



Economic Impacts of CicLAvia: Study Finds Gains to Local Businesses

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Briefing Paper

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UCLA conducts first ever economic impact assessment of a CicLAvia car-free event that brought 150,000 people on foot and bike to iconic Wilshire Boulevard.

FINDINGS

1. Businesses along the June 2013 CicLAvia route experienced a 10 percent bump in sales on the day of the event, compared to a non-CicLAvia Sunday earlier that month.
2. This translates into a total sales revenue increase of \$52,444 if extrapolated for the 128 brick-and-mortar businesses located along the CicLAvia route that were open during the event compared to an average Sunday before CicLAvia. The average sales per business amount increased by \$407 on average (\$3,122 in sales on average per business, as compared with \$2,715 on the non-CicLAvia Sunday).
3. The increase was greater among those businesses that engaged with CicLAvia participants such as with a vending table or music. “Active participant” businesses saw their sales increase 57 percent, or \$2,715 per business.



A business engages CicLAvia participants with balloons, a vending table, and employees on the sidewalk.

This is an underestimation for several reasons:

- The \$52,444 in additional revenue accounts only for street-level, brick-and-mortar businesses located along the CicLAvia route that are normally open on Sundays between 9 am – 4 pm. Not included are the 30 food trucks and myriad other vendors that operated in designated spots along the CicLAvia route. Several managers reported that their food truck would not have been operating (and thus providing tax revenues to the city) on this Sunday if not for the CicLAvia event. The 14 food trucks in our sample averaged \$1,693 in sales during CicLAvia. Assuming all 30 trucks experienced similar results, total sales for the food trucks is \$50,790.
- The average increase of 10 percent in sales is an underestimation because it does not account for the 100 percent increase in sales revenues for the five or more businesses that opened for CicLAvia although normally closed on Sundays (nor the food trucks that would not have otherwise operated).
- Some businesses performed exceptionally better during CicLAvia while others that fared less well were in general loyalty businesses, such as dry cleaners and hair salons. For these businesses, their customers likely shifted business to another day of the week rather than eliminated it altogether. Our study did not account for shifting of business to another day.



QUOTES FROM LOCAL BUSINESSES

In addition to quantitative results, researchers collected qualitative information by interviewing representatives from local businesses. Many expressed sentiments similar to the following:

“After 12pm we had over 50 percent more people in here. We had first-time customers saying ‘I’m going to come back later.’”

– Owner of a business on Wilshire Boulevard

“We participate because not just because we do well, but because we support everything that CicLAvia represents. In our eyes, every city needs a CicLAvia. Every event we’ve been to has been full of great energy and good people.”

– Food truck owner

METHODOLOGY AND ADDITIONAL FINDINGS

Researchers used a dataset that listed all businesses located at the street level along the CicLAvia Wilshire route, refined by field observations, and then took a random sample of this list. The sample contained a mix of all major business types. We then conducted outreach to these brick-and-mortar businesses as well as to the 30 food truck that participated in CicLAvia. Approximately 50 percent (14) of the food truck operators agreed to participate in the study and one-third (41) of the brick-and-mortar businesses decided to provide their sales revenue data for both a Sunday before and the Sunday of CicLAvia.

To overcome any possible selection bias, researchers conducted head counts (as a proxy for customer business) for 33 establishments for which sales data were not available, as well as for a control group of businesses. This allowed researchers to control for overall effects not related to CicLAvia. The results confirmed the existence of more business during CicLAvia as represented by higher foot traffic – an average of one additional person per business at all times. If the average time in a coffee or snack shop is 20 minutes (according to Krumm, 2012) and there are approximately 18 periods of 20 minutes during the event (9 am – 4 pm), then each of these establishments experienced an average of 18 additional patrons on CicLAvia compared to a normal Sunday.

STUDY LIMITATIONS AND FUTURE RESEARCH

This study is limited by a small sample size, which prevents extrapolations to other open street events. Additional studies could determine whether the effect is similar regardless of the particular neighborhood or event. The study size was due to a limited number of relevant businesses in general and some reluctance among our random sample to share their sales data, even though this data was aggregated and thus anonymous. The study attempted to eliminate self-selection bias by compensating businesses for their participation time and also conducting head counts. Future studies could expand the sample size by including surrounding businesses, to examine how far the CicLAvia effect may exist. The full technical report will be available in early 2014.

CONCLUSIONS & RECOMMENDATIONS

- 1. The CicLAvia event on June 23rd, 2013 resulted in an overall increase in sales and foot traffic for the businesses along the route. Researchers estimate a more than \$52,000 increase for the 129 brick-and-mortar businesses in the research population.**
- 2. This is a conservative estimate of the economic benefit of this event.**
- 3. Local businesses seeking to maximize profits during CicLAvia should consider strategies to engage with CicLAvia participants, such as by expanding the business closer to the street with a booth, music, or CicLAvia signage.**



Low-cost decorations, such as balloons, encourage CicLAvia participants to stop at businesses along the route.

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ABOUT THE PROJECT PARTNERS

UCLA Luskin School of Public Affairs

Founded in 1994 and dedicated in 2011, the UCLA Luskin School of Public Affairs is a leading institution for research and scholarship in the areas of public policy, social welfare and urban planning. Based in the global metropolis of Los Angeles, UCLA Luskin develops creative solutions and innovative leaders that confront challenges in transportation, the environment, immigration, drug policy, prison reform, and other areas vital to the continued health and well-being of our global society. More at luskin.ucla.edu.



The Los Angeles Sustainability Collaborative is dedicated to creating a more sustainable Los Angeles by facilitating research, informing stakeholders and providing solutions to emerging environmental challenges. To learn more, visit: www.lasustainability.org.



CicLAvia Inc. is a 501 (c) 3 nonprofit organization dedicated to promoting public health, active green transportation, public space, economic development, and community building through car-free public events. With the full support of the City of Los Angeles, CicLAvia is an innovative model for creating new public space and enriching civic life. CicLAvia is Los Angeles' adaptation of *ciclovia*, a phenomenon that began more than 35 years ago in Bogotá, Colombia, where every Sunday 80 miles of streets become closed to car traffic with the goals of reducing pollution and encouraging a healthy lifestyle.