



sticky economy evaluation device
measuring the financial impact of a public market

Crenshaw Farmers' Market 2011

an economic impact report generated for:

Sustainable Economic Enterprises of Los Angeles (SEE-LA)
10/21/2011





the sticky economy evaluation device methodology explained

The SEED methodology uses customer-intercept surveys, head-count tabulation, and the Bureau of Economic Analysis' RIMS II economic multiplier to determine a public market's annual economic impact upon its region.



How SEED works

The measurement tool adds the economic benefit of the market for its vendors to the economic benefit for nearby businesses. It takes this number (annual gross receipts of the market plus annual gross receipts of purchases made by market shoppers at the market's retail neighbors) and multiplies it by the Regional Input-Output Modeling System II multiplier (or RIMS II multiplier). This multiplier is calculated by the Bureau of Economic Analysis (BEA). It captures the impact of an initial round of spending plus successive rounds of re-spending of the initial dollars within a region. The greater the interaction each dollar has with the local economy, the larger the impact (and the stickier the economy).

This report uses the retail industry multiplier assigned to the state in which public market resides.

Sales Taxes

Please note sales tax figures are not included in the public market's economic impact upon the regional economy. After all, sales taxes are removed from circulation when paid to local and state authorities. However, SEED does capture sales tax totals as a result of the public market's presence in a community — specifically, the sales taxes nearby businesses pay to local and state authorities from the purchases made by market shoppers.

For more information about the Bureau of Economic Analysis' RIMS II, please visit www.bea.gov/regional/rims/rimsii/

For more information about marketumbrella.org, please visit our website, www.marketumbrella.org, marketumbrella.org is a 501(c)(3) nonprofit corporation devoted to cultivating the field of public markets for public good.

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Crenshaw Farmers' Market

Using the Sticky Economy Evaluation Device (SEED) methodology, marketumbrella.org is pleased to report that the Crenshaw Farmers' Market has an annual combined economic impact of \$5,172,518.07 on its vendors, host neighborhood, and surrounding region.

Operating 52 days per year, the Crenshaw Farmers' Market enjoys \$93.08 in sales per square feet annually. This number is based on the estimated gross annual receipts of \$932,253.57.

The SEED evaluation team also learned that the Crenshaw Farmers' Market attracts approximately 876 shoppers per market day. This results in an estimated annual attendance of 45,552 shoppers.

In order to fully understand the impact of public markets upon a) vendors, b) nearby businesses, and c) a region's economy, it is important to analyze each market location separately. After all, the same market may operate in different locations on different days and with different hours. Indeed, this is the case with many farmers markets. Please keep this in mind when reviewing the report as many of the sections specifically refer to data that is market place and day-specific (when more than one day and/or location has been measured).

SEED is also intended to serve as a teaching tool for the individuals and organizations who manage markets. Shopper frequency, geography and other important demographic details are captured. For instance, the top 10 zip codes from where the Crenshaw Farmers' Market shoppers reside are (90008, 90043, 90016, 90062, 90018, 90019, 90305, 90056, 90302 and 90047). We encourage you to review the full report for these and other important details.

Good for vendors

According to the American Farm Bureau, farmers usually earn an average of just \$0.19 from each retail food dollar. The cost of processing, packaging, distribution, transportation, and retailing consumes the

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Crenshaw Farmers' Market

other \$0.81. And for highly processed and packaged foods, growers earn even less. But growers who sell food directly to shoppers, via public markets, receive 100% of retail food dollars. The following figures capture this market's economic benefit to its vendors:

- Projected gross annual receipts: \$932,253.57
- Economic impact (using the multiplier) upon market vendors: \$2,069,602.92

Good for Main Street

By increasing the number of consumers visiting the Market's neighborhood, the Crenshaw Farmers' Market increases the revenue collected by local businesses:

- Average gross receipts at businesses near the market (per market day): \$26,879.03
- Estimated gross annual receipts at businesses near the market from purchases made by market shoppers: \$1,397,709.53

Good for local and state taxes

When market shoppers are drawn to a neighborhood that hosts a public market, they frequent nearby retailers, spend additional cash, and contribute to local and state sales tax revenue:

- Projected annual municipal and state sales tax revenue (at 9.0%) rate: \$125,793.86

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Crenshaw Farmers' Market

A. Core Market Statistics

Multiplier:	2.22
Days open for business each year:	52
State + municipal state tax rate:	9.0%
Total number of surveyed shoppers:	408
Average number of shoppers (per market):	876
Estimated annual market attendance:	45,552
Average dollars spent at the market (per shopper):	\$20.47
Percentage of shoppers who spend at nearby businesses (per market):	46%
Average dollars spent at nearby businesses (per shopper):	\$30.68
Gender ratio:	F 74% / M 26%
Average vendor stall space (sq/ft):	150 / sq. ft.
Average number of vendors:	31
Average vendor gross receipts per market:	\$578.32

