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Economic Impact of Legalizing Retail Alcohol Sales in Benton County

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ECONOMIC IMPACT OF LEGALIZING RETAIL ALCOHOL SALES IN BENTON COUNTY

Produced for: Keep Dollars in Benton County



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EXECUTIVE SUMMARY

Converting from a dry county to a wet county would have a number of tangible and intangible economic benefits for Benton County. Legal retail alcohol sales are a signal of a contemporary economic development environment. Quantifying the value of that perception is quite difficult, but it is entirely possible to estimate sales effects and tax implications of becoming a wet county for the residents of Benton County. A study was conducted by the Center for Business and Economic Research to assess the magnitude of those economic effects. Data from 2010 were used because of completeness, but the sizes of the economic benefits are likely to be similar in 2013. Some of the key findings are presented below.

- In 2010, 68.5 percent of Benton County residents or **151,639 individuals were over the age of 21**. These residents consumed alcoholic beverages by the glass in Benton County, but purchased retail alcohol outside of Benton County.
- Researchers estimated that the average Arkansan over the age of 21 spent \$38 on mixed drinks and wine sold by the drink in 2010 and the average Benton County resident spent \$66 on mixed drinks and wine sold by the drink. The per capita spending of mixed drinks and wine indicated that **Benton County residents spent 1.74 times more on alcohol sold by the drink than the average Arkansan**.
- In 2010, the average Arkansan over the age of 21 spent \$156 a year on beer purchases and \$92 in liquor and wine purchases and **the average Benton County resident spent \$295 in beer purchases and \$219 in liquor and wine purchases**.
- If Benton County had been a wet county in 2010, residents would have spent an estimated \$44,724,993 in beer purchases and \$33,273,288 in liquor and wine sales. The total package alcohol sales would have amounted to an estimated **\$77,998,281**.
- In 2010, those retail sales of alcohol would have generated an **additional 2.4 percent in sales tax revenues** for Benton County or **\$779,983**.
- Total city sales taxes collected from the sales of retail liquor in Benton County would have amounted to **\$1,402,076** in 2010, with the majority occurring in Rogers and Bentonville.

- Property taxes on new construction of package liquor stores will also generate ongoing revenue streams. In 2010, these impacts would have ranged from **\$120,679 to \$160,906** and would have been split among cities, counties, and school districts.
- Using economic multipliers and inter-industry coefficients to estimate economic impact, the economic impact of allowing retail sales of alcohol was estimated at **\$33,044,913** for the year 2010.
- This economic activity in Benton County in 2010 would have been associated with a total of **541.8 jobs** (across all industries) with a labor income of **\$15,453,091**.
- In addition to ongoing economic impact, if 21 new liquor stores had been constructed, a one-time economic output of **\$14,337,891** would be generated and a total of **141.1 jobs** would be created across all industries in Benton County.

INTRODUCTION

In recent decades, Benton County has undergone unprecedented economic expansion due to the hard work and tenacious spirit of the community's leaders and residents. These leaders and residents have transformed the community by establishing successful enterprises that enhance the economic opportunity and standard of living in Benton County. However, Benton County remains a dry county and the retail sale of retail alcohol is currently prohibited within the county. Wet counties allow the sale of liquor, wine, and beer in package liquor stores and do not require private club status for restaurants which serve alcoholic beverages. A group of citizens who have organized under the name "Keep Dollars in Benton County" contacted the researchers at the Center for Business and Economic Research at the Sam M. Walton College of Business at the University of Arkansas with an interest in assessing the revenue and economic impacts of Benton County, Arkansas becoming a wet county. It is important to note that alcohol is currently sold to customers in Benton County at establishments such as restaurants that have procured a private club license.

