



Town of San Anselmo Business Retention Study

Performed by Marin Economic Forum

DRAFT – DO NOT QUOTE

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Executive Summary

This study provides some basic data on the types of businesses that draw income toward the town of San Anselmo to consider retention and attraction strategies. The town economy is potentially losing over \$87 million dollars of income in an economy that spends approximately \$285 million on local businesses. San Anselmo loses income annually from the following types of businesses, compared to Marin County as a place that draws local residents' income away from the town economy:

- Medical and dental offices;
- Hospital visits;
- Auto parts, sales, repair and body work;
- Insurance;
- Gasoline purchases;
- Cell phones and other telecommunications needs;
- Legal services;
- Clothing, department and furniture stores; and
- Building materials retail.

In contrast, San Anselmo draws income from outside the local area from the following types of businesses:

- Restaurants, bars, and other food service businesses;
- Health Care stores;
- Grocery Stores;
- Bakery products;
- Investment Banking;
- Banking and Credit Unions;
- Veterinary services;
- Antiques and second-hand goods;
- Gift shops and miscellaneous retail; and
- Mental health professionals for individuals and families.

The business licenses data suggest that there are a wide number of businesses in San Anselmo, but even with professional services businesses available (such as accounting, architecture, engineering, and other consulting); there is more demand locally than is available in San Anselmo.

Other considerations beyond the income lost must be made if those businesses that generate leakage are targets of attraction strategies – the same is true if the businesses that create surplus, or income from outside the town economy are to grow and be retained –including available and potential commercial space, parking, traffic (placement of high-traffic businesses versus town needs), and tourism strategies. Local economies want to circulate local income, but live in very competitive environments regionally and globally (think internet sales). An optimal business mix should focus on how to capture the maximum amount of local spending without undermining other businesses due to a lack of planning and thinking about growth over time.

Town of San Anselmo Business Retention Study

This project is meant to inform a larger business retention and attraction effort by the Town of San Anselmo. A business retention question may be: is San Anselmo a “destination” for certain types of businesses? On the supply side, the local business mix helps consider what different businesses in San Anselmo sell as goods and services. Are there too many salons? Are there too many restaurants? Is there a need for a specific type of retail beyond the current mix? On the household side, retail and personal services demand is normally the focus of business mix; on the employer side, business services (legal and accounting as examples) should also be considered. Retail leakage is an initial focus. This is when an amount of San Anselmo’s household spending on stores and restaurants leaves the town’s economy, perhaps for Marin County otherwise. The study provides a breakdown of recent economic data, including San Anselmo’s estimated levels of personal income and consumption. Further, there is a look more generally at what retail businesses in San Anselmo attract outside income (surplus) and which leak away to other parts of Marin County and beyond.

A comparison of what San Anselmo has as potential spending and what it spends locally lead to surplus or leakage conditions. Sales are estimated for specific businesses through government data on business revenue per worker, per capita income and spending. Household spending data is available through IMPLAN (see www.implan.com for more), Census Bureau (factfinder.census.gov) and the Bureau of Economic Analysis (www.bea.gov) as an estimate based on the Town’s demography and income levels. Because having the correct infrastructure to support local businesses and residents is a planning criterion for economic development in San Anselmo, simply identifying business that have leakage conditions and focusing on attracting any and all of these would likely not work with limitations on the town spaces available, parking, town culture, or with other criteria (sales tax needs, aesthetics, etc.).

Marin County beyond the Town’s borders will be used as the “primary trade area” or where the Town’s residents would otherwise consume their retail goods and services primarily. One confounding element of this analysis is how many sales are through the internet, and we will estimate that also. The study makes conclusions and recommendations about what industries have the smallest surplus conditions and may be the best, focal industries for economic development efforts in the Town of San Anselmo.

San Anselmo Economy and Demography

Marin County will be seen as the surrounding, comparison area (primary trade area) where competition exists and generates possibilities for leakage. This section describes the town of San Anselmo and its economy as compared to Marin County overall.

Population

San Anselmo has, as of January 2015, 12,670 residents, according to the California Department of Finance (www.dof.ca.gov). This is approximately 4.9 percent of the county population of 258,972. Such a small percentage of the population leads to three hypotheses in terms of business development and planning:

- Local businesses serves both the local population and the inflow of outsiders to survive;
- Local residents are not be able to find all their consumption needs locally; and
- San Anselmo businesses are in competition with larger neighbors.

