

O L O C A L

O 2 4 F & B

Events that source locally produced materials can boost local economies twice as much as events that source from “big box” national or international businesses.

Last year, The Urban Conservancy and Civic Economics studied the impact of local businesses in the Big Easy. Their report, *Thinking Outside the Box: A Report on Independent Merchants and the New Orleans Economy*, found that 32 percent of money spent at locally owned and operated stores went into the local economy. By contrast, only 16 percent of spend at “big box” stores reached local pockets. If New Orleans residents and visitors shifted 10 percent of their spending practices to regional or local businesses, the area would see an additional US\$235 million a year.

When food is purchased locally—from a farmer’s market, for instance—the producer retains up to 90 percent of the purchase price; a

non-local producer such as a U.S. wheat farmer receives about 6 percent of the final cost of a loaf of bread (roughly equivalent to the cost of the bread wrapper).

The “buy local” trend as seen in the U.S. and the U.K. is a revival of traditional practices pre-dating the global economy that have never gone out of style in other countries. In France, for instance, buying local has always just been a part of life.

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Here's how spend on local bacon and beer for a two-day, 500-delegate meeting at a U.S. hotel filters into the host community.

Locally Raised Bacon for Two Breakfast Buffets: **\$1,000**



Locally Brewed Beer for an Evening Reception: **\$1,500**



Farmer's Take: \$650

- Feed: \$135.23
- Labor: \$90.85
- Land Rent: \$20.80
- Utilities: \$12.63
- Real Estate Taxes: \$6.45
- Insurance: \$6.18



Hotel's Take: \$350

- Wages: \$151.55
- Utilities: \$106.09
- Guest Supplies: \$45.45
- Salaries and Benefits: \$23.45
- Management Fee: \$9.38
- Insurance: \$4.69
- Lease: \$4.69
- Taxes: \$4.69



Hotel's Take: \$525

- Utilities: \$174.00
- Guest Supplies: \$150.00
- Salaries and Benefits: \$100.50
- Management Fee: \$40.20
- Insurance: \$20.10
- Lease: \$20.10
- Taxes: \$20.10



Brewery's Take: \$975

- Hourly Wages: \$206.75
- Sales and Marketing: \$32.14
- Rent: \$21.43
- Utilities: \$2.86
- Insurance: \$2.50
- Leased Equipment: \$1.43

Assumptions based on costs from a cross-section of U.S. hotels
 Bacon: \$4 per person with half of attendees partaking
 Beer: \$6.50 per beer with a total of 231 servings consumed