Researchers from the Center for Business and Economic Research investigated available state and local data about alcohol related spending data to arrive at an estimate of the increased revenues and economic impacts of legalizing retail alcohol sales in Benton County. The report begins with a description of the Center's methodology in conducting the study and a description of the data used to arrive at the report's conclusions. The following section of this report details the various conclusions about the revenue and economic impacts of converting Benton County into a wet county.

METHODOLOGY

Several aspects of the local economy will change if Benton County converts from a dry county into a wet county. Some of the effects of this change will result in an improved perception of Benton County and an ability to recruit talent from across the nation and the world. These effects, though important, remain outside the scope of this study. Also, if Benton County becomes a wet county, restaurants and other establishments that have a private club license may be able to convert their licenses and procure alcohol at wholesale prices and this would improve the staying power of businesses as alcohol would be less expensive to procure. Again, understanding and estimating this benefit to current private club license holders remains outside the scope of this study.

An important effect of Benton County becoming a wet county will be the emergence of retail outlets that sell liquor to the community. Researchers from the Center for Business and Economic Research estimate the potential sales of alcohol and associated revenue, tax and economic impacts. Since the sale of alcohol is currently allowed in private clubs in Benton County, researchers can use the quantity of sales of alcohol in these establishments to understand the alcohol spending patterns of the Benton County community. The sales of mixed drinks and wine are recorded at the Arkansas Department of Finance and Administration as Benton County establishments that serve alcohol through a private club license remit a ten percent tax on mixed drink and wine sales. Data from the U.S. Census Bureau provide the population of Benton County and also the proportion of the population that is of drinking age (over the age of 21). Using these pieces of information, researchers arrived at a value in dollars that represents the alcohol purchases in private clubs for each Benton County resident over the age of 21.^{1,2} This dollar value is then compared to the dollar value of alcohol purchases by all Arkansans in bars, restaurants and private clubs to arrive at a ratio that represents the different alcohol spending patterns of Benton County residents and all Arkansans. The ratio is then used to impute an estimate of retail sales of alcohol from the information available about retail alcohol purchases of all Arkansans.

This study employs an input-output approach to evaluate the economic impact of legalizing retail liquor sales in Benton County. The study relies on estimating multiplier impacts from a widely used input-output model, the IMPLAN model. IMPLAN is a regional impact model that enables the evaluation of the economic impact of specific activities like retail sales within an economy. The basic data sources for the current edition of the IMPLAN database and the model used in this study are the Input-Output Accounts of the United States, developed by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), and county income and employment data published by BEA and the Bureau of Labor Statistics (BLS). The model reflects 2010 industrial structure and technology, and 2010 prices (trade flows in the model are expressed in 2010 dollars). IMPLAN uses a 525-sector input/output model to measure the effects of three types of impacts: direct, indirect, and induced. Direct impacts consist of employment and purchases of goods and services in the region resulting from the activity being evaluated, in this case, legalizing liquor sales in Benton County. Indirect (inter-industry) impacts

¹ There is a limitation to the data provided by the Arkansas Department of Finance and Administration about the sales of mixed drinks and wine in each county. Establishments that sell alcohol in more than one location, report all the sales transactions under one reporting number. The information of about sales from these establishments are consolidated and only provided on a statewide basis and therefore the county sales of mixed drinks and wine will be underestimated. However, the magnitude of this limitation is small as the consolidated reports only account of 18 percent of mixed drink taxes and 8 percent of liquor excise taxes.

² The data on mixed drink tax collections by county is limited to the year 2004. The Arkansas Department of Finance and Administration no longer has the ability to provide information by county due to a change in their information systems.

consist of goods and services purchased by the firms, which supply inputs consumed in the direct activity. Induced impacts consist of increased household purchases of goods and services in the region by employees of direct and indirect employers. The model generates multipliers, which summarize the magnitude of the indirect and induced effects generated by a given direct change, to estimate changes in output, income, and employment. In other words, the multiplier is the ratio of total impact to direct impact.

Finally, using estimates provided by construction companies, researchers will assess the economic impacts from the one-time construction of new establishments that will be retail alcohol outlets in the Benton County community.