Further characteristics are the age and gender comparisons of San Anselmo to Marin County. Table 1 provides these comparisons from the 2013 American Community Survey using the 2015 population estimates from the California Department of Finance as a base.

Table 1: Age and Gender Demography, San Anselmo and Marin County, 2013/2015

Subject	Marin County, California			San Anselmo town, California		
	Total	Male	Female	Total	Male	Female
Total population	258,972	127,231	131,741	12,670	6,011	6,659
AGE						
Under 5 years	5.3%	5.5%	5.1%	3.8%	4.0%	3.7%
5 to 9 years	5.9%	6.1%	5.8%	8.2%	8.8%	7.7%
10 to 14 years	6.0%	6.2%	5.8%	7.9%	6.7%	9.1%
15 to 19 years	5.3%	5.5%	5.1%	4.9%	5.1%	4.7%
20 to 24 years	4.0%	4.5%	3.5%	2.7%	3.2%	2.3%
25 to 29 years	4.5%	5.1%	4.0%	4.2%	5.3%	3.1%
30 to 34 years	5.1%	5.3%	4.8%	3.4%	3.0%	3.7%
35 to 39 years	6.3%	6.2%	6.4%	5.8%	5.4%	6.1%
40 to 44 years	7.7%	8.1%	7.4%	10.3%	10.6%	10.1%
45 to 49 years	8.1%	8.2%	8.1%	9.2%	8.6%	9.7%
50 to 54 years	8.3%	8.2%	8.4%	8.0%	7.0%	8.8%
55 to 59 years	8.2%	8.0%	8.4%	8.0%	9.0%	7.1%
60 to 64 years	7.6%	7.2%	8.0%	8.5%	10.4%	6.8%
65 to 69 years	5.8%	5.5%	6.2%	7.4%	5.8%	8.8%
70 to 74 years	4.0%	4.0%	4.1%	3.0%	3.3%	2.6%
75 to 79 years	2.9%	2.5%	3.2%	2.3%	2.5%	2.1%
80 to 84 years	2.3%	1.9%	2.7%	1.7%	1.2%	2.1%
85 years and over	2.5%	1.8%	3.1%	0.9%	0.2%	1.6%
Median age (years)	44.8	43.3	46.3	44.4	44.2	44.7

Source: California Department of Finance (www.dof.ca.gov) and Census Bureau (factfinder.census.gov)

Notice the bolded age ranges are where San Anselmo has a large proportion of people in that age group than Marin County. The age and gender characteristics of each area provide a way to think about the composition of local households and the population. Because per capita consumption patterns are a big part of investigating how the local area patronizes its local businesses (or not), these data help in describing the people. The next section looks at household income.

Household Income

Household income adds another layer of detail for leakage implications and conclusions. Retail leakage is generally defined as the amount of net spending by local households outside that local area. Household income plays an important role in defining both the levels of spending possible and available in San Anselmo and Marin County. For example, if the median household income for San Anselmo is \$100,000 annually, some portion of that will be spent on goods and services, *but not all of it*. Some of

that amount will be lost to taxes, savings and local housing. The rest will be spent on an array of goods and services, as discussed below.

We will see below that the business composition of San Anselmo is also important. The number of households, equated to occupied housing units, is 5,546 in San Anselmo as of January 2015. Marin County overall has approximately 111,806 households; so San Anselmo is again close to 4.96 percent of the total. San Anselmo has 6.1 percent of the single-family homes in Marin County, which is 75.7 percent of San Anselmo’s total housing units. This suggests that San Anselmo has a large proportion of its housing stock built for families seeking housing purchases versus a more transient population that may be renting (Marin County simply has more apartments as a proportion of housing stock). However, San Anselmo has about 2.40 people per household and Marin County is 2.42 per household, virtually the same.

Using household income in Marin County and normalizing spending levels to make San Anselmo and Marin County otherwise virtually the same in per capita spending provides an amount of potential net inflow of income from outside San Anselmo. If the net is negative, there is leakage over surplus.

The rest of Marin County will look at San Anselmo for certain goods and services, and that will depend on San Anselmo’s business mix locally. Further, San Anselmo will have a flow of tourism that adds to this amount, and also depends on how well it competes against other, local areas. On the household side, local businesses have three possible customer bases:

- Local residents, shopping locally;
- Wider area residents, shopping in the local area instead of their own area; and
- Tourists from outside the local and primary trade areas.

