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THE ECONOMIC IMPACT OF
THE FREDERIK MEIJER GARDENS AND
SCULPTURE PARK

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THE ECONOMIC IMPACT OF THE FREDERIK MEIJER GARDENS AND SCULPTURE PARK

EXECUTIVE SUMMARY

The Frederik Meijer Gardens and Sculpture Park supports or contributes:

- 804 jobs in Kent County annually
- A \$75.2 million economic output annually
- Visitors from outside the county who directly spend \$19.6 million at businesses around Kent County annually.
- Construction that created 39 jobs during the last year.
- 86% of the visitor spending is the result spending by individuals that do not live in Kent County.
- Nonresidents spent an average \$129 per group outside the venue during their visit to Meijer Gardens while in Kent County.

BACKGROUND

The annual economic impact for the Frederik Meijer Gardens and Sculpture Park (Meijer Gardens) comes from 3 different components. The impact of visitors' spending outside of the venue, the operations of the venue (including what visitors spend inside the venue), and construction spending. This report will quantify this effect on Kent County.

VISITORS

One way that Meijer Gardens adds to the regional economy is by bringing visitors to Kent County. As these individuals come to the county to visit they spend money on food, lodging, entertainment, transportation, and other items. The combined dollar value of this spending translates into greater earnings for area employers and employees, as well as greater job creation. To determine the economic impact of visitors to Meijer Gardens, a brief questionnaire was developed (see Appendix).

There were three distinct types of visitors to Meijer Gardens: Visitors for the Concert series, "Normal" visitors, and visitors that visited during ArtPrize. Surveys were performed on visitors as they arrived at Meijer Gardens by volunteers provided by Meijer Gardens. Visitors were randomly selected by asking every X visitor to fill out a survey. Only visitors 18 years and older were surveyed, and all potential respondents were informed that answering the questionnaire was voluntary. The surveys were undertaken at random times and days of the week during September and October, and at the final Summer Concert. More than 40% of those asked were willing to help with the survey and, after discarding those with improper or incomplete responses, this process resulted in 426 completed questionnaires at the final concert of 2016, 265 completed questionnaires during ArtPrize, and 129 completed questionnaires during "Normal" operations.

Meijer Gardens supplied visitor numbers for all three as they have entrance gates and tickets. In addition, Meijer Gardens already had samples of the distribution of zip codes in which visitors live. Finally, what visitors spend on premises is known, so the surveys only needed to understand what was spent off site.

Survey Summary

Surveys were taken of visitors to Meijer Gardens. These surveys combined with data from the Gardens on the total number of visitors can then be used to find the direct

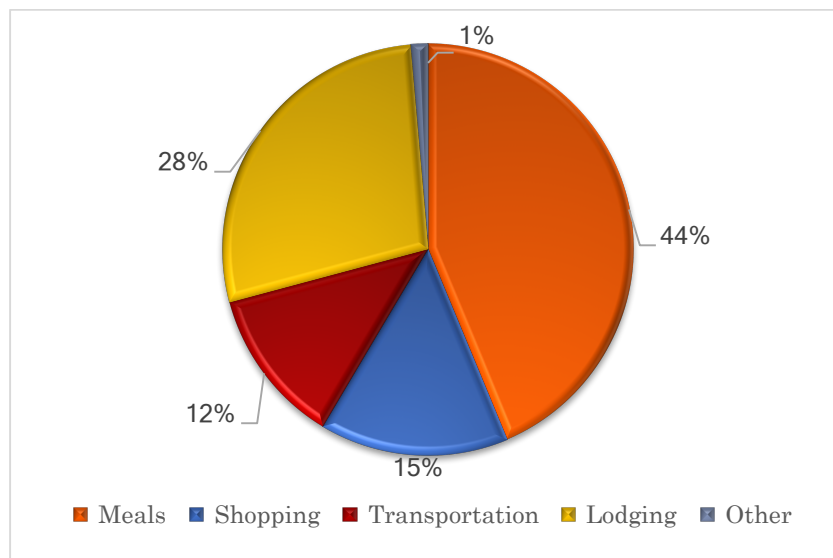
spending of individuals from outside Kent County. The summary of these results is seen in Table 1 and Figure 1.

Table 1: Average Daily Spending per Visitor per Day

	Concert Series	During Artprize	“Normal” Visitors
Surveys Finished	426	265	129
Percent living outside Kent	39.8%	67.8%	61%
TOTAL VISITS	63,439	18,600	667,481

Spending by visitors is needed to estimate their economic impact and identifying the distribution of spending by category allows for a much more accurate analysis. With this in mind, visitors were asked to estimate their total spending in different categories. Figure 1 illustrates the average daily spending by all visitors, broken up by percentage across the categories. Respondents were directly asked to estimate their spending for Lodging, Transportation, Meals, Retail, and Other. “Other” refers to any spending that survey respondents did not attribute to these specific categories. The largest component of visitor spending was Meals, accounting for approximately 44% of total expenditures by visitors. This is a third larger than the next largest category, lodging, which accounts for about 28% of visitors’ expenditures.

Figure 1: Visitors’ Average Daily Spending



Economic Effect

Averages for spending were calculated by category. The direct spending for both “all” visitors and “non-local” (visitors not from Kent county). This was done because the effect of non-local individuals is new money that does not already exist in Kent County. These values are shown in Table 2A and 2B. Visitors that came from outside Kent County spent almost 30% more than the average of all visitors. In addition, visitors during ArtPrize spent more, but this might be a cumulative number that includes other ArtPrize spending.

