

ECONOMIC IMPACT ANALYSIS OF THE PLACER COUNTY FAIR

Communities can overlook the contribution of institutions established by longstanding tradition or precedents. Such events, enterprises, or activities add to the culture and the community quality of life, and can be taken for granted given their ongoing presence. Eventually, with the passage of time or due to economic/demographic structural changes, the continued existence of community traditions can be questioned and funding options reevaluated in the context of alternative demands on resources.

Such is the case with the Placer County Fair. This longstanding event has been part of Placer County's tradition since 18XX when the fairground was sited on the fringe of urban development. In 1999, the fair is no longer located on the fringe of the urbanized area of Northeastern Roseville, rather the fairgrounds are surrounded by economic and community development that has transformed the culture and fortunes of the City. While the Fair offers a certain quality of life benefit to its host community, it may also be viewed as a tradition requiring realignment or restructuring.

The fair and exposition industry in the State of California includes over 80 fairs, many of which are partially supported by general fund revenues. To an ever-increasing degree, these operations are expected to become self-supporting as public sector fund sources seek to evaluate their activities with a prudent cost-benefit approach. At the broader level of analysis, these businesses can be shown to be self-supporting when the impacts of all the money transactions, the regional economic impacts, are incorporated into the discussion

Public acceptance of a variety of expositions and trade shows conducted throughout the year in a multitude of venues appears to be increasing. From weekly, "Main Street-Downtown Markets to Specialty expositions, public support of this form of entertainment seem to fulfill a community participation niche the may be lacking in some urban areas of the state. They are successful gatherings that bind a community.

A first step in the evaluation of the Placer County Fair as a valued contributor to the Southwestern Placer County Quality of Life is a reasoned statement of its economic impact to the community.

The following analysis describes those quantifiable economic impacts of the fair, its vendors, its patrons and the cumulative economic impact it may have on the life of a robust and expanding economy.

The analysis includes two parts: The first section quantifies the known amounts of fair activities including: admissions, food concessions, ride concessions, vendor activities, exhibit revenues, and entertainment activities.

The second part of the analysis includes an assessment of the multiplied economic impacts of fair's operation

. The analyses of economic events, which will include a cumulative impact, assumes that business transactions conducted at and by the fair create an ongoing multiplied impact. In other words, direct dollars spent in connection with the fair create indirect economic activity that adds to a regional total economic impact; a contribution that can be compared to an addition to national GDP (Gross Domestic Product) but at the regional level, the so called Gross Regional Product (GRP).

Placer County Fair Economic Impact

A fundamental idea necessary for the understanding of the economic impact of any enterprise or activity is the division of economic events into basic or non-basic activities.

Basic employment is defined as that employment that causes income to flow into a region. In the analysis and description of regional economic activity, any enterprise, agency or activity that causes income to flow into a region can be considered basic. In other words, those activities that create the initial demand or support for businesses, firms and industries producing within a region. Basic activities cause growth. Non-basic activities respond to growth.

These expositions can be considered simulative or basic depending upon their relation with the rest of the area. If the fair draws patrons from beyond the community, then it has a basic component to its operation. If part of the fair's operation can be shown to be basic, then the operation creates an economic relation between the direct employment associated with the fair and the induced and indirect employment that is generated throughout the community; the fair becomes a growth inducer.

The evaluation of this premise forms the purpose of the following analysis that will describe the fair's economic ties with its supporting community. In terms of economic development and sustainable regional output, some fair-related activities can be considered basic, especially if the fair draws patrons from beyond its region.

REA's approach highlights the so-called first round impacts of the exposition. The first round spending at the enterprise level. Detailed expenditure information was obtained from PCF management, categorized by industrial sectors and plotted according to actual location of the spending.

BACKGROUND

In 1994, the fair commissioned an economic impact statement. This appropriate analysis performed by Applied Business Concepts, detailed revenue impacts and other economic characteristics of the Fair. While the analysis was correct, recent changes in Fair management, a buoyant South Placer Economy and time have aged the findings.

A fair can also be described as a community event that enables many diverse groups within a community to receive recognition and economic compensation for their efforts. It represents a traditional means of economic and social exchange. A community fair represents an asset to a community's quality of life that can make the host city a more attractive location for economic development. Community events offer those subtle qualitative variables of the site location decision that are relevant to business relocation, even though quality of life issues may not be directly tallied into the bottom-line calculation. This is certainly true among employers in South Placer's County's information technology industries and certainly true for those citizens that reside in the South Placer area. REA's economic report cannot quantify these social intangibles that are a practical aspect of the fair's operation.

