

Connecticut Center  
for Economic Analysis



**University of Connecticut**

**Prof. Fred V. Carstensen, Director**

**Stan McMillen, Ph.D., Associate Director**

# The Economic Impact of the Arts, Film, History & Tourism Industries in Connecticut

First of its kind, nationwide, to examine the economic impact of culture & tourism on a state's economy.



# Culture & Tourism Economic Model

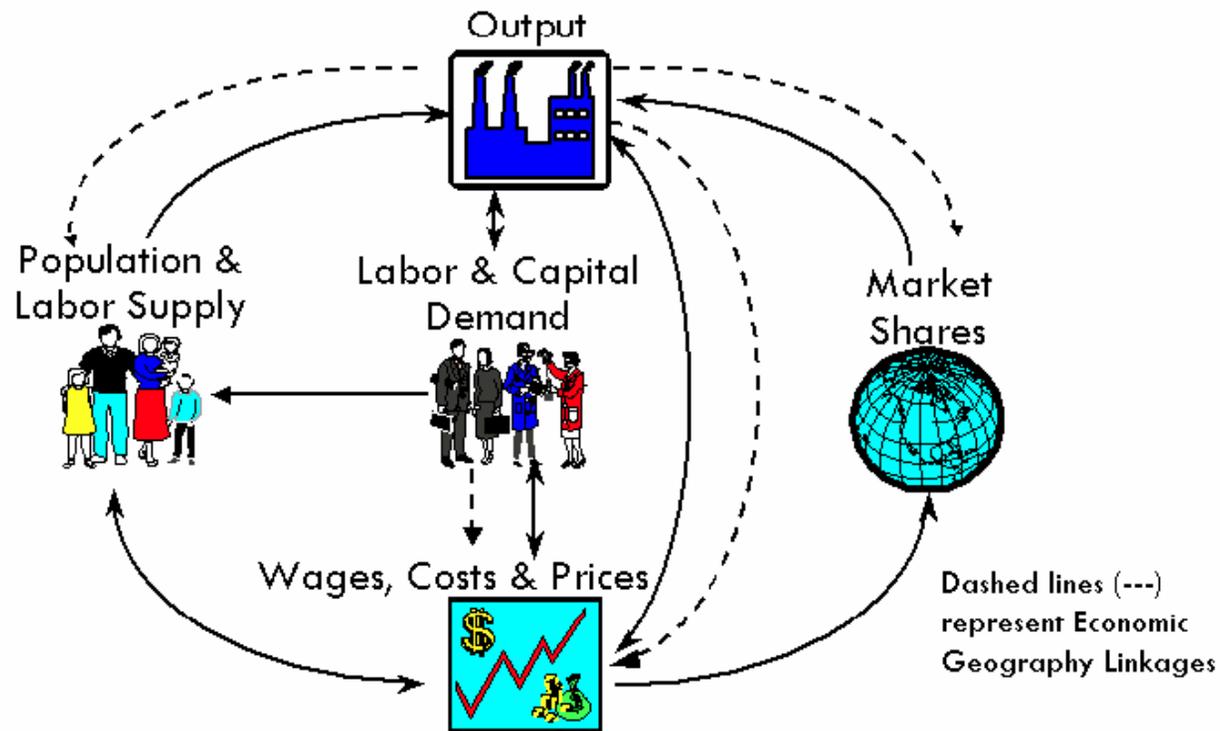


- Regional Economic Models, Inc. (REMI) provides the Connecticut model at the state & county levels.
- REMI is an open-economy, dynamic, I/O model with general equilibrium tendencies.
- REMI handles population and capital migration.
- REMI handles agglomeration economies.

# Culture & Tourism Economic Model

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## REMI Model Structure (2002 - )



# Direct, Indirect and Induced

REMI model measures impact of jobs, spending, etc.



