ERS
Research and Consultancy

Impact Toolkit for Archives and Museums

Guidance

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A IMPACT TOOLKIT INTRODUCTION

What is economic impact?

Economic impact analysis can be an important and useful way for museums, archives, visitor attractions, events and other businesses to demonstrate (to themselves and local, regional and national stakeholders) the value that they add to the local economy.

Economic impact is a means to illustrate what the economic benefits of an organisation's event, business or attraction might be. At a basic level, when assessing the economic impact of an organisation it considers:

- The scale and geographical location of expenditure on goods and services by that organisation;
- The scale and geographical location of expenditure on employees by that organisation; and
- The scale, geographical origin and length of stay of visitors and their associated expenditure attributed to the operation of that organisation.

This toolkit was commissioned by ALMA-UK to establish a consistent approach to impact assessment across the sector. It has been developed with an emphasis on maximising usability and usefulness, providing a tool that can be applied by an individual organisation but also allow for aggregation more widely across the sector.

The toolkit consists of a series of calculations based on data provided by organisations to generate details of the impact of the organisation on the local economy, which are expressed:

- Financially (based on additional expenditure generated by an organisation's operation);
- In terms of employment (looking at your organisation's employment levels in addition to the employment generated through procurement and visitor related expenditure)
- By Gross Value Added (used to measure the contribution to the economy (informs the calculation of Gross Domestic Product (GDP).

B GUIDE TO COMPLETING THE ECONOMIC IMPACT TOOLKIT

This economic impact toolkit has been developed to help archives and museums to estimate the impact their organisation has on the local economy. The toolkit is divided into four key sections:

1. Organisation background and procurement details
2. Expenditure on employees (salary costs)
3. Visitor related impacts
4. Overall impacts derived from the above

Within each section there are a series of yellow cells and a series of green cells. You should only enter information into yellow cells. The green cells will automatically calculate impact figures based on the numbers you have entered.

1. Organisation background and procurement details

On the organisation background and procurement worksheet (worksheet 1), please provide the name of your organisation, the local authority area and the region/country in which it is based using the drop down lists provided.

Non-salaried operational expenditure relates to all annual expenditure that is not related to the payment of salaries for existing staff (part time, temporary or full time). You then need to divide your organisation's spend based on the location of the supplier that has provided you with services or goods. The supplier location is split firstly within your local authority area, then within the region (if in England) or nation (if within one of the home nations) and finally outside of your region (if in England) or nation (if located within a home nation). At the local area level, if you are located on, or very near to the border with another local authority area both local authority areas could be considered "your local area".

Spend incurred in your local area will, in turn, generate subsequent spend elsewhere within the area (for example, if you were to spend money on a local cleaning firm, your spending would contribute to the cleaners' earnings, allowing them to spend their money locally).

Spend incurred on suppliers operating outside of your local area is considered to be “leakage” (for example if your website is developed by a supplier based elsewhere within the country, your expenditure becomes their income to spend where they live) and this has little or no impact on the local economy within which you are based.

Unfortunately it is extremely difficult to procure entirely from local suppliers, but boosting the level of local procurement can help to boost the local impact of your organisation. The local area in this instance has been attributed to the local authority area within which your organisation is based.

Calculate your annual expenditure (excluding salaries) for the last financial year that went to local suppliers and enter this in cell B10. The balancing value (your entire non-salaried expenditure outside of the local area) should be entered in cell B11. The green cell on that page will provide an initial impact of the expenditure in financial terms.

2. Employee Expenditure

This worksheet (worksheet 2) focuses on the expenditure on personnel/staff employed by your organisation.

First you need to calculate the full time equivalent (FTE) number of employees employed by your organisation. If you have specific hours for part time employees you should be able to calculate their FTE fairly easily. If you don’t have these details, or their hours are flexible, a broad rule of thumb is:

2 Part Time Employees = 1 FTE

Once you have calculated the number of full time equivalent employees you need to place these in the broad salary bandings provided. By assigning a broad salary to each employee we are able to calculate the likely scale of impact they have on the local economy (for example, someone earning £150,000 a year clearly has much greater spending power and the potential to generate greater levels of expenditure related impact in a local area than someone earning £7,500 a year).

In these cells (rows 9 and 10) please just enter the number of full time equivalent staff that are based within each salary bracket. These do not necessarily need to be whole numbers (you could have 1.5 FTEs for example). When placing the employees in their respective salary brackets please consider whether these employees **live locally** (that is within the local authority area), locally based employees should be included in row 10, those who live within the region/home nation where your organisation is based should be entered in row 11 and **include** those from row 10 in this calculation with those living outside of the region/nation placed in row 12.

The location is critical as the approach is based on the assumption that those living further away and commuting in to the local authority for work are spending their salaries near where they live, “leaking” outside of the local authority where the organisation employing them is based.

For volunteering impacts simply provide details of the typical estimated total number of volunteer hours delivered over a specific time period (week, month or year – choose from the drop down list) and the tool will calculate the equivalent value for this time.