PLACER COUNTY FAIR REVENUES

A measure of the success of the fair includes those qualitative experiences that a day at a local fair can bring. According to management reports, revenues to the PCF totaled over one million during the past season. This income was generated from a variety of sources, the most important being the paid attendance.

During the 1999 Placer County Fair, over 31,000 persons paid admission to the grounds. Another 8,905 persons attended under complimentary circumstances. These included children under five years, some senior participants, handicapped persons, parade entrants, and military persons. Management suggested 1999 attendance figures were down for a variety of reasons. For purposes of analysis an average attendance rate of 40,000 persons per year was integrated into the modeling process.

Management's reporting of 1999 revenue activity by source appears in Table 1.

Table 1

PLACER COUNTY FAIR REVENUES		
	Amount	Share
Attractions Non-Fairtime	\$ 391,436	38.9%
Interim Revenue	\$ 147,883	14.7%
Concessions	\$ 133,616	13.3%
Admissions	\$ 118,617	11.8%
State Allocation	\$ 97,000	9.6%
Miscellaneous Fair	\$ 44,162	4.4%
County Allocation	\$ 25,000	2.5%
Industrial Commercial Space	\$ 24,748	2.5%
Attractions Fairtime	\$ 13,995	1.4%
Exhibits	\$ 5,829	0.6%
Project Bond Reimbursement	\$ 2,277	0.2%
Prior Year Adjustments	\$ 841	0.1%
Total Revenues	\$ 1,005,404	

Source: *Placer County Fair, July 1-4, 1999 Totals*, Placer County Fair

The table shows that Non-Fairtime revenues accounted for 39 percent of the operating income which was generated mostly from racing attractions. Concessions generated 13 percent of income, and admission accounted for 12 percent of PCF receipts. Governments also provided revenues. Placer County provided \$25,000 the State of California contributed \$97,000, accounting for nearly 10 percent of operating revenues. Not all of the benefits of fair attendance can be quantified.

Placer County Fair Economic Impact

FAIR EXPENDITURES

The analysis of the economic impact of the Placer County Fair starts with an analysis of the actual spending by the fair enterprise. These expenditures include payments to concessionaires, entertainment providers, commercial contractors, Speedway vendors and the Fair Association. Table 2 lists expenditures of \$862,000 tabulated by ZIPCODE.

Table 2
**EXPENDITURES OF THE
PLACER COUNTY FAIR BY ZIPCODE**

ZIPCODE	COMMUNITY	TOTAL EXPENDITURES	SHARE	CUMULATIVE
95678	ROSEVILLE	\$208,599	24.2%	24.2%
95814	SACRAMENTO	\$98,617	11.4%	35.6%
95747	ROSEVILLE	\$85,721	9.9%	45.6%
95648	LINCOLN	\$70,875	8.2%	53.8%
95829	SACRAMENTO	\$69,575	8.1%	61.9%
95843	ANTELOPE	\$58,429	6.8%	68.7%
95742	RANCHO CORDOVA	\$43,475	5.0%	73.7%
95660	NORTH HIGHLANDS	\$37,292	4.3%	78.0%
95945	GRASS VALLEY	\$33,736	3.9%	81.9%
95821	SACRAMENTO	\$31,668	3.7%	85.6%
95663	PENRYN	\$15,998	1.9%	87.5%
95610	CITRUS HEIGHTS	\$13,589	1.6%	89.0%
95746	ROSEVILLE	\$10,612	1.2%	90.3%
95828	SACRAMENTO	\$9,435	1.1%	91.4%
95692	WHEATLAND	\$8,710	1.0%	92.4%
95825	SACRAMENTO	\$8,305	1.0%	93.3%
95826	SACRAMENTO	\$7,345	0.9%	94.2%
95842	SACRAMENTO	\$7,165	0.8%	95.0%
95815	SACRAMENTO	\$6,473	0.8%	95.8%
95681	SHERIDAN	\$5,689	0.7%	96.4%
95841	SACRAMENTO	\$5,136	0.6%	97.0%
95677	ROCKLIN	\$4,719	0.5%	97.6%
	OTHER AREAS	\$20,838	2.4%	100.0%
TOTAL FAIR EXPENDITURES		\$862,000	100.0%	

Source: *Placer County Fair Association*
Real Estate Analytics

The table shows that 32 percent of expenditures went to households and businesses in Roseville, and 44 percent of expenditures (\$416,200) accrued to Placer County businesses and households. Various communities in Sacramento County collected 44 percent of spending, with the remainder of the direct impacts accruing to places throughout California (Table 2).

