



The Economic Impact of ArtPrize

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CONTRIBUTING AUTHORS

Christian Glupker, MBA, Primary Researcher

Paul Isely, Ph.D., Reviewer

RESEARCH SUPPORT

Ashley Bush, Research Assistant

Sophie Bulous, Research Assistant

Jakob Bartman, Research Assistant

Brynn Niedzwiecki, Research Assistant

Mary Claire Nicholl, Research Assistant

Quinn Dartt, Research Assistant

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www.freyfdn.org/



L. William Seidman Center
50 Front Avenue SW
Grand Rapids, MI 49504
gvsu.edu/seidman/

Cover Image: Raining Wisdom, by Abdoulaye Conde. \$125,000 first place winner. Photo source: Wood TV Facebook

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1.0 OVERVIEW



1.1 SUMMARY OF ECONOMIC IMPACT

ArtPrize is estimated to have generated or supported economic benefits for Kent County in the following ways:

- The total economic impact of all primary visitor spending and ArtPrize operational spending is estimated at \$54.7 million in economic output supporting 434 jobs.
- 714,345 total visitors, with 53% visiting from outside the local region. The average age of all visitors was 47 years old.
- 39% of local visitors and 69% of all nonlocal visitors stated that ArtPrize was their primary reason for visiting Grand Rapids.
- All local visitors spent an average of 2.6 days at ArtPrize and all nonlocal visitors spent an average of 1.76 days at ArtPrize.
- Direct spending of all primary visitors was \$40.3 million, with nonlocal primary visitors spending \$31.8 million.
- The total economic impact of nonlocal primary visitors is estimated at \$41.1 million in economic output supporting 320 jobs.
- Nonlocal primary visitors generated approximately \$215,751 in additional tax revenue for Kent County.
- Based on their experience at ArtPrize, 74% of the survey respondents said they were “very likely” or “somewhat likely” to visit Grand Rapids again.
- 40% of nonlocal survey respondents have attended ArtPrize at least five times.



“Tale of Ten Dresses” by Rebecca Humes
Second Place 2023 ArtPrize
Source: WWMT.com

1.2 ARTPRIZE BACKGROUND

ArtPrize ran from September 14 to October 1 and marks the 14th year of the event, and the first year under the new management of the City of Grand Rapids, Kendall College of Art and Design, and Downtown Grand Rapids, Inc.

ArtPrize, an art competition and festival, originated in 2009 in Grand Rapids, Michigan. This event, held within a roughly three-square-mile district of the city, welcomes artists over the age of 18 to display their art in various publicly accessible venues, including museums, galleries, restaurants, and public parks. Each year, the festival awards prizes based on public voting and juried selection. The ArtPrize organization is a non-profit supported by local, regional and national sponsors, foundations, partners, and individual supporters.

The mission of ArtPrize is to transform the art world through a radically open, global art competition and cultural experience in Grand Rapids that starts conversation, ignites creativity, encourages critical discourse, elevates and celebrates artists, transforms urban spaces, and promotes cultural understanding.

1.3 SCOPE OF WORK

This report focuses on the economic impact (direct, indirect, and induced) ArtPrize provides to the Grand Rapids area. The economic contribution is the amount of economic activity that ArtPrize generates within a defined region. For the purpose of this report, the local region is

defined as Kent County. This study will quantify the number of visitors to ArtPrize, spending patterns by those visitors, and the indirect/induced values as a result of that spending. Every effort is made to exclude substitute spending. This substitute spending may come in the form of local residents along with visitors who were in the Grand Rapids area for other reasons.

1.4 METHODOLOGY

This study will estimate the economic impact of ArtPrize. The steps to achieve these are as follows:

1. Gather data on visitor spending.
2. Gather data from ArtPrize on organizational spending.

For this analysis, the annual economic impacts were estimated for each of the following:

- Visitors to ArtPrize
- ArtPrize operational spending

1.4.1 Visitors to ArtPrize

To measure the spending patterns of visitors, an intercept survey was administered multiple times a day at random times throughout the ArtPrize event. A Grand Valley State University student research team administered the survey. Data gathered includes zip code, length of visits, party size, spending patterns, and general demographics.

In calculating the economic impact of ArtPrize, only spending that is directly or indirectly caused by the event is counted. To accomplish this, survey respondents are categorized into distinct groups:¹

Local Visitors: These visitors' primary residence is in the Grand Rapids area.² Spending by local visitors is not generally counted in the economic impact because the spending may have happened regardless of ArtPrize. All survey forms ask for zip codes, which identify the residents.



"Egg Prize" by David Kail
Finalist 2023 ArtPrize
Source: ArtPrize.org

¹ Crompton, J. L., Lee, S., & Shuster, T. J. (2001). A Guide for Undertaking Economic Impact Studies: The Springfest Example. *Journal of Travel Research*, 40(1), 79-87. doi:10.1177/004728750104000110

² Additional information is available in Appendix A4: Estimating the Number of Visitors.

NonLocal Visitors: Spending by non-local visitors is the key driver in economic impact studies. These visitors' primary residence must be outside the defined economic region (Grand Rapids).

Primary Visitors: These visitors' primary reason for their visit must be attending ArtPrize. These visitors can be categorized as nonlocal primary or local primary visitors. The nonlocal primary visitors are considered 'new' money to the local economy and the main driver in the economic impact modeling.

Casual Visitors: These visitors (local or nonlocal) were already in Grand Rapids for other reasons (family outings, relatives, business, etc.). Generally, the spending of these visitors cannot be included in the economic impact because they were already in town, and they would likely have spent the money regardless of attending ArtPrize. This method does have a drawback, as it will cause us to miss some spending by individuals who, while not visiting specifically to attend ArtPrize, ended up spending more than they would have because of their visit. Therefore, these visitors will be included in the economic impact *supported* by ArtPrize.

Our preferred method in calculating economic impact is to focus solely on those who claimed ArtPrize was their primary reason for visiting Grand Rapids. These visitors will include locals and nonlocals. With local spending included, there is concern this impact figure will be inflated due to substitute spending. Therefore we will also break out local and nonlocal data to provide some context to the overall economic impact.

1.4.2 ARTPRIZE OPERATIONS

In addition to visitor spending, we also include the operational spending of ArtPrize in calculating the economic impact. The spending data was provided by the ArtPrize organization. Only locally spent money is included in the economic impact. For this study, it is assumed that 75% of the operational expenditures were spent locally.³

1.4.3 ECONOMIC MODELING

The economic impact is estimated using the IMPLAN model. IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output model.⁴ This modeling system uses multipliers that provide a way to measure the complete economic impact that the initial change in demand has on the local economy. The results of an input-output model are broken down into three effects:⁵

³ The 75% is based on similar studies.

⁴ Full IMPLAN disclaimer can be found in Appendix A1: IMPLAN Disclaimer.

⁵ <https://blog.implan.com/understanding-implan-effects>.

Direct Effects	A set of expenditures applied to the input-output multipliers. The direct effect is often referred to as direct spending or initial change in demand. This direct spending, or initial change in demand, is determined by the researcher or analyst. Applying these initial changes to the multipliers in IMPLAN will then display how a region will respond economically to them.
Indirect Effects	Indirect effects are the business-to-business purchases in the supply chain taking place in the economic region that stem from the initial change in demand or direct spending (direct effects). In other words, this is the increase in sales by businesses that are suppliers to restaurants, hotels, retail stores, etc.
Induced Effects:	Increased economic activity from household spending of labor income, after the removal of taxes and savings. The induced effects are generated by the spending of employees within the business' supply chain.

The IMPLAN model will report economic impact in four ways:⁶

Output	Gross output is the total economic activity, including the sum of intermediate inputs and the value they add to the final good or service. The intermediate inputs are the resources used in the production of final goods and services. It should be noted that gross output can be overstated if the intermediate inputs are used multiple times in the production of other goods and services.
Labor Income	The increase in wages, salaries, and proprietors' income as a result of the initial change in demand (direct effects).
Employment	The total number of jobs supported by direct spending or initial change in demand. This measurement does not distinguish between a full-time or part-time employee. It also does not account for employees who moved from one job to another within the defined economic region. Thus it does tend to overstate the number of jobs created.
Value Added	The contribution to the economic region's gross domestic product (GDP).

In many cases, the findings of the economic impact analysis are rounded to the nearest million to avoid giving the reader a false sense of precision about the results. Readers should keep in mind the figures presented are estimates generated by economic models and not the result of an audit. The intent is not to obscure, but to provide reliable results without misleading the readers as to the overall level of precision.

⁶ Expanded definitions can be found in Appendix A1: IMPLAN Disclaimer.



