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2009 CINCINNATI MUSEUM CENTER ECONOMIC IMPACT STUDIES:
A COMPREHENSIVE SUMMARY OF
THE RESTORATION AND RENOVATION PROJECT REPORT
THE ANNUAL IMPACT REPORT AND

Prepared for
Cincinnati Museum Center

Prepared by the

Economics Center
for Education & Research



2009 CINCINNATI MUSEUM CENTER IMPACT STUDIES:
A COMPREHENSIVE SUMMARY OF

THE RESTORATION & RENOVATION PROJECT REPORT:
The Economic Impacts of Cincinnati Museum Center's
Investment in the Restoration and Renovation of Union
Terminal

and

THE ANNUAL IMPACT REPORT:
The Impacts of Cincinnati Museum Center at Union Terminal
on the Greater Cincinnati Area
(September 2007 – August 2008)

Prepared for:
Cincinnati Museum Center



Comprehensive Summary

In reports released in 2009, Cincinnati Museum Center (“CMC”) contracted with the Economics Center for Education & Research, College of Business, University of Cincinnati (“ECER”), to undertake two separate studies to assess its direct and indirect economic (spending) and fiscal (taxes collected) impact. One study examined the recently proposed \$120 million restoration and renovation of the Cincinnati Union Terminal. The other study looked at CMC’s spending for annual operations and capital improvements, as well as off-site spending by out-of-town visitors, from September 2007 through August 2008.

Restoration and Renovation Project Report: If CMC is successful in initiating its proposed restoration and renovation of the Cincinnati Union Terminal, during the period of construction, expected to last several years, the economic impact of construction spending will be nearly **\$278 million¹** delivering more than **\$88 million in household earnings** for area workers and supporting **2,524 new jobs**. Local tax revenues collected will increase by **\$2.15 million**.

Annual Impact Report: From September 2007 through August 2008, over **1 million visitors** came to the CMC, of which more than 300,000 were from outside this region. Visitor spending and spending to operate the facility generated an annual economic impact of **\$87 million** which delivered **\$27 million** in household earnings for more than **1,100 workers**. In addition, local government received nearly **\$730,000** in tax revenues as a result of CMC-related spending.

Additional Highlights of the annual operations, capital improvements and visitor spending report (Annual Impact Report) are as follows:

- **Return** on operating and capital expenditures **of \$3.58 for every dollar spent**
- **Local sales and income tax revenues** collected **increased by \$729,093**
- **Students from less affluent school districts benefit more** relative to other students in Hamilton County and Ohio
- Cincinnati’s **less affluent** neighborhoods benefit more relative to other Cincinnati neighborhoods

This document is intended to provide a comprehensive summary of the results of both studies. Complete reports are available at:

- (Cincinnati Museum Center URL)
- www.economicsresearch.org

¹ Economic impacts are calculated in current, 2008-2009, dollars.

RESTORATION AND RENOVATION PROJECT REPORT: SUMMARY

The Economic Impacts of Cincinnati Museum Center's Investment in the Restoration and Renovation of Union Terminal

Extensive and careful study and planning, with the expertise of some of this country's foremost architectural preservationists, has determined a need for **\$120,046,000** in spending for interior and exterior building repairs. This direct spending is estimated to generate an additional **\$157,848,000** in economic impact (output) in the region for a total **economic impact of \$277,894,000**.

Construction spending for the planned renovation and restoration of Cincinnati Union Terminal is estimated to directly generate 1,239 new jobs and \$74,113,260 in household earnings and indirectly generate 1,285 new jobs and \$14,444,740 in household earnings. In total, the project is expected to **create 2,524 new jobs and \$88,558,000 in household earnings**.

Impacts of Renovation and Restoration of Cincinnati Union Terminal on the Regional Economy, Household Income and Employment			
	Economic Impact	Employment	Earnings
Direct:	\$120,046,000	1,239	\$74,113,260
Indirect:	\$157,848,000	1,285	\$14,444,740
TOTAL:	\$277,894,000	2,524	\$88,558,000

Importantly, **local tax revenues** collected as a result of the project are expected to **increase by \$2.15 million**.