Table 3

PLACER COUNTY FAIR EXPENDITURES BY COUNTY		
County	Expenditures	Share
Placer	\$416,261	48.3%
Sacramento	\$412,768	47.9%
Surrounding Counties	\$32,791	3.8%
Total	\$861,820	

Source: *Placer County Fair Association
Real Estate Analytics*

Table 4 categorizes expenditures by function or accounting center. These data show that the greatest expenditure category accrued to vendors accounting for 20 percent of activity. The Fair Association captured 28 percent of the activity.

Table 4

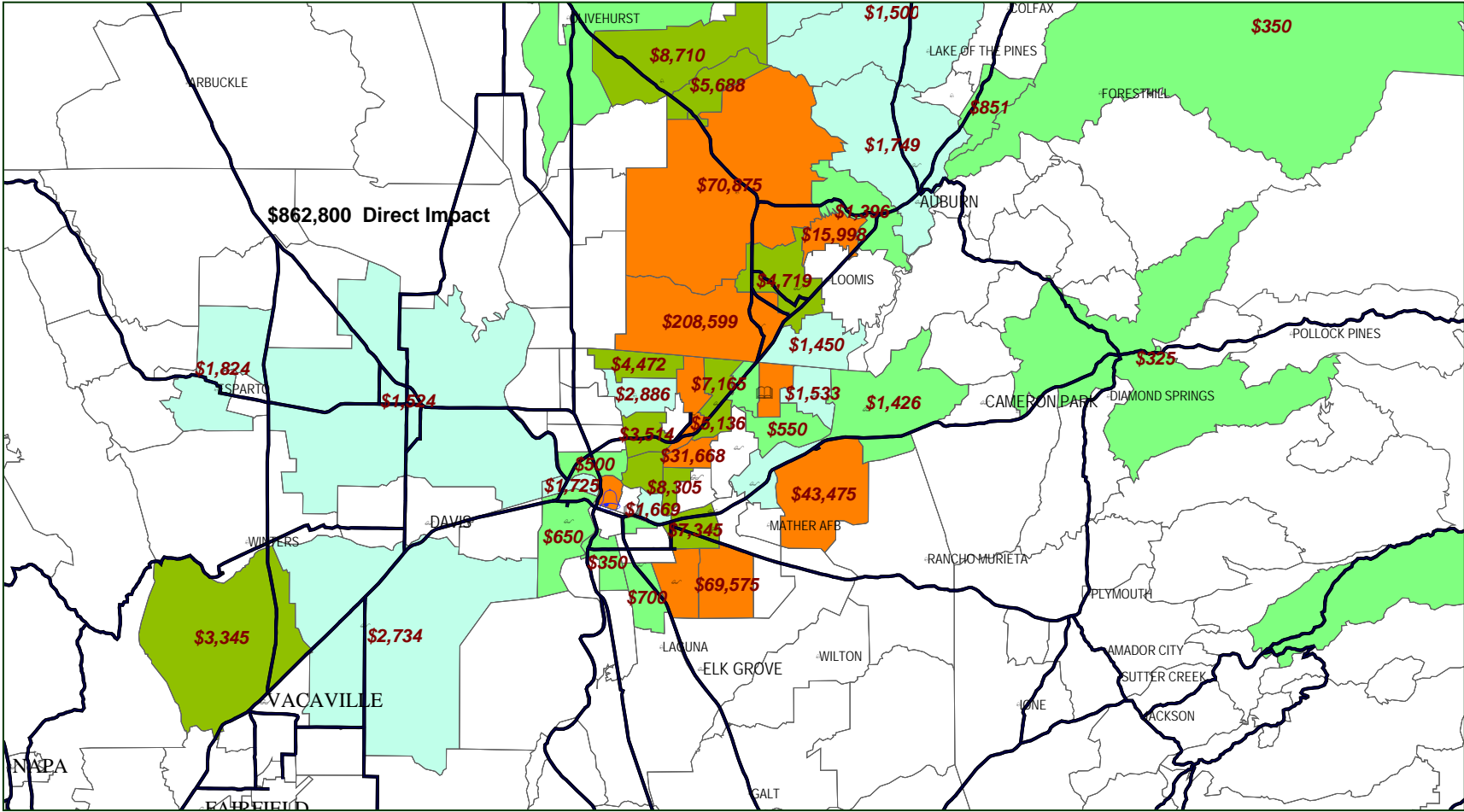
EXPENDITURES BY FUNCTION		
FUNCTION	SPENDING	SHARE
Fair Association Wages	\$ 240,955	28.0%
Entertainment	\$ 190,400	22.1%
Vendors	\$ 174,916	20.3%
Standard Agreements	\$ 140,696	16.3%
American Speedway Wages	\$ 114,593	13.3%
TOTAL EXPENDITURES	\$ 861,561	