“An Iris Collection of 5” by Peggy Slattery
Third Place: Public Vote
Source: WWMT.com

VISITOR SURVEYING



2.1 VISITOR SURVEY

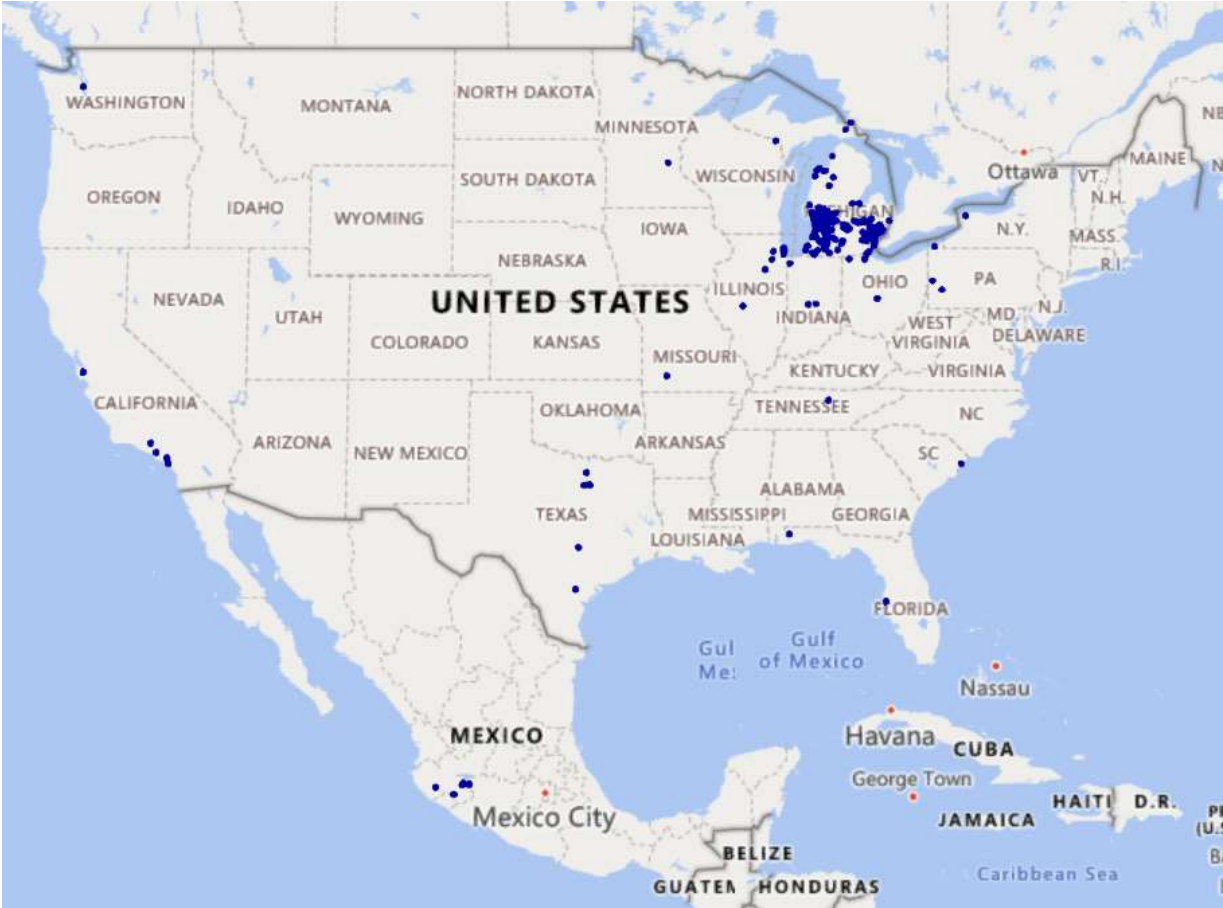
To assess the economic impact of ArtPrize, a survey was administered to collect data to determine visitor count, visitor days, and visitor spending. Data gathered includes zip code, length of visits, party size, spending patterns, and general demographics. Data from this survey was used to determine visitor origins (local vs. nonlocal), visitor days, and visitor spending. The visitor survey was administered multiple times a week at random times throughout the event. A Grand Valley State University student research team administered the survey.⁷

⁷ A copy of the survey is available in Appendix A2: Survey Details.

Respondents had to be 18 years old or older to be included in the survey. During the ArtPrize event, there were 1,355 interview requests with 595 surveys completed. This equates to a total response rate of 44%. This response rate exceeds our targeted 383 completed surveys, with a 95% confidence level, and a 5% margin of error.⁸

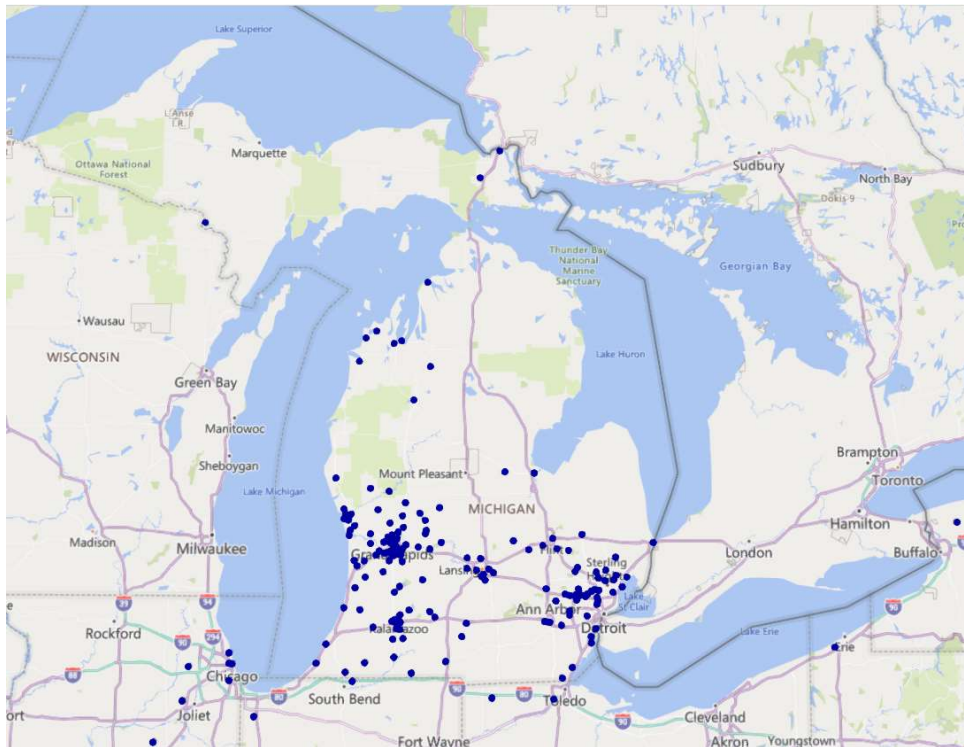
The survey respondents represent over 15 states and two countries. Figures 1 and 2 show the geographic distribution of the survey respondents within the United States and Michigan.

Figure 1: Zip code distribution for the United States and surrounding regions



⁸ Although our overall survey count does meet our sample size requirement, after data cleaning and removing outliers, there were 257 usable surveys for nonlocal spending estimates.

Figure 2: Zip code distribution for the Great Lakes region



2.2 ORTHOGONAL SURVEY

ArtPrize is an open event, meaning visitors do not have to buy tickets to attend. Open venues make it difficult to accurately count visitors. Typically, an orthogonal survey would be used to estimate attendance. However, the data for this purpose will be sourced from the orthogonal survey conducted in the 2022 ArtPrize economic impact study. Based on this data, 58.12% of the local residents attended ArtPrize.⁹

2.3 VISITOR DEMOGRAPHICS

The visitor survey asked general demographic questions. These questions included age, gender, and income. The visitors were also asked if, based on their experience at ArtPrize, would they consider visiting Grand Rapids again. The figures below present this data.¹⁰

⁹ Additional information is available in Appendix A4: Estimating the Number of Visitors.

¹⁰ Additional information is available in Appendix A3: Visitor Demographics.

