

Arts & Economic Prosperity III Calculator

ESTIMATING ECONOMIC IMPACT IN GREATER PORTLAND

To make it easier to compare the economic impacts of different organizations within Greater Portland, researchers calculated the economic impact per \$100,000 of spending by nonprofit arts and culture organizations and their audiences.

ECONOMIC IMPACT PER \$100,000 OF SPENDING BY NONPROFIT ARTS AND CULTURE ORGANIZATIONS

For every \$100,000 in spending by a nonprofit arts and culture organization in Greater Portland, there was the following total economic impact.

Ratios of Economic Impact per \$100,000 of Spending by Nonprofit Arts and Culture <u>Organizations</u> in Greater Portland			
	Greater Portland	Median of Similar Study Regions <i>Pop. = 1,000,000 or More</i>	National Median
Full-Time Equivalent Jobs	3.72	2.90	3.46
Resident Household Income	\$76,776	\$70,003	\$71,221
Local Government Revenue	\$4,039	\$4,010	\$4,200
State Government Revenue	\$4,888	\$4,018	\$6,979

An Example of How to Use the Organizational Spending Calculator Table (above)

An administrator from a nonprofit arts and culture organization that has total expenditures of \$250,000 wants to determine the organization's total economic impact on full-time equivalent (FTE) employment in Greater Portland. The administrator would:

1. Determine the amount spent by the nonprofit arts and culture organization;
2. Divide the total expenditure by 100,000; and
3. Multiply that figure by the FTE employment ratio per \$100,000 for Greater Portland.

Thus, \$250,000 divided by 100,000 equals 2.5; 2.5 times 3.72 (from the table above—*Ratios of Economic Impact per \$100,000 of Spending by Nonprofit Arts and Culture Organizations in Greater Portland*) equals a total of 9.3 full-time equivalent jobs supported (both directly and indirectly) within Greater Portland by that nonprofit arts and culture organization. Using the same procedure, the estimate can be calculated for resident household income and local and state government revenue.

ECONOMIC IMPACT PER \$100,000 OF SPENDING BY NONPROFIT ARTS AND CULTURE AUDIENCES

The economic impact of event-related spending by arts audiences also can be derived for individual or groups of nonprofit arts and culture organizations and events in Greater Portland.

The first step is to determine the total estimated event-related spending by arts and culture event attendees (excluding the cost of admission). To derive this figure, multiply the average per person event-related expenditure in Greater Portland by the total event attendance. The ratios of economic impact per \$100,000 in spending then can be used to determine the total economic impact of the total estimated audience spending.

Average per Person Event-Related Spending by All Arts and Culture Event Attendees in Greater Portland (excluding the cost of event admission)			
	Greater Portland	Median of Similar Study Regions Pop. = 1,000,000 or More	National Median
Refreshments/Snacks During Event	\$1.88	\$3.26	\$2.94
Meals Before/After Event	\$11.44	\$10.62	\$10.06
Souvenirs and Gifts	\$2.99	\$3.96	\$3.90
Clothing and Accessories	\$1.75	\$1.59	\$1.62
Ground Transportation	\$2.51	\$3.18	\$2.72
Event-Related Child Care	\$0.46	\$0.30	\$0.34
Overnight Lodging (<i>one night only</i>)	\$2.67	\$5.38	\$5.01
Other	\$0.54	\$0.99	\$1.20
Total per Person Spending	\$24.24	\$29.28	\$27.79

Ratios of Economic Impact per \$100,000 of Spending by Nonprofit Arts and Culture Audiences in Greater Portland			
	Greater Portland	Median of Similar Study Regions Pop. = 1,000,000 or More	National Median
Full-Time Equivalent Jobs	2.71	2.56	2.60
Resident Household Income	\$51,910	\$43,272	\$47,591
Local Government Revenue	\$4,342	\$5,227	\$4,628
State Government Revenue	\$3,733	\$5,607	\$8,586

An Example of How to Use the Audience Spending Calculator Tables (on the preceding page)

An administrator wants to determine the total economic impact of the 25,000 total attendees to his/her organization's nonprofit arts and culture events on full-time equivalent (FTE) employment in Greater Portland. The administrator would:

1. Determine the total estimated audience spending by multiplying the average per person expenditure for Greater Portland by the total attendance to nonprofit arts and culture events;
2. Divide the resulting total estimated audience spending by 100,000; and
3. Multiply that figure by the FTE employment ratio per \$100,000 for Greater Portland.

Thus, 25,000 times \$24.24 (from the top table on the preceding page—*Average per Person Event-Related Spending by Arts and Culture Event Attendees in Greater Portland*) equals \$606,000; \$606,000 divided by 100,000 equals 6.06; 6.06 times 2.71 (from the bottom table on the preceding page—*Ratios of Economic Impact per \$100,000 of Spending by Nonprofit Arts and Culture Audiences in Greater Portland*) equals a total of 16.4 full-time equivalent jobs supported (both directly and indirectly) within Greater Portland by that nonprofit arts and culture organization. Using the same procedure, the estimate can be calculated for resident household income and local and state government revenue.

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