3. *Visitor Related Impacts*

A further impact of museums and archives is the additional expenditure generated by visitors to your organisation. Visitors tend to spend money in the local area (for example going out for dinner, buying lunch or staying over night in hotels). This expenditure is only considered to be additional if visitors are arriving from outside of the local area, (local residents who visit your organisation would have spent money in the local area anyway so it would be contentious to consider this expenditure as additional).

For this spreadsheet (worksheet 3) you can choose which column to complete based on the type of organisation that you are (museum or archive) and whether you have your own visitor information data.

Benchmark Columns

For the columns described as “benchmark” you only need to provide details of the annual number of visits your receive and the estimated proportion of these (as a percentage) that are repeat visitors. The spreadsheet will then use a combination of regional and national benchmarks to assign impact figures to the visitor numbers you have entered.

The museum benchmark figures are based on limited information so are not as robust as those for the archives. We would therefore encourage museums in particular to embark on more extensive visitor profiling (see Section C following this guide for an outline as to how to go about this) to help provide a more accurate assessment of your organisation’s impact.

“Own Data Columns”

If you are able to provide additional visitor data then we suggest using the “own data columns” – (Column C for museums, Column F for archives). Within these columns the “tiers” progressively demand more complex data. However you only need complete a full tier to get values to support your economic impact assessment. The higher the tier, the more accurate and robust the assessment.

The toolkit will only analyse data from the highest tier that has been fully completed. Tier 1, for example, only requires data in relation to visitor numbers, the proportion of repeat visitors and the proportion that you perceive to be local. Tier 2 requires further information on non-local visitors (for example, whether they are staying over night). This information is important as research is available at a regional level that provides detail on the typical spend per visitor with these figures applied to the number of non-local visitors to your organisation.

The highest tier (Tier 3) requires details on the proportion of non-local visitors that state that your organisation was a “driver” behind them visiting this location. Information in relation to this tier is useful as it provides an accurate assessment of the number of additional visitors to the area specifically as a result of your organisation operating in that area. It is inaccurate to attribute all non-local visitors to your organisation as additional as a proportion of these are likely to be visiting the area for other reasons and visit your organisation as a part of that stay. **Do not worry if you are unable to provide these figures as the toolkit will simply utilise benchmark data to inform the assessment.**

4. Overall Impact

The overall impact worksheet pulls together all the values that have been calculated into one easy-to-view table. The table provides details of your organisation’s total impact in the local area based on jobs created as a result of your organisation’s operation (not just the direct jobs generated through employment at your organisation but also those created through expenditure and visitor-related spending (sometimes called the indirect and induced impacts) generated through your organisation’s existence.

The next cell calculates the net additional expenditure in the local economy generated by your organisation. This captures all expenditure locally, be it procurement, employment or visitor related.

The final cell calculates the gross value added (GVA). This measures the contribution to the economy of each individual organisation and is the measure most typically used by government. It is derived from national ratio benchmarks calculated from the Annual Business Inquiry and is an approach typically used within impact assessments.

C GUIDE TO VISITOR PROFILING

Identifying the profile of visitors has become increasingly important in recent years in order to inform investment and business planning decisions. Gaining key information on the origin of, rationale for and complementary activities (including related expenditure) associated with these visits is also crucial in improving the robustness of information used to inform economic impact assessments and assist you to better understand your clientele and market.

This guide is aimed at organisations without access to dedicated audience research resources and represents a core methodology that can be built upon on an institution by institution basis according to local circumstances and research objectives.

Timing of your Research

The timing and frequency of any research undertaken should look to reflect a broad average of your annual visitor profile, e.g. undertaking one exercise in peak season during the opening week of a new exhibition would skew annualised figures considerably.

The timing of the research should take into account a range of factors including:

- The number of visitors at any time;
- Any concurrent special events (either at your organisation or locally);
- Opening times;
- Special offers;
- Transport issues; and
- Weather.

Depending on the level of resources available, i.e. asking each visitor would be inappropriate or impractical; the timing should look to produce an average set of responses which cancels out peaks and troughs linked to the above factors. For example, for a museum that attracts the majority of its visitors in the summer months, we would recommend four distinct exercises – one at the height of the ‘visitor season’, one in each of the shoulder seasons, e.g. the months falling between the peak and low seasons of your seasonal sales cycle and another in low season.

Identifying your Questions

Questions used to profile visitors at different organisations should incorporate:

1. Consistently designed core questions that describe visitors and their visits.
2. Adaptations based on the method of research utilised, e.g. face-to-face interviews, online, self-completion.

Although not exhaustive, the questions below address basic demographic and visit-related information. We have used a format for surveys administered by an interviewer. Straightforward modifications are required if a self-completion methodology is employed.

Overall, it is crucial that your questionnaire is accurate and 'reads' well, and that interviewers adhere to the correct question order and content. It is also important to always allow the opportunity for respondents to state 'don't know' or 'I'd prefer not to respond', especially where questions may be considered personal, such as those linked to finances.

