

Pace University

DigitalCommons@Pace

Wilson Center for Social Entrepreneurship

Academic, Policy and Research Centers

Fall 10-31-2019

Economic Impact of Pace University's Department of Cultural Affairs/Schimmel Theatre

Rebecca Tekula PhD

Pace University - New York, rtekula@pace.edu

Adrian Rivero

Pace University - New York, arivero@pace.edu

Follow this and additional works at: <https://digitalcommons.pace.edu/wilson>



Part of the [Business Administration, Management, and Operations Commons](#), [Economics Commons](#), [Entrepreneurial and Small Business Operations Commons](#), and the [Public Affairs, Public Policy and Public Administration Commons](#)

Recommended Citation

Tekula PhD, Rebecca and Rivero, Adrian, "Economic Impact of Pace University's Department of Cultural Affairs/Schimmel Theatre" (2019). *Wilson Center for Social Entrepreneurship*. 41.
<https://digitalcommons.pace.edu/wilson/41>

This Article is brought to you for free and open access by the Academic, Policy and Research Centers at DigitalCommons@Pace. It has been accepted for inclusion in Wilson Center for Social Entrepreneurship by an authorized administrator of DigitalCommons@Pace. For more information, please contact nmcguire@pace.edu.

Economic Impact of
Pace University's
Department of Cultural Affairs /
Schimmel Theatre

Economic Analysis

Prepared for
Pace University

October 31, 2018
The Wilson Center for Social Entrepreneurship
Pace University
Rebecca Tekula, PhD, Executive Director
Adrian Rivero, Administrative Coordinator

NARRATIVE

For over fifteen years, Pace University's Schimmel Theatre and the Department of Cultural Affairs have been a strong force in the Lower Manhattan area, serving as a catalyst for cultural awareness. By presenting a wide variety of films, events, community screenings, visiting artists and special guests, Schimmel Theatre serves as a vibrant cultural hub for the Pace Community and the Lower Manhattan neighborhood. Attracting more than 300,000 visitors each year, Schimmel Theatre's audience continues to grow as it offers attendees a plethora of distinguished events and performances.

Economic Impact

Schimmel Theatre and the Department of Cultural Affairs' spending on employee wages and benefits, procurement, and other expenses has a significant impact, generating many of millions of dollars of economic activity for the neighborhood. In total, Pace University's Schimmel Theatre and the Department of Cultural Affairs' impact on the regional economy amounts to \$55.5 million in increased output, \$17.1 million in earnings, and 512 jobs¹. This can be broken down into two major areas of impact: University Spending and Visitor Spending.

- **University Spending:** In the 2017 fiscal year, Schimmel's expenditures topped \$1.9 million, contributing \$1.4 million in salaries and benefits, and over half a million dollars in procurement. The multiplier effect, or secondary impact, of Schimmel's expenditures, as determined by the Regional Input-Output Modeling System (RIMS II) developed by the Bureau of Economic Analysis of the U.S. Department of Commerce, generates an estimated \$4.3 million in increased economic output, \$1.3 million in earnings and 53 additional jobs.
- **Visitor Spending:** In fiscal year 2018, over 300,000 people visited the Schimmel Theatre for a number of programs, screenings and other performances. Visitors spent over \$23 million at restaurants, hotels, retail stores, and other community businesses. The secondary impact of visitor spending generates an estimated \$51.2 million in economic output, \$15.8 million in earnings and 459 full-time equivalent jobs.

¹ According to the BEA: **Output** represents the total dollar change in output that occurs in all the industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry; **Earnings** represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry; **Employment** represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry.

Putting it all Together

Pace University's Schimmel Theatre and Department of Cultural Affairs has served as an important cultural hub in the Lower Manhattan community for over fifteen years – and indeed the Schimmel Theatre is a strong economic vehicle generating over \$55 million in economic impact in the area.

METHODOLOGY

In order to define the economic impact of Pace University's Schimmel Theatre and the Department of Cultural Affairs, we looked at several measures and estimates including the overall operating budget for the department and visitor spending. We calculated the multiplier effect, or secondary impact, of Schimmel Theatre's expenditures as determined by the Regional Input-Output Modeling System (RIMS II) developed by the Bureau of Economic Analysis of the U.S. Department of Commerce.

