

The Economic Impact of Children's Museums: Our Jobs, Their Jobs, All Jobs

October 9, 2018

Children's museums can tell a rich story of economic impact in the United States—a story that features job creation in both the children's museum sector and other sectors. In ACM Trends Report #2.1, we found that museums are labor-intensive institutions that have an outsized impact on the number of jobs they support. In total, children's museums support approximately **57,000 jobs** in the United States. Of those jobs, 41 percent are found *outside* museum walls. This includes businesses and industries supported by children's museums through spending on goods and services and how museum employees' spend their wages.

In this Trends Report, we explore how spending is related to job creation, how children's museums' employment and spending practice contribute to job growth, and how these institutions affect jobs in other sectors. Ultimately, this research will help children's museums tell the story of how they increase jobs in their communities, regions, and nationwide. Alongside outcomes in learning and community cohesion, employment outcomes are powerful evidence of the critical role children's museums play in their regions.

ACM TRENDS:

#2.2

ACM Trends #2.2

What Is Employment Impact?

Children's museums have **direct economic impact** on jobs in the United States. Nationwide, the museum sector employs about 372,000 people (American Alliance of Museums, 2017). Of this number, children's museums have approximately 35,000 staff members, from frontline guest services workers to executive directors. But there's more to the story than employment practices among children's museums.

Jobs are the most tangible way in which everyday people experience the impact of economic activity. When people and businesses spend money on goods and services, that money ultimately goes to supporting the jobs of those who create those goods and provide those services. In turn, those workers also spend their pay on goods and services.

Spending by children's museums and their employees magnifies that impact, with a downstream effect on jobs across local communities, regions, and the nation. Economists split this downstream impact into indirect and induced economic impacts. We first introduced these concepts in Trends Report #2.1, and here we explore what they mean for job impacts.

Children's museums pay organizations and businesses for goods and services, and in turn, those businesses spend money on goods and services to run their operations. The money children's museums pay to businesses leads to **indirect economic impact**. For instance, a children's

museum might buy special crayons for a program in which children make community art pieces. Before the crayons are delivered, the crayon company purchases boxes for packing the crayons. And before that, the box company purchases raw materials from a paper mill. And so on. Each of those companies pays its employees too.

Another type of impact is **induced economic impact**. Children's museums pay their employees, and children's museums' vendors also pay their own employees. In turn, all those workers spend money at businesses that also employ workers. Children's museums, for example, pay the crayon company, which pays the box company. All three organizations pay employees. These workers spend money at the grocery store and doctor's office. This spending contributes to jobs in those sectors as well. And so on. The money spent on goods and services by employees of a children's museum and by employees of children's museums' vendors is induced economic impact.

For every dollar a children's museum spends, that money contributes to job creation in the children's museum field, and beyond. As we saw in Trends Report #2.1, children's museums of any size have an important employment impact. On average, expenditures of \$110,000 to \$140,000 by a US-based children's museum contributes to one job in its region.

Children's Museums & the Job Ecosystem

Most children's museums tend to be modest employers. As we explored in Trends Report #1.7, the majority of children's museums are Small and Medium institutions. Medium children's museums usually have fourteen to forty employees, while Small institutions have fewer than fourteen workers.

While it might seem like employment numbers are low, each children's museum is part of an ecosystem of organizations and businesses that support their community's activities, work, and leisure. Each institution is also part of the ecosystem with other children's museums, organizations, and businesses that serve similar populations across geographic regions.

ACM Trends Reports

The Association of Children's Museums (ACM) is the world's foremost professional member service organization for the children's museum field. We leverage the collective knowledge of children's museums through convening, sharing, and dissemination. ACM has partnered with Knology to create the ACM Trends Reports. Knology is a nonprofit that produces practical social science for a better world.

ACM Trends Reports are commissioned on behalf of our membership to help advance the work of this community. They seek to draw attention to emerging issues and opportunities for elevating the field, and help our members use data to become more accountable to their mission and fiscal responsibilities. A product of collaborative efforts to collect data, the Trends Reports are an effort to support ongoing, accessible dialogue. Our objective is for this approach to be an equitable and inclusive way for museum professionals to contextualize our work and use data to produce effective outcomes.

