

Measuring Economic Impacts of Historic Preservation

A Report to the Advisory Council on Historic Preservation

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Executive Summary

This study, commissioned by the Advisory Council on Historic Preservation (ACHP) with funding assistance from the U.S. Department of Commerce, Economic Development Administration, seeks to identify a finite number of indicators that can be used to regularly, consistently, meaningfully, and credibly measure the economic impact of historic preservation over time.

This interest in the economic aspects of historic preservation is a reflection of how the preservation movement has evolved over time. The historic preservation movement began in the United States a century and a half ago. Many of the philosophical and legal approaches to preservation in America were taken from countries in Western Europe. But over the last 150 years American historic preservation has responded to the particular American political and economic context.



Keene, NH

Today historic preservation is a complex matrix of laws, incentives, policies, and advocacy groups at the national, state, and local level. There is active participation from the public, private, and non-profit sectors. This network of interests spans geographical, political, social, and economic perspectives.

More importantly, however, historic preservation has become a fundamental tool for strengthening American communities. It has proven to be an effective tool for a wide range of public goals including small business incubation, affordable housing, sustainable development, neighborhood stabilization, center city revitalization, job creation, promotion of the arts and culture, small town renewal, heritage tourism, economic development, and others.

It was to better understand the economic roles and impact of historic preservation that this study was commissioned.

In meeting the goals for this study five specific steps were taken:

- An extensive literature review of the preservation/economics link was undertaken to understand what has been measured, by whom, how, and what have been the general findings.
- Interviews were conducted among knowledgeable parties in the public, private, and non-profit sectors. Interviewees were selected based on two criteria: their knowledge, expertise, and/or

experience in historic preservation, and the likelihood that they would be potential users of historic preservation economic data if it were available.

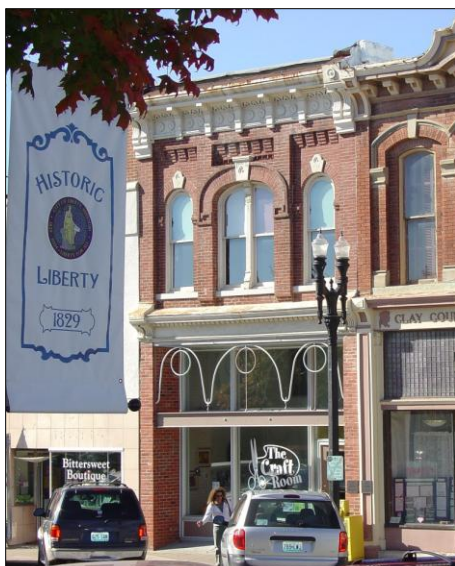
- An international symposium was held to better understand the current best practices in preservation economics analysis and to receive recommendations from scholars and practitioners in the field.
- Interim briefings and updates were provided to the ACHP for comments and suggestions.
- The final report and two related documents – a brief “popular report” and a PowerPoint presentation, were prepared and delivered to the ACHP.

Based on the lessons learned from existing studies and publications, interviews, and a symposium convened at the University of Pennsylvania School of Design in February 2011, seven conclusions were reached:

- Various aspects of historic preservation have substantial economic benefits as well as economic costs. While many may argue that the benefits to society, both financial and otherwise, outweigh the costs, the relationship between preservation and the economy as well as overall societal benefit remains imperfectly understood and only partially documented.
- Research into the relationship between economics and historic preservation is critically needed.
- There are multiple constituencies for this information, many of whom need the data and information presented in different forms.
- Information must be consistent and credible, and its collection and dissemination ongoing.
- While the research and methodologies require scholarly robustness, the information needs to be presented in non-academic terms.



Santa Monica, CA



Liberty, MO

- While government needs to play an important role in data collection, analysis, and dissemination, it will probably be necessary for a number of private as well as public institutions to gather and evaluate the data.
- However, there will need to be one entity that is responsible for annually releasing relevant metrics on a predictable basis.

The table below summarizes the recommendations for what should be measured, why it should be measured, suggested methodology, and, in brief, the reason that current approaches are inadequate. These findings are discussed in greater detail in the report.