Table 2 provides a description of the household income demography in Marin County and San Anselmo using the number of households in January 2015 and the American Community Survey categories and figures from 2013.

Table 2: Median Household Income, San Anselmo and Marin County, 2013 and 2015.

	Marin County			San Anselmo		
	Households	Families	Nonfamily households	Households	Families	Nonfamily households
Total	111,806	69,837	41,969	5,546	3,318	2,228
Less than \$10,000	3.20%	1.90%	5.60%	2.70%	2.30%	3.30%
\$10,000 to \$14,999	3.80%	1.50%	7.90%	5.00%	1.70%	9.90%
\$15,000 to \$24,999	6.60%	3.80%	11.30%	5.40%	2.20%	10.30%
\$25,000 to \$34,999	6.60%	5.10%	9.80%	5.50%	4.10%	8.00%
\$35,000 to \$49,999	9.30%	7.70%	12.30%	9.10%	4.70%	15.30%
\$50,000 to \$74,999	12.90%	11.30%	16.00%	10.20%	11.40%	10.10%
\$75,000 to \$99,999	11.20%	11.10%	11.00%	11.80%	13.10%	9.90%
\$100,000 to \$149,999	17.40%	19.70%	13.30%	22.20%	25.60%	17.40%
\$150,000 to \$199,999	10.30%	13.20%	5.20%	10.80%	14.10%	4.30%
\$200,000 or more	18.60%	24.90%	7.40%	17.10%	20.70%	11.60%
Median income (dollars)	\$90,839	\$117,357	\$53,608	\$100,379	\$118,958	\$ 59,345

Source: American Community Survey, 2013 (factfinder.census.gov)

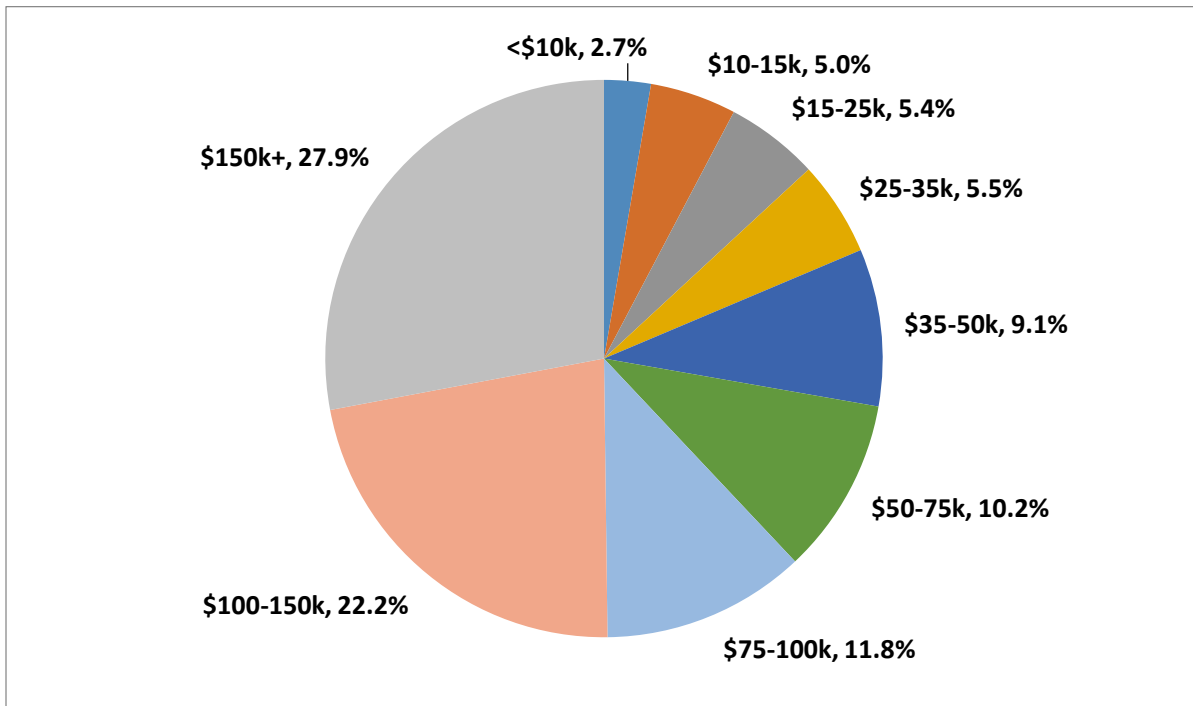
Table 3: Median Household Income, San Anselmo and Marin County, 2009