# Overview

- Data Collection 2002-2004
  - NAICS industry codes
  - Intercept studies
  - On-site surveys
  - Labor statistics
  - Census
  - DRS revenue reports
- Four individual reports, each requiring a customized methodology
- Conservative nature
- Results provide a baseline benchmark



# Arts Industry Methodology

## **Methodology:**

Identifies arts occupations and embedded jobs in for-profit & not-for-profit firms.

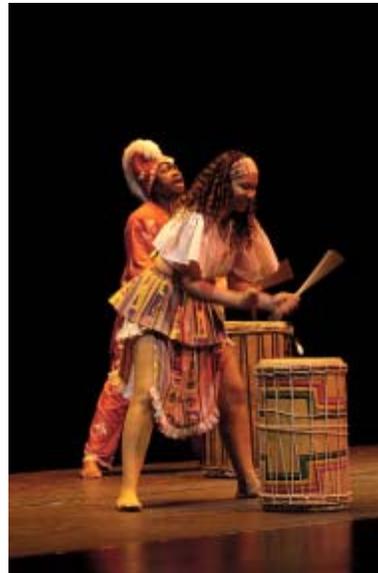
- Arts jobs: theaters, art schools, individual artists, writers, and performers; manufacturing and supplies.
- Embedded jobs: graphic designers, set designers, dance teachers, & fine artists, including painters, sculptors, and illustrators.



# Arts Industry Direct Impact

27,716 direct jobs

- Direct jobs drive economic impact
- Does not count visitor spending (included in tourism study)
- Does not estimate quality of life improvement



# Arts Industry Economic Impact

- 44,474 total jobs (2.6% of state total)
- \$3.83 billion in GSP (2.1% of state total)
- \$2.67 billion in personal income (1.7% state total)
- \$432.6 million in state and local revenue (1.74% of state & local total)



# Film & Video Industry Methodology

## **Methodology:**

Identifies NAICS film & video industries and embedded jobs.

- Film & Video jobs: Motion picture production, motion picture & video exhibition, post-production, sound recording, broadcasting, rental and leasing.
- Embedded jobs: Audio and video equipment technicians, media and communication workers.



# Film & Video Industry Direct Impact

8,323 direct jobs

- Direct jobs drive economic impact
- Does not count people who work part time for productions such as electricians, carpenters, and musicians
- Does not count production spending



# Film & Video Industry Economic Impact

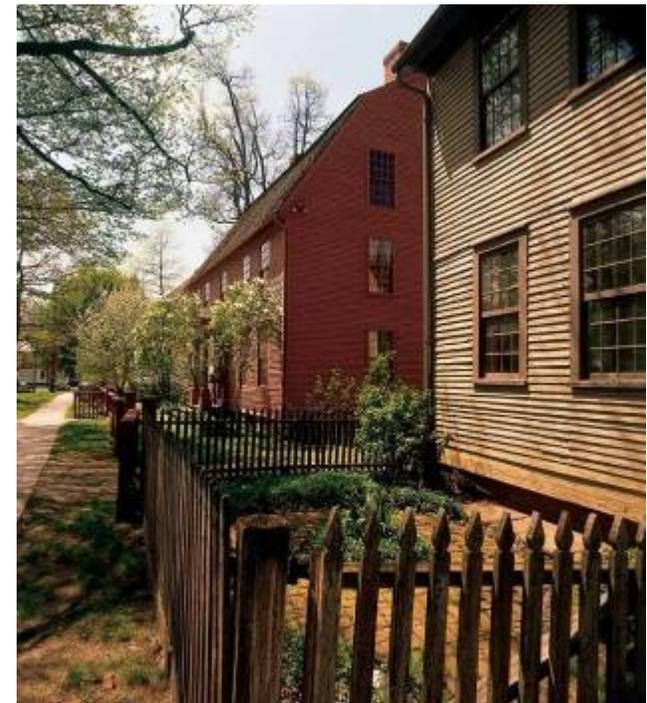
- 18,079 total jobs (1.1% of state total)
- \$2.5 billion in GSP (1.35% of state total)
- \$1.21 billion in personal income (0.8% of state total)
- \$200 million in state and local revenue (0.8% of state and local total)



