A Profitable Past: The Economic Impact of Historic Preservation in Arkansas

Historic Preservation adds $970 million to Arkansas’s economy and supports 23,321 jobs each year!

Average investment by the state of Arkansas in preservation grants is $4.1 million annually.

State preservation grants:
• Support 85 Arkansas jobs yearly.
• Add $2.3 million to the yearly income of Arkansas families.
• Return $100,000 in state and local taxes each year.

Main Street Arkansas assists local downtown programs in their preservation-based revitalization efforts.

Main Street Arkansas’s efforts:
• Result in $7 million spent per year rehabilitating historic downtown buildings and 187 downtown retail/service jobs.
• Support 246 Arkansas jobs each year.
• Add $3.8 million to the yearly income of Arkansas families.
• Return $1 million in state and local taxes each year.

Arkansas Historic Preservation Program

An agency of the Department of Arkansas Heritage

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The results of a two-year study by the Center for Urban Policy Research at the Edward J. Bloustein School of Planning and Public Policy at Rutgers, the State University of New Jersey find that historic preservation has a tremendous impact on Arkansas’s economy.

The study looked into the economic impact of the federal Historic Rehabilitation Tax Credit, the anticipated effect of a proposed state tax credit, heritage tourism, rehabilitation of historic properties, state historic preservation grants and the Main Street Arkansas program. All of the figures cited are in 2006 dollars.

The federal Historic Rehabilitation Tax Credit creates a strong incentive to invest in historic properties.

The Federal HRTC investment:
- Leveraged $54.3 million of historic rehabilitation in Arkansas from 2000 to 2006.
- Supported 767 Arkansas jobs from 2000 to 2006.
- Added $22.4 million to the income of Arkansas families from 2000 to 2006.
- Generated $1.1 million in state and local tax revenue from 2000 to 2006.

The proposal for a 25-percent Arkansas state historic rehabilitation tax credit would attract strong investment in Arkansas’s economy.
- One Arkansas job would be supported for every $12,000-$12,500 of state investment in the proposed tax credit.
- Each $1 of state investment in the proposed tax credit would return $2.19-$2.22 in income to Arkansas families.
- Each $1 of state investment in the proposed tax credit would return 17.7–18.5 cents in state and local taxes, partially offsetting the program’s short-term cost to state revenue.

Heritage tourists are those tourists who visit a site of historical or cultural value.

Heritage tourists:
- Comprise about 16 percent of all Arkansas tourists.
- Spend about 30 percent more than the average tourist.
- Are more likely to come from out of state, adding new dollars to Arkansas’s economy.

Heritage tourism:
- Generates $890.6 million in Arkansas each year.
- Supports 21,552 Arkansas jobs yearly.
- Adds $318.8 million to the yearly income of Arkansas families.
- Generates $73.8 million in state and local tax revenue each year.

Heritage tourists are those tourists who visit a site of historical or cultural value.

Arkansans spend $74.5 million each year rehabilitating historic properties — those properties that are listed on, or eligible for listing on, the National Register of Historic Places or the Arkansas Register of Historic Places.

Historic rehabilitation:
- Supports 1,523 Arkansas jobs yearly.
- Adds $40.9 million to the yearly income of Arkansas families.
- Generates $3.3 million in state and local tax revenue each year.
- Accounts for about 6 percent of all building rehabilitation in Arkansas.

The state of Arkansas offers several grant programs for historic rehabilitation.

- These include grants from the Arkansas Natural and Cultural Resources Council and the Arkansas Historic Preservation Program's Historic Preservation Restoration Grants, County Courthouse Restoration Grants, and Main Street Model Business Grants, many of which are funded through the Real Estate Transfer Tax.