



Cincinnati
Museum
Center

JUNE 2014

Quality of Life, Quality of Living

Economic & Community Benefits
of Cincinnati Museum Center



EconomicsCenter



Image by
Michael E. Keating

“This is a collection of museums that few cities have; it is invaluable to our community. It plays a key part in the **ecosystem of enlightenment.**”

Santa Ono, PhD, President
University of Cincinnati

“Cincinnati Museum Center is a treasure that has educated generations of Cincinnatians on the rich history of the region. From science and art to research and history, **the value of this great institution is immeasurable.**”

Rob Portman, U.S. Senator

“Cincinnati Museum Center is **a regional attraction and an important regional asset.** It does a brilliant job in its programming, and the level of revenue it earns is far above the norm. Cincinnati Museum Center’s track record is impressive and we have great confidence in their leadership.”

Timothy J. Maloney, President and CEO
The Carol Ann and Ralph V. Haile, Jr. / U.S. Bank Foundation

INTRODUCTION

Cincinnati Museum Center has a history of successfully promoting education and culture through its combination of legacy institutions. In 2012, the National Underground Railroad Freedom Center joined Cincinnati Museum Center’s corporate structure. This addition expands a unique multi-museum cultural asset, providing experiences that inspire and bring knowledge to life.

Cincinnati Museum Center is one of only 22 museums in the United States to receive both the American Alliance of Museums Accreditation and the National Medal for Museum and Library Service.

Cincinnati Museum Center generates numerous educational and cultural benefits for the community. It also produces economic benefits as a tourist attraction, through its operations, and through the resulting employment and business activity.

KEY FINDINGS

Cincinnati Museum Center is the largest cultural institution in the city of Cincinnati and one of the most highly-attended in the nation. During the 2013 fiscal year, Cincinnati Museum Center and the Freedom Center together:

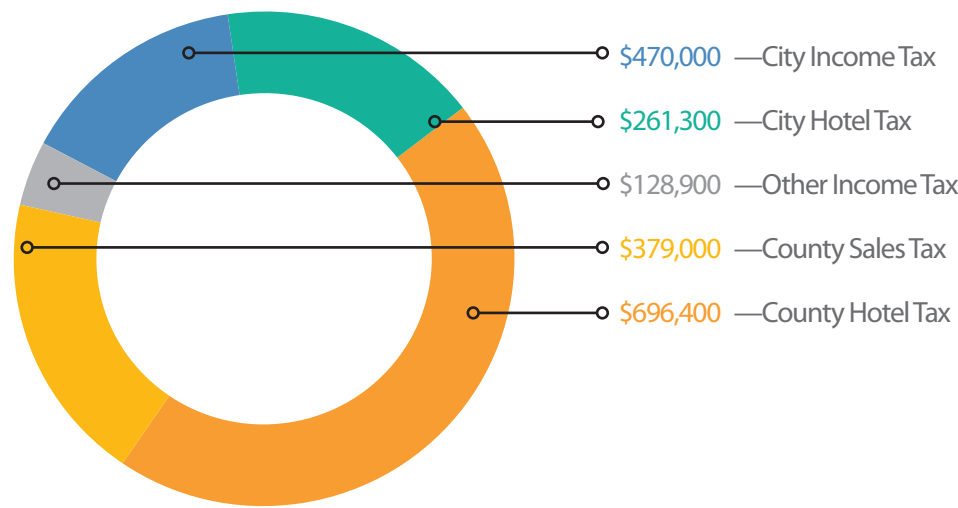
- Hosted **1,364,000 visitors**, 38% from outside the Cincinnati region,
- Generated **\$25 million in tourist spending** at local businesses,
- Produced **\$1.9 million in tax revenue** for local governments,
- Accounted for **1,278 local jobs** with over \$40 million in wages and benefits,
- Had an **economic impact** – from their spending and contracted services, along with spending by visitors from outside the area – **of \$114 million.**

ECONOMIC DRIVER FOR THE REGION...

Through its analysis, the Economics Center found that the combined museums attracted 1,364,000 visitors, and garnered financial support in the 2013 fiscal year, producing:

\$114 million
in economic activity, primarily from operations and visitor spending;

1,278 jobs with
\$40,363,000 in wages and benefits;



More than **\$1.9 million** in tax revenue for Cincinnati, Hamilton County, and other jurisdictions within the county.

65% of the 389 people directly employed by the museums or their contractors are Hamilton County residents.

70% of all jobs are in other businesses that benefit from the museums – primarily in four industry sectors: hotels, restaurants, retail stores, and other recreation businesses.

“Both Cincinnati Museum Center and the Freedom Center are iconic assets – **you can’t find anything comparable.** They make Cincinnati unique and different in the U.S., and they bring in thousands of out of town visitors.”

