



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

## **Baltimore Farmers Market (JFX) 2011**

**an economic impact report generated for:**

**BOPA**  
**10/17/2011**





## 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/](http://www.bea.gov/regional/rims/rimsii/)

For more information about marketumbrella.org, please visit our website, [www.marketumbrella.org](http://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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### Baltimore Farmers' Market

Using the Sticky Economy Evaluation Device (SEED) methodology, marketumbrella.org is pleased to report that the Baltimore Farmers' Market has an annual combined economic impact of \$21,947,779.24 on its vendors, host neighborhood, and surrounding region.

Operating 38 days per year, the Baltimore Farmers' Market enjoys \$9,641,001.28 in sales per square feet annually. This number is based on the estimated gross annual receipts of \$9,641,001.17.

The SEED evaluation team also learned that the Baltimore Farmers' Market attracts approximately 7,553 shoppers per market day. This results in an estimated annual attendance of 287,014 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 Baltimore Farmers' Market shoppers reside are (21230, 21224, 21231, 21202, 21201, 21218, 21234, 21217, 21229 and 21211). 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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### Baltimore 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: \$9,641,001.17
- Economic impact (using the multiplier) upon market vendors: \$18,896,362.29

#### **Good for Main Street**

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

- Average gross receipts at businesses near the market (per market day): \$40,969.62
- Estimated gross annual receipts at businesses near the market from purchases made by market shoppers: \$1,556,845.38

#### **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 6.0%) rate: \$93,410.72

## seed: market statistics report

### Baltimore Farmers' Market

#### A. Core Market Statistics

Multiplier:	1.96
Days open for business each year:	38
State + municipal state tax rate:	6.0%
Total number of surveyed shoppers:	733
Average number of shoppers (per market):	7,553
Estimated annual market attendance:	287,014
Average dollars spent at the market (per shopper):	\$33.59
Percentage of shoppers who spend at nearby businesses (per market):	14%
Average dollars spent at nearby businesses (per shopper):	\$5.42
Gender ratio:	F 63% / M 37%
Average vendor stall space (sq/ft):	171 / sq. ft.
Average number of vendors:	68
Average vendor gross receipts per market:	\$3,731.04

#### B. Market Visitation

Shoppers we interviewed attend the Market

first time	8.19%
more than weekly	0%
weekly	40.38%
several times per month	26.19%
monthly	8.32%
several times per year	10.37%
rarely	6.55%

#### 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):	\$253,710.56
Average gross receipts per market sq. ft. (per market):	\$253,710.56 / sq. ft.
Projected gross annual receipts:	\$9,641,001.17
Economic impact inside market (using multiplier effect):	\$18,896,362.29

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### Baltimore 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):	\$40,969.62
Projected gross annual receipts at businesses near the market:	\$1,556,845.38
Projected annual state & municipal sales tax revenue:	\$93,410.72 (at 6.0% rate)
Economic impact at businesses near the market (using multiplier effect):	\$3,051,416.95

#### 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:	\$9,641,001.17
	+
	\$1,556,845.38
BEA RIMS II multiplier or comparable multiplier:	1.96
	x
<b>The Market's total combined economic impact:</b>	<b>= \$21,947,779.24</b>

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### Baltimore 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)
21230	<b>8.59%</b>	\$33.87	<b>24,668</b>	<b>\$835,579.16</b>
21224	7.37%	\$34.43	21,144	\$727,901.23
21231	6.96%	\$29.41	19,969	\$587,324.23
21202	6.68%	\$28.43	19,186	\$545,431.12
21201	4.77%	\$30.97	13,704	\$424,432.07
21218	4.09%	\$28.77	11,746	\$337,893.66
21234	3.00%	\$38.86	8,614	\$334,771.05
21217	4.37%	\$26.50	12,529	\$332,018.50
21229	2.32%	\$47.12	6,656	\$313,614.75
21211	3.96%	\$26.55	11,355	\$301,494.55
21214	2.32%	\$35.47	6,656	\$236,092.31
21206	2.05%	\$37.60	5,873	\$220,824.80
21212	2.46%	\$30.78	7,048	\$216,921.93
21215	2.46%	\$29.00	7,048	\$204,392.00
21210	1.64%	\$39.42	4,698	\$185,179.66
21207	1.91%	\$32.14	5,481	\$176,175.23
21216	2.05%	\$29.67	5,873	\$174,232.53
21228	1.77%	\$31.92	5,090	\$162,488.58
21227	0.95%	\$55.00	2,740	\$150,700.00
21043	0.82%	\$60.00	2,349	\$140,940.00
21093	0.95%	\$48.57	2,740	\$133,085.64

## seed: market portrait

### Baltimore Farmers' Market

#### BOPA

www.promotionandarts.com

Baltimore Farmers' Market / Holliday & Saratoga Streets

Maryland, 21202

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.*

Baltimore Farmers' Market — Holliday & Saratoga Streets

Physical space: Open-air Market

Market time: morning

Open Sundays

The market does operate "rain or shine."

The market was founded in 1977.

The market is managed by n/a.

The primary reason for this location's original selection: An assessment was conducted.



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### Baltimore Farmers' Market

Presently, the market does 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: Carole Simon

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

[No] the market has a written mission statement.

[No] 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 1 sq. ft. of space.

A typical vendor space is 171 sq. ft..

The vendors pay a flat fee to the market organization. They can leave for the day after selling out of products.

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### Baltimore Farmers' Market

The market allows:

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

producers

resellers

market organization or staff

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

producers

resellers

market organization or staff

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

producers

resellers

market organization or staff

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

producers

resellers

market organization or staff

The market does allow non-vendors to have tables at the market.

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### Baltimore 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

[No] Private Foundation

[No] Individual

[Yes] Other

Does the market's elected advisors include?

[No] Vendors

[No] Shoppers

[No] Neighbors

[No] Government

[No] Non-governmental organizations

[No] Other

Bio sketch of manager: Carole has spent her career in event planning and is currently using her events management experience and coordination skills to make the JFX market run smoothly.

Working at the market since: 1987

The main issue that this market is working on:

The main priority for the JFX market is to create the best market experience that we are able to, to continually bring in new features and have as much variety as possible for the consumer to create a

## seed: market portrait

### Baltimore Farmers' Market

'one-stop-shop' experience.

## seed: report appendix

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

Study	Market	Sample Size	Date
Sticky Economy	Baltimore Farmers' Market	733	2011-09-25