ESTIMATING THE EFFECTS OF A WET BENTON COUNTY

INTRODUCTION

In Arkansas, a dry county is one in which the government forbids the sale of alcoholic beverages. According to information supplied by the Arkansas Department of Finance and Administration, there are currently 35 wet counties (counties where the government does not forbid sales of alcoholic beverages) and 40 dry counties. However, some dry counties do allow alcohol sales by the drink from establishments such as restaurants that have obtained a private club license. In Arkansas, 30 out of the 40 dry counties allow alcohol sales by the drink through establishments that have private club licenses.

Information supplied by the Arkansas Department of Finance and Administration shows that as of January 2012, there were 127 private club licenses issued to various operators of establishments such as restaurants that operate within Benton County. This information is very important in establishing the alcohol spending patterns of the Benton County community (in a subsequent part of the report) when compared to alcohol spending patterns of all Arkansans.

SPENDING PATTERNS

Gaining an understanding of the alcohol spending patterns of Arkansans and Benton County residents requires data on the population of these areas and the population that is of drinking age (over the age of 21). The data used in this study come from the detailed statistics collected by the U.S. Census Bureau as part of the 2010 Census and from the U.S. Census Bureau's American Community Survey information collected in 2005. Although the mixed drink tax collection information used to calculate alcohol spending patterns comes from 2004, population estimates by age were not available for that year. The state of Arkansas had a population of 2,915,918 in 2010 and 2,077,218 or 71.2 percent of the state's population was over the age of 21. In 2005, the state had a drinking age population of 1,916,695, which was 71

percent of the population. Meanwhile, the 2010 Census reported that Benton County had a population of 221,339. 68.5 percent of the Benton County population or 151,639 individuals were of drinking age. In 2005, Benton County had a drinking age population of 70.2 percent or 129,620.

TABLE 1: POPULATIONS OF ARKANSAS AND BENTON COUNTY

	Arkansas			Benton County		
	Population	Over 21 Population	Percent Over 21	Population	Over 21 Population	Percent Over 21
2005	2,701,431	1,916,695	71.0%	184,692	129,620	70.2%
2010	2,915,918	2,077,218	71.2%	221,339	151,639	68.5%

Source: U.S. Census Bureau American Community Survey 2005 and Census 2010

In the state of Arkansas, all mixed drinks and wine purchased by the drink at bars, restaurants and other establishments including establishments operating under a private club license are subject to a ten percent mixed drink tax. Purchases of mixed drinks at these establishments are also subject to an additional four percent tax. The taxes are remitted by the establishments to the Arkansas Department of Finance and Administration. In the past, taxes remitted by these establishments could be tracked by county where the establishments operated,³ but a change in the software at the Department of Finance and Administration made the county level data unavailable. The last year of information available about mixed drink tax collections on a county by county basis was for the ten percent mixed drink taxes collected in 2004. Researchers from the Center for Business and Economic Research will use this information to identify the alcohol spending patterns of Benton County residents and all Arkansans. Calculating the total value of mixed drink and wine sales from bars, restaurants and private clubs in the state of Arkansas and Benton County was accomplished by dividing the taxes collected by the ten percent tax rate. In 2004, this calculation yielded mixed drink and wine sales of \$49,119,460 in Arkansas and \$5,778,400 in mixed drink and wine sales in Benton County. Dividing this figure by the drinking age population of Arkansas and Benton County in 2004-2005 yielded a per capita spending of \$26 in mixed drinks and wine per year for all Arkansans and a per capita spending of \$45 per year for Benton County residents. The per capita spending reflects expenditures at bars, restaurants, private clubs and other such establishments that sell by the drink. The per capita spending of mixed drinks and wine indicates that Benton County residents spent 1.74 times more on alcohol sold by the drink than the average Arkansan. Using this ratio, we can estimate that while the average Arkansan over the age of 21 spent \$38 on mixed drinks and wine in 2010, the average Benton County resident spent \$66 on mixed drinks and wine sold by the drink.