Economic Impact of University Spending

Economic multipliers were obtained from the BEA and applied to the overall University expenditures. In order to estimate how Schimmel's expenditure contributed economic activity in the region, we applied output, earnings, and employment multipliers associated with the industry *Performing arts companies-711100*. According to the BEA:

- (1) **Output** represents the total dollar change in output that occurs in all the industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry
- (2) **Earnings** represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the Industry corresponding to the entry
- (3) **Employment** represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry

These multipliers were applied to Schimmel's expenditure of \$1.9 million to determine the indirect and induced impact University spending contributed to the major industries.

Economic Impact of Visitor Spending

In accordance with comparable reports, to determine the economic impact of visitor spending we obtained actual and estimated numbers of visitors from the University Departments of Special Events, Enrollment Management and Cultural Affairs. These included non-Pace visitors who attended performances and other events at the Schimmel Theatre during the 2018 fiscal year.

These events were categorized as “internal” special events and “external” special events. When actual numbers of non-Pace attendees were not available, we estimated the total Pace attendees to “external” events to be 10% and the number of overnight visitors at external events to be 10% of the total.

Visitors to Pace University may include prospective students, families, conference and special event participants. The visitors were categorized Day Trip and Overnight Visitors. As Pace event surveys of visitor spending are not available, we approximate visitor spending on food, entertainment, accommodation, and travel based on findings of recent comparable reports and publications² which were then averaged:

- Day trip: \$76.00
- Overnight: \$364.00

Total visitor spending was estimated to be \$23.4 million. ***Multipliers for Performing Arts, Spectator Sports, and Related Activities-Industry Code 59*** were applied to the direct visitors spending to determine economic impact.

² US General Services Administration

Table 1

Overall Economic Impact of Pace University Department of Cultural Affairs/Schimmel Theatre Expenditure and Visitors

Actual Spending	Impact Measure	Total Impact
Pace Performing Arts Expenditure		
\$1,971,888	Output	\$4,342,098
	Earnings	\$1,349,955
	Employment	53
Visitor Spending		
\$23,448,386	Output	\$51,162,034
	Earnings	\$15,750,281
	Employment	459
Overall Impact		
	Output	\$55,504,131
	Earnings	\$17,100,236
	Employment	512

Table 2

UNIVERSITY EXPENDITURE - Department of Cultural Affairs / Schimmel Theatre FY2017

Total Expenditure Cultural Affairs/Schimmel Theatre	\$1,971,888
--	--------------------

Categories	Total
Employee Wages & Salaries	\$1,359,716
Benefits	\$180,591
Procurement- Supplies and Services	\$756,762

Source: Pace University Finance Dept and Audited Financial Statements: based on FY2017 data

Table 3

VISITOR SPENDING - Department of Cultural Affairs / Schimmel Theatre FY2018

Type of Event	Total Attendees	# Pace Attendees	# Daytrip Visitors	Daytrip Spending	# Overnight Visitors	Overnight Spending	Total Visitor Spending
"Internal" Special Events	146,064	124,154	19,719	\$1,498,617	2,191	\$797,509	\$2,296,126
"External" Special Events	159,595	8,277	128,265	\$9,748,140	31,330	\$11,404,120	\$21,152,260
	305,659	132,431	147,984	\$11,246,757	33,521	\$12,201,629	\$23,448,386

Source: Pace University Departments of Special Events, Cultural Affairs and Enrollment Management

Pace Attendees at "external" events estimated at 10% unless data otherwise available