Question Content

The core set of information required revolves around the Additional Visitor Spend associated with a sample of visitors and incorporates a selection of key questions (supported by multiple choice answers to aid responses) including:

- Where is your normal place of residence?
- What is the main reason for your visit to the area?
- To what extent did the >> name of museum or archive << influence your trip to the area?
- During your trip, do you intend to, or have you visited any other attractions?
- Is your visit part of a wider trip?
- How many nights away from home are you spending in the area (local authority)?
- What type of accommodation are you using?
- How much have you spent on accommodation, meals and drinks (excluding your accommodation), admission fees, 'tourist' shopping' transport etc?

Research Methods

A range of potential research methods are outlined below including an analysis of the pros and cons of using them.

A. Retrospective Surveys of Visitors

The degree to which this methodology can be used will be dependent on the quality of the visitor contact information maintained by each organisation. Surveys could be completed in three ways or a combination of each.

E-surveys *- a questionnaire is disseminated to the visitor via an emailed link to a web-based survey*

Advantages

- Provides significant efficiencies in terms of reduced costs of contacting and receiving responses from a large number of people in a short period of time.

- A good response rate can be encouraged by offering a prize draw, e.g. a gift voucher in the organisation's gift shop to those responding. A follow-up email can also help to achieve a robust sample or explore interesting results with specific respondents in more detail.

- Allows respondents to complete the survey in their own time and around other commitments.

- Can double as a marketing tool.

Disadvantages

- Implementing the e-survey is dependent on the availability of visitor email data.

- The nature of the approach can restrict access for those without access to email and/or the internet.

- Response rates are generally low – 10-15% on average.

Telephone Interviews *– the questionnaire would be completed by telephone either by a member of staff or outsourced*

Advantages

- Provides scope for greater (qualitative) detail to be obtained than possible through self-completion methods.
- Allows respondents to query the rationale and expected answers from the questions to increase the robustness of the eventual data.
- Can be completed during 'quieter' moments to enhance staff productivity.
- Response rates are generally high – 20-25% on average.

Disadvantages

- Implementing the telephone survey is dependent on the availability of visitor contact data.
- The nature of the approach can be a little 'hit and miss' with people not being in a position to respond immediately.
- There are resource implications as this approach requires staff time or the cost of outsourcing.

Postal Surveys *– the questionnaire is posted to visitors to be self competed and returned typically in a free post envelope*

Advantages

- Costs can be relatively low.
- Can double as a marketing tool.

Disadvantages

- Implementing the postal survey is dependent on the availability of visitor address data.
- Can take a degree of administration to implement.
- Response rates are generally low – 10% on average.
- Responses are returned at a slower rate.

B. Undertaking Surveys of Visitors at the Time of their Visit

Surveys could be completed in two ways or a combination of both.

Face-to-face interviews *– the survey is undertaken with visitors on site and in person either by in-house staff or outsourced*

Advantages

- Costs can be relatively low if integrated into 'everyday' activities.
- Scope to achieve a high response rate.
- Provides scope for greater (qualitative) detail to be obtained than possible through self-completion methods.
- Allows respondents to query the rationale and expected answers from the questions to increase the robustness of the eventual data.
- Personal approach can be appreciated by visitors.
- Approach can add value to visitor experience.

Disadvantages

- Can require some investment in technology depending on number of visitors to be sampled and length of questionnaire.
- There are resource implications as this approach requires staff time or the cost of outsourcing.

Self-completion *– a questionnaire is offered to visitors on arrival to be completed on site ideally (or returned shortly afterwards)*

Advantages

- Costs can be relatively low if integrated into 'everyday' activities.
- Scope to achieve a relatively high response rate.
- Takes less time than the face-to-face approach (useful in busy periods)
- Can inform retrospective approaches to visitor profiling through collection of contact information.

Disadvantages

- May impair the visitor experience for some resulting in non-completion

D FURTHER INFORMATION

Some examples of an audience survey incorporating the types of questions described above include the following:

- The PSQG visitor survey for archives can be found on the following link. It provides all the questions (and more) to enable visitor profiling to be undertaken to inform your impact assessment – please see section B in particular:

  http://www.nca.org.uk/research_and_development/survey/psqg_survey_of_visitors_to_uk_archives_2007

- For further reading on approaches please refer to the UK Sport Event Impacts Document on the following link:

  http://www.eventimpacts.com/project/project/

Data Sources

- Impact approach (utilising leakage, displacement and multiplier effects) informed by Additionality Guide: A standard approach to assessing the additional impact of interventions, Third Ed. 2008, English Partnerships and RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework, BIS (Dec 2009)

- Benchmark displacement (15% at the local level) and multiplier (1.25 at the local level) indicators derived from: Research to Improve the Assessment of Additionality, BIS Occasional Paper – October 2009 (leakage is derived from actual figures)

- Museum visitor benchmark figures derived from: Assessment of the Contribution of Museums Libraries and Archives to the Visitor Economy - Roger Tym & Partners (2008)

- Benchmark Visitors spend derived from: UK Tourism Survey 2010 (average spend per night figures) and Day visitor spend from Visit England Survey (2005) – inflationary impacts applied to figures

- GVA figures informed by GVA Turnover Ratios, derived from Annual Business Survey (ABS) regional turnover and GVA figures (2009) – released 28th July 2011.

- Archive visitor benchmark figures derived from: PSQG Survey of Visitors to UK Archives 2009, CIPFA