



# 2015 ECONOMIC IMPACT STUDY: CALIFORNIA'S FAIRGROUNDS

## Local Fairgrounds Attendees' Spending Snapshot -

### BY THE DOLLAR

Beyond the Nevada County Fairgrounds' traditional offering of cultural, educational and agricultural activities, it also generates a wealth of tangible benefits:

- The fairgrounds generated approximately \$28,061,000 in spending activity alone in 2015, benefiting the local economy and creating a ripple effect of economic benefits for California.
- In 2015, the entire Network of California Fairs generated upwards of \$3.9 billion in economic activity benefiting local, state and global economies.<sup>1</sup>
- The Board of Equalization estimates that in 2015, the total sales and use tax revenue for the California Network of Fairs was approximately \$66 million.<sup>6</sup>

The Nevada County Fairgrounds creates California jobs through an economic ripple effect of fairgrounds patron spending and the business activity required in support of fairgrounds activities and events:

- In 2015, the equivalent of 243 jobs was created as a result of the spending by the fairgrounds, its support businesses and its attendees.
- In 2015, the labor income generated by these additional jobs was approximately \$7,792,000.

The Nevada County Fairgrounds also generates business tax revenue through the collection of state and local sales taxes, transient occupancy taxes, possessory interest taxes and other taxes and fees. These revenues stimulate further economic activity by providing for programs that benefit the local community.

## Nevada County Fairgrounds

*The Nevada County Fairgrounds is set among tall Pines in the heart of Nevada County in the historic town of Grass Valley.*



### ECONOMIC IMPACTS

Declared the most "Beautiful Fairgrounds in California," the Nevada County Fairgrounds is covered by hundreds of towering Pines on more than 80-acres of land. In addition to the annual fair, the fairgrounds is home to the Draft Horse Classic, the Country Christmas Faire, world-class music festivals and year-round community events. The venue also offers miles of walking trails and a year-round RV park. Five major buildings provide 60,000 square feet of gathering space and on-site parking accommodates 7,500 vehicles. The fairgrounds also serves the community as a fire camp headquarters.



The fairgrounds is owned, operated and governed by the 17th District Agricultural Association, an institution of the state of California, with an affiliated Nevada County Fairgrounds Foundation, a 501(c)3 non-profit corporation. It is also the home of the Nevada County Fair, a vital part of the Network of California Fairs whose influence is widespread.

Fairs are a reflection of their communities' growth and progress. They celebrate our history and our heritage. They provide educational inspiration for our youths and

wholesome, family-oriented entertainment for all ages. Livestock and 4-H programs support California's vibrant agricultural sector. And people from all walks of life enter their artwork, baked goods, photography and other handmade crafts in pursuit of bragging rights and blue ribbons.

Fairs provide many non-profit and charity-based organizations with the opportunity to raise substantial portions of their annual budgets through fundraising booths and activities. Fairgrounds are even used as staging sites and rescue locations during forest fires, floods, earthquakes and other emergencies.

Fairs are also a large financial contributor to both local and state economies. In 2015, overall spending by all participants at fairtime and during interim events resulted in a total economic impact on California of upwards of \$3.9 billion. The income impact from attendee, fair organization and fair-related business spending in 2015 exceeded \$1.2 billion. In addition, jobs created by fairs through direct employment and multiplier impacts reached 30,000.<sup>2</sup>



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## SPENDING

In 2015, approximately 270,000 people attended the Nevada County Fair and all other special events held at the fairgrounds. Fairgoers spent money on tickets, food, carnivals and other fair products and services, while fair organizers, concessionaires and commercial exhibitors spent money on supplies, lodging and meals.

These purchases have a ripple effect on the local economy by infusing dollars that are spent again by others. Together, direct and

indirect ripple-effect spending represent a significant economic impact. For the Nevada County Fairgrounds, events created a total spending impact of approximately \$28,061,000 on the local economy.<sup>3</sup>

## JOBS

Jobs are created directly by fairgrounds organizations, exhibitors, carnivals and commercial businesses. Jobs are also created indirectly by the ripple effect of fair spending, activating additional employment by vendors, suppliers and businesses where goods and services are purchased in the community. Events at the Nevada County Fairgrounds created the equivalent of 243 jobs in 2015.<sup>4</sup>

## PERSONAL INCOME

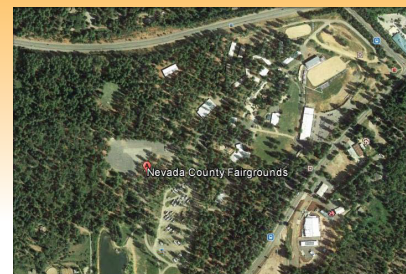
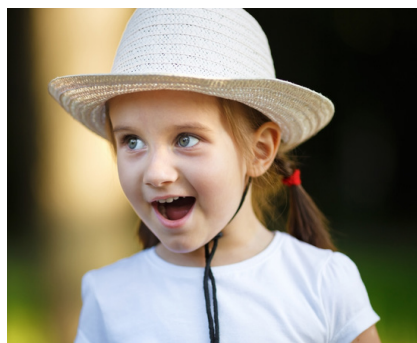
Income earned by fairgrounds and event workers also has a ripple effect on the economy - money they spend becomes income for other workers in the local area. The annual fair and other events held at the Nevada County Fairgrounds in 2015 created approximately \$7,792,000 in overall salary and benefits for employees.<sup>5</sup>

## SUMMARY

The formulas for estimating a fairgrounds' economic impacts for a given year were developed from the 2003 economic impact study, *Fairs: Exploring a California Gold Mine* prepared by KPMG LLP, adjusted by the Consumer Price Index (CPI) and factoring that year's overall event attendance and operating expenditures. As such, they are estimates; however, they are also a clear indication of the importance of the impact of fairgrounds events on state and local economies.



The California Department of Food and Agriculture's Fairs and Expositions Branch will continue to assess and to monitor the economic impact of fairgrounds events and to provide relevant information to fairgrounds organizers, elected officials and interested community representatives.



The Nevada County Fairgrounds

## NOTES

1. Economic activity figures were derived using formulas developed in *Fairs: Exploring a California Gold Mine* prepared by KPMG LLP, 2003.

2. Same formula as prepared by KPMG LLP in 2003.

3. The Consumer Price Index (CPI)-adjusted 2015 formula that is used to estimate the overall spending impact for the Nevada County Fairgrounds is: fair and event attendance multiplied by 52.37, plus fair operating expenditures multiplied by 6.08 rounded to the nearest thousand. Link: [www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/](http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/)

4. The CPI-adjusted 2015 formula that is used to estimate the number of jobs created, directly and indirectly, for the Nevada County Fairgrounds is: fair and event attendance multiplied by .00046, plus fair operating expenditures multiplied by .0000516892.

5. The CPI-adjusted 2015 formula to estimate the overall income earned by workers, directly and indirectly for the Nevada County Fairgrounds is: fair and event attendance multiplied by 14.53, plus fair operating expenditures multiplied by 1.69, rounded to the nearest thousand.

6. From Assembly Bill #2678, written by Adam Gray, 21st District, Merced.



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