# History & Heritage Industry Methodology

**Methodology:** Two approaches to capture historic preservation and heritage impact.

1. Leithe et al. (1991). Measures economic activity related to historic preservation. Three primary activities contribute to the economic & fiscal value of historic preservation:
  - net new construction and rehabilitation
  - net new real estate market activity
  - net new goods and services market activity



# History & Heritage Industry Methodology

## Methodology (cont.):

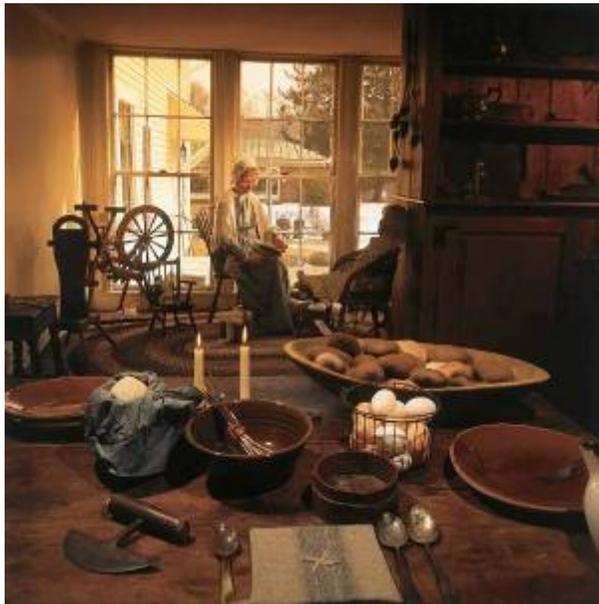
2. Heritage Organization Jobs Analysis
  - 2004 Connecticut Heritage Organizations Survey
  - CCEA Survey of 250 heritage sites
  - NAICS



# History & Heritage Industry Direct Impact

630 direct jobs

- Does not include construction
- Does not include volunteers



# History and Heritage Industry Economic Impact

- \$74 million in annual average historic preservation industry spending on construction, planning, visitor services (conservation, environmental, education)
- 2,166 total jobs (0.13% of state total)
- \$111.7 million in GSP (0.06% of state total)
- \$105.2 million in personal income (0.07% of state total)
- \$17.8 million in state & local revenue (0.07% of state & local total)



# Travel & Tourism Industry Methodology

## Methodology:

Based on visitor spending, not jobs model.

Data Sources include:

- Visitor intercept survey
- Survey of all Connecticut marinas, campgrounds and HMRs
- Department of Revenue Services (hotel room tax)
- Travel Industry Association (traveler spending data)
- Economic Census 2002
- Updated literature review



# Travel & Tourism Industry Direct Impact

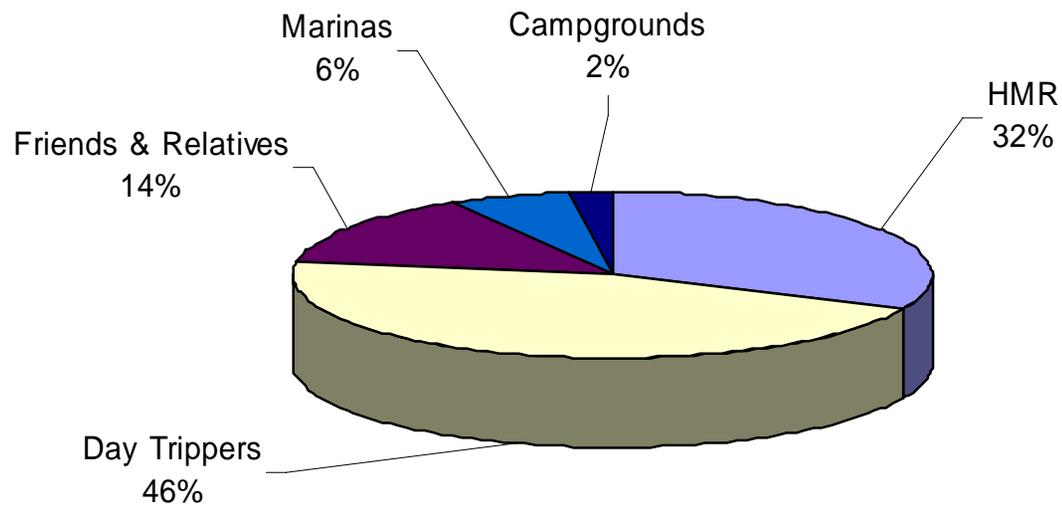
\$9.1 Billion in direct visitor spending