B. Market Visitation

Shoppers we interviewed attend the Market

first time	16.91%
more than weekly	0.74%
weekly	44.36%
several times per month	21.57%
monthly	6.86%
several times per year	3.43%
rarely	6.13%

C. Market Economic Impact on Vendors

According to the American Farm Bureau, farmers usually earn an average of just 19 cents of each retail food dollar. The cost of processing, packaging, distribution, transportation, and retailing consumes the other 81 cents. And for highly processed and packaged foods, growers earn even less. But growers who sell food directly to shoppers, via a public market, receive 100% of your retail food dollar. The following figures show this Market's economic benefit to its vendors.

Average gross receipts (per market):	\$17,927.95
Average gross receipts per market sq. ft. (per market):	\$1.79 / sq. ft.
Projected gross annual receipts:	\$932,253.57
Economic impact inside market (using multiplier effect):	\$2,069,602.92

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Crenshaw Farmers' Market

D. Market Economic Impact on Nearby Businesses

By increasing the number of consumers visiting the Market's neighborhood, the Market increases the revenue collected by local businesses. These figures show this Market's economic benefit to nearby businesses.

Average gross receipts at businesses near the market (per market):	\$26,879.03
Projected gross annual receipts at businesses near the market:	\$1,397,709.53
Projected annual state & municipal sales tax revenue:	\$125,793.86 (at 9.0% rate)
Economic impact at businesses near the market (using multiplier effect):	\$3,102,915.16

E. Total Combined Economic Impact

SEED totals the economic benefit to vendors, nearby businesses, and the local community and multiplies the total by a number (called a Regional Input-Output Modeling System II multiplier, or RIMS II multiplier) calculated by the Bureau of Economic Analysis (BEA) or estimated in light of comparable BEA multipliers. This multiplier captures the impact of an initial round of spending plus successive rounds of re-spending the initial dollars within a region. The greater the interaction each dollar has with the local economy, the larger the multiplier (and the "stickier" the economy).

Total immediate economic benefit to vendors, nearby businesses, and the local community:	\$932,253.57	
	+	\$1,397,709.53
BEA RIMS II multiplier or comparable multiplier:	x	2.22
The Market's total combined economic impact:	=	\$5,172,518.07

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Crenshaw Farmers' Market

F. Shopper Profile of Top ZIP Codes:

SEED analyzes shopper data to help Markets target their advertising and outreach. The following table shows the top ZIP Codes where the Market's shoppers live as well as how much they spend at the Market. The number in bold indicates the largest value for that column.

zip code	average % of shoppers (per market)	average \$ spent per shopper (per market)	estimated number of shoppers (annual)	estimated revenue (annual)
90008	35.54%	\$20.19	16,188	\$326,885.90
90043	13.48%	\$25.65	6,140	\$157,518.63
90016	8.09%	\$25.39	3,684	\$93,551.13
90062	6.86%	\$20.79	3,126	\$64,976.10
90018	5.15%	\$15.95	2,344	\$37,392.43
90019	4.41%	\$18.44	2,009	\$37,054.80
90305	2.45%	\$27.60	1,116	\$30,801.60
90056	1.96%	\$22.25	893	\$19,869.25
90302	1.96%	\$17.75	893	\$15,850.75
90047	1.72%	\$20.14	781	\$15,731.60
90044	1.23%	\$25.20	558	\$14,061.60
90007	1.96%	\$14.38	893	\$12,836.88
90301	0.98%	\$28.75	446	\$12,822.50
90012	0.74%	\$28.33	334	\$9,463.32
90037	1.47%	\$13.00	669	\$8,697.00
90045	0.49%	\$37.50	223	\$8,362.50
91343	0.25%	\$60.00	111	\$6,660.00
90032	0.49%	\$26.00	223	\$5,798.00
90036	0.25%	\$40.00	111	\$4,440.00
90035	0.98%	\$9.50	446	\$4,237.00
90006	0.25%	\$30.00	111	\$3,330.00

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Crenshaw Farmers' Market

Sustainable Economic Enterprises of Los Angeles (SEE-LA)

www.farmernet.com

Crenshaw Farmers' Market / Baldwin Hills Crenshaw Plaza, 3650 Martin Luther King Jr. Blvd., Los Angeles California, 90011

A data collection tool designed by marketumbrella.org, the market portrait helps individual markets to prepare reports to their communities. By capturing markets' key elements, it helps organizers to analyze how their work is shaped by and in turn influences a market's place, people, products, and procedures. We call these the public market Four P's. In addition to generating reports, this tool helps market organizers to learn how they are similar to and different from other markets. After all, our goal is to cultivate a field of public markets that purposefully impacts public good.

