

The Arts & Economic Prosperity 5 Calculator

To make it easier to compare the economic impacts of different organizations within the City of Boulder (or to calculate updated estimates in the immediate years ahead), the project researchers calculated the economic impact per \$100,000 of direct spending by nonprofit arts and cultural organizations and their audiences.

Economic Impact Per \$100,000 of Direct Spending by ORGANIZATIONS

For every \$100,000 in direct spending by a nonprofit arts and cultural organization in the City of Boulder, there was the following total economic impact.

TABLE 7: Ratios of Economic Impact Per \$100,000 of Direct Spending by Nonprofit Arts and Cultural Organizations in the City of Boulder			
	City of Boulder	Median of Similar Study Regions <i>Pop. = 100,000 to 249,999</i>	National Median
Full-Time Equivalent Jobs	2.73	4.13	3.52
Resident Household Income	\$82,431	\$74,554	\$74,554
Local Government Revenue	\$3,075	\$3,820	\$3,563
State Government Revenue	\$2,895	\$4,155	\$4,891

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

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

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

Thus, \$250,000 divided by 100,000 equals 2.5; 2.5 times 2.73 (from the top row of data on Table 1 above) equals a total of 6.8 full-time equivalent jobs supported (both directly and indirectly) within the City of Boulder by that nonprofit arts and cultural organization. Using the same procedure, the estimate can be calculated for resident household income as well as for local and state government revenue.

Economic Impact Per \$100,000 of Direct Spending by AUDIENCES

The economic impact of event-related spending by arts audiences can also be derived for an individual organization or groups of organizations in the City of Boulder.

The first step is to determine the total estimated event-related spending by attendees who are residents of Boulder County. To derive this figure, first multiply the total attendance by the percentage of attendees that are residents. Then, multiply the result by the average per person event-related expenditure by resident attendees. The result is the total estimated event-related spending by resident attendees.

The second step is to do the same for nonresidents of Boulder County. To derive this figure, first multiply the total attendance by the percentage of attendees that are nonresidents. Then, multiply the result by the average per person event-related expenditure by nonresident attendees. The result is the total estimated event-related spending by nonresident attendees.

Then, add the results from the first two steps together to calculate the total estimated event-related audience spending. Finally, the ratios of economic impact per \$100,000 in direct spending can then be used to determine the total economic impact of the total estimated audience spending.

TABLE 8: Audience Spending Ratios for the Arts & Economic Prosperity 5 Calculator in the City of Boulder (excluding the cost of event admission)		
	Residents	Nonresidents
Percent of Attendees	74.7%	25.3%
Average Per Person Event-Related Expenditures	\$20.77	\$42.23

TABLE 9: Ratios of Economic Impact Per \$100,000 of Direct Spending by Nonprofit Arts and Culture Audiences in the City of Boulder			
	City of Boulder	Median of Similar Study Regions Pop. = 100,000 to 249,999	National Median
Full-Time Equivalent Jobs	2.52	2.53	2.46
Resident Household Income	\$53,595	\$53,212	\$52,101
Local Government Revenue	\$3,302	\$4,418	\$4,449
State Government Revenue	\$3,801	\$5,213	\$5,692

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 cultural events on full-time equivalent (FTE) employment in the City of Boulder. The administrator would:

1. Multiply the total attendance by the percentage of attendees that are residents;
2. Multiply the result of step 1 by the average per person event-related expenditure for residents;
3. Multiply the total attendance by the percentage of attendees that are nonresidents;
4. Multiply the result of step 3 by the average per person event-related expenditure for nonresidents;
5. Sum the results of steps 2 and 4 to calculate the total estimated event-related audience spending;
6. Divide the resulting total estimated audience spending by 100,000; and
7. Multiply that figure by the FTE employment ratio per \$100,000 for the City of Boulder.

Thus, 25,000 times 74.7% (from Table 8 on the preceding page) equals 18,675; 18,675 times \$20.77 (from Table 8) equals \$387,880; 25,000 times 25.3% (from Table 8) equals 6,325; 6,325 times \$42.23 equals \$267,105; \$387,880 plus \$267,105 equals \$654,985, \$654,985 divided by 100,000 equals 6.55; 6.55 times 2.52 (from the top row of data on Table 9 on the preceding page) equals a total of 16.5 full-time equivalent jobs supported (both directly and indirectly) within the City of Boulder by that nonprofit arts and cultural organization. Using the same procedure, the estimate can be calculated for resident household income as well as for local and state government revenue.

Making Comparisons with Similar Study Regions

For the purpose of this analysis and unique report, **the geographic region being studied is defined as the City of Boulder, Colorado**. According to the most recent data available from the U.S. Census Bureau, the population of the City of Boulder was estimated to be 105,112 during 2015. For comparison purposes, 458 pages of detailed data tables containing the study results for all 341 participating study regions are located in Appendix B of the National Statistical Report. The data tables are stratified by population, making it easy to compare the findings for the City of Boulder to the findings for similarly populated study regions (as well as any other participating study regions that are considered valid comparison cohorts).

The National Summary Report and National Brochure are available both by download (free) and hardcopy (for purchase). The National Statistical Report (more than 500 pages in length) is available by download only. All documents and resources can be found at www.AmericansForTheArts.org/EconomicImpact.