Figure 3: Visitor age distribution

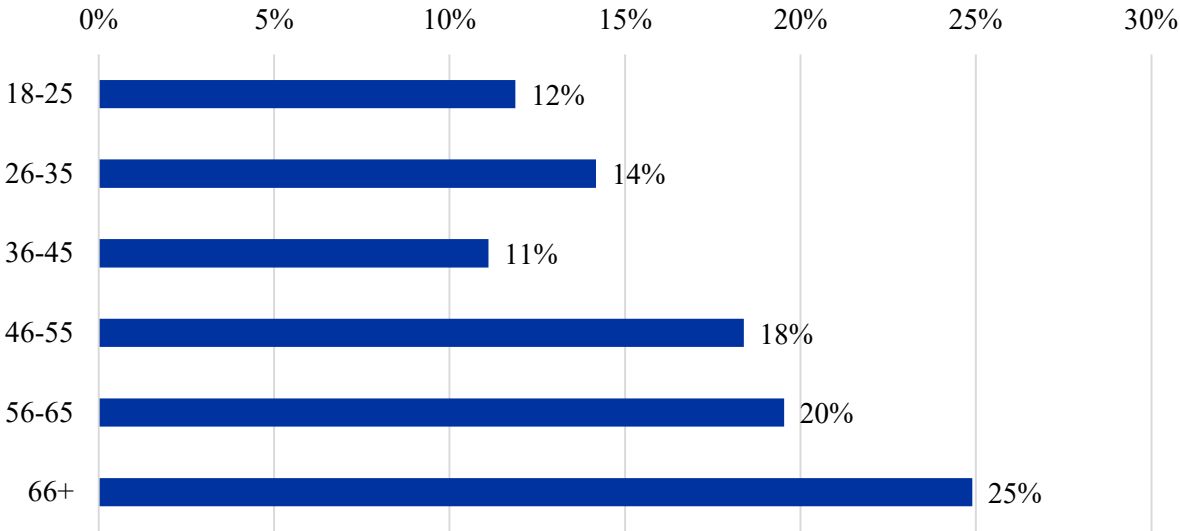


Figure 4: Visitor gender distribution

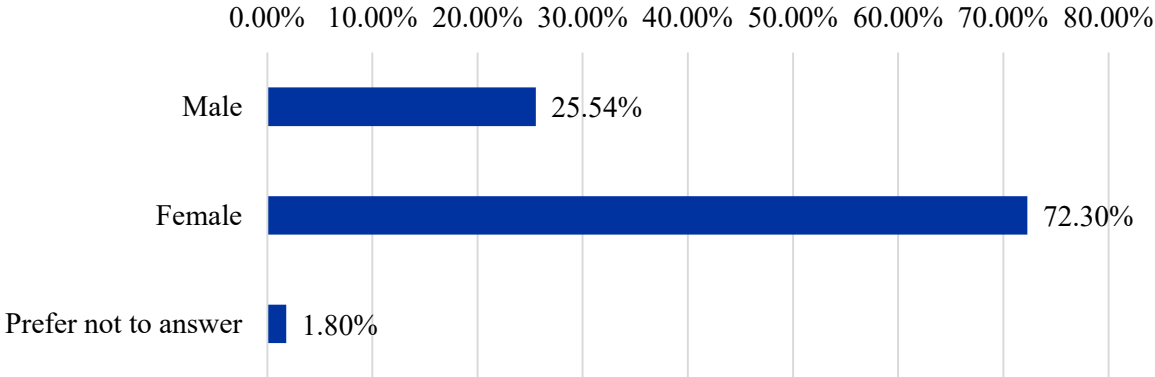


Figure 5: Visitor income distribution

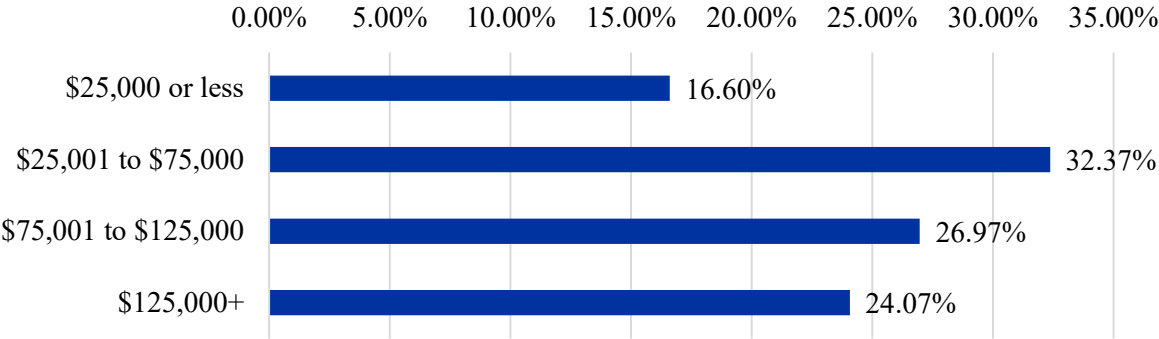


Figure 6: How many times have you visited ArtPrize in the past?

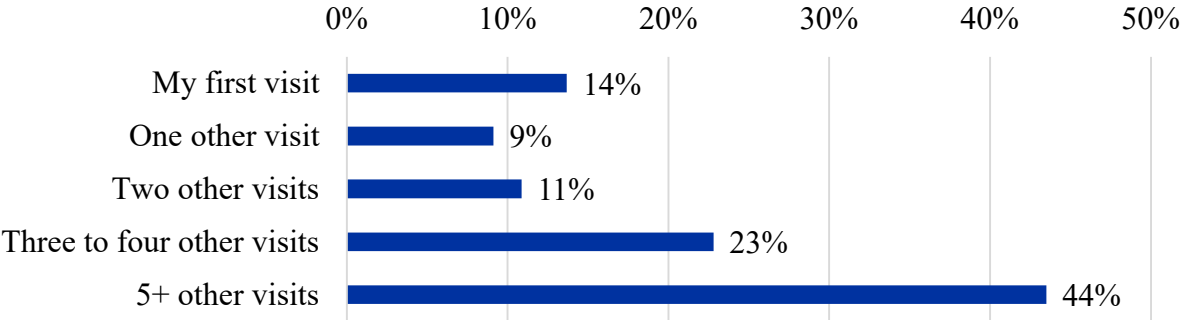
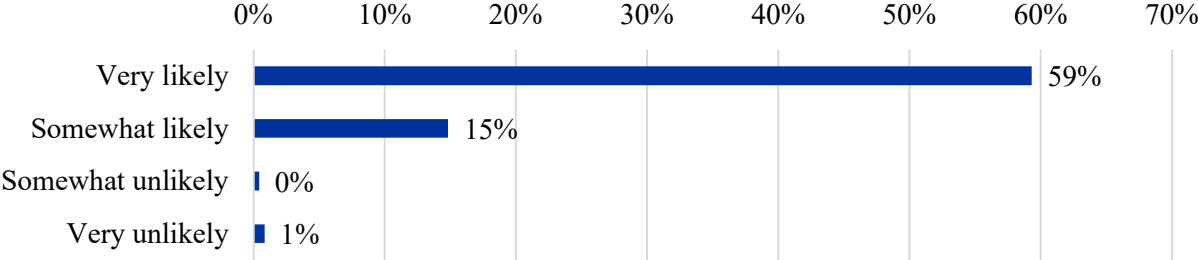


Figure 7: Based on your experience at ArtPrize, how likely are you to return to the Grand Rapids area?





Gerald R. Ford Museum
Source: Bryan Esler

3.0 VISITORS AND ATTENDANCE



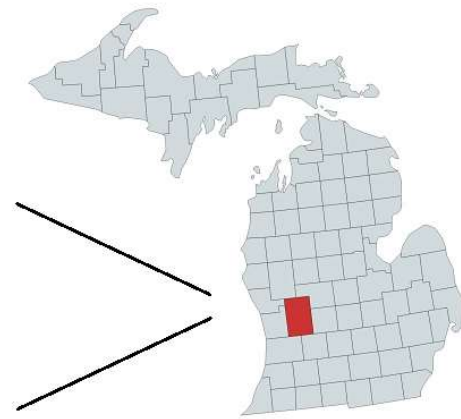
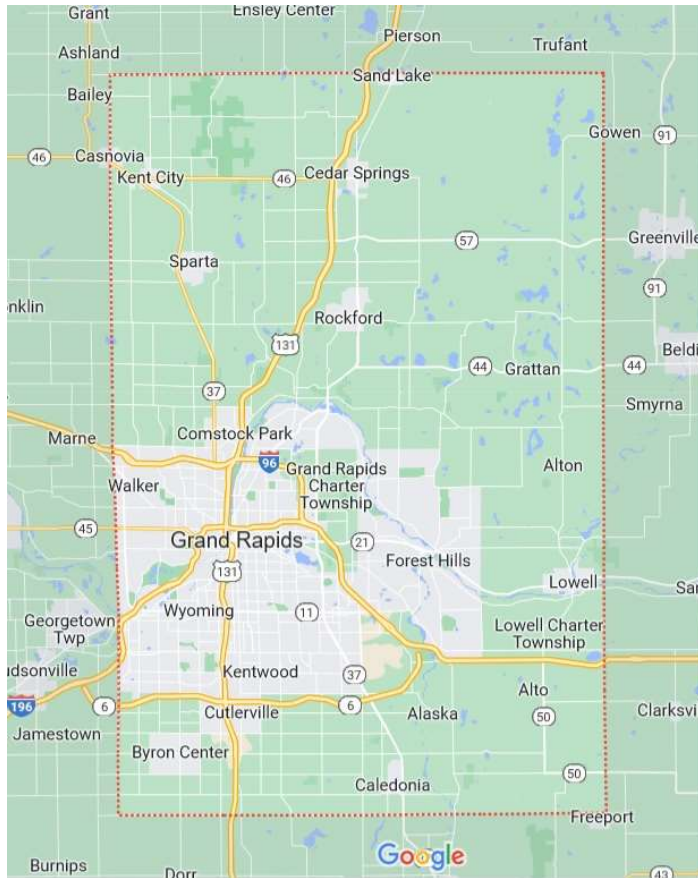
3.1 DEFINING THE ECONOMIC REGION

To properly determine who is a visitor to ArtPrize one must first define the local region. For the purpose of this report, the defined local region is Kent County.¹¹ Figure 8 displays the map of the defined economic region.¹² Demographics of this economic region are presented in Appendix A3: Visitor Demographics

¹¹ Additional information is available in Appendix A4: Estimating the Number of Visitors.

¹² <https://www.mapchart.net/usa-counties.html> and Google Maps.

Figure 8: The defined economic region: Kent County

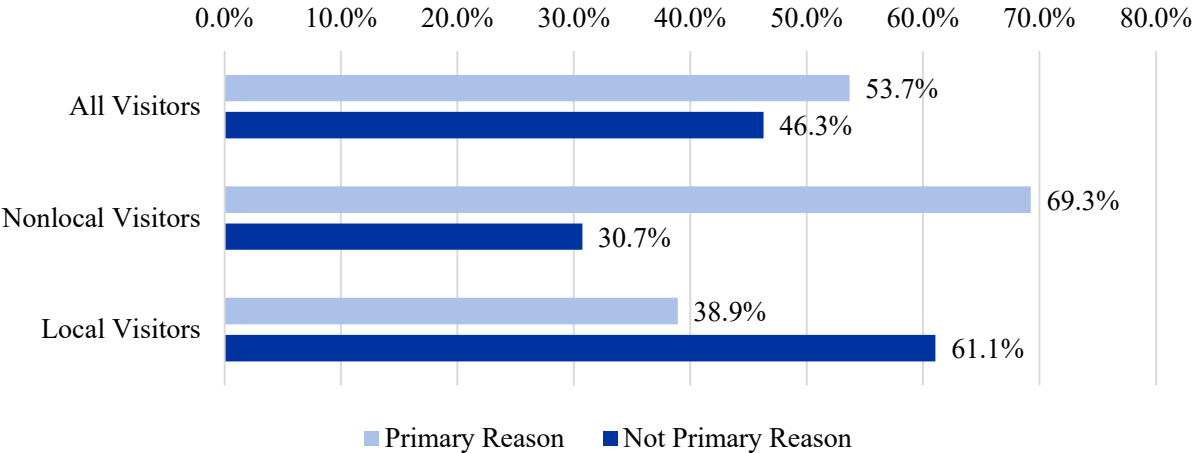


3.2 VISITOR TYPES

As mentioned in section 1.4.1, there are distinct groups of visitors: Nonlocal, local, primary, and casual. To calculate the economic impact of ArtPrize one should consider only new spending that occurred specifically because of attending ArtPrize. To accomplish this, nonlocal visitors who stated their primary reason for being in Kent County was to attend ArtPrize will be counted. This method does have a drawback, as it will cause us to miss some spending by individuals who, while not visiting specifically for ArtPrize, ended up spending more than they would have because of ArtPrize. Therefore, these “casual” visitors will be included in the economic impact *supported* by ArtPrize.

