The Economic Impact of the Aronoff Center

On Greater Cincinnati

Prepared for

The Cincinnati Arts Association

By

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Introduction

The Aronoff Center is a major venue for the performing arts in Greater Cincinnati. Since opening in 1995, the Aronoff Center has contributed a great deal to the cultural resources of the region. In addition, the operation of the Aronoff Center has a positive impact on the regional economy. The purpose of this research is to estimate the impact of the Aronoff Center on the economy of Greater Cincinnati. To expand on the basic economic impact estimation, this study also will evaluate the effect of the Aronoff Center on nearby business development in Downtown Cincinnati.

The impact of the Aronoff Center on the economy of Greater Cincinnati includes quantifiable impacts on regional business output, household earnings, and employment. The estimated impacts of the Aronoff Center over the first five years of its operation[1] are estimated to be $171.2 million in business sales, $54 million in household earnings, and 2,983 new jobs. These figures equate to average annual impacts of $35.8 million[2] in output for the region, occurring each year that the Aronoff Center operates.

The Aronoff center also contributes to the economy of the region in less quantifiable ways. A major arts venue can be valuable to a region because it contributes to the attractiveness of the region to other firms. The existence of arts and cultural activities are often a factor in firm location decisions. This is especially true for firms that employ large numbers of higher educated, high wage employees, such as technology companies.

Finally, the Aronoff Center has been valuable to Cincinnati because of its effect on downtown redevelopment. Improvements to downtown commercial areas, especially those immediately adjacent to the Aronoff Center, have been attributed to the its opening. While it is difficult to statistically show that the Aronoff Center is indeed the catalyst for this redevelopment, it is not unreasonable to credit the opening of this facility to improvements in nearby commercial properties. A later phase of this research will investigate the effects of the opening of the Aronoff Center on nearby commercial property values.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
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[1] These estimated impacts are for ongoing operations only. They do not include the one time economic impacts from construction of the arts center, estimated in a 1991 study by the Center for Economic Education at about $100 million in output, $32 million in household earnings, and over 1,000 jobs. (1991 dollars)
[2] All dollar figures reported as an annual average are expressed in current (2000) dollars.