**Table T-2**  
**Traveler Expenditure Patterns by Expenditure Category**  
**and Accommodation Used (2004 \$ millions) Connecticut, 2004**

Expenditure Category	HMR	Day Trippers	Friends & Relatives	Marinas	Campgrounds	Total	Percent
Recreation	\$421.0	\$747.4	\$377.4	\$0.0	\$25.0	\$1,570.9	17%
Meals	\$415.8	\$370.4	\$166.9	\$17.2	\$50.8	\$1,021.1	11%
Shopping	\$405.7	\$580.3	\$274.4	\$22.3	\$38.8	\$1,321.3	15%
Fuel	\$131.3	\$225.7	\$67.5	\$11.8	\$12.2	\$448.6	5%
Other Auto	\$74.6	\$259.3	\$31.8	NA	\$6.2	\$371.9	4%
Local Transportation	\$98.2	\$149.4	\$22.3	\$7.3	\$1.1	\$278.2	3%
Lodging	\$764.6	NA	NA	\$0.5	\$35.0	\$800.2	9%
Wagers	\$587.6	\$1,803.1	\$328.7	\$0.0	\$41.5	\$2,760.8	30%
Marina Sales	NA	NA	NA	\$495.2	NA	\$495.2	5%
<b>State Total</b>	<b>\$2,898.8</b>	<b>\$4,135.6</b>	<b>\$1,269.0</b>	<b>\$554.3</b>	<b>\$210.7</b>	<b>\$9,068.3</b>	<b>100%</b>

