



Contact: Kate Berner, [kberner@skdknick.com](mailto:kberner@skdknick.com)

### **Obama Presidential Center Economic Impact Assessment Key Findings**

Today the Obama Foundation released an Economic Impact Assessment that estimates the potential economic impact that the Obama Presidential Center (OPC) will have on the South Side of Chicago, Cook County and the State of Illinois. The economic impact includes both potential jobs created as well as the estimated increase in tax revenue attributed to construction and ongoing operations of the OPC.

#### **TOURISM**

Among the elements that have the most potential to be transformative for the City of Chicago and the South Side is the number of people who will come to visit the Obama Presidential Center (OPC), and, with the right mix of opportunities, stay to explore the South Side.

<b>Expected Number of Visitors</b>
The OPC is expected to attract 625,000 to 760,000 visitors annually following a period of higher visitorship in the first few years.

The first few years after opening the OPC may have significantly higher visitor numbers based on patterns observed at other presidential centers. Furthermore, the range of visitors provided above is a conservative estimate. Because of the historic nature of the Obama presidency, the OPC's location in an urban area surrounded by other cultural attractions, and its mission to serve as a hub for civic engagement, there is reason to believe the true number of visitors could be significantly higher.

#### **JOB CREATION**

More than just a museum, the Obama Presidential Center intends to serve as a community center and catalyst for local economic development.

<b>Phase</b>	<b>South Side Jobs Created &amp; Income Generated (Estimated)</b>	<b>Cook County Jobs Created &amp; Income Generated (Estimated)</b>
<b>Construction</b>	1407 jobs/\$86M in additional income	4945 jobs/\$296M in additional income
<b>Ongoing Operations</b>	2175 jobs/\$81M in annual income	2536 jobs/\$104M in annual income

#### **SUPPORTING CHICAGO'S ECONOMY**

OPC visitors may generate additional income for local business owners in Chicago and on the South Side.

Phase	Expected Economic Impact for South Side Businesses	Expected Economic Impact for Cook County Businesses
<b>Construction</b>	\$339M	\$675M
<b>Ongoing Operations</b>	\$177M annually	\$246M annually
<b>Ten Year Impact</b>	\$2.1B	\$3.1B

### INCLUSION & DIVERSITY

The Obama Foundation announced an Inclusion Council last year to help establish strategies and goals that promote diverse and inclusive business practices.

The Inclusion Council will be releasing specific targets for minority and women-led business hiring alongside other recommendations for policies that will support a more inclusive workplace. The Inclusion Council will oversee and release a public audit to ensure the Obama Foundation is tracking well against the goals it sets for itself.

### TAX REVENUE

Increased visitor expenditures and increased income are estimated to generate increased taxes for the city and state.

Phase	Taxes Generated (Est.)
<b>Construction</b>	\$16.5M in tax revenue
<b>Ongoing Operations</b>	\$11.3M in tax revenue annually

### COMMUNITY DEVELOPMENT

Across the South Side, there are numerous investments that are currently not modeled but may positively affect the underlying economy. The decisions of private companies and other organizations to relocate to the South Side could significantly increase the overall economic impact of the OPC. This pattern has been observed with other presidential centers.

There are already several community development projects that have been publically announced and provide context for how investments may impact the economy.

Community Development Category	Community Benefit
<b>Transportation &amp; Infrastructure</b>	Public transportation and accessibility are critically important to the neighborhood's sense of place and connection with the broader city. An example of a transportation project that may impact the South Side is the renovation of any major Metra or CTA stations near or around Jackson Park or nearby Washington Park.
<b>Affordable Housing &amp; Private Developments</b>	Mixed-use developments incorporate housing, commercial, and public space in

	<p>one integrated development, potentially creating centers of community development by incorporating many aspects of community life in one location. The Preservation of Affordable Housing (POAH), a nonprofit developer, is currently working on two mixed-use and mixed-income developments on the South Side.</p>
<p><b>Arts &amp; Culture</b></p>	<p>The Arts Block Initiative is a collaboration between the University of Chicago and the Washington Park neighborhood. The Arts Block seeks to transform the Washington Park neighborhood by filling vacant buildings and spaces with arts, cultural, and community institutions. In 2016, the University of Chicago announced a plan to raise ten million dollars in private funding to build a Green Line Arts Center as part of the Arts Block site. The economic impact of the Arts Block may continue to grow as plans to build the Green Line Arts Center are finalized and construction begins.</p>

## METHODOLOGY

The economic impact assessment was conducted using an input-output methodology, which analyzes the relationship between businesses and between businesses and consumers to capture all of the monetary transactions (spending of money and consumption of goods and services) occurring in a study region’s economy. The software package IMPLAN, provided by the IMPLAN Group LLC, was utilized to conduct the analysis. These transactions continue to occur and to flow through the economy until, due to spending/consumption outside of the chosen study region, they no longer have an impact. The measurement of these transaction and their subsequent effects at a specific point in time is a measurement of economic impact.

Three study regions were selected on which to analyze the economic impact of the OPC and the Obama Foundation. These study regions included Cook County, the State of Illinois, and the South Side of Chicago. The Cook County study region was selected to demonstrate the economic impact to the City of Chicago.

The assumptions and inputs used in the model were refined by interviews with primary stakeholders, comparable institutions, and careful analysis of possible scenarios. Multipliers based on study region, industry linkages, and a variety of other factors were applied to the inputs used in the model, which results in estimates of the total effects

and outputs. These effects are further defined by the following categories:

- 1) *Output*: Total increase in production for industries supported by the project, interpreted as the total increase in sales value or gross local product that is realized by a study region. Output is the main indicator of economic impact because it measures the total economic impact;
- 2) *Employment*: Total jobs created and supported by the project on an ongoing and temporary basis; and
- 3) *Labor Income*: Total increase in payroll for industries supported by the project, including wages and salaries of workers, self-employed individuals, and income received by private business owners.

The economic impact was measured across four activities: the construction of the OPC, the annual payroll and operations expenditures, programming and special events, and the expenditures made by visitors. The economic impact was measured during the construction and start-up period of the OPC (2015-2021) and on an annual basis for the years following 2022.

*The estimated economic impact calculations in this report are based on an assessment conducted by Deloitte Consulting LLP.*

###