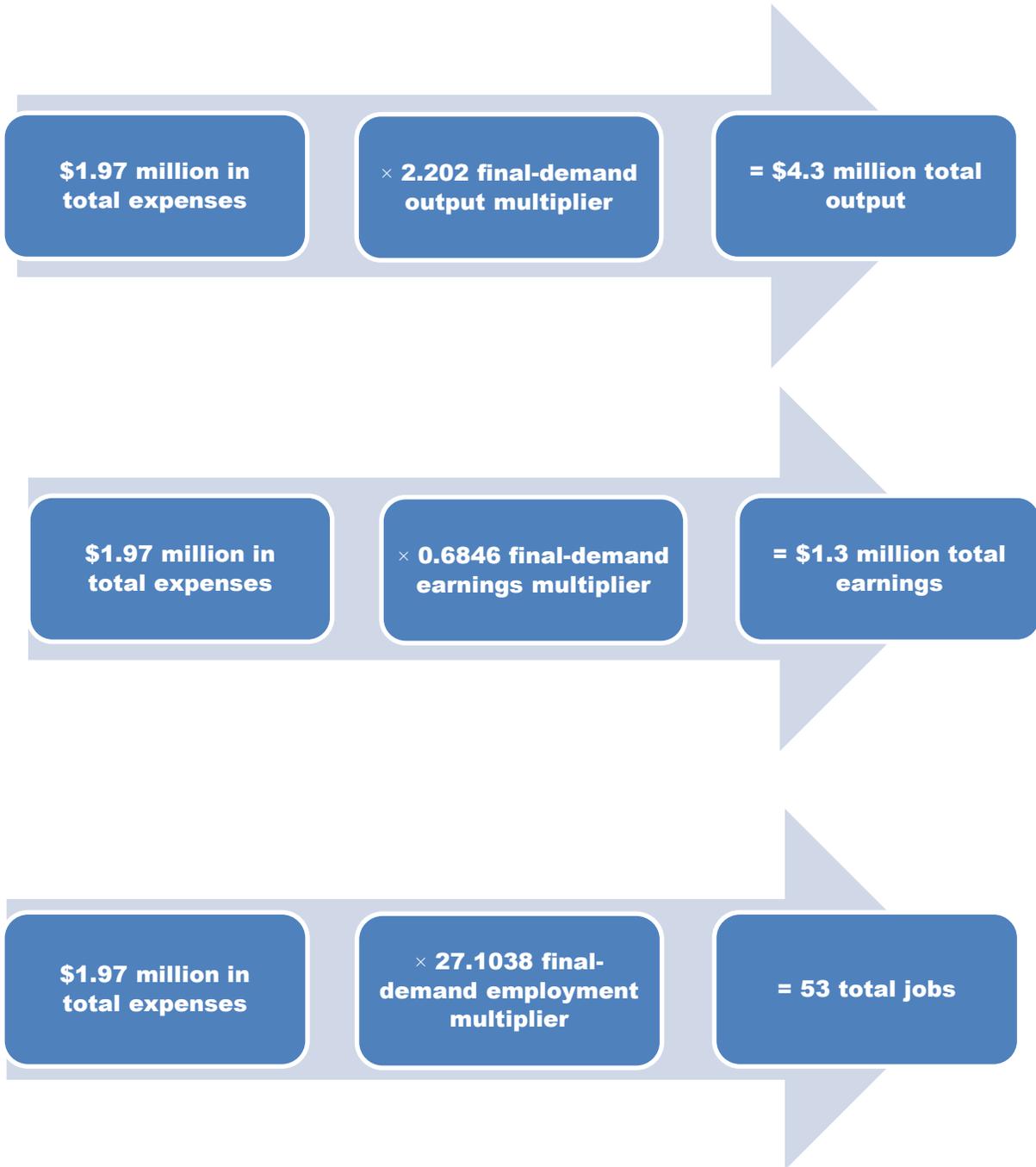
Overnight visitors at "external" events assumed to be 10% of total unless data otherwise available

External Attendees at "internal" events estimated at 15%; 10% of these assumed overnight visitors

Average Spending Per Person: Daytrip \$76; Overnight \$364

Table 4

Calculating the Economic Impact of
Pace University Department of Cultural Affairs / Schimmel Theatre
Overall Expenditure
Using Type II Higher Education Industry Final-Demand Multipliers



Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).

Table 5

Calculating the Economic Impact of
Pace University Department of Cultural Affairs / Schimmel Theatre
Visitor Spending
Using Type II Retail Trade Industry Final-Demand Multipliers



Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Related Industry codes were used, in accordance with comparable research (e.g., The Impact of Stony Brook University: Driving the Long Island Economy; John Carroll University: Economic Impact on Northeast Ohio).