# Direct Impact: Visitor Spending Allocation

**Figure T-2 Tourism Expenditures by Trip Type**



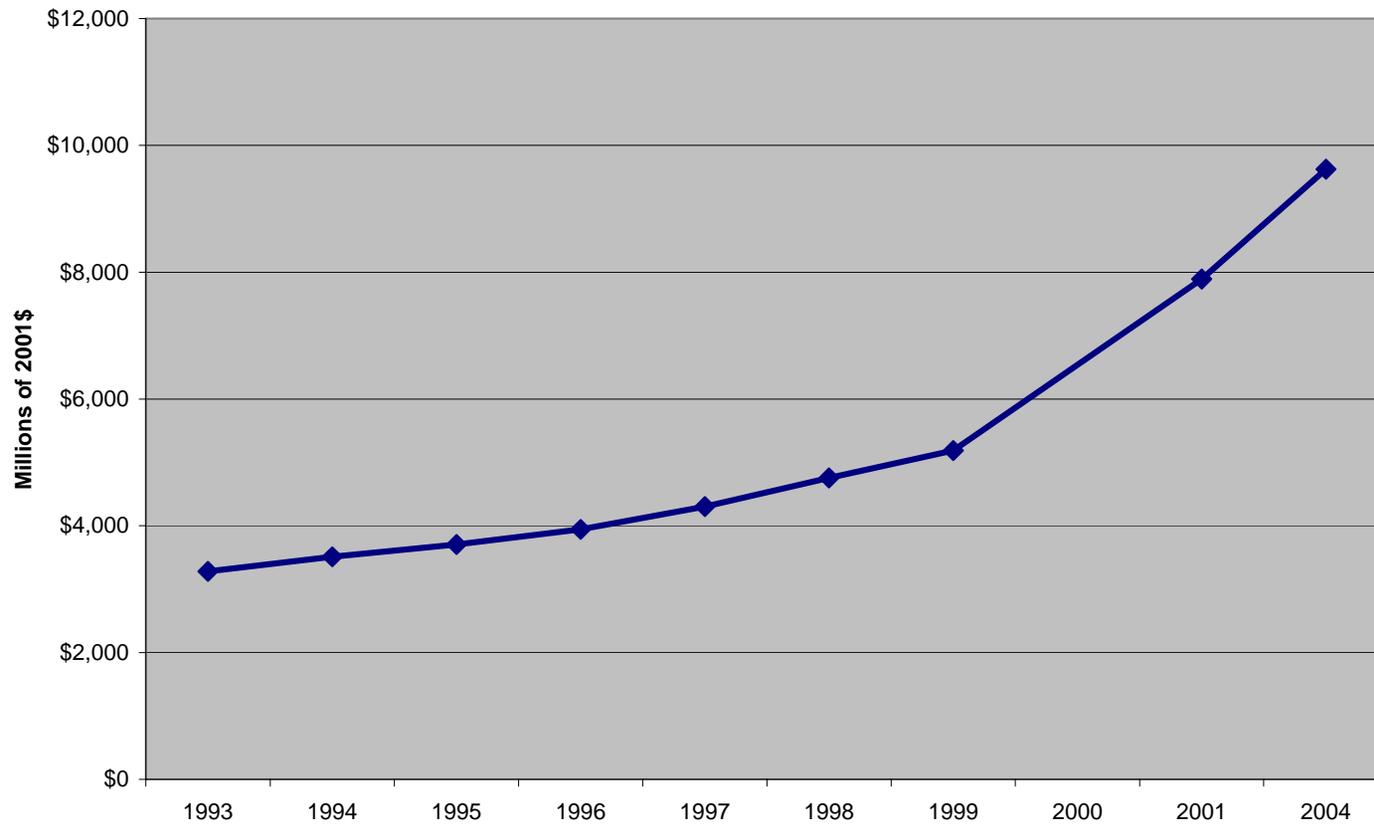
# Historic Tourism Growth 1993 - 2004

Table T-1: Historic Tourism Growth 1993-2004

Years	Lodging Revenue Derived from DRS Tax Receipts (Nominal [Current] Million Dollars)	Lodging Revenue Derived from DRS Tax Receipts (2001 Million [Constant] Dollars)	Lodging Tax Revenue Growth Rate in Constant Dollars (Percentage)	Tourism Spending (2001 Million Dollars)	Gross State Product Impact (2001 Million Dollars)	Total Employment Impact (Jobs)
1993	\$308	\$360		\$3,280	\$2,598	56,586
1994	\$338	\$385	7.03%	\$3,510	\$2,781	60,562
1995	\$366	\$407	5.56%	\$3,705	\$2,936	63,927
1996	\$397	\$433	6.38%	\$3,941	\$3,123	68,005
1997	\$441	\$472	9.14%	\$4,302	\$3,408	74,221
1998	\$490	\$522	10.56%	\$4,756	\$3,768	82,056
1999	\$544	\$569	9.03%	\$5,186	\$4,108	89,470
2000	\$573	\$587	3.08%	#N/A	NA	NA
2001	\$568	\$568	-3.18%	\$7,892	\$7,553	116,624
2004	\$578	\$544	-4.30%	\$9,622	\$8,452	110,775