To determine the reason the visitor was in Grand Rapids, survey respondents were asked if ArtPrize was their primary reason for visiting. The results from this question are found in Figure 9.

Figure 9: Was ArtPrize your primary reason for visiting the Grand Rapids area?



3.3 THE NUMBER OF VISITORS AND VISITOR DAYS

To measure the economic impact of an event like ArtPrize it is necessary to have an accurate count of visitors over the week of the event. The open and geographically spread-out format of the event creates challenges for the estimation of attendance. Visitors could enjoy the event atmosphere without paying an admission price. Hence, it is not possible to verify the total attendance by admission tickets or a turnstile count. Typically an orthogonal survey would be used to estimate attendance. However, as discussed in section 2.2, the 2022 ArtPrize economic impact orthogonal survey data was used to estimate attendance. Based on this study, 58.12% of local residents attended ArtPrize.¹³ The visitor survey also asked about party size. The party size varied based on visitor type. Local visitors averaged 2.60 people and nonlocal visitors averaged 3.29 people.

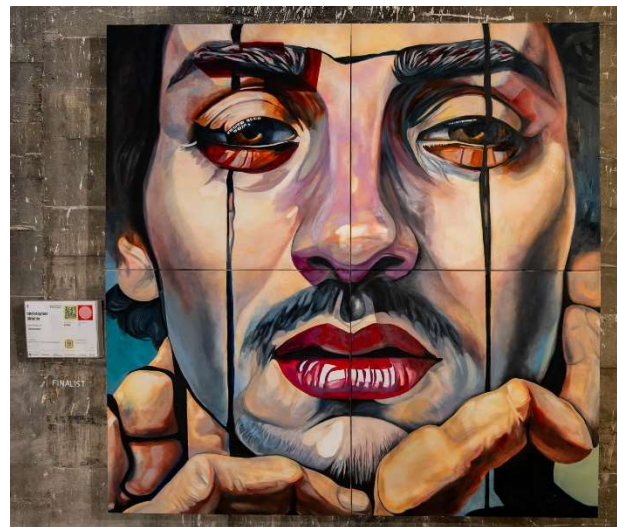
Based on this data, we estimate 714,345 total visitors with 53% of the visitors originating outside the Grand Rapids area. Table 1 presents the visitor count.

¹³ Additional information is available in Appendix A4: Estimating the Number of Visitors.

Table 1: Total visitors and based on visitor type

	All visitors	Primary visitors	Casual visitors
Local visitors	338,444	131,384	207,061
Nonlocal visitors	375,901	263,460	112,442
Total visitors	714,345	394,843	319,502

The intercept survey asked the respondents for the number of days they plan to visit ArtPrize. The local primary visitors stayed an average of 2.47 days and the nonlocal primary visitors stayed an average 1.84 days. Using this data and the attendance figures from Table 1, the total number of visitor days can be estimated. A visitor day is a metric used to measure the number of days that a visitor spends at ArtPrize. It is the product of total visitors and the average number of days visited. Table 2 also represents visitor days.¹⁴



“Technophobia” by Christopher Shields
Prism Award Winner
Source: Bryan Esler

Table 2: Total visitor days based on visitor type

	All visitors	Primary visitors	Casual visitors
Local visitor days	865,120	324,517	541,049
Nonlocal visitor days	661,527	484,766	177,658
Total visitor days	1,526,647	809,283	718,707

¹⁴ Detailed methodology can be found in Appendix A4: Estimating the Number of Visitors and Visitor Days.

4.0 ECONOMIC EFFECTS



This section will estimate the economic impact of the visitors to ArtPrize. The estimated impacts will be based on data collected from surveys and data provided by ArtPrize. The economic impact will be broken into three components: Primary visitors, casual visitors, and operations of the ArtPrize organization. This section will also have the fiscal (tax revenue) impact.

4.1 ESTIMATING VISITOR SPENDING

Survey respondents were asked how much their party expected to spend on Meals, Retail Shopping/Other Shopping, Lodging, Transportation, and Art Purchases.¹⁵ The initial spending by visitors is referred to as ‘direct effect’ or ‘direct spending’. The direct spending is calculated as the product of the visitor per-person/per-day spending and total visitor days. It should be noted that categories that include retail pricing must be adjusted for retail margins. That is, retail prices will include the cost of manufacturing, the majority of which occurs outside the defined economic region. The estimated economic impact of visitor spending should not include these manufacturing costs. The IMPLAN economic modeling will adjust for retail margins, which in Kent County are estimated at 40.56% for retail spending and 10.37% for transportation spending.



“Serenity” by Juan Pimentel
Winner 2D
Source: ArtPrize.org

¹⁵ Detailed methodology on the data cleaning can be found in Appendix A5: Estimating Visitor Spending.

4.2 ECONOMIC IMPACT OF PRIMARY VISITORS

To determine the economic impact of ArtPrize one should only consider nonlocal spending that occurred specifically because of ArtPrize. This will not include local visitor or casual visitor spending because it is assumed that spending would have happened during this period in the absence of ArtPrize. This method is the most conservative estimate of new spending in the economy.

This method does have a drawback, as it will cause us to miss some spending by individuals who, while not visiting Grand Rapids primarily for ArtPrize, ended up spending more than they would have because of ArtPrize. This includes local residents who would have spent money in the absence of ArtPrize but ended up spending more as a result of ArtPrize. Therefore, these visitors will be included in the economic impact *supported* by ArtPrize.

Our preferred method in calculating economic impact is to focus solely on those who claimed ArtPrize was their primary reason for visiting Grand Rapids. These visitors will include locals and nonlocals. With local spending included, there is concern this impact figure will be inflated due to substitute spending. Therefore we will also break out local and nonlocal data to provide some context to the overall economic impact.

Based on the survey data, all primary visitors spent on average \$51.02 per person, per day, with nonlocal primary visitors spending \$65.59 per person, per day (see Figure 10 below). These spending figures result in \$40.3 million in direct spending by all primary visitors, with approximately 79% coming from nonlocal visitors (see Table 3 below).

Figure 10: Average per person, per day spending for primary visitors



Table 3: Total direct spending by primary visitors

	Primary visitors
Local visitor	\$8.5M
Nonlocal visitor	\$31.8M
All visitors	\$40.3M

This direct spending by visitors leads to indirect and induced spending. For example, a visitor to the area purchases from local retail stores (direct spending). These retail stores must then purchase more supplies from local distributors (indirect spending). Retail store owners and employees receive more income from the spending of visitors, and they spend some of that greater income in the local area (induced spending). The dollar amount and effect on employment of indirect and induced spending can be estimated using the IMPLAN economic modeling software.

A true measure of new spending focuses on primary nonlocal visitors. Using the IMPLAN model, we estimate their economic impact at \$41.4 million in output and support for 334 jobs (see Table 4).¹⁶



“The Lost Mystics” by KumKum Fernando
Juried 3D Winner
Source: Bryan Esler

Table 4: Total annual economic impact of **nonlocal** primary visitors

Nonlocal Primary Visitors	Output	Earnings	Jobs	Value-Added (GDP)
Direct Impact <i>(less retail margins)</i>	\$25.5M ¹⁷	\$8.1M	236	\$15.4M
Indirect Impact	\$9.0M	\$3.0M	46	\$4.4M
Induced Impact	\$6.9M	\$2.2M	38	\$4.0M
Total Impact	\$41.4M	\$13.3M	320	\$23.8M

¹⁶ Industry breakdown can be found in Appendix A6: Primary Visitor Economic Impact.

¹⁷ This is the \$31.8M from Table 3 with retail margins applied.

Using the IMPLAN model, we estimate the total economic impact of **ALL** (local and nonlocal) primary visitors at \$52.9 million in output and support for 418 jobs (See Table 5).¹⁸

Table 5: Total annual economic impact of all (local and nonlocal) primary visitors

All Primary Visitors	Output	Earnings	Jobs	Value-Added (GDP)
Direct Impact (less retail margins)	\$3M ¹⁹	\$10.2M	309	\$18.6M
Indirect Impact	\$1M	\$4.0M	61	\$5.9M
Induced Impact	\$8.9M	\$2.9M	49	\$5.1M
Total Impact	\$52.9M	\$17.1M	418	\$29.6M

As noted, the impact figures in Table 5 include substitute spending from local visitors because it is assumed their spending would have occurred during this period in the absence of ArtPrize. As mentioned earlier, this assumption does have a drawback, as some locals may have ended up spending more than they would have because of ArtPrize.

The local primary visitors contributed \$11.5 million in economic output, \$3.8 million in earnings, \$5.8 million in value-added, and support for 96 jobs. These figures are included in Table 5 above; however, it is unknown how much of this spending would have occurred regardless of ArtPrize, therefore these figures should be used with caution.