Place:

Successful markets operate in places as varied as large, city-center market districts to stand-alone parking lots in otherwise forgotten rural byways. Place matters. Not only may the physical layout of the market affect sales for vendors but the scale of the place — be it outdoor shed structure, no structure at all or indoor hall — imposes different types of demands upon the procedures deployed by management.

Crenshaw Farmers' Market — Baldwin Hills Crenshaw Plaza, 3650 Martin Luther King Jr. Blvd., Los Angeles

Physical space: Open-air Market

Market time: morning

Open Saturdays

The market does operate "rain or shine."

The market was founded in 2006.

The market is managed by SEE-LA.

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Crenshaw Farmers' Market

The primary reason for this location's original selection: An assessment was conducted. Presently, the market does not have a formal agreement for the market space.

Procedures:

Which items may be sold? And by whom? Some markets have stringent criteria about these and other issues. Others do not. Some operate with little to no staffing, while others employ full-time staffers who are responsible for maintaining rules, regulations, public safety, and so on. How does this market's procedures add up?

Current market manager: Betty Brown

Typically, each market day has 3 paid staff working at the market with an average of 1 volunteers.

[No] the market has a written mission statement.

[Yes] the market currently operates a centralized EBT/Credit and/or Debit token system.

[Yes] the market has written rules and regulations for the vendors, staff and shoppers.

Product:

Public markets are a recurring assembly of competing vendors who sell their products and services directly to consumers in a public setting. This is what all public markets share — from flea markets to farmers markets. They differ greatly when it comes to ascertaining which markets allow which products to be sold. Some allow for anything and everything, whereas others strictly limit categories, competition, and an array of vendor freedoms to do as they please. It is through this lens that we learn a great deal about the criteria and "curating" of the public market's identity: through the products on sale.

The market manages 10,000 sq. ft. of space.

A typical vendor space is 150 sq. ft..

The vendors pay a percentage of sales to the market organization. They cannot leave for the day after

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Crenshaw Farmers' Market

selling out of products.

The market allows:

Food (agricultural products, prepared foods or festival-type meals) can be sold by:

[Yes] producers

[No] resellers

[No] market organization or staff

Crafts or merchandise (original non-food items) can be sold by:

[Yes] producers

[No] resellers

[Yes] market organization or staff

Re-used goods (antiques, flea market items) can be sold by:

[No] producers

[No] resellers

[No] market organization or staff

Services (for a fee such as massage, knife sharpening) can be sold by:

[No] producers

[No] resellers

[No] market organization or staff

The market does not allow non-vendors to have tables at the market.

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Crenshaw Farmers' Market

People:

Among the more endearing and complex aspects to public markets are the people: the vendors, shoppers, neighbors, and managers. Who is present? And who is missing? This last P helps to tell the story of who contributes to and who benefits from a market's presence.

Does the market's investors include?

[No] Corporate Underwriter

[No] Government

[Yes] Private Foundation

[No] Individual

[No] Other

Does the market's elected advisors include?

[No] Vendors

[Yes] Shoppers

[Yes] Neighbors

[No] Government

[Yes] Non-governmental organizations

[No] Other

Bio sketch of manager: Every Saturday, Crenshaw-area shoppers will find locally-grown, farm fresh produce at the Crenshaw Farmers' Market, a certified farmers' market operated by Sustainable Economic Enterprises of Los Angeles (SEE-LA), a non-profit community development corporation. Certified farmers' markets allow local growers to sell their produce directly to the public, cutting out the middle man and benefitting both farmers and customers. Thanks to this "direct marketing" approach, Crenshaw Farmers' Market shoppers can enjoy just-picked, high-quality produce at affordable prices. Besides fresh fruits and

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Crenshaw Farmers' Market

vegetables, the market offers fresh bread, honey, fresh fish, locally prepared foods, and handcrafted artisanal products, and provides a family-friendly outdoor event. The Crenshaw Farmers' Market also partners with a number of community-based organizations working to improve the health and well-being of the Crenshaw community.

Working at the market since: 2007

The main issue that this market is working on:

The Baldwin Hills/Crenshaw shopping mall, which has hosted the market since 2010, is under new management seeking to relocate the market to a less visible area of the mall parking lot.

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Results for this Economic Impact Study are calculated using data from the following market studies:

Study	Market	Sample Size	Date
Crenshaw Farmers' Market #1 - 9/17/11	Crenshaw Farmers' Market	408	2011-09-17