Source: *Placer County Fair Association
Real Estate Analytics*

These expenditure data form the basis of the economic exchange that occurs due the fair's annual run.. Map 1 shows the geographical extent of this initial spending. It is from these inputs, that the fair generates its total economic output or impact

Map 1

DIRECT IMPACTS OF THE PLACER COUNTY FAIR



Source: Real Estate Analytics, Placer County Fair

Placer County Fair Economic Impact

The Map shows the localized impact of fair spending. The greatest amount of impact occurs in Southwestern Placer County and northeastern Sacramento County. This can be expected since most of the total includes wages to employees and providers of services, the so-called inter industry expenditures. Inter industry expenditures are those payments made to vendors and service providers necessary to stage the fair. These are the businesses that respond to the needs of the actual fair participants, the vendors and the fair administration itself.

Given household shopping patterns, much of the indirect and inter industry impact occurs in these localities as well. Households mostly patronize their closest grocery stores, the nearest housewares outlet and the closest restaurants. So to consider the "first round" neighborhood impacts of the fair as evidenced by the actual spending patterns of employees and vendors is a reasonable means to assert significant geographic impact.

The following sections of the analysis present the larger impacts of the Fairs.

ANALYSIS OF IMPACTS OF PLACER COUNTY FAIR

To estimate the economic impact of the Placer County Fair, Real Estate Analytics developed and calibrated an input-output model. Input-output models collect expenditure information from a subject industry and mathematically process the spending pattern activity, yielding a result that estimates the total economic impact of the original spending.

The model relies upon a series of production matrices based upon business relationships established in Sacramento and Placer Counties that relate the impact of changes in one industry and subsequent production changes created within the entire production processes of a regional economy.

The concepts were first developed by Nobel Prize winning economist Wassily Leontief in 1961. "Input-Output" analysis, also called "inter-industry analysis", has been continuously used by the U.S. Department Of Commerce - Bureau Of Economic Analysis, as the basis for its literature and analysis on national economic issues, especially military base closures during the last two rounds of Defense Department reductions.

In California, input-output analysis received early attention in the modeling of water resource impacts. The methodologies relied upon for this report were first utilized by the California Department Of Water Resources in their publication, *Measuring Economic Impacts - The Application of Input-Output Analysis To California Water Resources Problems* (1980). This study measured the aggregate economic impact one industry's activities upon another, based on standard industrial classifications (SICs) with special attention given to impacts upon water resources.

The IMPLAN model used in this analysis incorporates an improvement of the simpler RIMS analysis (Regional Impact Modeling System) utilized by the Department of Water Resources. This method of calculation is generally accepted as a cost effective and accurate tool for performing estimates of economic impact, impacts that continue through many rounds of business transaction.

The model is a static model, essentially modeling the beginning and end of an impact, which is more appropriately represented as a series of interrelated business events. Newer approaches, conceived after the advent of personal desktop computing, incorporate more dynamic measures into their processing. In either case, the findings generated quantify total economic impacts after all the rounds of business activity have occurred.

METHODOLOGY

For the present study, REA estimated production functions for 324 industrial sectors in Placer and Sacramento counties. The resulting coefficients describe industry by industry relationships within the study area, from production inputs to economic outputs.