4.3 ECONOMIC IMPACT OF CASUAL VISITORS

The economic impact supported by ArtPrize focuses on spending by those who stated ArtPrize was *not* their primary reason for visiting the area. These are referred to as casual visitors. Per Table 1, there were 319,502 casual visitors to ArtPrize, with 35% of those visitors coming from outside the local region.

The impact of casual visitors is not included in the overall economic impact because they were in Grand Rapids for reasons other than ArtPrize. Thus, their spending would have occurred in the absence of ArtPrize. What is unknown is if these visitors stayed more days or spent more than they normally would because of ArtPrize. The data for casual visitors are presented here for informational purposes only.

¹⁸ Industry breakdown can be found in Appendix A6: Primary Visitor Economic Impact.

¹⁹ This is the \$40.3M from Table 3 with retail margins applied.

Based on the survey data, all casual visitors spent on average \$45.36 per person, per day, with nonlocal casual visitors spending \$88.74 per person, per day (see Figure 11 below). These spending figures result in \$29.4 million in direct spending by all casual visitors, with approximately 54% coming from nonlocal visitors (see Table 6 below).

Figure 11: Average per person, per day spending for casual visitors

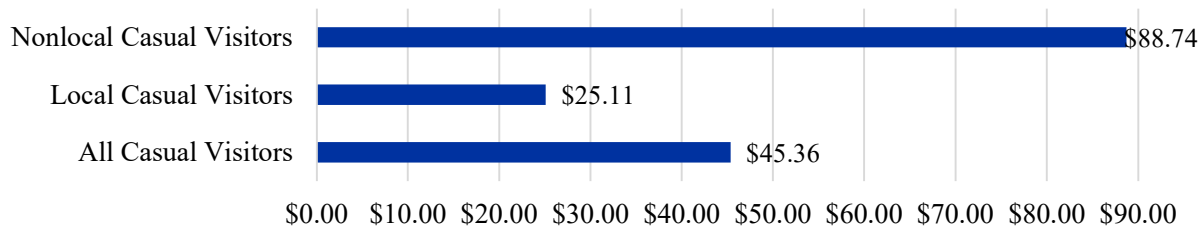


Table 6: Total direct spending by casual visitors

	Casual visitor
Local visitor	\$13.6M
Nonlocal visitor	\$15.8M
All visitors	\$29.4M

To consider only new spending, we should focus on nonlocal spending. Using the IMPLAN model, we estimate their economic impact at \$21.5 million in output and support for 166 jobs (see Table 7).

Table 7: Total annual economic impact of nonlocal casual visitors

Nonlocal Casual Visitors	Output	Earnings	Jobs	Value-Added (GDP)
Direct Impact (less retail margins)	\$13.3M ²⁰	\$4.2M	122	\$8.1M
Indirect Impact	\$4.6M	\$1.5M	24	\$2.3M
Induced Impact	\$3.6M	\$1.2M	20	\$2.1M
Total Impact	\$21.5M	\$6.9M	166	\$12.5M

²⁰ This is the \$15.8M from Table 6 with retail margins applied.

The estimated total economic impact of **all** (local and nonlocal) casual visitors at \$39.3 million in output and support for 315 jobs (See Table 8).

Table 8: Total annual economic impact of all casual visitors

All Casual Visitors	Output	Earnings	Jobs	Value-Added (GDP)
Direct Impact (Spending)	\$23.5M ²¹	\$7.5M	233	\$13.2M
Indirect Impact	\$9.1M	\$3.1M	46	\$4.5M
Induced Impact	\$6.7M	\$2.1M	37	\$3.8M
Total Impact	\$39.3M	\$12.7M	315	\$21.6M

As mentioned previously, these impact figures include substitute spending from local visitors therefore these figures should be used with caution. The local casual visitors contributed \$17.8 million in economic output, \$5.8 million in earnings, \$9.1 million in value-added, and support for 149 jobs.

4.4 ECONOMIC IMPACT OF ARTPRIZE ORGANIZATIONAL SPENDING

ArtPrize spent approximately \$1.6 million organizing and hosting ArtPrize 2023. Approximately 75% of this money was spent within Kent County.²² ArtPrize's primary sources of revenue come from regional and national sponsors, foundations, partners, and individual supporters.

It should be noted that a portion of this revenue represents “crowd-out spending”, meaning ArtPrize is receiving funds that would have been spent on other activities within the economic region. That is, for example, some corporate sponsorships would have been given to other local organizations in the absence of the ArtPrize event.

As shown in Table 9, the local spending by ArtPrize generates \$1.7 million in economic activity, supports 15 jobs, and contributes \$1.2 million to the local GDP.

²¹ This is the \$29.4M from Table 6 with retail margins applied.

²² This percentage is consistent with other impact studies.

Table 9: Annual economic impact of ArtPrize operational spending

Operational spending	Output	Earnings	Jobs	Value-Added (GDP)
Direct Impact	\$832,000	\$501,000	10	\$715,000
Indirect Impact	\$509,000	\$161,000	3	\$246,000
Induced Impact	\$402,000	\$130,000	2	\$231,000
Total Impact	\$1.7M	\$792,000	15	\$1.2M

4.5 FISCAL IMPACT

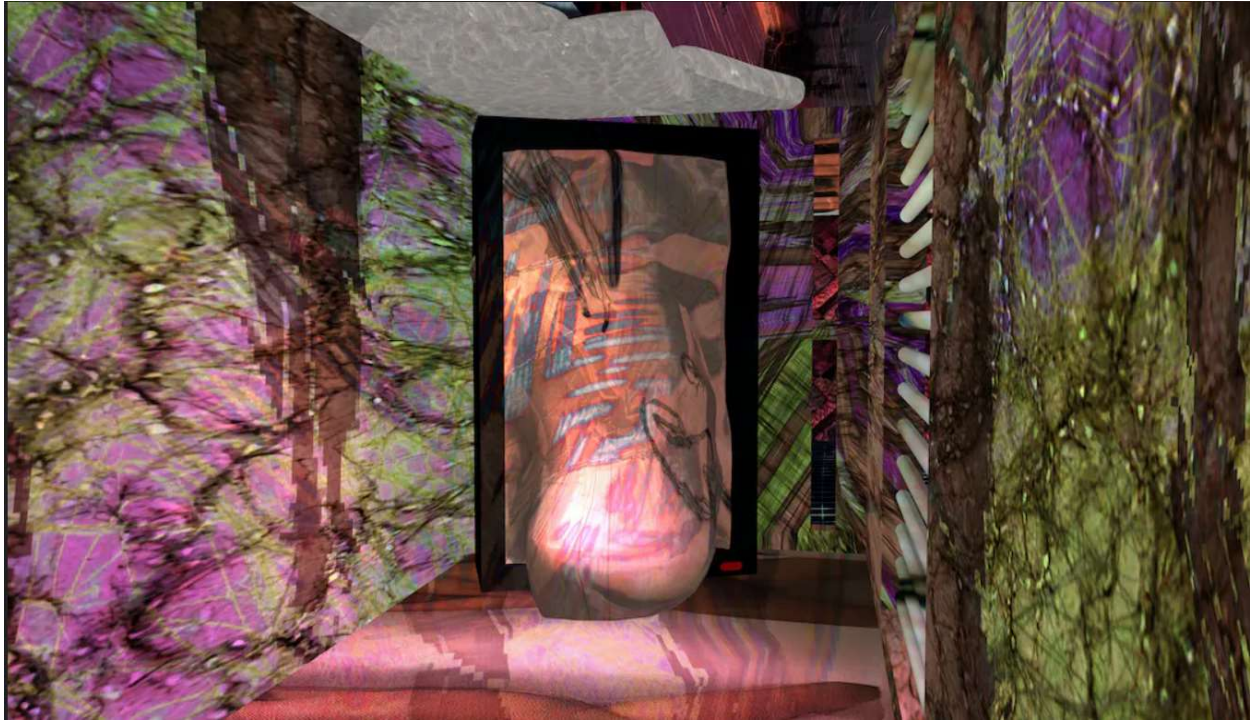
The increase in economic activity also produces additional tax revenue at the local, state, and federal levels. The IMPLAN economic model estimates these fiscal impacts. The tax at the county and sub-county levels consists of property taxes. At the state level, the majority of the tax is sales tax. As shown in Table 10 below, direct spending from primary nonlocal visitors generated \$216,000 for Kent County. This table is the best representation of “new” tax revenue caused by ArtPrize.²³

Table 10: Fiscal impact of nonlocal primary visitors

	Sub-County: Municipalities	Sub-County: Special Districts	Kent County	Michigan
Direct Impact	\$239,723	\$617,697	\$177,807	\$1,949,300
Indirect Impact	\$28,035	\$59,992	\$17,264	\$235,217
Induced Impact	\$30,576	\$71,854	\$20,680	\$257,130
Total Impact	\$298,334	\$749,543	\$215,751	\$2,441,647

The casual nonlocal visitor spending added \$116,011 in tax revenue for Kent County, \$159,886 for local municipalities, and \$403,032 for special districts. As mentioned earlier, the impact of casual visitors is not included in the overall economic impact because they were in Grand Rapids for reasons other than ArtPrize. The data for casual visitors are presented here for informational purposes only.

²³ The ArtPrize organization is a nonprofit, thus their operational spending does not generate a significant fiscal impact.



“Body-oddy-oddy-oddy: Destabilizing the Surveilling of Queer Bodies” by Eric Southern and Benjamin Rosenthal
Winner: Digital
Source: ArtPrize.org

5.0 CONCLUSION



ArtPrize occurred from September 14 to October 1. During that time, we estimated 714,345 total visitors, with 394,843 of these visitors stating ArtPrize was their primary reason for visiting Grand Rapids. Approximately 67% of these primary visitors were from outside Kent County (nonlocal visitors).

