White-Willis Theatre	579,861
Vinnette Carroll Repertory Company	149,578
Young at Art of Broward	5,502,091
Youth Orchestra of Florida	144,965
TOTAL	\$ 55,362,939

Appendix: Research Methods and Data Sources

- This analysis is based on a survey of 41 cultural organizations in Broward County. Bay Consulting Group conducted the surveys. Because one organization that was surveyed will not open until 1999, its impact is not included in our analysis, which focuses on 1998 data. In two cases, we estimated missing survey data by using budget projections. In another two cases, expenditure information was not available.
- The economic impact of cultural organizations in Broward County is described in terms of these organizations' impact on regional business sales, household earnings, and employment. Cultural organizations include performance organizations, museums, art and culture centers, and art and culture educational organizations. Our analysis was guided by the fact that Broward County cultural organizations generate economic growth in three ways: through construction expenditures, operation expenditures, and visitor spending.
- This economic impact analysis was performed using the Regional Input Output Modeling System (RIMS II), developed by the Bureau of Economic Analysis at the U.S. Department of Commerce. RIMS II measures the impact of an organization's direct annual spending by using location specific "multipliers" which determine the total amount of business activity, household earnings, and employment that will be generated within the Broward County region.
- The source of the visitor spending data is the Greater Fort Lauderdale Convention & Visitors Bureau, which provided us with 1997 Greater Fort Lauderdale/Broward County visitor expenditure estimates. These data report that the average level of spending for each domestic leisure visitor to Broward County is \$552 over a five-day period.² The survey conducted by the Travel Industry Association of America found that travelers extend out-of-town trips an average of .825 days in order to participate in cultural activities or events. Thus, we determined the economic impact of Broward County visitors to cultural organizations by using averaging spending by leisure visitors in .825 days in Broward County. The number of out-of-town visitors was based on the direct survey of cultural organizations in Broward County.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.

Please reference report: 1999-EI-1012 Broward Co Arts Study

² We have reduced this figure in our analysis to avoid "double counting." We assumed 50 percent of visitor expenditures in the "entertainment" category were for arts and culture events, and we excluded this amount because it will be picked up in the economic impacts of the operations of the organizations surveyed.