Dan Lincoln, President
Cincinnati USA Convention & Visitors Bureau

...CREATING BENEFITS FOR HAMILTON COUNTY

MUSEUMS ATTRACT SIGNIFICANT SUPPORT INTO THE COUNTY

- For every \$1 million Cincinnati Museum Center receives from the property tax levy in support of Union Terminal operating costs, it receives \$2 million in contributions from Hamilton County foundations and individuals.
- For every \$3 million it receives from the Union Terminal operating cost tax levy or local contributions, Cincinnati Museum Center attracts \$12.33 million from outside Hamilton County.

Over \$10 million of \$16 million in gifts and grants comes from outside the County.

VISITORS PRODUCE MOST OF THE IMPACT

- Visitors from outside the Cincinnati region account for nearly 38% of attendance.
- Most visitors to special exhibits and the Freedom Center are non-local.

More than 70% of membership and ticket sales revenue comes from outside the County.

VISITOR BENEFITS EXTEND BEYOND MUSEUMS

- In addition to money spent on-site, many visitors also stay in local hotels, dine at area restaurants, and make purchases from retailers in the region.
- Half of the money brought into the County is visitor spending that goes directly to Hamilton County businesses.

\$25 million is spent by visitors at local stores, restaurants, hotels, and other businesses; 85% of this spending occurs in Hamilton County.