These primary visitors spent approximately \$40.3 million at ArtPrize, resulting in a total economic output of \$52.9 million, supporting 418 jobs. Approximately 78% of this economic activity is attributed to nonlocal primary visitors. ArtPrize's operational spending of \$1.6 million added \$1.7 million in economic output and support for 15 jobs. See Table 11 for a summary of the annual economic impact.

Table 11: Summary of the annual economic impact of primary visitors and ArtPrize operational spending

Summary	Direct Spending	Output	Earnings	Jobs	Value-Added (GDP)
Primary visitors ²⁴	\$32.1M	\$52.9M	\$17.1M	418	\$29.6M
ArtPrize Operations ²⁵	\$832,000	\$1.7M	\$792,000	15	\$1.2M
Total Impact	\$32.9M	\$54.7M	\$17.9M	434	\$30.8M

The impact of casual visitors is not included in the overall economic impact because they were in Grand Rapids for reasons other than ArtPrize. Thus, their spending would have occurred in the absence of the event. What is unknown is if these visitors spent more than they normally would because of ArtPrize.

There were 319,502 casual visitors to ArtPrize, with 35% of those visitors coming from outside Kent County. These casual visitors spent \$29.4 million at ArtPrize, with 54% coming from nonlocal visitors. This spending generated \$39.3 million in economic output and support for 315 jobs.

The increase in economic activity also produces additional tax revenue. The direct spending by primary visitors generated \$250,481 in tax revenue for Kent County. Approximately 86% of this revenue was generated by nonlocal primary visitors, thus considered new tax revenue to the county. Casual visitors generated \$116,011 in tax revenue for the county with approximately 68% being generated by nonlocal visitors.

Our estimated total economic impact likely underestimates the actual impact as the estimate was derived using relatively conservative assumptions and methods. Also, this estimate ignores the impact of spending by artists, vendors, and venues. Moreover, a measure of the economic impact of the festival excludes long-run economic and cultural impacts. Namely, new visitors to the Grand Rapids area may return in the future given their positive experience during ArtPrize 2023. [Ω](#)

²⁴ Direct spending of \$40.3 million less retail margins.

²⁵ Direct spending reflects what was spent locally (Kent County).



A1: IMPLAN DISCLAIMER AND DEFINITIONS

IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output model. Studies, results, and reports that rely on IMPLAN data or applications are limited by the researcher's assumptions concerning the subject or event being modeled. Studies such as this one are in no way endorsed or verified by IMPLAN Group, LLC unless otherwise stated by a representative of IMPLAN.

IMPLAN provides the estimated Indirect and Induced Effects of the given economic activity as defined by the user's inputs. Some Direct Effects may be estimated by IMPLAN when such information is not specified by the user. While IMPLAN is an excellent tool for its designed purposes, it is the responsibility of analysts using IMPLAN to be sure inputs are defined appropriately and to be aware of the following assumptions within any I-O Model:

- Constant returns to scale
- No supply constraints
- Fixed input structure
- Industry technology assumption
- Constant byproducts coefficients
- The model is static

By design, the following key limitations apply to Input-Output Models such as IMPLAN and should be considered by analysts using the tool:

- **Feasibility:** The assumption that there are no supply constraints and there is a fixed input structure means that even if input resources required are scarce, IMPLAN will assume it will still only require the same portion of production value to acquire that input unless otherwise specified by the user. The assumption of no supply constraints also applies to human resources, so there is assumed to be no constraint on the talent pool from which a business or organization can draw. Analysts should evaluate the logistical feasibility of a business outside of IMPLAN. Similarly, IMPLAN cannot determine whether a given business venture being analyzed will be financially successful.
- **Backward-linked and Static model:** I-O models do not account for forward linkages, nor do I-O models account for offsetting effects such as cannibalization of other existing businesses, diverting funds used for the project from other potential or existing projects, etc. It falls upon the analyst to take such possible countervailing or offsetting effects into account or to note the omission of such possible effects from the analysis.
- **Like the model, prices are also static:** Price changes cannot be modeled in IMPLAN directly; instead, the final demand effects of a price change must be estimated by the analyst before modeling them in IMPLAN to estimate the additional economic impacts of such changes.

The IMPLAN model will report economic impact in four ways:

Output

Gross output is the total economic activity, including the sum of intermediate inputs and the value they add to the final good or service. The intermediate inputs are the resources used in the production of final goods and services. It should be noted that gross output can be overstated if the intermediate inputs are used multiple times in the production of other goods and services.

Direct output is the same as the direct effect (direct spending). **The indirect output** represents the value of economic activity generated because of direct business-to-business spending. **Induced output** is the total value that all industries take in as a result of household spending.

Labor Income

The increase in wages, salaries, and proprietors' income as a result of the initial change in demand (direct effects).

Direct labor income is the total wages, benefits, and payroll taxes associated with the business or organization responsible for the direct effects. **Indirect labor income** represents the amount of compensation that is supported by business-to-business transactions. **Induced labor income** is the value of employee compensation and proprietor income that comes from the household spending of the employees connected to the business/organization and supply chain.

Employment

The total number of jobs supported by direct spending or initial change in demand. This measurement does not distinguish between a full-time or part-time employee. It also does not account for employees who moved from one job to another within the defined economic region. Thus it does tend to overstate the number of jobs created.

Direct employment is the jobs supported at the business or organization responsible for the direct effects. **Indirect employment** represents the number of jobs that are supported by business-to-business transactions. **Induced employment** is the number of jobs supported by the household spending generated by the business activity.

Value Added

The contribution to the economic region's gross domestic product (GDP).

Direct value added is associated with the business or organization responsible for the direct effects. **Indirect value added** is the specific value generated by the business-to-business transaction as a result of the direct effects. **Induced value added** is the specific value associated with household spending as a result of the direct effects.

A2: VISITOR SURVEY

The visitor survey collected the primary economic impact data. The survey was administered multiple times a day at random times throughout the ArtPrize event. A Grand Valley State University student research team administered the survey. Respondents had to be 18 years old or older to be included in the survey.

During the week of the festival, there were 1,355 interview requests with 595 surveys completed. This equates to a total response rate of 44%. This response rate exceeds our targeted 383 completed surveys, with a 95% confidence level, and a 5% margin of error. Figure A2-1 presents the visitor's survey and Figure A2-3 presents the survey locations.

Figure A2-1: Visitor survey

1. Zip code: _____

2. Are you over 18? Yes _____ No _____ (If 'No' stop here)

3. Is ArtPrize the primary reason for visiting Grand Rapids? Yes _____ No _____

4. How many in your party at ArtPrize? Adults: _____ Children: _____

5. How many days do you plan to spend at ArtPrize? _____

6. How much does your party expect to spend (in the GR area) in each category as a result of attending ArtPrize? *(Total amount spent. Please put \$0 if you spent nothing)*

\$ _____ Meals-Restaurant (Full service, Limited Service, Fast Food, Food truck, etc.)

\$ _____ Retail Shopping/Other spending

\$ _____ Lodging (Hotel, Airbnb, etc.)

\$ _____ Transportation (gas, parking, Uber, etc. within the GR area)

\$ _____ Art Purchases


7. What type of accommodations are you using for ArtPrize:

_____ Commuting from home _____ Hotel/Motel _____ VRBO/Airbnb/Similar

_____ Home of family/friend _____ Other

8. What method of transportation did you use to get to ArtPrize (check all that apply):

_____ Personal vehicle/carpool _____ Public transportation _____ Walk or bike

_____ Lime scooter or bike (or other micro-mobility) _____ Other **Please Flip Over** 

9. Have you voted for an artist today? Yes _____ No _____

10. How many times have you visited ArtPrize in the past?

My first visit _____ 1 other time _____ 2 other times _____ 3-4 other times _____ 5+ other times _____

11. Because of your experience at ArtPrize, how likely are you to visit the Grand Rapids area again?

Very likely _____ Somewhat likely _____ Somewhat unlikely _____ Very unlikely _____

12. What is your main source of ArtPrize information? _____ Social Media _____ ArtPrize.org

_____ Family/Friend _____ Billboard _____ Brochure _____ Print Media

13. Gender: Male: _____ Female: _____ Transgender: _____ Prefer not to identify: _____

14. Age: _____

15. Race: _____ Asian _____ Mixed race _____ Native American _____ White or Caucasian

_____ Black or African American _____ Hispanic or Latino _____ Pacific Islander _____ Other

16. Which statement best describes your 2023 personal income:

\$26,000 or less: _____ \$26,001 to \$60,000: _____ \$60,001 to \$100,000: _____ \$100,001+ _____

17. Are you a Veteran of the U.S. Armed Forces? Yes _____ No _____

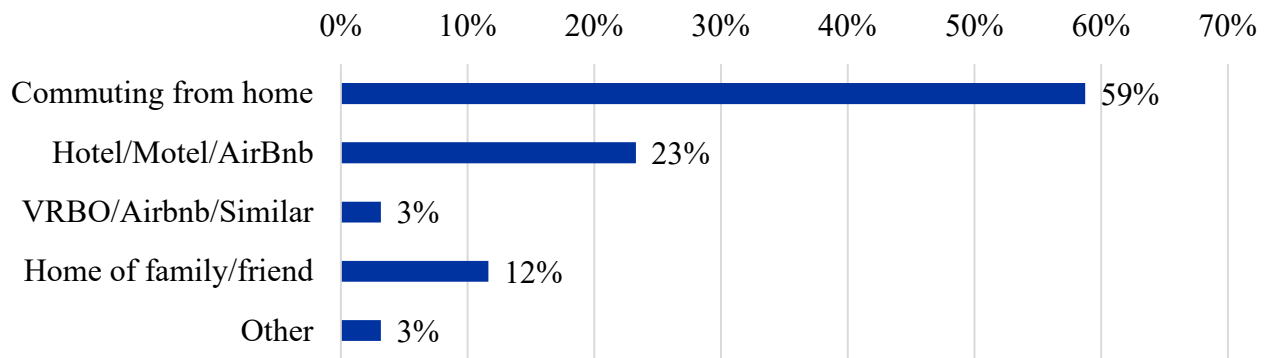
Figure A2-2: Survey locations

Location	% of Surveys
Calder Plaza/Food Trucks	21%
Ah-Nab Awen Park	46%
Rosa Parks/Monroe Center	20%
Fulton Street Area	8%
Bridge/Broadway Area	4%
HopCat Corner	1%