Recommended Economic Measures for Historic Preservation

Measurement	Purpose	Methodology	Why new approach is needed
Jobs/Household Income	Quantify job creation and income generated by historic rehabilitation activity or other preservation-related employment	Input-Output Multipliers (RIMS, ImPlan, etc.)	Only done sporadically on statewide levels. Generally only includes projects that are receiving tax credits; Does not take fullest advantage of data that could be retrieved from NPS, Commerce, Labor, and GSA reports. Need to distinguish permanent full-time vs. seasonal or part-time short duration employment.
Property Values	Demonstrate impact on property values of being within local historic district	Measurement of year-to-year value change relative to local market in general; Will require selection of representative communities and annual testing by national real estate data firm.	Research is done irregularly and only on local or sample communities within a state. No national data. Measurement approaches vary widely. Recent regional and local market fluctuations skew picture and may create difficulties for baseline.
Heritage Tourism	Quantify absolute economic impact of heritage tourism and incremental impact relative to other forms of tourism	1. Establish definition of “heritage tourism.” 2. Incorporate 2-3 questions that will more clearly identify heritage tourists into existing regular tourism surveys. 3. Based on surveys quantify absolute and relative contribution of heritage tourism over time.	No clear definition of “heritage tourist” or focus of “heritage tourism” visits. Specific research on heritage tourism impact irregular and rarely on national level. No way to track on an annual basis if heritage tourism is growing, shrinking, changing, etc., especially since visitation lumped with other travel and recreation.

Measurement	Purpose	Methodology	Why new approach is needed
Environmental Measurements	Demonstrate the contribution of historic preservation to broader “sustainable development,” “Smart Growth,” “energy conservation,” and environmentally-sensitive or “green” community planning	Develop 2-3 standard measurables that might include: 1) infrastructure cost savings from historic rehabilitation; 2) embodied energy of rehabilitated buildings; 3) greenfields <i>not</i> developed because of historic preservation activity	No standard definitions or approaches for measuring historic preservation/environment relationship. No national data. Weak understanding among environmentalists, preservationists, and general public of link.
Downtown Revitalization	Understand the role of historic preservation and downtown, commercial district revitalization.	Expand and supplement existing aggregated data collected by the National Main Street Center. Commission regular academic analysis of comparative and non-Main Street approaches to revitalization and how historic resources are incorporated or used in the process.	Main Street data as currently gathered while useful, does not meet the standards of robust, defensible research. There is no ongoing measurement of preservation-based commercial revitalization not affiliated with Main Street, except in limited ways through CDBG. There is no comparison of what is happening in Main Street communities and similar non-Main Street communities.

Next Steps

This study was commissioned in order to: 1) understand what has been learned to date about the nexus of historic preservation and economics; 2) learn what specific information would be most valuable to preservation advocates and how that information would be used; and 3) receive recommendations on specifically what should be measured and by whom.

It was also expected, however, that the report would identify the next steps that should be taken in order to reach the goal of regularly, consistently, meaningfully, and credibly measuring the economic impact of historic preservation over time. We recommend that the ACHP, in cooperation with preservation partners and other interested parties, pursue the following measures between now and 2016, the 50th anniversary of the National Historic Preservation Act:

- Identify and reach agreement with responsible parties to undertake the ongoing research and data collection for each of the recommended indicators.
- Because of the diverse nature of the proposed research as well as costs and other issues it is recommended that there be a collaboration of several entities each committed to conducting a portion of this research. Among these research partners might be the following: the ACHP, National Park Service, Department of Commerce, General Services Administration, Department of Defense, National Trust, the nascent Ellis Island Preservation Resource Center, and Universities including Rutgers, the University of Pennsylvania, the University of Maryland, and others.

- In conjunction with the responsible parties, create a long-term research, evaluation, and reporting plan.
- At the outset, the research partners will need to reach agreement as to: 1) who will conduct which research; 2) how and when will that research be provided; 3) who will aggregate the individual research projects into a single report; 4) how and when will the results of the research be published and distributed.
- Establish baseline(s) for each of the recommended indicators.
- As it is the hope that the recommended research will be conducted and released annually, there will need to be a base established against which change is measured. As the first step in each research component, the responsible research partner should identify what that base will be and how the data that constitutes that base will be acquired.
- Work with the identified parties to systematize data collection.
- While it will be important that the reports of the research are written in such a fashion as to be understandable by a non-technical audience, the methodologies and research approaches utilized will need to be both transparent and defensible under scholarly scrutiny. Each participating research entity should, therefore, identify a data collection and analysis procedure that is academically robust and replicable from year to year.

Historic preservation will not reach its optimum potential to contribute to the American economy or American society without such research being done.

Note: the full technical report may be found at www.achp.gov; the full report includes an appendix with an annotated literature review.



Durango, CO



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