³ Subject to limitations described in footnote 1.

TABLE 2: PER CAPITA SPENDING ON MIXED DRINKS AND WINE IN ARKANSAS AND BENTON COUNTY

	Arkansas			Benton County		
	Over 21 Population	Mixed Drink Sales	Spending per person	Over 21 Population	Mixed Drink Sales	Spending per person
2004-2005	1,916,695	\$ 49,119,460	\$ 26	129,620	\$ 5,778,440	\$ 45
2010	2,077,218	\$ 78,299,960	\$ 38	151,639	\$ 9,943,251	\$ 66

Source: Arkansas Department of Finance and Administration, U.S. Census Bureau and Center for Business and Economic Research Estimates

RETAIL SALES OF ALCOHOL

Sales of alcohol made at retail establishments such as liquor stores, gas stations and supermarkets are subject to taxes that must be remitted by these establishments to the state. Beer sales at these establishments are subject to a one percent beer excise tax while liquor and wine are subject to a three percent liquor excise tax. These taxes are collected by the Arkansas Department of Finance and Administration. Similar to data about the mixed drink tax collections mentioned above, the county level data about beer and liquor excise tax collections are limited to the year 2004. Beer sales in Arkansas totaled \$298,458,200 (obtained by dividing the tax revenue by the then three percent beer excise tax) in 2004 while liquor and wine sales totaled \$176,457,067 (obtained by dividing the tax revenue by the three percent liquor excise tax). In 2004, the average Arkansan over the age of 21 spent \$156 a year on beer purchases and \$92 in liquor and wine purchases. Utilizing the available data and the ratio of alcohol spending patterns of Benton County residents calculated above, researchers from the Center for Business and Economic Research were able to estimate the beer and liquor expenditures per person in Benton County for the year 2010. According to these estimates, in 2010, the average Benton County resident spent \$295 in beer purchases and \$219 in liquor and wine purchases. If Benton County were a wet county in 2010, and Benton County residents purchased alcohol from Benton County liquor stores, gas stations and supermarkets, residents would have spent \$44,724,993 in beer purchases and \$33,273,288 in liquor and wine sales in the county.

TABLE 3: ESTIMATED BEER, LIQUOR AND WINE SALES IN ARKANSAS AND BENTON COUNTY

	Arkansas				Benton County			
	Beer Sales	Liquor and Wine Sales	Beer sales per person	Liquor and Wine sales per person	Beer sales per person	Liquor and Wine sales per person	Beer Sales	Liquor and Wine Sales
2004-2005	\$298,458,200	\$176,457,067	\$156	\$92	\$271	\$160	\$35,110,785	\$20,758,505
2010	\$352,195,200	\$262,016,633	\$170	\$126	\$295	\$219	\$44,724,993	\$33,273,288

Source: Arkansas Department of Finance and Administration, U.S. Census Bureau and Center for Business and Economic Research Estimates

Assuming that Benton County were a wet county in the year 2010, beer, liquor and wine sales estimated at \$77,998,281 would have occurred within the county. Benton County currently charges a one percent county sales tax that would have also been collected on retail alcohol sales. This would have generated sales tax revenues of \$779,983 for Benton County. The amount would have provided an additional 2.4 percent in revenues for Benton County where total sales tax collections amounted to \$31,966,824 in 2010.