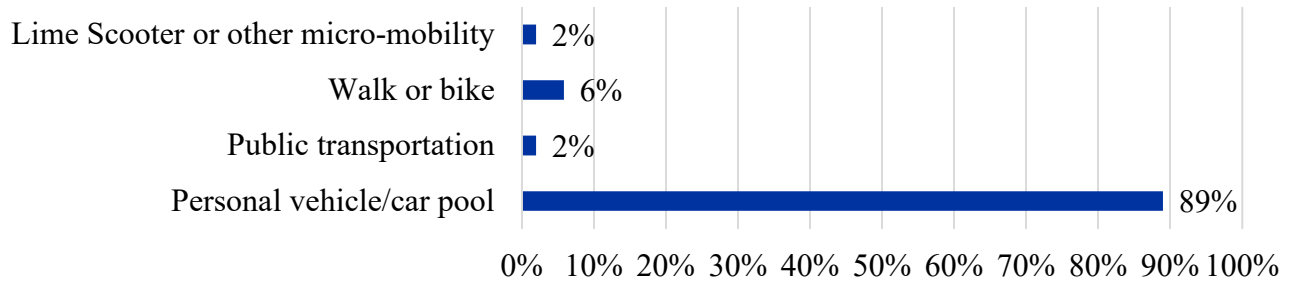
A3: VISITOR DEMOGRAPHICS

As shown in Figure A2-2, the survey asked additional questions about their visit to Grand Rapids. The tables below summarize the responses from all primary visitors.

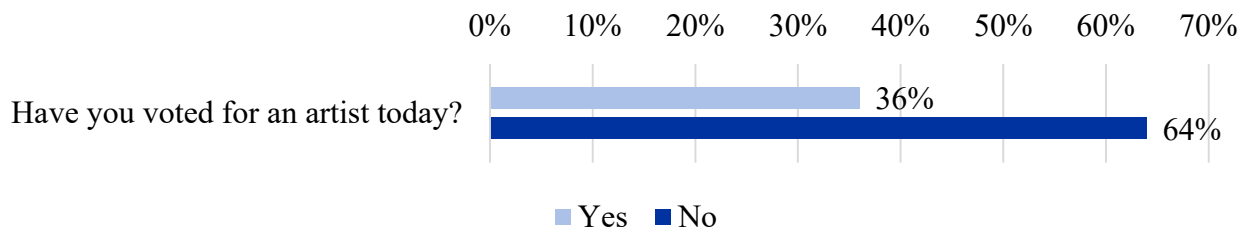
What type of accommodations are you using for ArtPrize?
(Nonlocal primary visitors)



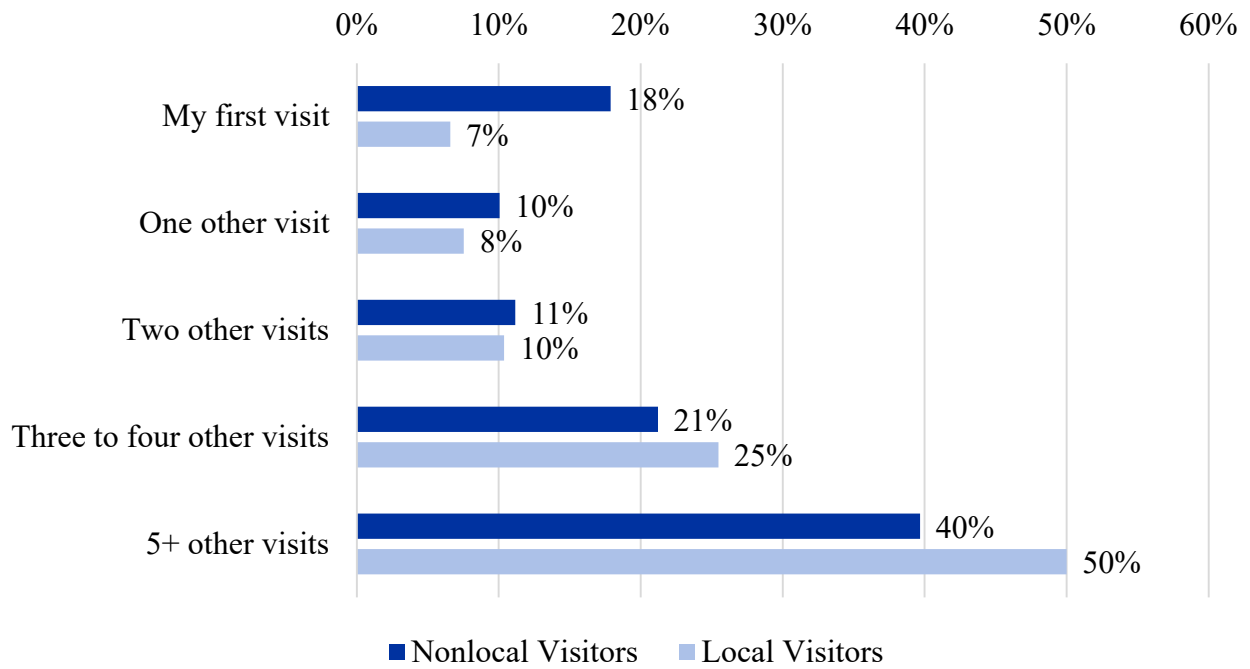
What method of transportation did you use to get to ArtPrize?
(All primary visitors)



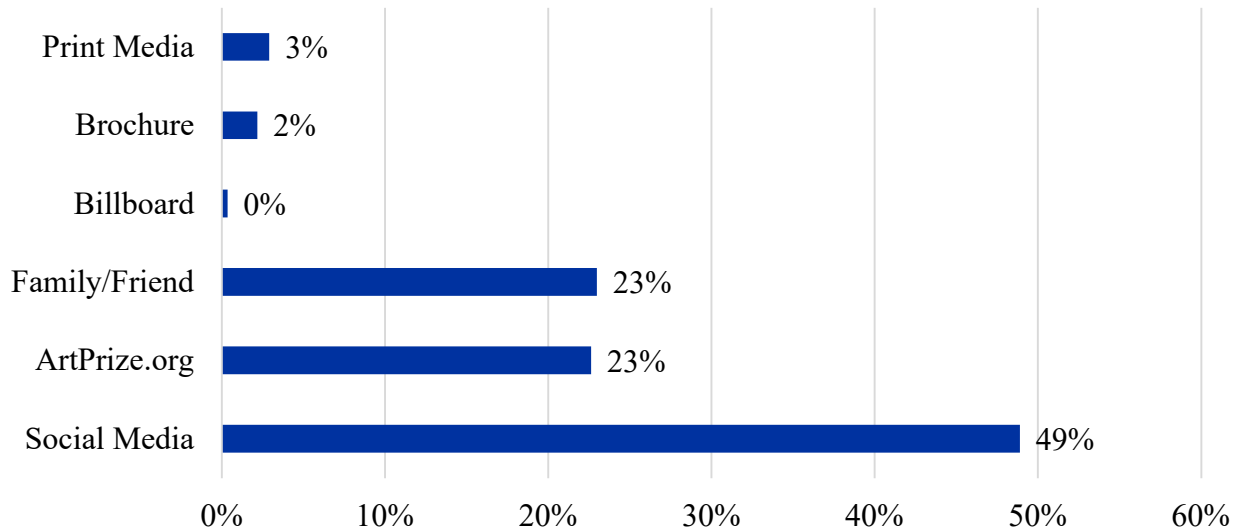
Have you voted for an artist today?
(All primary visitors)



How many times have you visited ArtPrize in the past years?