	Marin County			San Anselmo		
	Households	Families	Nonfamily households	Households	Families	Nonfamily households
Total	101,086	61,034	40,052	4,924	3,118	1,806
Less than \$10,000	3.6%	1.9%	6.9%	3.8%	0.9%	8.6%
\$10,000 to \$14,999	3.3%	1.4%	6.2%	4.0%	1.0%	9.3%
\$15,000 to \$24,999	5.9%	3.6%	9.9%	4.1%	3.1%	5.9%
\$25,000 to \$34,999	6.5%	4.8%	9.3%	3.6%	1.7%	6.9%
\$35,000 to \$49,999	9.3%	7.3%	12.8%	8.8%	7.4%	13.6%
\$50,000 to \$74,999	14.5%	12.7%	17.5%	16.4%	17.1%	14.4%
\$75,000 to \$99,999	12.7%	12.5%	12.0%	13.5%	12.2%	14.9%
\$100,000 to \$149,999	18.2%	20.7%	14.2%	19.4%	22.4%	14.9%
\$150,000 to \$199,999	9.5%	12.6%	4.5%	10.2%	12.7%	4.4%
\$200,000 or more	16.5%	22.5%	6.8%	16.2%	21.5%	7.1%
Median income (dollars)	\$87,728	\$111,166	\$55,381	\$90,600	\$112,600	\$67,857

Source: American Community Survey, 2013 (factfinder.census.gov)

Figure 1 shows that San Anselmo’s residents are generally bringing in at least \$75,000 of household income per year as of 2014. Table 3 shows this comparison to Marin County overall, which has a slightly lower medial income level. These data may suggest that San Anselmo residents spend more than their counterparts in other county cities and towns per person. Retail sales are the first place we will compare local spending to more regional outcomes.

Figure 1: Household Income by Income Range, Median in 2014 = \$100,379, 2013 \$



Source: American Community Survey, 2013 (factfinder.census.gov)