TABLE 4: ESTIMATED ADDITIONAL SALES TAX COLLECTIONS IN BENTON COUNTY

	Estimated Beer Sales	Estimated Liquor and Wine Sales	Total Estimated Alcohol Sales	Estimated County Sales Tax Revenue
Benton County	\$44,724,993	\$33,273,288	\$77,998,281	\$779,983

Source: Arkansas Department of Finance and Administration and Center for Business and Economic Research Estimates

CITY LEVEL TAXES

Should Benton County residents decided to convert to a wet county, individuals or groups wishing to open a liquor store or sell beer and wine in gas stations and supermarkets will be required to apply for and receive a permit to sell retail alcohol in Benton County. The decision to grant a permit to sell retail liquor is governed by the Alcoholic Beverages Control Administration. There are several rules that affect the granting of a liquor permit in Arkansas and these are enlisted in Arkansas Code 3-4-201 and Arkansas Code 3-4-208. Among these rules are stipulations that the total number of permits in any county cannot exceed the number that represents one liquor store for every 4,000 county residents. In Benton County, with a population of 221,339, a maximum of 55 permits can be issued (Scenario 1). However, permits will only be granted to locate liquor stores that are 1,000 feet away from a church or a school and where liquor stores don't already exist. In light of these limiting factors, several of the

smaller towns in Benton County were excluded from this study of what the sales tax benefits will be for the cities in Benton County. The cities of Bentonville, Bella Vista, Centerton, Lowell, Pea Ridge, Rogers and Siloam Springs were chosen based on their larger size and population. As seen in the table below, a set of hypothetical estimates was made to determine the number of liquor stores in the cities based on their proportion of the Benton County population.⁴ Under the assumption that all 55 permits will be allocated, Rogers could receive 20 permits and Bentonville could receive 13 permits. Bella Vista and Siloam Springs could follow with nine and five permits respectively while Centerton and Lowell could each get three permits and Pea Ridge could receive 2 permits. However, a more reasonable assumption (Scenario 2) may be that only 75 percent of the maximum allowable permits will be issued as result of limiting factors like distances from churches and schools and distance to the nearest other liquor stores. In this scenario, Rogers could receive 15 permits, Bentonville could receive 9, Bella Vista could receive 7 and Siloam Springs could receive 4 permits.

Total local sales taxes collected from the sales of retail liquor in Benton County would have amounted to \$1,402,076 in 2010. Based on these estimates, Rogers could have collected an additional \$565,423 in sales taxes or 2.4 percent of the total collections, Bentonville could have collected 2.0 percent of total collections or an additional \$356,658, Siloam Springs could have collected 2.6 percent of total collections or an additional \$151,944, Bella Vista could have collected an additional \$133,672 or 16.0 percent of total collections and Lowell could have collected an additional \$74,027 or 3.2 percent of total collections.

TABLE 5: ESTIMATED ADDITIONAL SALES TAX COLLECTIONS IN SELECT BENTON COUNTY CITIES

City	Tax Rate	Maximum Permit Scenario	75% Permit Scenario	Estimated Liquor Sales	Estimated Sales Taxes Collected	% of 2010 Sales Tax Collections
Bentonville	2%	13	9	\$17,832,898	\$356,658	2.0%
Bella Vista	1%	9	7	\$13,367,222	\$133,672	16.0%
Centerton	2%	3	3	\$4,806,663	\$96,133	12.4%
Lowell	2%	3	2	\$3,701,358	\$74,027	3.2%
Pea Ridge	1%	2	1	\$2,421,770	\$24,218	6.7%
Rogers	2%	20	15	\$28,271,163	\$565,423	2.4%
Siloam Springs	2%	5	4	\$7,597,206	\$151,944	2.6%
Total		55	41	\$77,998,281	\$1,402,076	2.7%

Source: Arkansas Department of Finance and Administration and Center for Business and Economic Research Estimates

⁴ It is beyond the scope of this study to determine exact siting of new package liquor stores. The assumptions above are based upon population proportion and do not offer guarantees of tax revenues, but rather orders of magnitude for the various cities.