The traditional IMPLAN production matrix did not offer specific coefficients for county fairs. REA calibrated similar industrial sectors to functionally model the spending parameters of the fair. As such, input factors included production patterns from amusement parks, racing operations, entertainment, and civic organizations.

The final reports generated weighted totals for the series of multipliers required. This functional approach is often used when a more appropriate match is not available and offers an enterprise

specific approach to regional estimation. Initial impacts were then calibrated using the IMPLAN software, after which a large spread sheet analysis prepared the reported details.

AN INTUITIVE EXAMPLE

There are many possible definitions of "economic impact." The basic premise suggests that economic events have multiplied impacts or ripple effects. The analogy of a stone thrown into a pond is widely used as a metaphor for the process. This concept is routinely reported in the context of plant closings and openings, in the economic justification of real estate projects and in the context of legislative analysis.

An example can be suggested in the context of a simple exchange between two businesses. Assuming a buyer and seller transact ten-dollars worth of business between them, the initial value of the transaction is \$10.00. However, the seller now has income with which he or she must pay suppliers, producers, their employees, owners of capital and the government. These payments are then spent again as the recipients pay off their suppliers. Eventually these series of payments exhaust themselves empowering every economic unit along the way to generate income and incur costs thereby increasing the total value of the event to the original ten dollars plus the additional amounts of the lessor and lessor transactions. The total value of these transactions represents the change in total economic output. The relationship between the initial amount and the eventual amount equals the initial amount multiplied by a number. The factor is called a multiplier, a measure of total activity, through the lags and structural considerations of the economy. In other words, the number of times the original \$10.00 is spent again and respent throughout a community or economy can be simply estimated using the factor, a multiplier.

The static analysis presented incorporates multipliers that estimate the final impact after all the rounds of spending are accomplished. The model does not phase the impacts; rather the findings report estimates the final change in regional income, so-called Total Industry Output.

In our simplified explanation above, no spending beyond the region is included; thus, the model suggests a closed system. Multipliers are highest in a closed system.

However, in the real world of business and the world of the Placer County Fair, spending occurs within and beyond the economic the economic boundaries chosen for analysis. This is referred to as leakage. The definition of the most appropriate economic region influences the degree of "leakage" inherent in the model. This is why local spending is the most beneficial to a regional economy, but not always the most economically efficient for individual producers.

REA analysis of expenditure patterns for the fair indicated some leakages, accounting for about 10 percent of activity.

On a practical note, the year to year economic impact of the fair will vary with the amount of spending budgeted and the amount of spending that occurs within the region. The analysis represents a typical level of spending for the operation.

Specifically, this report considers three types of impact, each with its own set of input-output coefficients.

1) Direct Impact - otherwise called "final demand". This is the amount of direct economic activity generated. PCF management provided REA with detailed spending information by invoice. The data sets collected and analyzed determined the "first round" or direct impact for all spending by Placer County Fair.

Placer County Fair Economic Impact

2) Indirect Impact - This includes economic activity developed by participating businesses, mostly suppliers of goods and services, to the fair such as food producers, utilities providers, construction contractors and those offering professional services. These are the businesses that must respond as suppliers to the vendors of the PCF.

3) Induced Impact - This impact is generated when those supporting businesses purchase additional products and services, and hire more employees, to meet the demand brought on by direct and indirect impacts. This impact also occurs as the result of household spending of wages earned from production. This is the growth induced impact and the one touted as the benefit to economic development and activity. Employees make purchases for necessities and other discretionary purchases that further stimulate the economy, creating demands for goods and services. These services include payments for housing, food, and other goods necessary for an abundant quality of life. In the process, government extracts payments for its services.

In the final analysis then, an initial spending (direct impact) of \$1,000 for example could be counted as an increase to regional production of \$2,500 when all impacts are included, suggesting a multiplier of 2.5. In other words, for every dollar spent by the subject industry, the model recognizes a full regional impact of \$2.50.

An important consideration and caution is that the total impact should not be added to the initial impact amount. A common misconception and error occurs when the initial impact of one thousand dollars is added to the total impact of \$2,500 suggesting a net result of \$3,500. This is not correct. The total economic impact reported, \$2,500 in this example, always includes the initial amount.

