

Economic Impact of the Boca Raton Cultural Consortium

In the past ten years, there has been a remarkable expansion of the cultural organizations in Boca Raton. This part of the city's economy has been a true growth industry.

The Boca Raton Cultural Consortium brought the various cultural organizations in the city together in 1999. Shortly afterwards in 2001, the new Boca Raton Museum of Art was opened at Mizner Park. This was followed soon after by the establishment of a Centre for the Arts at the same location and the construction of the Countess de Hoernle Amphitheatre in 2005. A new home for the Caldwell Theatre Company, the \$10 million \$10 million Count de Hoernle Theatre, was opened at the end of 2007. As 2008 begins, a major expansion of the Boca Raton Children's Museum is underway.

Educational institutions in the City have also expanded their offerings in the last decade. The Harid Conservatory of Music was transferred to Lynn University in 1999 leading to a big expansion of the university's musical offerings. The Harid Conservatory of Dance retained its nationally acclaimed Ballet program for high school students operated in conjunction with Spanish River High School. In 2006 Florida Atlantic University combined its music, theatre, visual arts programs and university galleries into a new School of the Arts.

Cultural programs and activities in Boca Raton enjoy a total attendance of more than 500,000 over the course of a year. Although some programs and events are provided free of charge, citizens of Boca Raton support the arts through admissions, subscriptions, earned revenue and private contributions. The programs and activities also

attract tourists, creating jobs and incomes for the people of Boca Raton. Moderate grants from the city and county also provide assistance to the city’s cultural organizations.

Impact of Cultural Organizations

Eleven members of the Boca Raton Cultural Consortium spent \$16.9 million in the local economy during 2006-07. Attendees at their programs and events spent an additional \$38.8 million, bringing the total direct impact of these cultural organizations to \$55.7 million in 2006-07.

To the direct impact, must be added the indirect and induced impacts, often popularly called the “ripple” effects. The indirect impacts consist of the expansion of industries that supply the cultural organizations, such as utilities that provide power, printers that print programs and brochures and suppliers of theatrical props and frames

TABLE 1 Economic Impact Of Boca Raton Cultural Consortium Organizations	
	Millions of Dollars
Direct Spending By the Organizations	\$ 16.9
Direct Spending By Attendees	\$ 38.8
Total Direct Spending	\$ 55.7
Indirect and Induced Spending	\$ 39.0
Total Impact on Economy	\$ 94.7
Jobs Created	686 jobs

Notes: 1. Spending by attendees excludes admissions, memberships and “other earned revenues” by organizations such as revenues of on-site gift shops. 2. Impacts refer to the Palm Beach County as a whole. About 16 percent of attendee spending is made by year-round residents and 48 percent is made by seasonal residents. 3. Items may not add to totals because of rounding. 4. Indirect impacts and jobs created derived from a run of the RIMS II Regional Economic Impact Model undertaken by the Bureau of Economic Analysis of the US Department of Commerce,

for displaying artifacts, for example. The induced impacts consist of the expansion of local industries as a result of the expenditures of employees of the cultural organizations on food, shelter, general living expenses and so on.

A run of the RIMS II model undertaken by the US Bureau of Economic Analysis indicated that ripple effects in Palm Beach County amount to about 70 cents for every dollar expended by the cultural organizations. Adding the direct and indirect and induced effects together gives a total impact on the local economy of \$94.7 million. In the process of creating this impact, the cultural organizations created 686 jobs.

Expenditures By Type

In 2006-07 the ten cultural organizations expended more than \$3 million on artistic and technical personnel, both employed within the organizations and hired from

TABLE 2 Expenditures of Boca Raton Cultural Consortium Organizations By Type of Expenditure	
Type of Expenditure	Millions of Dollars
Administrative Personnel	\$ 3.5
Marketing Personnel	\$ 0.6
Artistic and Technical Personnel	\$ 0.4
Outside Artists	\$ 2.7
Outside Marketing Services	\$ 0.2
Outside Professional Services	\$ 0.6
Marketing Expenses	\$ 1.7
Space Rental	\$ 0.2
Remaining Operating Expenses	\$ 6.2
Other Expenditures	\$ 0.9
Total Expenditures	\$ 16.9

Note: items may not add to total because of rounding.

outside. The organizations expended \$2.5 million on marketing, including internal and external personnel. Remaining operating expenses amounted to \$7 million.