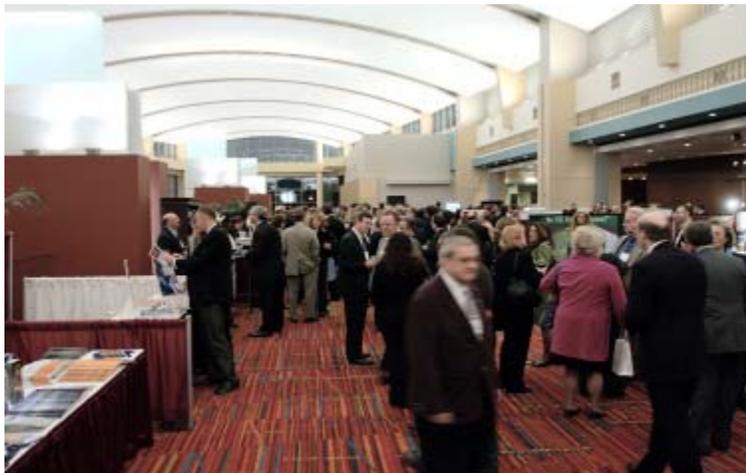
# Visitor Spending Growth

Chart T-1: Growth of Visitor Spending (2001 Constant Dollars)



# Travel & Tourism Industry Economic Impact

- 110,775 total jobs (6.5% of the state total)
- \$9.1 billion in direct spending
- \$7.95 billion in GSP (4.3% of state total)
- \$5.4 billion in personal income (3.4% of state total)
- \$1.15 billion in state and local revenue (4.6% of state and local total)
- \$11.5 billion in total sales of CT businesses (3.8% of state total)