ECONOMIC IMPACT OF MUSEUMS

Museum Spending

Museum Operations
\$24,397,000

Museum Capital Expenditures
\$2,765,000

On-Site Contractor Expenditures
\$1,749,000

Total Museum-Based Spending
\$28,911,000

Indirect Impact
\$33,391,000

Impact of Museum Spending
\$62,302,000

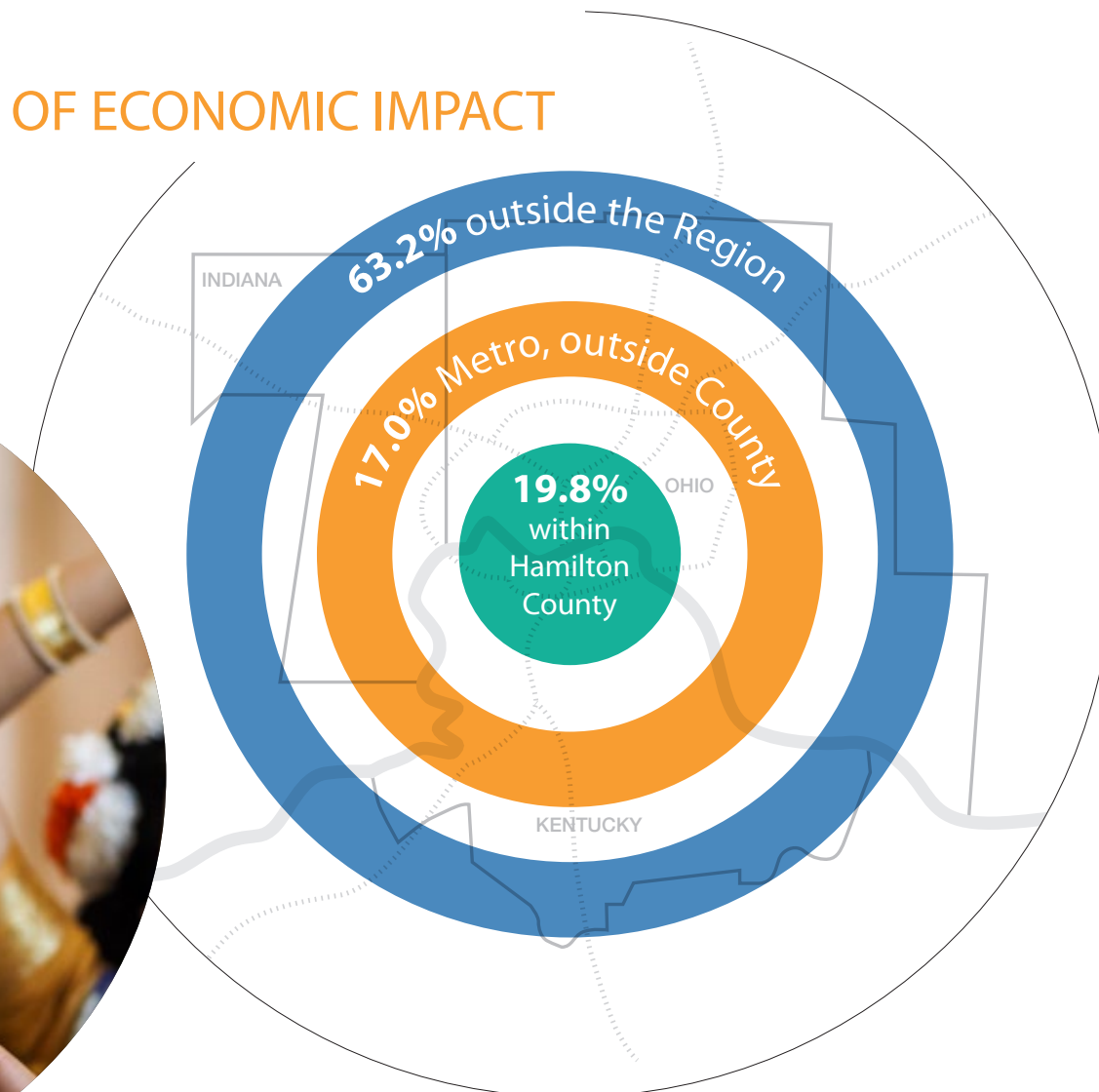
Visitor Spending

Off-Site Visitor Spending
\$25,495,000

Indirect Impact
\$26,293,000

Impact of Visitor Spending
\$51,788,000

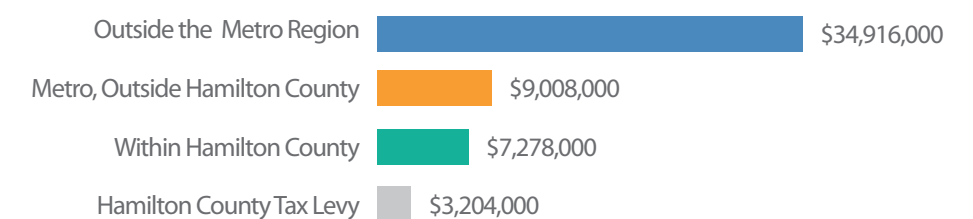
SOURCES OF ECONOMIC IMPACT



TOTAL IMPACT:
\$114,090,000

SOURCES OF DOLLARS THAT PRODUCE THE ECONOMIC IMPACT

Visitors, grants, and contributions from:



EDUCATIONAL & CULTURAL ASSET

Programs like ECSITE, LITE Lab, Learning Through Play, and lecture series help educators, parents, and researchers. Teachers and scholars benefit from access to museum resources – from museum research collections to the *Pompeii* exhibit, to the Freedom Center programs on the Emancipation Proclamation and the Underground Railroad.

The ECSITE Program (Early Childhood Science Inquiry Training for Educators) has received local and national awards for its impact. ECSITE has provided training to dozens of pre-school teachers, with the following results:

- Measurable improvement in teacher confidence and increased quality of teaching activities,
- Measurable improvement in students' kindergarten readiness scores and better understanding of concepts associated with early math and science learning, and
- Impact on more than 1,200 students per year.

"My students have benefitted in so many ways. They begin the year coming into the classroom, and are a bit intimidated about science, just like I used to be. But they quickly learn that it's okay to get dirty, and to 'get down' with science and learn. They ask every day, 'What are we going to do today in science?!' They try things freely, on their own, and feel free to ask questions."

Angela Fletcher, Lead Teacher
NKCAC Head Start

ALL "AT-RISK" STUDENTS PARTICIPATING IN THE MUSEUM CENTER YOUTH PROGRAM HAVE GRADUATED FROM HIGH SCHOOL, WITH MOST PURSUING COLLEGE DEGREES.

"Cincinnati Museum Center offers something for people at all levels of learning. The Youth Program is a shining example of this. We support the Cincinnati Museum Center Youth Program because **the quality and the results of the program are so remarkable.** It affects kids who might not otherwise have had such an opportunity, with impacts continuing into college and career for many of them."

Heidi Jark, Foundation Manager
Fifth Third Bank



UNIQUE REGIONAL ASSET

- First-rate exhibits, like the world-renowned *Dead Sea Scrolls*, bring artifacts and world treasures to Cincinnati that are not available in most cities of comparable size.
- Thousands experience Museum Center and the Freedom Center each year, exposing them to new ideas and motivating them to become active learners.
- Free admission programs, which let over 75,000 people visit the museums without charge, ensure accessibility for the entire community.
- Exhibits and programs appeal to all ages – 56% of attendance is adults and teens.
- Collaboration of multiple museums promotes attendance and fosters viability.

"Having and supporting these special institutions becomes a quality of life issue. These assets that we sometimes take for granted are **something other cities can't remotely match.** They need to be nurtured and supported because they offer experiences for us and our children and grandchildren to enjoy and learn from. That's why they're so critically important."

