Tips for Understanding the Economic Impact of Local Programs and Initiatives

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Jon Stover & Associates
which is a fancy way of saying ...

We help you make your neighborhood great.
Who is in attendance?

Main Street leadership?
City officials and staff?
Consultants and other professionals?

Who’s undertaken an economic impact analysis of a program for your organization before?
Purpose of This Session

Understand the ways your Main Street impacts your community.
Discuss ways of communicating and leveraging these impacts.
Understand what you can do to assess these impacts in house.
this must be the place
Why talk about your impact?

The private sector constantly evaluates their effectiveness. Business owners, developers, banks, and investors all calculate their impacts, i.e. return on investment.
Why don’t public and Nonprofit programs have The same level of scrutiny?
Good Reasons?

- It’s difficult.
- Many goals and outcomes aren’t quantitative.
- Too many variables to isolate (political, social, physical, economic).
- Limited resources (cost).
- Lack of understanding.
Not So Good Reasons?

- Lack of political, organizational, or personal will.
- Concern that findings may be negative or encourage change.
There is a trend towards public and nonprofits to become more data-driven.
However, measuring the cost of a program or initiative is easy. Measuring the gain is not.
Calculating Return on Investment:

\[ \text{ROI} = \frac{\text{Gain} - \text{Cost}}{\text{Cost}} \]
Measuring Your Impact (and Why It’s Important)

In today’s resource-constrained environment, impact is everything. Whether your organization is looking to better assess internal operations, communicate more effectively about your mission, build on successful programming, or strengthen your bottom-line (likely, you’re doing all of these things), measuring impact is key.
Types of Main Street Impacts

Main Street programs and initiatives create Economic, Fiscal, and Community Impacts.

These impacts are a result of business support services, community development, placemaking and physical environment improvements, and development and business activity, and events.
Economic Impact

Businesses
Sales Revenue
Jobs
Salaries + Wages
Fiscal Impact

- Property Tax
- Sales Tax
- Personal Income Tax
- Corporate Income Tax
- Licenses + Fees
Community Impact

Vibrancy + Aesthetics
Historic Preservation
Retail Amenities
Safety
Entertainment
Arts + Culture
Why should you assess your program’s Impact?

Record + communicate what you’ve accomplished.
Enhance your fundraising efforts.
Communicate your value.
Understand the needs of your stakeholders.
Evaluate + improve programming.
Measuring & Communicating Your Impact

So, what is your Program’s impact?

- Economic
- Fiscal
- Community

Tell Your Story with Data

- Answer a questions.
- Achieve an objective.
- Reach a particular audience.

Understand The Following:

- What have you done?
- What were the results?
- How could it be improved?
You can measure the economic impact of just about anything:

**Business Support**
Technical assistance, marketing, loans and grants, tax breaks, recruitment, etc.

**Community Development**
Job training, social programs, education, arts engagement, safety, child and family programs, homelessness programs, etc.

**Placemaking + Physical Environment**
Streetscape improvement, banners, public art, public spaces, greenery, cleanliness, etc.

**Development + Business Activity**
Business retention and attraction, business loss, new real estate development
Main Street Program
Local Economic Development Initiatives
Transportation
Businesses
Events
Impact Assessment Methodology
You can often measure your impact in-house!

We recommend:
- Asking a clear and simple impact research question.
- Leaning on someone you know who can ‘do a glance over’.
- Leveraging staff or volunteer support to issue surveys.
01 Start with a clear question.

What is the direct economic impact of my event?
How does event impact my city and community?

02 Collect data.

Data collected from event attendees and business owners participating in/located near the event provide the best insight on the impacts.

03 Analyze data.

Download the data and start crunching numbers!
Assess the data collected through surveys by exporting data into Excel.

04 Share findings.

Communicate your findings not only internally, but relevant and key stakeholders in your community.
What is the direct economic impact of my event?

Start by asking a clear question that can be answered using your available resources, knowledge, and capacity. You should be able to answer this question with data that your organization can collect.
Surveying attendees and businesses can provide the highest quality data about the impact of your event.