FAIR EXPENDITURES AS INPUTS TO THE MODEL

Table 4 presents the categorization of the fair's expenditures. Each expenditure was classified into the model sectors that best represented the nature of the spending and the implicit production functions for each sector. Judgement was required to fit actual payments with the tight classification of the industrial models. These expenditures begin the economic impact process detailed above and through the calibration of the model are transformed into the column labeled final demand.

Table 5

**PLACER COUNTY FAIR EXPENDITURES
BY INPUT SECTORS**

INPUT SECTOR	IMPACT
Amusement And Recreation Services	\$ 311,555
Other State And Local Government Enterprises	\$ 168,991
Racing And Track Operation	\$ 114,593
Advertising	\$ 95,331
Theatrical Producers, Bands, and Entertainment	\$ 77,325
Detective And Protective Services	\$ 36,442
New Industrial And Commercial	\$ 28,875
Miscellaneous Retail	\$ 20,249
Other Industrial Sectors	\$ 8,739
Total Expenditures	\$ 862,100

Source: Real Estate Analytics, Placer County Fair

The table shows how the fair's operation spreads transactions throughout the regional economy. These monies become income and other transactions for those businesses and individuals that benefit from the fair's activities.

Table 6 presents the results of the models calculations, where estimates are further segregated into types of impacts.

Placer County Fair Economic Impact

Table 6

ECONOMIC IMPACT OF PLACER COUNTY FAIR				
	DIRECT	INDIRECT	INDUCED	TOTAL
TOTAL INDUSTRY OUTPUT	\$ 861,561	\$ 286,389	\$ 1,118,251	\$ 2,266,211
PERSONAL INCOME	\$ 252,017	\$ 82,317	\$ 358,264	\$ 692,577
TOTAL INCOME	\$ 528,839	\$ 163,518	\$ 657,992	\$ 1,350,352
VALUE ADDED	\$ 579,545	\$ 171,934	\$ 746,758	\$ 1,498,226
EMPLOYMENT	22.6	4.6	17.4	44.6
<i>Per Employee</i>	\$ 11,164	\$ 17,922	\$ 20,550	\$ 15,528
TOTAL INDUSTRY OUTPUT	1	0.33241	1.2979	2.6304
PERSONAL INCOME	1	0.32663	1.4216	2.7481
TOTAL INCOME	1	0.30920	1.2442	2.5534
VALUE ADDED	1	0.29667	1.2885	2.5852
EMPLOYMENT	1	0.20347	0.7723	1.9758

Source: Real Estate Analytics

The table shows that \$861,561 begins the regional impact. (Column 1 Direct Impacts on Total Industry Output). The table then presents five measures of the impacts that ensue, as the result of the Placer County Fair's operation. These are Total Industry Output (Total Regional Product), Personal Income, Total Income, Value Added and Employment. Below the estimates of financial impact are the multipliers that resulted from the analysis of inputs.

Of the \$861,561 of final demand, \$528,800 is generated as total Income. Of the \$528,000, \$252,000 is allocated to personal incomes, more commonly as wages salaries, and other income flows to producers, employees and other participants.

The category of Value Added represents an estimation of benefit that results from participation in the fair's activities. This is a calculated yet subjective estimate in the case of the fair. These estimates are also qualitative when the analysis is performed of a more traditional manufacturing process, but they reflect common sense. For example, value added in the production of an automobile indicates that the retail value of the completed cars is more than just the sum of its parts.

Considering Total Industry Output the analysis shows, that \$286,400 is spent for indirect expenditures. This figure represents those expenditures that must be made for the industries in Table 4 to create the goods and services purchased by the Placer County Fair. This is the multiplied value of the support production that must occur in order to bring the input product to market, in this case the supply demands initiated by the Placer County Fair.

The third column estimates the value of the induced or growth impact. The expenditures by employees for household necessities, and other services are included in this impact and are best exemplified by the spending that occurs in retail stores in the South Placer area and the region. According to the model, approximately \$1.12 million of additional or induced spending is created by the operation of the Fair.

The model suggests that the total economic impact of the \$862,000 spent on the operation equals \$2.26 million when all the transactions are included. In summary, \$862,000 in final

Placer County Fair Economic Impact

demand, plus \$286,000 of indirect demand, and \$1.1 million of induced or growth demand equal \$2.26 of total economic output.