Impacts of Renovation and Restoration of Cincinnati Union Terminal Additional Tax Revenues Collected			
Tax Type	Cincinnati	Hamilton County	Other Jurisdictions
Sales Tax:		\$360,342	\$35,133
Income Tax:	\$1,666,421		\$92,046
TOTAL:		\$2,153,943	

Source: The Economic Impacts of Cincinnati Museum Center's Investment in the Restoration and Renovation of Union Terminal (February 2009); Economics Center for Education & Research, College of Business, University of Cincinnati

ANNUAL IMPACT REPORT: SUMMARY
The Impacts of Cincinnati Museum Center at Union Terminal on
the Greater Cincinnati Area
(September 2007 – August 2008)

CMC's combined annual expenditures for operations, capital improvements and related activity totaled **\$24,254,919**. The total economic impact (output) resulting from that level of expenditure was as follows:

Total Economic Impact (Output) (September 2007 – August 2008)		
Operating Expenditures:	\$51,210,660	(58.9%)
Visitor Spending :	\$30,897,166	(35.5%)
Capital Expenditures:	\$ 4,877,689	(5.6%)
TOTAL:	\$86,985,515	
R.O.I. : \$3.58 for every \$1 spent (operations, capital improvements or contract services)		

During that same period of time, CMC's direct and indirect impact on household income and the impact of visitor spending were as follows:

Impacts on Household Earnings and Employment (September 2007 – August 2008)		
	Earnings ¹	Employment
Direct Impact of Museum Expenditures on Operations and Capital Projects:	\$ 8,555,681	414
Indirect Impacts of Museum Expenditures		
Operations:	\$ 7,776,845	258
Capital Projects:	\$ 804,313	24
Visitor Spending :	\$ 9,853,514	429
TOTAL:	\$26,990,354	1,126

In summary, from September 2007 through August 2008, as a result of spending by more than **1 million visitors** (30% from outside this region), CMC had an **economic impact of nearly \$87 million** generating a **3.58:1 return on operating and capital expenditures**. In that same period of time, CMC's direct, indirect and visitor expenditures generated nearly **\$27 million in household earnings** and more than **1,100 jobs** in the region.

Importantly, the direct and indirect impact of CMC spending for operations, capital improvements and related activity increased sales and income taxes collected by Hamilton County and the City of Cincinnati respectively as follows:

¹ Wages and Benefits paid to employees

Fiscal Impacts of Operations, Capital Improvements and Contracts		
Sales and Income Tax Revenues Collected		
	Cincinnati	Hamilton County
Sales Tax:		\$267,756
Income Tax:	\$461,336	
TOTAL:	\$729,093	

Additional Impact from CMC Annual Operations: In addition to substantial economic impact, CMC also had an impact on the community as an educational institution. From September 2007 through August 2008, more than 100,000 students visited CMC from all over the nation. Of these students:

- About two-thirds were from Ohio schools.
- About two-thirds of Ohio school students were from less affluent districts.
- More than 40 percent of all students, and about 20 percent of public school students, were from Hamilton County schools.
- About 60 percent of public school student visitors from Hamilton County were from schools in less affluent districts.

Finally, CMC had an impact on the Empowerment Zone, a collection of nine Cincinnati neighborhoods that are much poorer than the City as a whole. CMC's impact in the Empowerment Zone ("EZ") can be measured by:

- Nearly 25 percent of Cincinnati Public School students who live in and/or attend schools in the EZ visited CMC or participated in a CMC outreach program.
- Family and youth group outreach participation by EZ residents is greater than the proportion of Hamilton County residents who live in EZ neighborhoods.
- Compared to other area neighborhoods, a larger proportion of Cincinnati Museum Center paid youth program workers live in the EZ.

Source: The Impacts of Cincinnati Museum Center at Union Terminal on the Greater Cincinnati Area (February 2009); Economics Center for Education & Research, College of Business, University of Cincinnati

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