

MoMA generates \$2 billion for New York, says report

Study calculates economic impact of 6.25m visitors over three years since the museum's reopening in midtown Manhattan

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The Museum of Modern Art (MoMA) in New York will generate \$2 billion in the first three years since its re-opening in Manhattan, according to a study commissioned by the institution. This figure represents not only direct spending by the museum and estimated spending by out-of-town visitors, but also the ripple effect as that money re-circulates in the local economy. The study covers the period from MoMA's reopening in November 2004 through June 2007. By the end of this time, the study estimates that MoMA will receive 6.25m visitors—28% local, 34% from elsewhere in the US and 38% from abroad.

The study has been conducted by Audience Research & Analysis (ARA), a cultural tourism firm that the museum has retained for the past decade to monitor visitors to MoMA and its contemporary art affiliate P.S.1. ARA interviewed 1,625 visitors over 12 days in May and August 2005.

To calculate MoMA's economic impact in New York, ARA analysed only the expenditures of the 16% of visitors from out-of-town whose primary purpose was to visit MoMA. The study included their spending on lodging, dining, transportation and other services. It also included MoMA salaries paid to staff who lived in New York, and museum spending on services provided by local firms.

The study also took into account resident employees and museum suppliers spending part of their MoMA incomes on local goods and services. This ripple-effect was extrapolated using a system developed by the US Department of Commerce.

By applying this formula, the study found that during the eight months the museum was open in the fiscal year 2005, MoMA generated an estimated \$732m. Including payroll, the museum directly pumped \$207m into New York and out-of-town visitors added another \$120m. The results for each of the next two fiscal years topped \$600m, yielding the \$2 billion claimed by the report. In addition, ARA estimates that by June 2007 MoMA will have generated \$93m in city and state tax revenues for New York.

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