The analysis indicates a multiplier of 2.6 suggesting 1 dollar of activity at the fair creates a total economic impact of \$2.60 once all the transactions of the fair are estimated. (Remember that \$1 cannot be added to \$2.6 to calculate the ultimate impact). A multiplier of 2.6 is a high multiplier, reflecting the inter-dependent nature of the Fair's operation.

SPECIFIC QUANTIFICATION OF IMPACTS IN THE REGIONAL SETTING

Much of the discussion of total economic impacts can be lost in the ambiguous nature of a regionalized estimate. A more detailed description of the localized impacts appears in Table 7. The table uses accepted patterns of consumer spending that would flow from the fair's activity, especially through the spending of wages by households.

Table 7

ESTIMATION OF CONSUMER/HOUSEHOLD IMPACTS OF PLACER COUNTY FAIR							
	DIRECT		INDIRECT		INDUCED		TOTAL
Money Income	\$ 252,017	\$	82,317	\$	358,264	\$	692,577
Personal Taxes	\$ 28,217	\$	9,217	\$	40,113	\$	77,545
Money Income After Taxes	\$ 223,800	\$	73,100	\$	318,151	\$	615,033
Average Annual Expenditures	\$ 227,801	\$	74,407	\$	323,838	\$	626,027
Food	\$ 33,310	\$	10,880	\$	47,353	\$	91,540
Alcoholic Beverages	\$ 2,798	\$	914	\$	3,978	\$	7,689
Housing	\$ 48,641	\$	15,888	\$	69,147	\$	133,671
Utilities	\$ 11,684	\$	3,816	\$	16,610	\$	32,109
Household Operations	\$ 3,572	\$	1,167	\$	5,078	\$	9,817
Housekeeping Supplies	\$ 2,701	\$	882	\$	3,840	\$	7,423
Household Furnishings and Equipment	\$ 10,268	\$	3,354	\$	14,597	\$	28,219
Apparel & Services	\$ 11,341	\$	3,704	\$	16,122	\$	31,167
Vehicle Purchases	\$ 16,002	\$	5,227	\$	22,749	\$	43,977
Gasoline & oil	\$ 7,504	\$	2,451	\$	10,667	\$	20,621
Other Vehicle Expenses	\$ 13,334	\$	4,355	\$	18,956	\$	36,645
Health Care	\$ 8,814	\$	2,879	\$	12,530	\$	24,222
Entertainment	\$ 11,800	\$	3,854	\$	16,775	\$	32,428
Personal Care Products	\$ 2,693	\$	880	\$	3,828	\$	7,400
Personal Insurance & Pensions	\$ 21,468	\$	7,012	\$	30,519	\$	58,998
Miscellaneous	\$ 17,882	\$	5,841	\$	25,421	\$	49,142

Source: Real Estate Analytics

The table tracks those money flows derived from changes in money income from all those earning wages from the various activities. The money income numbers are taken from Table 5 under the category Personal income. From the \$252,000 generated from wages under the direct column, approximately \$28,000 accrues to taxes, \$33,000 goes initially to food expenditures and \$48,000 supports housing and its services.

Considering the total impact, again the multiplied final impact, suggests that \$682,000 ends up as an addition to the monetized income of persons associated with the event. Of that, \$77,500 goes to the public sector, \$91,000 is used for the purchase of food and \$133,000 supports the regions housing sector. The particular multiplier for this exchange is 2.74 as indicated on table 5.

Placer County Fair Economic Impact

A major consideration in the analysis of economic events is the employment impact. REA's model suggests impacts to South Placer County's employment. The model indicates that 22 jobs are produced by the fair. This is actually measured as person-years and requires explanation. During the operation of the fair, many persons are employed for a short time during the actual operation, and others are employed for the longer period required for the planning and production of the event. So 22 person years is actually spread over many individuals who derive a wage benefit from the event and realistically occurs in a short calendar period involving several times more persons than the 22 suggested by the model. This production planning also accrues to those who must perform, or prepare exhibits or any other activity that is pre planned.

As a result, approximately 44 person-years regionwide are supported by the fair. Consistent with the model's approach, these jobs are spread across the retail, professional and trades categories of an interdependent economic system.

A final estimate appears in Table 8. This table suggests the returns to all sectors of government, including Federal, State and Local.