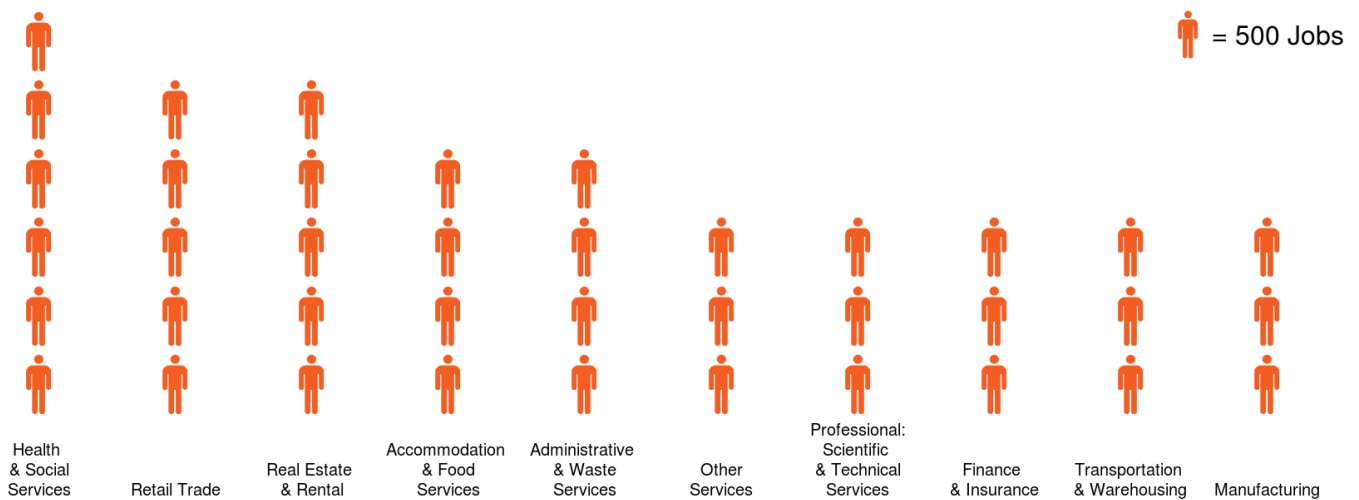


Figure 1. Top 10 industry sectors supported by the spending of children's museums and their employees in the United States.

Like any ecosystem, changing or removing one part can impact the whole system. If a children's museum ceases operations, its region would lose more than a learning space for young people. That region would also lose an important employer and economic player.

Sectors Supported by Children's Museums

Spending by the children's museums sector and their employees ultimately contributes to approximately 24,000 jobs outside of the institutions themselves – these jobs represent part of children's museums indirect and induced impact. These jobs are distributed across 500 industries that can be organized into different industry sectors. Figure 1 shows how children's museums and employees' spending affect employment in ten sectors.

Children's museums and their staff make the biggest employment impact in the health and social services sector. It's likely that this impact comes from spending by workers in the children's museums sector, who pay for services at doctor and dentist's offices, hospitals, and nursing care facilities. Spending by both institutions and employees in the children's museum field affect the next three sectors supported by the children's museum field: retail, real estate, and food services. In the accommodations and food services sector, for instance, a

children's museum may purchase catering for an event, while staff may spend money at restaurants on their own time. Meanwhile, employment impacts in the administrative and waste services sector are likely primarily influenced by museum spending on facilities management and bookkeepers, among other roles.

Employment impacts in other sectors may be surprising. The goods and services purchased across the children's museums sector noticeably influence jobs in the warehousing and manufacturing sectors. These sectors likely are involved in producing materials for programs.

The Takeaway

Children's museum leaders are familiar with their impacts on supporting children as discoverers and self-directed learners. These leaders also know well that their institutions help build strong, safe communities. However, professionals in this field tend not to talk about the economic impacts of their museums, and those of the entire sector.

Jobs are the most tangible way that everyday people experience the impact of economic activity. For this reason, supporting jobs matters a great deal to those who could support the efforts of children's museums in their communities. This Trends Report explains how children's

museums can tell the story of their impact on jobs through their own spending and the spending of employees. These institutions support job creation in many fields, especially in the health services, retail, real estate, and hospitality sectors.

Many organizations and leaders care about job creation, particularly philanthropists, government officials, chambers of commerce, business improvement districts, and other community service organizations. Telling a story that includes both employment impacts and learning outcomes can paint a vivid, holistic picture of how a children's museum contributes to regional vitality.

About This Research

To assess the employment impact of children's museums, we aggregated data from four sources: Data on the direct economic impacts of children's museum spending come from the 2016 Membership Survey (n = 113), ACM's Member database (n = 284), and from the forms 990 and 990EZ submitted to the Guidestar nonprofit organization database (n = 489, of which n = 312 were not ACM members). Based on these sources, the direct economic impact of children's museums was \$1.5 Billion in spending, approximately half of which was paid to approximately 35,000 employees, and the other half was paid to vendors and other businesses.

Data on the indirect and induced economic impacts come from IMPLAN: Economic Impact Analysis software. IMPLAN tracks the spending patterns of 536 industries and those employed in those sectors. The software uses those spending patterns to predict the indirect and induced economic effects of spending in a particular sector. Our analysis uses the predictions for the industry sector that includes museums, historical sites, zoos, and

parks. We used children's museums' data to understand these institutions' employment impact.

The industry sectors used by IMPLAN and reported in Figure 1 come from the North American Industry Classification System, developed used by the United States Census Bureau (2017).

References

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IMPLAN

This Trends report was prepared with the proprietary database developed by IMPLAN Group LLC.



Started in 1962, the Association of Children's Museums (ACM) is the world's foremost professional member service organization for the children's museum field. With more than 400 members in 48 states and 20 countries, we leverage the collective knowledge of children's museums through convening, sharing, and dissemination.

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The authors are solely responsible for the content in this report.

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