**BIG IMPACT**

# Culture & Tourism

**HUGE POTENTIAL**

# Culture and Tourism Economic Impact

**\$14.06 billion in GSP (7.6% of state total)**

**\$9.1 billion in personal income (5.74% of state total)**

**\$1.715 billion in state and local revenue (6.9% of state and local total)**



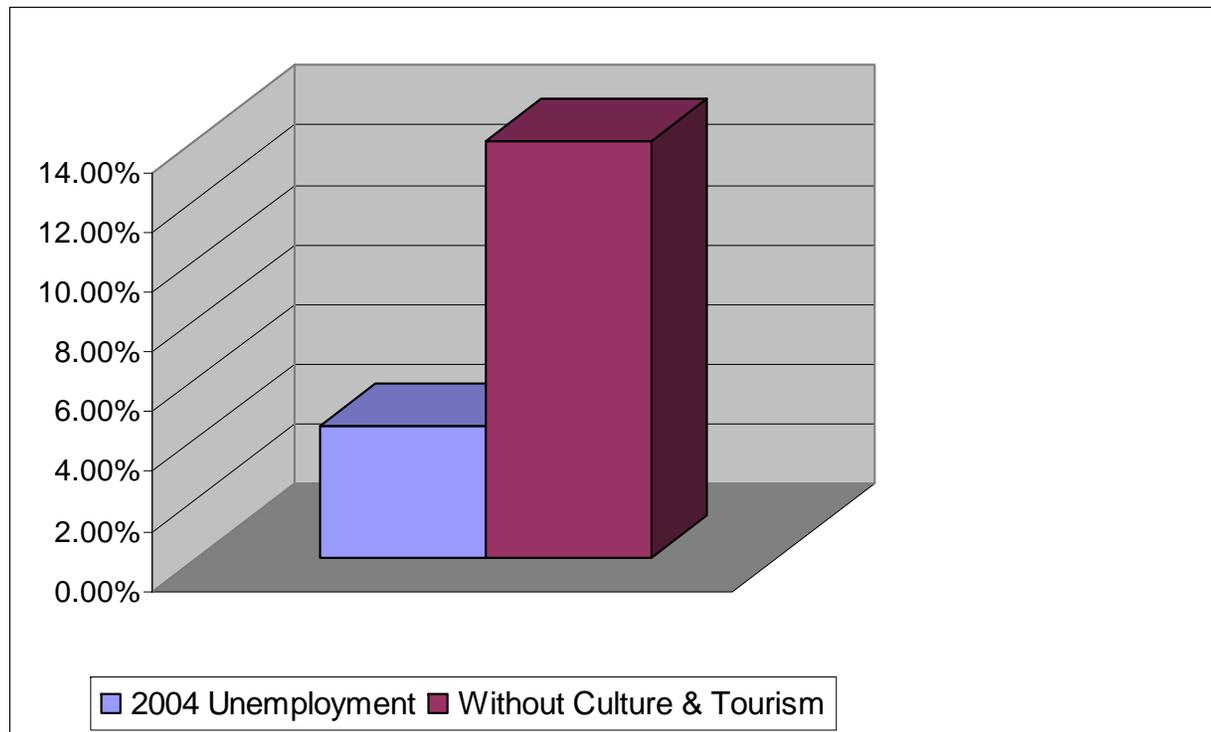
# Culture and Tourism Economic Impact

**171,023 in total jobs** (10% of state total)



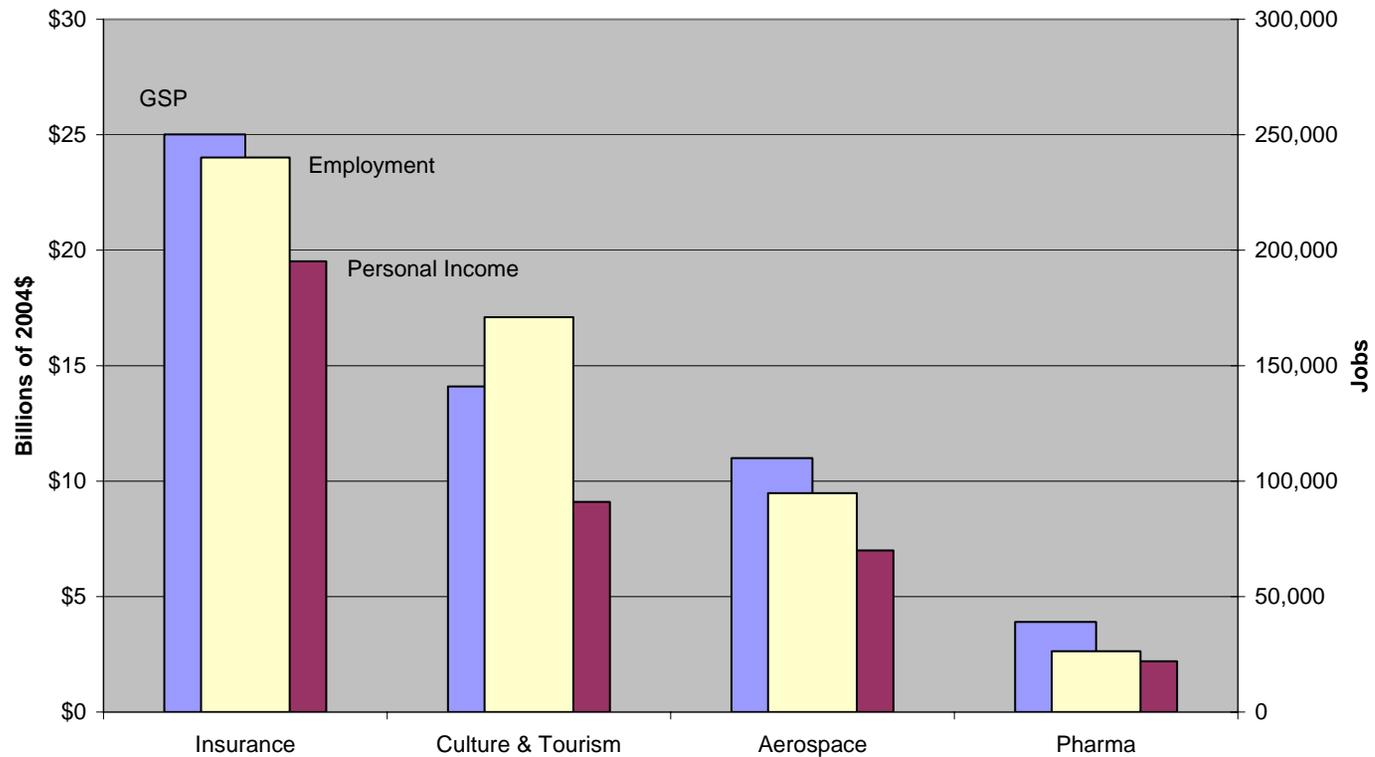
# Without Culture & Tourism

Unemployment rises from 4.43% to 14%



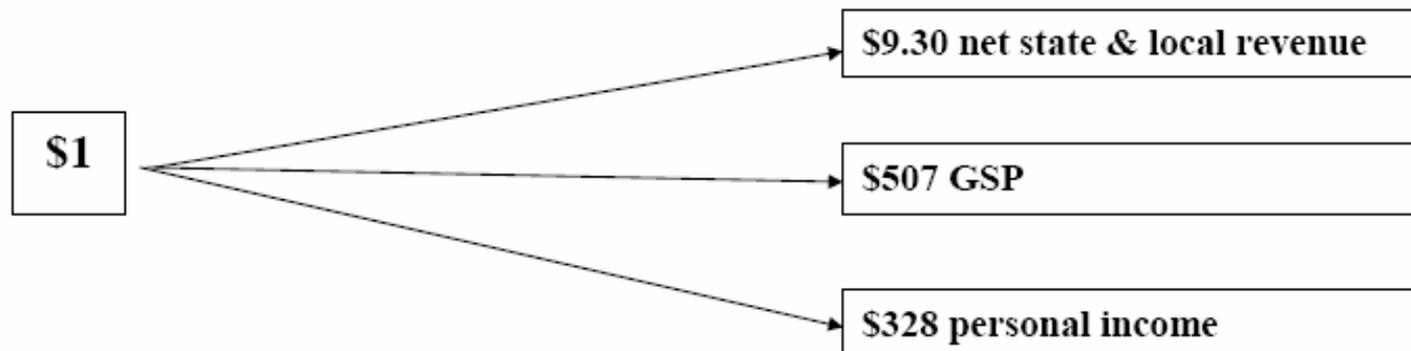