Table 8

RETURNS TO THE GOVERNMENT SECTOR								
		Direct		Indirect		Induced		Total
Federal & State Income Taxes	\$	28,217	\$	9,217	\$	40,113	\$	77,545
Property Tax	\$	5,245	\$	1,713	\$	7,456	\$	14,413
Retail Sales Tax	\$	6,889	\$	2,250	\$	9,793	\$	18,931
Retail Sales Tax Local	\$	889	\$	290	\$	1,264	\$	2,443
TOTAL LOCAL GOVERNMENT	\$	2,462	\$	804	\$	3,500	\$	6,767
Share to Government		16.36%		16.36%		16.36%		16.36%

Source: Real Estate Analytics

The estimates of returns to local government suggest a flow of \$6700 because of the fair's operation. This represents a general estimate that has not been calibrated to for the variety of flows created by regulation and practice.

FINDINGS AND CONCLUSIONS

The analysis of the fair's operation, using a standard input-output model suggested positive economic returns for the event. The multipliers estimated demonstrate the inter dependent nature of the fair's production. These higher multipliers also indicate the distributed nature of the fair's production process. In one sense, the fair acts as a catalyst for many enterprises, each with its own production and resource requirements. The fair's operation is essentially a "call" to area producers, much like and agent or broker for many related businesses. This call creates a sequence of other calls that ultimately involves many persons.

The analysis shows that the operation of the event generates approximately \$2.26 million of regional economic activity from an initial seed of \$862,000. The exact locations of these expenditures can only be discussed. However, analysis of the expenditure patterns, with the recipients indicates much of the impact occurs within the metropolitan area, mostly around the South Placer community. An exception can be suggested with the actual payment impact for

Placer County Fair Economic Impact

some of the entertainment expenditures. Much of the data indicated local payments to agents and the like but realistically some of the actual incidence of funds "leaks" to other regions,

Of note are the returns to the household sector. These impacts, much like the employment impacts, are of great public interest. These returns go to area businesses that allocate the payment impact to their suppliers. Some realistic caution must be suggested for the allocation of these funds. Certainly, most of these impacts actually occur within the state, given the state's ability to provide vast measures of productive capacity.

While the analysis quantifies benefits, there are quality of life benefits derived from the promotion and support of a local exposition. These benefits form a portion of attractiveness of Placer County to those information and technology firms that have chosen the county. Quality of life considerations are fundamental to the recruiting and retention of workforces that form the cornerstone of the Sacramento region's economic development success.

Placer County Fair Economic Impact

Table 6

ITEMIZED EXPENDITURES OF PLACER COUNTY FAIR BY HOUSEHOLD SPENDING

	DIRECT	INDIRECT	INDUCED	TOTAL
Money Income	\$ 252,017	\$ 82,317	\$ 358,264	\$ 692,577
Personal Taxes	\$ 28,217	\$ 9,217	\$ 40,113	\$ 77,545
Money Income After Taxes	\$ 223,800	\$ 73,100	\$ 318,151	\$ 615,033
Average Annual Expenditures	\$ 227,801	\$ 74,407	\$ 323,838	\$ 626,027
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Alcoholic Beverages	\$ 2,798	\$ 914	\$ 3,978	\$ 7,689
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Household Furnishings and Equipment	\$ 10,268	\$ 3,354	\$ 14,597	\$ 28,219
Apparel & Services	\$ 11,341	\$ 3,704	\$ 16,122	\$ 31,167
Vehicle Purchases	\$ 16,002	\$ 5,227	\$ 22,749	\$ 43,977
Gasoline & oil	\$ 7,504	\$ 2,451	\$ 10,667	\$ 20,621
Other Vehicle Expenses	\$ 13,334	\$ 4,355	\$ 18,956	\$ 36,645
Health Care	\$ 8,814	\$ 2,879	\$ 12,530	\$ 24,222
Entertainment	\$ 11,800	\$ 3,854	\$ 16,775	\$ 32,428
Personal Care Products	\$ 2,693	\$ 880	\$ 3,828	\$ 7,400
Personal Insurance & Pensions	\$ 21,468	\$ 7,012	\$ 30,519	\$ 58,998
Miscellaneous	\$ 17,882	\$ 5,841	\$ 25,421	\$ 49,142

Source: *Real Estate Analytics*

These calculations were developed using standard Consumer Expenditure tables as prepared by the Bureau of Labor Statistics.