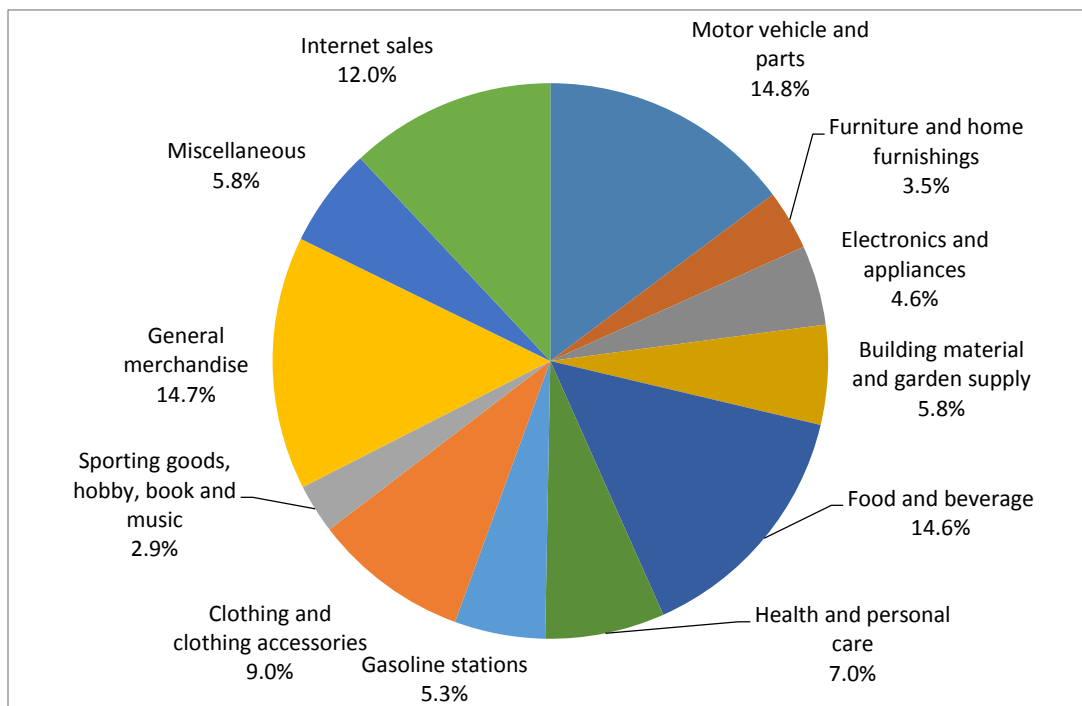
Retail Sales

Normally, households are lumped together regardless of their location; tourists are seen as households buying goods and services locally. In retail leakages studies, the logic provides an estimate of the amount of leakage and potential targets for further economic development:

- The number of local households, in this case San Anselmo (5,251 as of January 2015 according to the California Department of Finance);
- The median income of households, \$100,379 as of 2013;
- These data suggest that the total household income available is approximately \$527,090,129;
- From this, we generate per capita income in San Anselmo by taking the population at 12,570 and dividing it into the household income provides the local per capita income;
- This would be compared to per capita income in Marin County and then converted into per capita spending; and
- This income is spread among savings, taxes, and household spending.

This figure does not include business spending, which is discussed later. Households will use local businesses and also businesses outside San Anselmo to make purchases. The importance of this decision, local versus regional and beyond purchases, is the core of most retail leakage studies: economic development efforts can focus on businesses that may fill leakages in San Anselmo versus increasing the “surplus” conditions that exist.

Figure 2: Retail Expenditures by Median Income Household, 2013 \$, 22 Percent of all SA Households



Source: IMPLAN and Bureau of Economic Analysis

The idea is that Marin County has a spending profile that interacts with San Anselmo and vice-versa. Comparing per capita spending patterns between these areas allows us to look at a common “customer” and then look at the potential spending versus the actual spending to identify possible industries that would provide San Anselmo with more economic vitality. Retail can also include other household purchases, such as restaurant meals, personal services (health care, education, nail salons, hair salons, spas, etc.), and professional services (legal, accounting, insurance, finance, etc.).

**Table 4: Industries Patronized and Expenditures Made by San Anselmo:
What SA Households Buy (by income range), Major Expenses, \$000**

	<\$10	\$10-15	\$15-25	\$25-35	\$35-50	\$50-75	\$75-100	\$100-150	\$150+
Rent	20.7%	21.2%	21.6%	22.5%	24.9%	26.8%	29.5%	29.9%	29.5%
Bars/Restaurants	8.8%	8.7%	8.1%	8.4%	9.3%	10.4%	11.2%	11.2%	10.3%
Medical and Dental	5.0%	7.0%	7.3%	7.2%	6.9%	6.7%	6.5%	6.1%	5.0%
Grocery Stores	3.5%	3.0%	4.0%	3.9%	3.3%	3.1%	3.1%	3.5%	3.6%
Wholesale Stores	2.4%	2.0%	1.5%	2.3%	4.9%	5.7%	4.8%	3.4%	2.4%
Banks and CUs	3.0%	2.6%	3.5%	3.4%	2.8%	2.7%	2.7%	3.0%	3.1%
Real estate agencies	15.7%	16.3%	12.6%	11.1%	9.7%	7.3%	4.7%	2.5%	1.6%
Funds, trusts, and other financial vehicles	2.4%	2.0%	2.7%	2.6%	2.2%	2.1%	2.1%	2.3%	2.4%
Internet Sales	2.0%	1.7%	2.3%	2.3%	1.9%	1.8%	1.8%	2.0%	2.1%
Private schools, after high schools	2.7%	1.5%	0.9%	1.0%	1.1%	1.1%	1.4%	1.9%	3.3%
Health and personal care stores	1.6%	1.4%	1.9%	1.8%	1.5%	1.5%	1.4%	1.6%	1.7%
Nursing and residential care facilities	1.3%	1.8%	1.9%	1.9%	1.8%	1.7%	1.7%	1.6%	1.3%
Investment Banking	1.6%	1.3%	1.8%	1.8%	1.5%	1.4%	1.4%	1.5%	1.6%
Individual and family services	1.5%	1.3%	1.7%	1.7%	1.4%	1.3%	1.3%	1.5%	1.5%
Retail Stores - Misc	1.4%	1.2%	1.6%	1.6%	1.3%	1.2%	1.2%	1.4%	1.4%
Personal care services	1.0%	1.2%	1.2%	1.2%	1.2%	1.4%	1.4%	1.4%	1.2%
Religious organizations	1.2%	1.0%	1.4%	1.4%	1.1%	1.1%	1.1%	1.2%	1.3%
Other private educational services (tutors)	1.3%	0.8%	0.5%	0.6%	0.6%	0.6%	0.8%	1.0%	1.6%
Private elementary and secondary schools	1.0%	0.7%	0.5%	0.6%	0.6%	0.6%	0.7%	0.9%	1.3%
Natural gas distribution	1.0%	1.3%	1.1%	1.1%	1.1%	1.0%	0.9%	0.9%	0.7%
Other personal services	0.5%	0.6%	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
Cookie, cracker, and pasta manufacturing	0.7%	0.8%	0.7%	0.6%	0.7%	0.7%	0.6%	0.6%	0.5%
Building material and garden supply stores	0.6%	0.5%	0.6%	0.6%	0.5%	0.5%	0.5%	0.6%	0.6%