What is your main source of ArtPrize information? (All primary visitors)



Demographics of Kent County

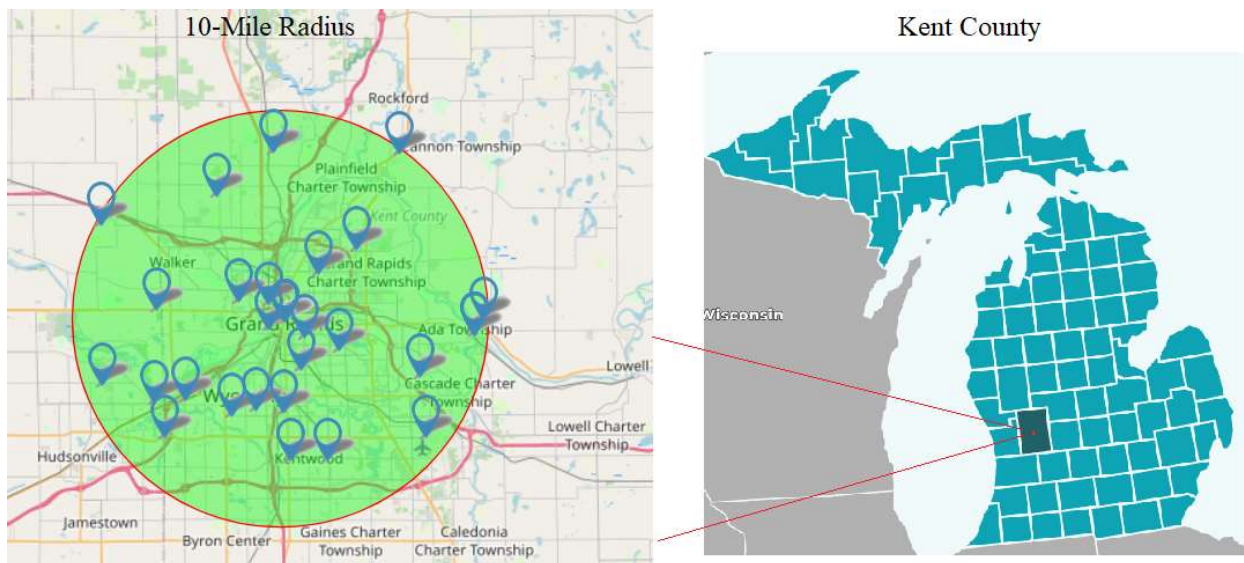
Population	659,083	Education	
Employed population	336,145	High school graduate or higher	91.4%
Median age	35.4	Bachelor's degree or higher	36.8%
Households	244,795	Income and Poverty	
Persons per household	2.62	Median household income	\$65,722
Persons under 18	23.7%	Per capita income	\$33,629
Persons 65 years and older	14.6%	Poverty rate	12.6%
Female persons	50.4%	Top 5 Employment by Industry	
Race		Health Care and Social Assistance	17.5%
White	81.8%	Retail Trade	13.3%
Black or African-American	10.7%	Manufacturing	10.1%
American Indian and Alaska Native	0.7%	Accommodation and Food Service	9.5%
Asian	3.4%	Construction	7.9%
Two or more races	3.2%	Top 5 Employment by Occupation	
Hispanic or Latino	11.3%	Sales and Related Occupations	13.2%
Housing		Management Occupations	9.9%
Median house value	\$188,500	Office & Administrative Support	8.9%
Homeownership rate	70.4%	Health Diagnosing & Treating Practitioners	7.1%
		Food Preparation Services	6.9%

A4: ESTIMATING THE NUMBER OF VISITORS AND VISITOR DAYS

ArtPrize is an open event, meaning visitors do not have to buy tickets to attend. Open venues make it difficult to accurately count visitors. Typically an orthogonal survey would be used to estimate attendance. However, the data for this purpose will be sourced from the orthogonal survey conducted in the 2022 ArtPrize economic impact study. Unlike the 2022 study, which used Kent County as the local region for visitor count, this study will use a 10-mile radius from downtown Grand Rapids (see Figure A4-1 below).²⁶ The advantage of using this new region is that it removes outlying areas within Kent County. Based on this new region, 58.12% of local residents attended ArtPrize.²⁷

Tables A4-1 and A4-2 walk you through the methodology to estimate the number of visitors and visitor days (for local and nonlocals).

Figure A4-1: 10-mile radius of downtown Grand Rapids



²⁶ Specifically, a 10-mile radius from the Pearl Street, Monroe Center Street, and Monroe Avenue intersection.

²⁷ The Kent County region will still be used for determining the economic impact.

Table A4-1: Local visitors and visitor days

		Primary visitors	Casual visitors
The population of Kent County ²⁸	506,176		
% of the local population that attended ArtPrize ²⁹	58.12%		
% Primary and casual visitors ³⁰		38.93%	61.07%
Estimated number of local adult visitors	294,165	114,518	179,647
Local visitors' children per adult ³¹	0.1506	0.1473	0.1526
Total local visitor party size	338,466	131,384	207,061
Avg. number of days spent at ArtPrize ³²	2.556	2.4700	2.613
Total local visitor days	865,120	324,517	541,049

Table A4-3: Nonlocal visitors and visitor days

		Primary visitors	Casual visitors
Total zip codes collected	587		
Total number of local zip codes ³³	270		
Total number of nonlocal zip codes	317		
The ratio of nonlocal zip codes to local zip codes	.94		
Estimated number of nonlocal visitors ³⁴	269,461		
% Primary and casual visitors ³⁵		69.26%	30.74%
Estimated adult visitors by visitor type	345,371	239,204	106,167
Nonlocal visitors' children per adult ³⁶	0.0883	0.1014	0.0591
Total nonlocal visitor party size	375,868	263,460	112,442
Avg. number of days spent at ArtPrize ³⁷	1.760	1.8400	1.5800
Total nonlocal visitor days	661,527	484,766	177,658

²⁸ Population over the age of 18. Per the Census, 23.2% of the population is under 18.

<https://www.census.gov/quickfacts/>

²⁹ Per the 2022 survey results, approximately 58.12% of the local zips collected attended ArtPrize. This percentage was used to estimate the total number of local visitors.

³⁰ Data taken from visitor survey.

³¹ Ibid

³² Ibid

³³ Based on the 10-mile radius from downtown Grand Rapids.

³⁴ Calculated as: Ratio * Estimated number of local adult visitors (see Table A4-2).

³⁵ Data taken from visitor survey.

³⁶ Ibid

³⁷ Ibid

A5: ESTIMATING VISITOR SPENDING

A5.1 ESTIMATED SPENDING: PRIMARY VISITORS

Table A5-1 shows the average spending per person, per day for all primary visitors (local and nonlocal). Data from this table was used in Figure 9 in the main report to estimate total direct spending.

Table A5-1: Estimated average spending per person, per day (PPPD) for ALL primary visitors

	All Primary	Local Primary	Nonlocal Primary
Meals	\$20.78	\$18.11	\$22.40
Retail	\$5.03	\$2.29	\$6.66
Lodging	\$16.31	\$0.00	\$25.62
Transportation	\$6.59	\$3.31	\$8.63
Art Spending	\$2.31	\$2.35	\$2.28
Total Average Spending PPPD	\$51.02	\$26.06	\$65.59

Using the average category spending for each visitor type and the number of visitor days, we can estimate total direct spending. Table A5-2 presents the total direct spending (direct effects or direct output) for each category and each type of visitor. Data from this table was used in Table 4 in the main report.

Table A5-2: Estimated total direct spending for each category and each primary visitor type

	All visitors ³⁸	Local visitors	Nonlocal visitors
Meals	\$16,735,760	\$5,877,009	\$10,858,750
Retail	\$3,971,684	\$743,145	\$3,228,539
Lodging	\$12,419,695	\$0	\$12,419,695
Transportation	\$5,257,680	\$1,074,152	\$4,183,527
Art Spending	\$1,867,881	\$762,616	\$1,105,266
Total Direct Spending	\$40,252,700	\$8,456,922	\$31,795,778

A5.2 ESTIMATED SPENDING: CASUAL VISITORS

The tables below follow the same format as that of the primary visitors (see section above). Data from these tables were used in Figure 10 in the main report to estimate total direct spending.

Table A5-3: Estimated average spending per person, per day for ALL casual visitors

	All Casual	Local Casual	Nonlocal Casual
Meals	\$20.51	\$15.80	\$30.45
Retail	\$4.70	\$4.29	\$5.55
Lodging	\$12.71	\$0.00	\$39.97
Transportation	\$4.56	\$2.40	\$9.31
Art Spending	\$2.88	\$2.62	\$3.46
Total Average Spending PPPD	\$45.36	\$25.11	\$88.74

Using the average category spending for each visitor type and the number of visitor days, we can estimate total direct spending. Data from this table was used in Table 7 in the main report.

³⁸ This was treated as the sum of local and nonlocal visitor spending.

Table A5-4: Estimated total direct spending for casual visitors

	All casual visitors ³⁹	Local casual visitors	Nonlocal casual visitors
Meals Other	\$13,958,261	\$8,548,580	\$5,409,681
Retail	\$3,307,103	\$2,321,102	\$986,001
Lodging	\$7,100,984	\$0	\$7,100,984
Transportation	\$2,952,513	\$1,298,518	\$1,653,994
Art Spending	\$2,032,245	\$1,417,549	\$614,696
Total Direct Spending	\$29,351,105	\$13,585,749	\$15,765,356

A6: ECONOMIC IMPACT OF PRIMARY VISITORS

IMPLAN was used to estimate the economic impact of visitor spending and was summarized in Table 5 and Table 6 in the main report. Per the IMPLAN model, the top five industries impacted by primary visitor spending are presented in tables A6-1 (output) and A6-2 (employment). These tables are based on all primary visitors. There is no significant change when focused solely on nonlocal spenders.

³⁹ This was treated as the sum of local and nonlocal visitor spending.

Table A6-1: Top 15 industries impacted by visitor spending stated as a percentage of indirect/induced output and total output.

Category	% of Indirect/Induced Output	% of Total Output
All Meals and Dining Industries	6%	34%
All Lodging Industries	0%	23%
All Retail Industries	6%	7%
Other real estate	10%	4%
Management of companies and enterprises	6%	2%
Owner-occupied dwellings	5%	2%
Insurance carriers, except direct life	4%	2%
Hospitals	3%	1%
Employment services	3%	1%
All Transportation	0%	1%

Table A6-2: Top 15 industries impacted by visitor spending stated as a percentage of indirect/induced employment and total employment.

Category	% of Indirect/Induced Jobs	% of Total Jobs
All Meals and Dining Industries	18%	55%
All Lodging Industries	0%	25%
All Retail Industries	12%	7%
All Transportation	2%	2%
Other real estate	12%	2%
Employment services	9%	2%
Management of companies and enterprises	7%	1%
Services to buildings	3%	1%
Accounting, tax preparation, bookkeeping, and payroll services	3%	1%
Postal service	2%	0%