

THE ECONOMIC IMPACT OF THE BOYD THEATRE



CLIENT

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Econsult Corporation (Econsult) was requested by the Goldenberg Group to carry out a comprehensive analysis of the estimated economic impacts attributable to a restored Boyd Theatre, which would be in operation beginning in 2005. The impacts measured for the study are those that would occur in the Philadelphia region (the Region) as well as in the state of Pennsylvania. The Region is defined to include five counties in Pennsylvania (Philadelphia, Bucks, Chester, Delaware, and Montgomery) and three counties in New Jersey (Camden, Gloucester and Burlington).

As part of the analysis, Econsult (in association with staff of the Goldenberg Group) first defined the direct economic impacts that could directly be attributed to the restoration of the Boyd. Next, Econsult calculated direct impacts attributable to performances at the Boyd during 2005, 2006 and 2007. These include the expenditures related to the staging of the actual performances, including all operating expenditures of the Boyd itself, including fees paid to performers and salaries to the organization's employees, expenditures for administration of the organizations, rents, business services (legal, accounting, insurance), utilities, various supplies, and promotional advertising.

Another layer of economic activity directly related to performances are the concessions and other retail expenditures (such as T-shirts and souvenirs) made during performances, performance-related parking expenditures and various activities in restaurants, bars and hotels by patrons. These expenditures were estimated separately.

At the conclusion of the study, Econsult estimated that in the first year of planned operations, Boyd Theatre operating expenditures would total \$20.1 million. These expenditures would generate another \$40 million in indirect and induced expenditures, and would generate a total of \$13.4 million in wages and salaries for 520 workers in the Region. Patrons of the Boyd Theatre would also generate significant economic activity through their ancillary spending on parking, restaurants, retail, transportation, and, for some, hotels. Based on national survey data, it is estimated that a conservative level of ancillary spending per Boyd patron would be \$45. For 2005, this would generate approximately \$20.6 million in expenditures, which would in turn generate another \$33.5 million in indirect and induced expenditures. Finally, an estimate of the total taxes generated in Pennsylvania, New Jersey and the Region was also calculated. For 2005, it was found that Boyd Theatre expenditures, patron spending and all indirect and induced activity in turn would generate \$9 million in tax revenues.