Community Catalysts:
Assessing the Economic Impact of Children’s Museums
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Measuring Museum Size

This is an important description of how a museum operates, the community resources it requires, and the audience it serves. In this first report, we identified four critical pieces for museum size:

**Size Categorization**: A comprehensive measure of how museum displayed their size, including attendance, programs, development, operating expenses, and other factors.

**Building Size**: Total number of paid staff (full-time and part-time) hired to keep the museum running.

**Annual Attendance**: Total number of paid staff, including those used for administrative purposes, storage, public space, and exhibit areas.

**Research**: Data and analysis provided by members of ACM.

We used these variables to group museums into five main categories. We applied these groupings to interpret trends: expenses providing detailed insights into museum operations, audience, and the economic landscape among and within each group. These analyses enabled us to understand the trends of the children’s museums sector and make predictions and recommendations for future growth and development. Subsequent reports are supported by museum data, so that readers can focus on the group or groups most relevant to them.

### Size Category

<table>
<thead>
<tr>
<th>Size Category</th>
<th>Total Operating Expenses</th>
<th>Building Size</th>
<th>Annual Attendance</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>Less than $487,326</td>
<td>Less than 12,000</td>
<td>Less than 50,000</td>
<td>Less than 14</td>
</tr>
<tr>
<td>Medium</td>
<td>$487,326 – $2.3 million</td>
<td>12,000 – 44,040</td>
<td>50,000 – 148,667</td>
<td>14 – 41</td>
</tr>
<tr>
<td>Large</td>
<td>More than $2.3 million</td>
<td>More than 44,040</td>
<td>More than 148,667</td>
<td>More than 41</td>
</tr>
</tbody>
</table>
A non-profit think tank working to increase understanding of how people build knowledge and motivate engagement in social justice, so all people can live life to the fullest in harmony with a thriving biosphere.

**Facing Society’s Grand Challenges Head On**
Impacts

• Change in attendance
• Satisfaction and return visits
• Child development
• Community social capital
• Workforce development
• Contribution to economic vitality
Economic impact?
Many communities assume that children’s museums are economic catalysts. To date these studies have focused on tourism, direct spending, or single case studies rather than the full scale of economic vitality in a community.
IMPLAN offers a proprietary economic impact modeling tool based on 25+ years of data aggregation and interface development. The software and database built from over 100 data sources allows users the ability to perform accurate impact analyses. The database is updated annually and can be used to describe impact and to estimate how planned capital or operating increases or budget cuts will have impact in a regional economy.
Museums as Economic Engines

Posted on Jan 19, 2018
Goals of this effort
Goals of this effort

- Prototype an economic impact model for the children’s museum sector;
- Publish an impact statement for our field;
- Assess impacts based on the variation we see in size and location of our members; and
- Evaluate the utility and perceived value to members and the ACM Research Agenda.
Speak like an Economist!
Types of Economic Impact

• **Direct** effects (employees, goods, services);

• **Indirect** effects (business to business spending by those who get our money); and

• **Induced** effects (the effects of employees spending their money).

• **Million** = MM & **Billion** = Bn or B;
Children’s Museums contribute to the US Economy:
$5.5 B
Why does it matter?

• Civic interest in economic development;
• Elected officials (local, regional, state, and national) attention to policy and funding needs;
• For ACM to represent our sector nationally; and
• For ACM to advocate to national funders of children’s museums.
What’s in a number?

- Guidestar and ACM together can account for 596 Children’s Museums in the USA;
- Together, they spend $1.5 billion each year;
- 50% of expenses are staff salaries ($750,000,000); and
- Spending patterns for children’s museums map with other museums, historical sites, zoos & parks
What’s in a model

• Indicators based on prior research conducted by industry economists at IMPLAN;
• The IMPLAN database is based on how industries spend money and staff institutions;
• Federal 990 tax filings that list aggregate expenses; and
• 10 yrs of member responses to ACM surveys.
Big is good but small matters …
We contribute to the Workforce
57,000 jobs
We are responsible for:
We are responsible for:

24,000 jobs
not in children’s museums
We are responsible for:

in 536 industry sectors

“museums” is a sector
TOP Jobs We Support:

- 2233 Folks who work in real estate
- 871 Full service restaurant jobs
- 732 Fast food workers
- 707 HR employees
- 688 Hospital jobs
- 612 Wholesale tradespeople
- 551 Building services workers
- 472 Education jobs
- 440 Retail employees
- 414 Medical office workers
DIY Economic Impact:

$62,500 in spending supports 1 community job
DIY Economic Impact:

Expenses reported in 2016 on IRS FORM 990 divided by $62,500 =

Number of jobs in the community
DIY Economic Impact:

$62,500 in spending supports 1 community job
ACM Trends 2.1

The Ripple Effect of Children’s Museums’ Spending
ACM Trends 2.2

Children’s Museums Support American Workers
ACM Trends 2.3

Children’s Museums Enhance their Regional Economies
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