Table 2A: Average Daily Spending per Visitor per Day for Visitors

Activity	During ArtPrize	Concert Series	"Normal" Visitors
Meals	\$20.44	\$10.70	\$13.30
Shopping	\$8.08	\$2.31	\$4.61
Transportation	\$5.58	\$1.95	\$3.85
Lodging	\$28.57	\$2.88	\$8.43
Other	\$2.95	\$2.63	\$0.10
Total	\$65.62	\$20.47	\$30.29

Table 2B: Average Daily Spending per Visitor per Day for Non- Local Visitors

Activity	During ArtPrize	Concert Series	"Normal" Visitors
Meals	\$27.91	\$14.84	\$17.03
Shopping	\$11.01	\$3.87	\$6.97
Transportation	\$7.88	\$3.49	\$6.07
Lodging	\$41.91	\$7.26	\$13.13
Other	\$3.73	\$4.35	\$0.00
Total	\$92.44	\$33.81	\$43.20

These numbers were multiplied by the total number of visitors shown in Table 1 and then added together to find the total direct spending. The numbers are reported in Table 3.

**Table 3: Estimated Total Direct Spending by Visitors to Meijer Gardens
(Outside of Venue)**

Activity	Spending From All Visitors	Spending By Non- Kent County Residents
Meals	\$9,937,880	\$7,664,634
Shopping	\$3,373,158	\$3,073,484
Transportation	\$2,795,391	\$2,661,543
Lodging	\$6,341,468	\$6,060,027
Other	\$286,997	\$157,738
Total	\$22,734,894	\$19,617,426

Direct spending by all visitors outside of the venue is \$22.7 million with more than 86% of this coming from people outside of Kent County. The result is a lot of new dollars into Kent County. This happens because the venue draws 445,000 visitors from outside Kent County and these individuals spend more during their visit to Meijer Gardens than a comparable local visitor.

Direct spending by visitors also leads to indirect and induced spending. For example, a visitor to Grand Rapids purchases meals at local restaurants (direct spending). These restaurants must then purchase more supplies from local food distributors (indirect spending). Restaurant owners and employees receive more income from the spending of visitors and they spend some of that greater income in area stores (induced spending). The dollar amount and effect on employment of indirect and induced spending can be estimated using the Regional Input-Output Modeling System (RIMS II) multipliers developed by the U.S. Department of Commerce's Bureau of Economic Analysis¹. In this way, the total impact of visitors to Meijer Gardens can be calculated. These effects are shown in Table 4.

¹ Please note that the BEA does not endorse any estimates or conclusions concerning the study presented here.

Table 4: Total Impact of Visitors to Meijer Gardens

	Impact
Direct Spending	\$22,734,894
Indirect and Induced Spending	\$17,242,940.61
Total Output	\$39,977,835
Total Earnings	\$10,672,526
Total Employment	489

Thus, the estimated annual effect of visitor spending outside Meijer Gardens is approximately \$40 million in additional production of goods and services, \$10.7 million in additional earnings, and 489 additional jobs annually. Nearly 86% of this impact is the result of spending by people that live outside of Kent County, thereby generating new dollars for the economy of the county.

SPENDING BY MEIJER GARDENS

In addition to visitors that come to visit Meijer Gardens, the venue also has spending. This includes all the services and goods sold within the venue itself as well as costs like the production of exhibits, building maintenance and salaries of workers. Because the previous section was about spending outside the venue, this spending can be added to the results found in the previous section.

Ongoing Business

To determine the economic impact of this spending, the budgets and spending for Meijer Gardens was obtained. RIMS II multipliers were then used to estimate the economic effect of this spending on the local economy.

The results can be seen in Table 5, which shows direct spending equivalent to \$17.0 million annually. This creates additional indirect and induced effects of \$12.5 million above and beyond what is being spent directly. In totality this supports an additional 276 jobs in Kent County.

Table 5: Total Impact of Spending by Meijer Gardens

	Impact
Direct Spending	\$16,981,308.00
Indirect and Induced Spending	\$12,460,698
Total Output	\$29,442,006
Total Earnings	\$8,431,071
Total Employment	276

Capital Construction Projects

Construction is necessary to improve and maintain amenities for people. Construction spending tends to have an oversized impact because many of the inputs are local. Hiring local workers and buying local supplies results in a lot of additional dollars that stay in the county. Applying the BEA RIMS II multipliers yields the impact for construction spending over the last fiscal year on the Kent County, as shown in Table 6:

Table 6 Construction Impact for Meijer Gardens

Category	Impact
Direct Output	\$3,067,200
Indirect and Induced Output	\$2,685,027
Total Output	\$5,752,227
Total Earnings	\$1,437,290
Total Employment	39

CONCLUSION

Meijer Gardens has an important role in the economy of Kent County. The three economic effects discussed do not overlap, so these impacts can be added together. The overall economic impact is \$75.2 million supporting 804 jobs in Kent County. In addition, Meijer Gardens is a destination venue that adds to the number of possibilities a visitor can enjoy when visiting the Grand Rapids area. Grand Rapids enjoys a robust tourism economy; this effect is hard to attribute to one venue, but is a result of the existence of many quality opportunities. The Frederik Meijer Gardens & Sculpture Park is a leading contributor to that mix.

[appendix upon request]