Revenues By Source

The eleven cultural organizations had revenues of \$16.6 million in 2006-07 of which \$0.3 million consisted of in-kind contributions. The cash revenues of the organizations were split between earned revenue (\$8.4 million) and grants (\$7.5 million). Every dollar earned by the cultural organizations from admissions, membership, contracted services and other earned revenue, was supplemented by 89 cents in grants and contributions. The grants and contributions enabled programs and activities to be provided to the public at

TABLE 3 Revenues of Boca Raton Cultural Consortium Organizations By Source	
Revenue Source	Millions of Dollars
Admissions	\$ 3.2
Memberships	\$ 1.3
Contracted Services	\$ 2.4
Other Earnings	\$ 1.5
Corporate Grants	\$ 1.8
Foundation Grants	\$ 0.5
Individual Contributions	\$ 3.7
In-Kind Contributions	\$ 0.3
State and Regional Grants	\$ 0.6
County and City Grants	\$ 0.9
Other Revenue	\$ 0.3
Total	\$ 16.6

Note: items may not add to total because of rounding.

less than their cost –in some cases free admissions were provided to the public. The grants and contributions also allowed cultural activities to be at a higher quality than could be afforded by earnings alone.

Admissions and memberships were the largest source of earned revenues, followed by contracted services and other earnings including from net revenues from gift shops and concessions. Private grants and contributions (\$6.0 million) far exceeded grants from state, regional and city governments (\$1.5 million). Private individuals accounted for 80 cents of every dollar granted or contributed to the organizations.

Attendance at Cultural Programs and Events

There were more than one-half million attendees at programs and activities of the ten cultural organizations. Some of these attendances, of course, represent multiple visits

TABLE 4 Attendance By Geographic Origin		
Geographic Origin	Number of Attendees	Percent
Full-Time in Palm Beach County	208,199	41.4
Seasonal in Palm Beach County	69,046	13.7
Visitor to the County	226,125	44.9
Total	503,370	100.0

Note: a twelfth organization, the FAU concerts of the Palm Beach Pops held at FAU, is included in the attendance figure.

by individuals. Attendance was greater by visitors to Palm Beach County than by full-time residents, and there was also significant attendance by seasonal residents of the county.

Average expenditures by attendees who were resident full-time in the county were \$30.56 per event and they amounted to \$60.19 by out of county visitors. Seasonal visitors reported an event expenditure of \$266.18.

TABLE 5 Average Expenditures in Connection with the Event Per Attendee	
Location of Residence of Attendee	Average Expenditures
Full-Time in Palm Beach County	\$ 30.56
Seasonal in Palm Beach County	\$ 266.18
Visitor to the County	\$ 60.19
Total	\$ 76.27

Note: expenditures include lodging expenditures for visitors.

Appendix A

List of Organizations in the Study

Boca Ballet Theatre Company, Inc.
Boca Raton Historical Society
Boca Raton Museum of Art, In.
Boca Raton Philharmonic Symphonia
Caldwell Theatre Company
Center for the Arts at Mizner Park, Inc.
Children's Museum, Inc.
FAU School of the Arts
Lynn University
Sol Children Theatre Group
Youth Orchestra of Palm Beach County, Inc

Appendix B

Methodology

The data for this study were supplied by the members of the cultural consortium. In most cases the financial data came from applications by the organizations for government grants, especially applications to the Palm Beach Cultural Council. Gaps in the data were filled with estimates using average proportions for the organizations for which data were available.