



Memorandum:  
The Estimated Economic Impact of the Grand Haven  
Children's Museum  
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# ESTIMATED ECONOMIC IMPACT



The estimated economic impact is based on the financial projections and the business plan provided by the Grand Haven Children's Museum (GHCM). The benefit transfer method was used to determine visitor counts and spending data.<sup>1</sup> The economic impact is estimated using the IMPLAN model.

The GHCM projected annual attendance would range from 145,000 to 165,000 visitors per year. For this analysis, we used the mean of the two projections (155,000 visitors). Using the benefit transfer method, we estimated 53% of the visitors would be non-local and 67% of those nonlocal visitors would be considered “primary visitors” and they would visit 1.08 days per visit.<sup>2</sup> Utilizing the same benefit transfer method, we estimate 30% of the local visitors would be considered “primary visitors” and they would visit 1.0 days per visit. The total number of visitors is presented in Table 1 below.

**Table 1:** Total visitors based on visitor type

	All visitors	Primary visitors	Casual visitors <sup>3</sup>
Local visitors	72,850	21,921	50,929
Nonlocal visitors	82,150	55,041	27,110
Total visitors	155,000	76,961	78,039

We estimate nonlocal primary visitors will spend \$59.76 per person, per day and local primary visitors will spend \$21.03 per person, per day. These estimates were obtained using the benefit transfer method and adjusted for inflation (2025 dollars). Based on these estimates, the projected economic impact of visitor spending is presented in Table 2.

<sup>1</sup> Data was taken from the Economic Impact of Grand Rapids Public Museum 2020 study.

<sup>2</sup> A nonlocal visitor is one that resides outside of Ottawa County, Michigan. A primary visitors is one who states their primary reason for their visit to Ottawa County was the GHCM.

<sup>3</sup> These visitors were already in Ottawa County for other reasons (family outings, relatives, business, etc). Generally, the spending of these visitors cannot be included in the economic impact because they were already in town, and they would likely have spent the money regardless of their visit to GHCM.

**Table 2:** Estimated annual economic impact of primary visitor spending

<b>All Primary Visitors</b>	Direct Spending	Employment	Labor Income	Value Added (GDP)	Output
Local Primary Visitors	\$461,000	4	\$138,000	\$227,000	\$421,000
Nonlocal Primary Visitors	\$3.5M	29	\$1.1M	\$1.9M	\$3.3M
Total economic impact	\$4.0M	33	\$1.2M	\$2.1M	\$3.7M

The economic impact of GHCM operational spending is based on five-year projections provided by GHCM. The financial projections stabilized in year five, therefore we used that year for this analysis. The estimated economic impact of operational spending is presented in Table 3 and the overall total estimated economic impact of GHCM is presented in Table 4.

**Table 3:** Estimated economic impact of operational spending

	Direct Spending	Employment	Labor Income	Value Added (GDP)	Output
Operational spending	\$1.5M	16	\$1.2M	\$1.4M	\$2.1M

**Table 4:** Estimated total annual economic impact of GHCM

	Direct Spending	Employment	Labor Income	Value Added (GDP)	Output
Local Primary Visitors	\$4.0M	33	\$1.2M	\$2.1M	\$3.7M
Operational Spending	\$1.5M	16	\$1.2M	\$1.4M	\$2.1M
Total economic impact	\$5.5M	49	\$2.4M	\$3.5M	\$5.8M

GHCM estimated \$5 million in construction to build the new museum. Assuming 72% is spent locally, the estimated economic impact of construction is \$4.2 million in economic output, \$2.0 million in earnings, and support for 27 jobs. It should be noted this impact only occurs during the construction phase and is not adjusted for inflation or labor supply conditions.

The increase in economic activity also produces additional tax revenue at the local, state, and federal levels. The IMPLAN economic model estimates these fiscal impacts. The tax at the county and sub-county levels consists of property taxes. At the state level, the majority of the tax is sales tax. We only included nonlocal primary visitors in the fiscal analysis as this is considered ‘new’ tax revenue.

**Table 5:** Fiscal annual impact of nonlocal primary visitors

	Ottawa County	Sub-County: Municipalities	Sub-County: Special Districts	Michigan
Direct Impact	\$16,251	\$22,943	\$59,357	\$135,725
Indirect Impact	\$1,119	\$1,584	\$4,064	\$11,439
Induced Impact	\$1,208	\$1,695	\$4,247	\$11,449
Total Impact	\$18,578	\$26,221	\$67,667	\$158,613

**Disclaimer:**

All figures used estimates and are subject to change. The use of generalizations and assumptions increases the margin of error in the data. A formal economic impact study would require visitor surveying, more detailed operational spending data, and a detailed breakdown of construction spending.