# Culture & Tourism Industry Impact Comparison

Chart E-1: Employment, GSP and Personal Income Impact of Connecticut's Select Industries



# Culture & Tourism Industry: Leverage Effect

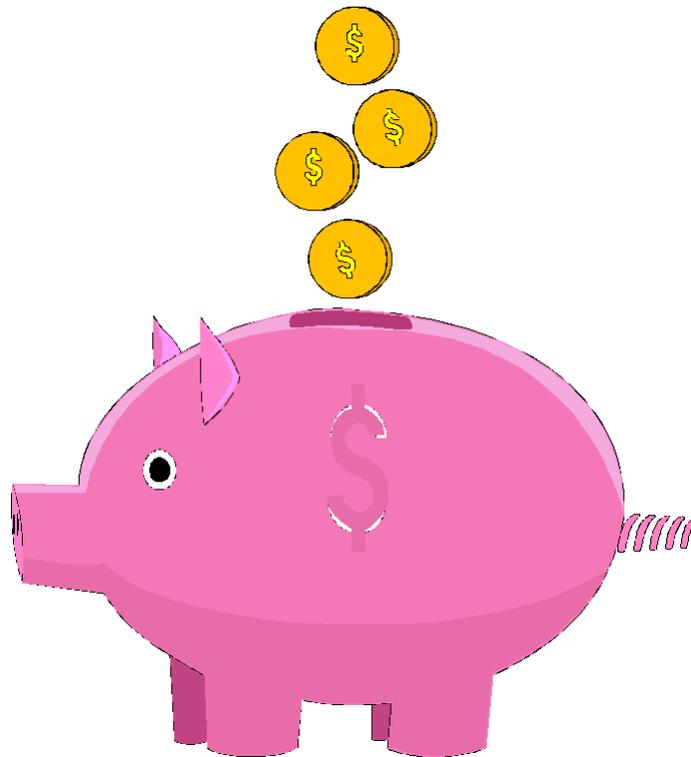
\$27.7 million investment\* helps to leverage \$258 million net state & local revenue



\* Average CCT state appropriation FY04 & FY05

# In other words.....

Each household saves **\$196** on taxes  
because of culture and tourism's contribution to state and local revenue.



CCEA



**Connecticut Commission  
on Culture & Tourism**