Another important economic effect of converting Benton County from a dry county to a wet county will be seen in the economic impact of the construction of new liquor stores. Prior research shows that nationally, the average liquor store is 5,318 square feet in size.⁵ The construction of 28 new liquor stores under Scenario 1 or the construction of 21 new liquor stores under Scenario 2 also has a recurring impact as property taxes can be collected on these newly developed properties. Researchers from the Center for Business and Economic Research were able to consult with commercial real estate brokers and developers to estimate a price per square foot of building space that includes the construction costs as well as the costs of acquiring 0.5 acres of land for the building and associated parking spaces. The consensus estimate reached was \$100 per square foot of building space. Using this figure, researchers from the Center calculated the appraised value of the new liquor stores under each scenario and then calculated the property taxes that would be collected for the cities, counties and school districts of each of the liquor stores. The table below shows that under Scenario 1, where 28 new liquor stores are constructed, total property taxes of \$160,906 would be collected every year by the various jurisdictions. School districts would receive \$121,353 on an annual basis from the total property taxes collected as a result of the development of 28 new liquor stores. As seen below, under Scenario 2, school districts in Benton County would receive \$91,015 on an annual basis from the development of 21 new liquor stores. Cities, the county and the school districts would receive a total of \$120,679 annually.

TABLE 6: SCENARIO 1 PROPERTY TAXES BY CITY

City	Number of New Liquor Stores	Total Appraised Value	City Property Taxes	School District Property Taxes	County Property Taxes	Total Property Taxes
Bentonville	6	\$3,343,628	\$3,678	\$29,223	\$6,353	\$39,254
Bella Vista	5	\$2,506,324	\$752	\$21,905	\$4,762	\$27,419
Centerton	2	\$901,238	\$496	\$7,877	\$1,712	\$10,085
Lowell	1	\$693,996	\$708	\$5,330	\$1,319	\$7,356
Pea Ridge	1	\$454,076	\$454	\$3,487	\$627	\$4,568
Rogers	10	\$5,300,779	\$5,089	\$40,710	\$10,071	\$55,870
Siloam Springs	3	\$1,424,459	\$1,567	\$12,820	\$1,966	\$16,353
Total	28	\$14,624,500	\$12,743	\$121,353	\$26,810	\$160,906

Source: Arkansas Assessment Coordination Department and Center for Business and Economic Research Estimates

⁵ <http://www.ci.lakeville.mn.us/departments/departmentspdf/LakevilleLiquorStudy.pdf>

TABLE 7: SCENARIO 2 PROPERTY TAXES BY CITY

City	Number of New Liquor Stores	Total Appraised Value	City Property Taxes	School District Property Taxes	County Property Taxes	Total Property Taxes
Bentonville	5	\$2,507,721	\$2,758	\$21,917	\$4,765	\$29,441
Bella Vista	4	\$1,879,743	\$564	\$16,429	\$3,572	\$20,564
Centerton	1	\$675,929	\$372	\$5,908	\$1,284	\$7,564
Lowell	1	\$520,497	\$531	\$3,997	\$989	\$5,517
Pea Ridge	1	\$340,557	\$341	\$2,615	\$470	\$3,426
Rogers	7	\$3,975,584	\$3,817	\$30,532	\$7,554	\$41,903
Siloam Springs	2	\$1,068,344	\$1,175	\$9,615	\$1,474	\$12,265
Total	21	\$10,968,375	\$9,557	\$91,015	\$20,107	\$120,679

Source: Arkansas Assessment Coordination Department and Center for Business and Economic Research Estimates

ECONOMIC IMPACT

Researchers from the Center for Business and Economic Research used the IMPAN input/output model to estimate the total economic impact of \$77,998,281 in annual retail alcohol retail sales. Using 2010 data, the model generated economic impacts of this hypothetical activity in Benton County as seen in the table below. The direct effect of Benton County becoming a wet county would have generated employment for 430.5 individuals with related labor income of \$11,606,927. When indirect and induced effects are added, the employment total reaches 541.8 and the labor income total reaches \$15,453,091. In all, the direct economic output of converting Benton County from a dry county to a wet county was estimated at \$21,995,516, and the total economic impact was estimated at \$33,044,913 for the year 2010.⁶