Dan Lincoln, President
Cincinnati USA Convention & Visitors Bureau

"The combined assets that Cincinnati Museum Center has assembled in that setting – Union Terminal – **is impressive and rare and highly coveted.**"

Ford W. Bell, DVM, President
American Alliance of Museums



NATIONAL UNDERGROUND RAILROAD FREEDOM CENTER: A DIFFERENTIATOR

THE FREEDOM CENTER'S INFLUENCE HELPS PRODUCE \$8 MILLION PER YEAR IN CONVENTION IMPACT. IT HAS PLAYED A TRANSFORMATIVE ROLE IN ATTRACTING CONVENTIONS.

- Initial effect was in 2008: National Baptist Convention and NAACP,
- National Urban League in 2014 – puts Cincinnati with top tier cities, and is
- Instrumental in attracting groups of meeting planners, leading to additional conventions.

"The nature and location of the Freedom Center has been **hugely instrumental in bringing numerous conventions.** The Freedom Center has had such an impact that Cincinnati has gotten more repeat attention. When attendees have that unique experience, they want to come back, and this has affected both convention and leisure business."

Dan Lincoln, President
Cincinnati USA Convention & Visitors Bureau

"The Freedom Center played a critical role in the Reds hosting the Major League Baseball Civil Rights Game in 2009 and 2010. **The Freedom Center's proximity to the ballpark and message were key factors** ... and ultimately led to securing the bid to host the 2015 Major League Baseball All Star Game."

Phil Castellini, COO
Cincinnati Reds

Based on recent estimates from other cities, the All Star Game is expected to have at least a \$60 million impact and be viewed by 30 million people.



VALUE TO THE COMMUNITY

CINCINNATI MUSEUM CENTER AND THE NATIONAL UNDERGROUND RAILROAD FREEDOM CENTER ARE IMPORTANT ASSETS FOR CHILDREN AND ADULTS, EDUCATORS AND RESEARCHERS, RESIDENTS AND BUSINESSES, AND THE ENTIRE COMMUNITY.

In conversations with community leaders, the Economics Center learned:

"Cincinnati Museum Center provides a great variety of educational experiences. No matter what kids are interested in, there's something for everyone. There's a broad spectrum of ages that Cincinnati Museum Center engages, as well. **You just don't get that anywhere else.**"

Heidi Jark, Foundation Manager
Fifth Third Bank

"**You can see the impact in the eyes of children.** Their eyes light up when they are learning. The experience is something magical that you can't get out of a book, or even a video. It's in the air they're breathing, the sights they're seeing, the stories the docents are telling, and the exhibits they are touching, that can't be duplicated outside the building. In the artifacts and the stories of the docents, they are exposed to authentic elements, and this produces an authentic experience."

Edwin J. Rigaud, Co-director
Taft Business Consulting LLC

"Through their engagement with people of all ages, the Freedom Center and Cincinnati Museum Center **make Cincinnati a better place to live.**"

Kathy Merchant, CEO
The Greater Cincinnati Foundation

"Cincinnati Museum Center utilizes the business acumen of the management team to leverage the existing collection and its special exhibits in order to maximize its ability to generate revenue, making Cincinnati Museum Center **truly a 'best in class' operation.**"

Timothy J. Maloney, President and CEO
The Carol Ann and Ralph V. Haile, Jr./U.S. Bank Foundation

"Cincinnati Museum Center offers first-rate exhibits that bring to Cincinnati ... treasures that are not available in most cities our size. This is a wonderful benefit to our community. **I don't know of any great city that doesn't have a great museum.**"

Santa Ono, PhD, President
University of Cincinnati



METHODOLOGY

Operations and Construction Expenditures

- To measure the impact of the museums in this study on the Cincinnati metro area, Cincinnati Museum Center provided revenue, expenditure, and attendance information for the 2013 fiscal year, with supplemental data on other years. Their expenditures provided the basis for calculating the economic impact of operations and capital investment.
- Expenditures for wages and salaries and for goods and services represent the museums' direct impact on the local economy, but they also have indirect impacts. Local businesses that supply products to the museums also purchase local goods and services to produce their products. These local expenditures – by the museums' suppliers and by employees who spend their wages – are termed indirect impacts. They are measured through an economic model (RIMS II) developed by the U.S. Department of Commerce.

Visitor Spending

- The impact of spending by out-of-town visitors to the museums is estimated from a combination of sources, including various surveys of visitors, other recent data and studies of visitor expenditures, and data on attendance provided by the museums. Like the museums' direct expenditures, spending by visitors for dining, lodging, and retail items has indirect effects on the economy. These have also been measured using the RIMS II multipliers for the Cincinnati metro area.

ABOUT THE ECONOMICS CENTER

The Research and Consulting division of the Economics Center provides the knowledge building blocks that help clients make better policy and economic development decisions. Our dynamic approach and critical data analysis empower leaders to respond to changing economic conditions, strengthen local economies, and improve the quality of life for their communities.

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 EconomicsCenter
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