



The Economic Impact Analysis of the Florida African American Heritage Preservation Network (FAAHPN)

To: Ms. Althemese Barnes
Director
The Florida African American Heritage Preservation Network
(FAAHPN)
918 Old Bainbridge Road
Tallahassee, FL. 32301
Office (850) 577-0660
abarnes2619@gmail.com

By: *Julie Harrington, Ph.D.*
Director, Center for Economic Forecasting and Analysis
Florida State University
3200 Commonwealth Blvd.
Tallahassee, Fl. 32303
850-644-7357
jharrington@cefa.fsu.edu

March 11, 2016

The economic impact analysis of the FAAHPN was conducted using an advanced economic input-output model: IMPLAN (using State of Florida data).¹ The actual data for calendar year 2015 was provided by Ms. Barnes, from the annual survey of FAAHPN members,² representative of a sample of 25 sites (out of a potential 38 sites). The economic impact results for the 25 sample sites are presented below, and are in terms of employment (jobs), output (revenues/sales), and income (wages).

Table 1. Total Economic Impacts Associated with 25 FAAHPN Sites

Economic Impact of FAAHPN – 25 Sites			
	Output*	Employment	Income*
FAAHPN – 25 Sites	\$38,262,073	324	\$14,138,882

Table 2. Direct, Indirect and Induced Economic Impacts³ Associated with 25 FAAHPN Sites

Economic Impact of FAAHPN				
	Direct	Indirect	Induced	Total*
Output	\$13,058,266	\$6,610,926	\$18,592,881	\$38,262,073
Jobs	141	45	138	324
Income	\$5,370,506	\$1,906,355	\$6,862,021	\$14,138,882

*** in Jan 2016\$**

It's estimated that the value of goods and services produced across the Florida economy as a result of the 25 FAAHPN sites will be in excess of \$38 million. About 57 percent is due to operating expenditures, 15 percent is due to the capital outlay/renovation funding, and 28 percent can be attributed to the contract and grant funding sources supporting FAAHPN staff. The combination of direct, indirect and induced employment, or jobs impacts, totals 324. The income (or wages) impact pertaining to the 25 sites, is greater than \$14 million.

¹ Personal communication, Ms Althemese Barnes, March 7, 2016 . abarnes2619@gmail.com

² The FAAHPN annual survey FY 2014-15 data includes various network members operating budget, and visitor numbers, among others. The survey was distributed to 38 members, resulting in 25 survey responses (or a 66% survey response rate).

³ Economic impacts include: direct, indirect and induced impacts. Direct impacts measure the immediate effects as a result of the FAAHPN; e.g., in employment and income. Indirect impacts are those that include changes to production, employment, income, etc., that occur as a result of the direct effects. Induced impacts are those further impacts of spending derived from direct and indirect activities – i.e., household purchases of consumer goods and services.

Table 3. Economic Impacts Associated with Construction/Renovation Activities for 2015, for 25 FAAHPN Sites, in Year 2016 Dollars

Economic Impact of FAAHPN			
	Output*	Employment	Income*
Project FAAHPN	\$4,967,089	33	\$1,643,088

* in Jan 2016 \$

Table 4. Economic Impacts Associated with Permanent Employee Activities for 2015, for 25 FAAHPN Sites, in Year 2016 Dollars

Economic Impact of FAAHPN			
	Output*	Employment	Income*
Project FAAHPN	\$27,196,252	230	\$10,049,759

* in Jan 2016 \$

Table 5. Total Economic Impacts for FAAHPN Survey Sample (Representative of 25 Sites) and Extrapolated to 38 FAAHPN Sites, in Year 2016 Dollars

Estimated Economic Impact of FAAHPN – 38 Sites		
	SubTotal	Total
Output	\$38,262,073	\$58,158,351
Jobs	324	492
Income	\$14,138,882	\$21,491,101

* in Jan 2016 \$

The Potential Economic Impact of Visitors

According to the survey site results, in year 2015, there were an estimated 254,377 visitors logged at the 25 sample sites. In addition, 18,334 bed nights were estimated by the survey respondents. It was not known how many visitors were local and how many were from outside the local area, what those numbers were on a seasonal basis, nor how much each visitor spent per day (including transportation, further retail spending, etc.), among other details regarding visitor demographic and spending. While there wasn't a detailed visitor's survey performed at this time, CEFA provided some general cost assumptions⁴ that could be applied to the current visitor population, by spending category, in order to gauge an approximation of visitor spending at the 25 sites (and extrapolated to 38 sites).

Table 6. Estimated Annual Visitors and Visitor Spending in \$2016

Item (for Year 2015)	25 Sites	38 Sites
Est. Visitors	254,377	386,653
Est. Bed Nights	18,334	27,868
Est. Visitors Local (~20%)	50,875	77,331
Assumptions for Visitor Spending		
Hotel Night/Lodging (\$136/night)	2,493,424	3,790,004
Food & Beverage (from \$26-\$55/day)	13,990,735	21,265,917
Transportation (\$16-\$30/day)	6,919,054	10,516,963
Shopping (\$23-\$28/day)	6,868,179	10,439,632
Recreation (\$6-\$16/day)	3,561,278	5,413,143
Total	33,832,670	51,425,659

Table 7. Estimate Economic Impacts of Visitors and Visitor Spending in \$2016

Estimated Economic Impact of Visitors - 25 & 38 Sites		
	25 Sites (Survey)	Total (38 Sites)
Output	\$78,943,540	\$119,994,181
Jobs	716	1,088
Income	\$29,678,784	\$45,111,752

^a in Jan 2016 \$

⁴ Based on a study of a survey of museum visitors. See: Maine Museums – An Economic Impact Study. 2008. FSU CEFA estimated the FAAHPN visitor expenses at the upper range given the age of the study (and adjusted for inflation). http://www.mainestatemuseum.org/resource/d/15736/2010_MaineMuseumStudy1.pdf

Summary

In conclusion, substantial economic impact activity is generated as a result of the presence and functions of the FAAHPN across the state. The study was able to base results from the survey responses from 25 sites, representing 66 percent of the total FAAHPN membership, of 38 sites. The 25 surveyed sites were also representative of the total FAAHPN membership, providing a range in size from smaller to larger FAAHPN sites. The economic impact results from the 25 sites were then extrapolated to the total FAAHPN membership.

Based on solely the year 2015 capital and operating (including grant) funding sources for the FAAHPN, one can expect the economic impact of goods and services of the 25 sites to be greater than \$38 million, with employment of 324, and income of greater than \$14 million. When expanded to all the sites, one can expect over \$58 million in output (sales/revenues), with 492 jobs and over \$21.4 million in income impacts. Including the impacts of visitor spending, one can expect a grand total of over \$117 million (or \$178 million for 38 sites), 1,040 jobs (and 1,580 for 38 sites), and over \$43 million (or \$66.6 million for 38 sites).

Table 8. Summary of Economic Impacts of the FAAHPN in Florida, in \$2016

Economic Impacts	25 sites	38 sites
Output	\$38,262,073	\$58,158,351
Employment	324	492
Income	\$14,138,882	\$21,491,101
Potential Visitor Impacts		
Output	\$78,943,540	\$119,994,181
Employment	716	1,088
Income	\$29,678,784	\$45,111,752
Total Economic Impacts		
Output	\$117,205,613	\$178,152,532
Employment	1,040	1,580
Income	\$43,817,666	\$66,602,853