TABLE 8: ECONOMIC IMPACT OF ALCOHOL SALES IN BENTON COUNTY

Economic Impacts of Alcohol Sales in Benton County				
Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	430.5	\$11,606,927	\$16,356,290	\$21,995,516
Indirect Effect	37.2	\$1,374,274	\$2,277,221	\$3,603,165
Induced Effect	74.1	\$2,471,891	\$4,609,610	\$7,446,233
Total Effect	541.8	\$15,453,091	\$23,243,121	\$33,044,913

Source: IMPLAN Input/Output Model 2010, Center for Business and Economic Research Calculations

⁶ In the IMPLAN model, retail sales are treated somewhat differently from other industries in that only the retail margin is included in the direct economic impact. In this case, total retail sales of \$77,998,281 are margined at 28.2 percent, the effect of the sales that do not leak out of Benton County.

In addition to these ongoing, yearly economic impacts, there are also one-time construction effects associated with converting to being a wet county. Conversations with construction industry experts, developers and commercial real estate brokers yielded an estimated price of \$87 per square foot in construction costs (not including land costs). Another assumption is that half of all liquor stores will be new constructions and that half will be located in existing vacant retail space. Based on Scenario 1, 28 new liquor stores will be built and based on Scenario 2, 21 new liquor stores will be built.

As seen in the table below, in Scenario 1, the construction of 28 new liquor stores will result in a direct economic impact of \$12,805,744 and a total economic impact of \$19,117,188. The construction of these stores will generate 127.3 jobs in the construction industry and a total of 188.2 jobs across all industries in Benton County. In Scenario 2, the construction of 21 new liquor stores will result in a direct economic impact of \$9,604,308 and a total economic impact of \$14,337,891. This scenario will result in 95.5 construction jobs and a total of 141.1 jobs in all industries in Benton County.

TABLE 9: SCENARIO 1- CONSTRUCTION OF 28 NEW LIQUOR STORES

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	127.3	\$3,937,090	\$4,721,782	\$12,805,744
Indirect Effect	29.8	\$1,486,777	\$1,913,267	\$3,192,233
Induced Effect	31	\$1,034,883	\$1,931,290	\$3,119,212
Total Effect	188.2	\$6,458,751	\$8,566,339	\$19,117,188

Source: IMPLAN Input/Output Model 2010, Center for Business and Economic Research Calculations

TABLE 10: SCENARIO 2- CONSTRUCTION OF 21 NEW LIQUOR STORES

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	95.5	\$2,952,818	\$3,541,337	\$9,604,308
Indirect Effect	22.3	\$1,115,083	\$1,434,950	\$2,394,175
Induced Effect	23.3	\$776,162	\$1,448,467	\$2,339,408
Total Effect	141.1	\$4,844,063	\$6,424,754	\$14,337,891

Source: IMPLAN Input/Output Model 2010, Center for Business and Economic Research Calculations

In conclusion, the study estimates that by being a wet county, Benton County would have had additional retail sales worth \$77,998,281 in 2010 and similar levels of retail sales in subsequent years. These sales would have generated a previously non-existent recurring economic impact of \$33,044,913, dollars that would remain in Benton County. This economic impact is associated with 541.8 jobs (across all industries) and an annual labor income of \$15,453,091. Cities, the county and school districts will also benefit from the development of retail alcohol stores in the form of new sales tax revenues and property tax revenues which measure in the

millions of dollars. In addition to the above enumerated economic impacts, as Benton County becomes a wet county there will be other economic development benefits that are outside the scope of this study. The perception that a wet Benton County is a place to live, work, and play will aid the recruitment and retention of talent for various industries in Benton County. This awareness will contribute to the ongoing growth and economic vitality of the Benton County region.