- Analyze where visitors are coming from
- Determine the amount of money visitors are spending
- Determine how visitors are spending money
- Determine how the event impacts businesses’ sales and customer traffic
- Qualitative experiences, effective marketing efforts, etc.
Sample Event Attendee Survey
(Administered during event)

Survey Questions

1. Time of Survey: _________

2. Where do you live?
   - [ ] In the Shaw neighborhood
   - [ ] Nearby neighborhood
   - [ ] Elsewhere in DC
   - [ ] Northern Virginia
   - [ ] In Maryland
   - [ ] I don’t live in the local area

3. How did you get to Shaw today? (Check all that apply)
   - [ ] Walked
   - [ ] Biked
   - [ ] Drove
   - [ ] Metro
   - [ ] Bus
   - [ ] Uber/Taxi/Lift
   - [ ] Other

4. What is your race/ethnicity?
   - [ ] White
   - [ ] Black/African-American
   - [ ] Hispanic or Latino
   - [ ] Asian
   - [ ] Other
   - [ ] Prefer not to answer

5. About how many times a month do you visit Shaw? _______ How much do you usually spend? $_______

6. How much money do you estimate you will spend tonight in Shaw on the following?
   - Alcohol: $_____
   - Food & Beverage: $_____
   - Arts Merchandise: $_____
   - (Excluding Alcohol)
   - Entertainment: $_____
   - Transp.: $_____
   - Other Expenses: $_____
   - Please explain your other expenses: __________________________

7. How late do you expect to stay at Art All Night? (Circle one) 8pm / 9pm / 10pm / 11pm / 12am / 1am / 2am / 3am

8. How did you hear about Art All Night? __________________________________________________________

9. What is your favorite thing about Art All Night? _______________________________________________

Thank you for your help!
Background Questions

1. Respondent’s Role in the Business ______________________

2. How long has this business been in operation at this location? ______________________

Art All Night Questions

1. Did your business officially participate in Art All Night? (Circle one) Yes No

2. How did this year’s Art All Night event impact your business? ______________________

3. How much more business (in %) did you experience during the Art All Night event compared to an average Saturday night? % Increase: ____________

4. How many sales do you make on an average Saturday night in September? $_____

5. How many sales did you make during the night of the Art All Night event? $_____

6. Would your business be interested in participating in future Art All Nights? Yes No

7. Any feedback on the event for Shaw Main Street? ______________________

Thank you for your help!
<table>
<thead>
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The survey results will provide you with the basic economic impact assessment of your event!

Number of Visitors (Attributable to the event)

# Tickets Sold, Clickers/Counters, Laser Ped Counters, Aerial Photographs, Rely on Police for Est.

Average Visitor Spending (By spending type)
Food & Beverage, Alcohol Entertainment, Shopping Transportation, Other

Total Direct Economic Impact

Survey: ask if would be there if not for event (“attributable”)
In 2019, French Market visitors generated **$776,700** in sales for local businesses.

French Market visitors spent on average **$70** during their visit.

Visitors were more likely to shop on Friday during the French Market, with 63% of visitors planning to buy merchandise that day, compared with 29% on Saturday and 30% on Sunday.
Calculating the Direct Economic Impact:

\[
\text{Number of Visitors} \times \text{Average Visitor Spending} = \text{Total Direct Economic Impact}
\]

\[
11,095 \times \$70 = \$776,700
\]

Number of Visitors (Attributable to the event)

Average Visitor Spending (By spending type)
- Food & Beverage, Alcohol
- Entertainment, Shopping
- Transportation, Other

Total Direct Economic Impact
$776,700

Total Direct Economic Impact

Spending & Revenue

Attributable Spending
Business Sales
Categories of Spending
Input-Output Modeling (Using IMPLAN) can help you determine the impact on Employment and your City.

Total Direct Economic Impact

$776,700

Spending & Revenue
Attributable Spending
Business Sales
Categories of Spending

Jobs & Employment
Jobs Created
Wages & Salary

Fiscal Revenue
Sales Tax
Property Tax
Licensing & Fees
IMPLAN also measures the direct, indirect, and induced effects of your program or event.

**Direct Effects**
Immediate Results of the Direct Spending
(Includes Your Inputs!)

**Indirect Effects**
Purchasing Of Goods And Services From Other Local Industries

**Induced Effects**
Reflect Spending Of Wages From Residents For Goods And Services
Share your findings!
Orient your message to specific audiences.
Partners & Advocates

- Program staff and board members
- City officials, policymakers
- Finance departments
- Planning, parks, and transportation departments
- Police, fire, and EMS
- Economic development entities
- Local nonprofits, business and arts advocacy organizations
- Neighborhood groups
- Potential Funders
- Residential Community
Tools + Strategies

Presentation
• Data driven and objective
• Clear; easy to understand
• Concise; emphasize the key takeaways

Delivery
• Report and Executive Summary
• Marketing materials
• Memo
• Face-to-face meetings and conversations
• Press releases, hearings, testimonies, etc.

Implications
• Fundraising and advocacy-building
• More efficient use of resources
• More specialized and effective distribution of services
Questions?

Feel free to reach out!
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