

# **Economic Impact Study**



**Crescent City Farmers Market, July 2009**

**Prepared by [marketumbrella.org](http://marketumbrella.org) for the  
Crescent City Farmers Market**

This economic impact study was created using SEED (Sticky Economy Evaluation Device), a methodology developed by [marketumbrella.org](http://marketumbrella.org) with financial support from the F.B. Heron Foundation and the Ford Foundation.

## I. Narrative

### A. Total Combined Economic Impact

Using the Sticky Economy Evaluation Device (SEED) methodology, marketumbrella.org reports that the Crescent City Farmers Market has an annual combined economic impact of \$8.9 million on its vendors, host neighborhood(s), and surrounding region.

The Crescent City Farmers Market operates 100 days per year at (50 days per year on Tuesdays at 200 Broadway, aka Tulane University Square, and 50 days per year on Saturdays at 700 Magazine Street) with \$603 in sales per square foot. This number is based on projected gross annual receipts of \$3.1 million.

### B. Market Numbers: Summary

On 6/28/2009 and 6/30/2009, 617 shoppers were surveyed on site by a SEED evaluation team. From the survey, we learn that the Crescent City Farmers Market enjoys an estimated annual attendance of 98,600 visits from shoppers.

**Economic Benefit to Vendors:** Each shopper spends on average \$32 per visit. Average gross receipts per Market day are \$31,348. On an annual basis, gross combined receipts for Market vendors equal approximately \$3,134,801 (or \$3.1 million).

**Economic Benefit to Nearby Businesses:** Nearby businesses also benefit from the Market's presence. We calculate that 24.5% of shoppers spend additional dollars at these nearby businesses. On average, they spend \$19.86 at nearby businesses per visit.

**Economic Benefit to the Community:** We project that, on an annual basis, shoppers who patronize nearby businesses contribute \$161,753 to state and municipal sales tax revenue.

**SEED Methodology** uses customer-intercept surveys, head-count tabulations, and the Bureau of Economic Analysis' RIMS II economic multiplier to determine a Market's annual economic impact.

Here, simplified, is how we calculate the annual economic impact of the Crescent City Farmers Market:

	\$ 3,134,801	vendor sales
+	\$ 1,797,255	sales at nearby businesses
x	1.8	BEA multiplier*
=	\$8,877,701	economic impact**

\*See <https://www.bea.gov/regional/rims/rimsii/> and [http://www.marketumbrella.org/seed/seed\\_howto.php](http://www.marketumbrella.org/seed/seed_howto.php) for information about the Bureau of Economic Analysis' RIMS II multiplier.

\*\*The economic impact does not include an additional \$161,753 paid into municipal and state sales taxes. These dollars circulate differently throughout the local economy.

### C. Who Are Your Shoppers?

Successful markets attract regular shoppers, ensuring a stable pattern of commercial transactions for their vendors. Of the shoppers we interviewed at the Crescent City Farmers Market, 51 % said that they attend the Market at least weekly. This indicates an impressive level of customer loyalty.

While the Market attracts shoppers from 50 ZIP Codes, the highest concentration of shoppers comes from 70118 (38.6 % of shoppers), 70115 (36.8 %), 70130 (13.5 %), and 70117 (6.7%).

## II. Market Numbers: Detail

### A. Core Market Statistics

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

<u>Study</u>	<u>Market</u>	<u>Sample Size</u>	<u>Date</u>
Downtown	Saturday Market	279	6/28/2009
Uptown	Tuesday Market	338	6/30/2009

Multiplier:	1.8
Days open for business each year:	100
State + municipal state tax rate:	9 %
Total number of surveyed shoppers:	617
Average number of shoppers (per market day):	986
Estimated annual market attendance:	98,600
Percentage of shoppers who spend at nearby businesses:	24.5 %
Average dollars spent at nearby businesses (per shopper):	\$19.89
Gender ratio:	Female (69%) / Male (31%)
Average vendor stall space (sq/ft):	100/sq. ft.
Annual sales per square foot:	\$ 603 /sq. ft.

### B. Market Visitation

Shoppers we interviewed attend the Market	6.43% more than weekly
	44.63% weekly
	17.81% several times per month
	8.99% monthly
	4.19% several times per year
	17.95% rarely

### 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. Moreover, for highly processed and packaged foods, growers earn even less. By contrast, 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 day):	\$31,348
Average gross receipts per square foot:	\$603 / sq. ft.
Projected gross annual receipts:	\$3,134,801
Economic impact inside market (using multiplier effect):	\$5,542,642

## 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.

Projected gross receipts at businesses near the Market (per market day):	\$17,973
Projected gross annual receipts at businesses near the market:	\$1,797,255
Projected annual state & municipal sales tax revenue (at 9% rate):	\$161,753
Projected impact at businesses near the Market (using multiplier):	\$3,235,059

## 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). 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).

This report uses the multiplier 1.8.

$$\begin{aligned}
 & \$4,932,056 \text{ (total immediate economic benefit to vendors and nearby businesses)*} \\
 & \times 1.8 \text{ (BEA RIMS II multiplier for retail business in Louisiana)} \\
 & = \$8,877,701 \text{ (the Market's total combined economic impact upon the regional economy)}
 \end{aligned}$$

\* Please note: This number excludes an additional \$161,753 contributed annually to municipal and state sales taxes. These dollars circulate in the economy differently and as a result are tabulated separately.

## F. Shopper Profile of Top ZIP Codes:

SEED analyzes shopper data to help Markets understand their audiences. The following table shows the top four shopper ZIP Codes and shopper behavior at the Tuesday and Saturday Crescent City Farmers Market.

ZIP Code	Avg. % of shoppers (per market day)	Avg. \$ spent per shopper (per market day)	Estimated # of Shoppers (annual)	Estimated Revenue (annual)
Tuesday Crescent City Farmers Market				
70118	32.84%	\$29.85	18,817	\$561,627
70115	21.01%	\$37.08	12,036	\$446,349
70005	4.44%	\$50.00	2,542	\$127,100
70130	4.14%	\$20.93	2,373	\$49,664
Saturday Crescent City Farmers Market				
70115	21.86%	\$39.92	9,018	\$359,981
70130	12.90%	\$21.31	5,322	\$113,386
70117	9.32%	\$32.50	3,844	\$124,930
70118	7.89%	\$42.77	3,252	\$139,097