



# 2015 ECONOMIC IMPACT STUDY: CALIFORNIA'S FAIRGROUNDS

## Local Fairgrounds Attendees' Spending Snapshot -

### BY THE DOLLAR

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

- The fairgrounds generated approximately \$12,043,000 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 Salinas Valley 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 86 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 \$4,221,000.

The Salinas Valley 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.

## Salinas Valley Fairgrounds

*In the heart of the Salinas Valley is where  
you will find the Salinas Valley*

*Fairgrounds, a spacious venue for  
community events.*



### ECONOMIC IMPACTS

The 25-acre fairgrounds features five major buildings offering more than 145,000 square feet of public gathering space. Open year-round, the fairgrounds hosts an annual fair along with a wide variety of community-serving events throughout the year.

The Salinas Valley Fairgrounds is operated by the Salinas Valley Fair Association, a non-profit organization with an affiliated Salinas Valley Fair Heritage Foundation, a 501(c)3 non-profit corporation. The property itself is owned by Monterey County.

The fairgrounds is also home to the annual Salinas Valley 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/FFA/Grange programs support California's vibrant agricultural sector. In addition, 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 150,000 people attended the Salinas Valley 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 Salinas Valley Fairgrounds, events created a total spending impact of approximately \$12,043,000 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 Salinas Valley Fairgrounds created the equivalent of 86 jobs in 2015.<sup>4</sup>

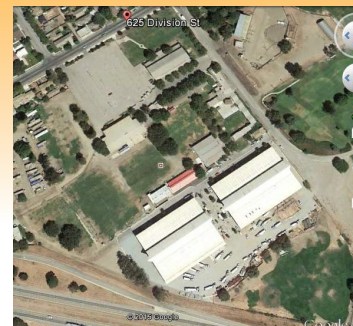
## PERSONAL INCOME

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 Salinas Valley Fairgrounds in 2015 created approximately \$4,221,000 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 Salinas Valley 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 Salinas Valley Fairgrounds is: fair and event attendance multiplied by 40.35, plus fair operating expenditures multiplied by 4.19 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 Salinas Valley Fairgrounds is: fair and event attendance multiplied by .00029, plus fair operating expenditures multiplied by .0000295367.

5. The CPI-adjusted 2015 formula to estimate the overall income earned by workers, directly and indirectly for the Salinas Valley Fairgrounds is: fair and event attendance multiplied by 14.13, plus fair operating expenditures multiplied by 1.47, rounded to the nearest thousand.

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



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