Source: IMPLAN, Bureau of Economic Analysis and Census Bureau

Because businesses also consume local goods and services, as do local governments and other employers, the retail spending analysis simply begins the discussion. We will assume that retail and restaurants are pre-dominantly driven by households. Figure 3 provides the mix of businesses and consumption patterns by local households and all businesses. In 2013, San Anselmo had approximately 1,630 licensed businesses.

Tables 4 and 5 provide a lot of data as estimates of what San Anselmo residents purchase annually, the mix of businesses affected, and where retail leakage may be most focused. Grocery, auto parts and sales, department stores, and wholesale (think Costco) are the key parts to household spending in San Anselmo, regardless of income. Let’s now look at the business mix and incomes generated by local employers.

Table 5: Retail Spending Profiles, Various Income Ranges, San Anselmo

	Household Income Ranges								
	<10k	10-15k	15-25k	25-35k	35-50k	50-75k	75-100k	100-150k	150k+
Wholesale Markets/Stores	20.5%	20.6%	12.3%	17.9%	36.1%	40.9%	37.3%	26.9%	19.9%
Motor vehicle and parts	11.7%	11.7%	13.0%	12.1%	9.4%	8.7%	9.3%	10.8%	11.8%
Furniture and home furnishings	2.8%	2.8%	3.1%	2.9%	2.2%	2.1%	2.2%	2.5%	2.8%
Electronics and appliances	3.7%	3.7%	4.1%	3.8%	3.0%	2.7%	2.9%	3.4%	3.7%
Building material and garden supply	4.6%	4.6%	5.1%	4.8%	3.7%	3.4%	3.6%	4.2%	4.6%
Food and beverage	11.6%	11.6%	12.8%	12.0%	9.3%	8.6%	9.2%	10.7%	11.7%
Health and personal care	5.5%	5.5%	6.1%	5.7%	4.4%	4.1%	4.4%	5.1%	5.6%
Gasoline stations	4.2%	4.2%	4.6%	4.3%	3.4%	3.1%	3.3%	3.9%	4.2%
Clothing and clothing accessories	7.2%	7.2%	7.9%	7.4%	5.8%	5.3%	5.7%	6.6%	7.2%
Sporting goods, hobby, book and music	2.3%	2.3%	2.5%	2.4%	1.8%	1.7%	1.8%	2.1%	2.3%
Department Stores	11.7%	11.7%	12.9%	12.1%	9.4%	8.7%	9.2%	10.8%	11.8%
Miscellaneous	4.6%	4.6%	5.1%	4.7%	3.7%	3.4%	3.6%	4.2%	4.6%
Internet sales	9.5%	9.5%	10.5%	9.8%	7.7%	7.1%	7.5%	8.8%	9.6%

Source: IMPLAN, Bureau of Economic Analysis and Census Bureau

Business Mix and Income in San Anselmo

The mix of businesses defines the supply side of the leakage equation for any area. For example, if there are no restaurants in a certain area, that will not stop local residents from eating out. Residents and employees will simply spend outside the local area, providing another area with income, jobs support and taxes. Table 6 provides the business license data for 2013, which matches the Census Bureau data timing from many of the tables above.

Table 6: Business License Mix in San Anselmo for 2013

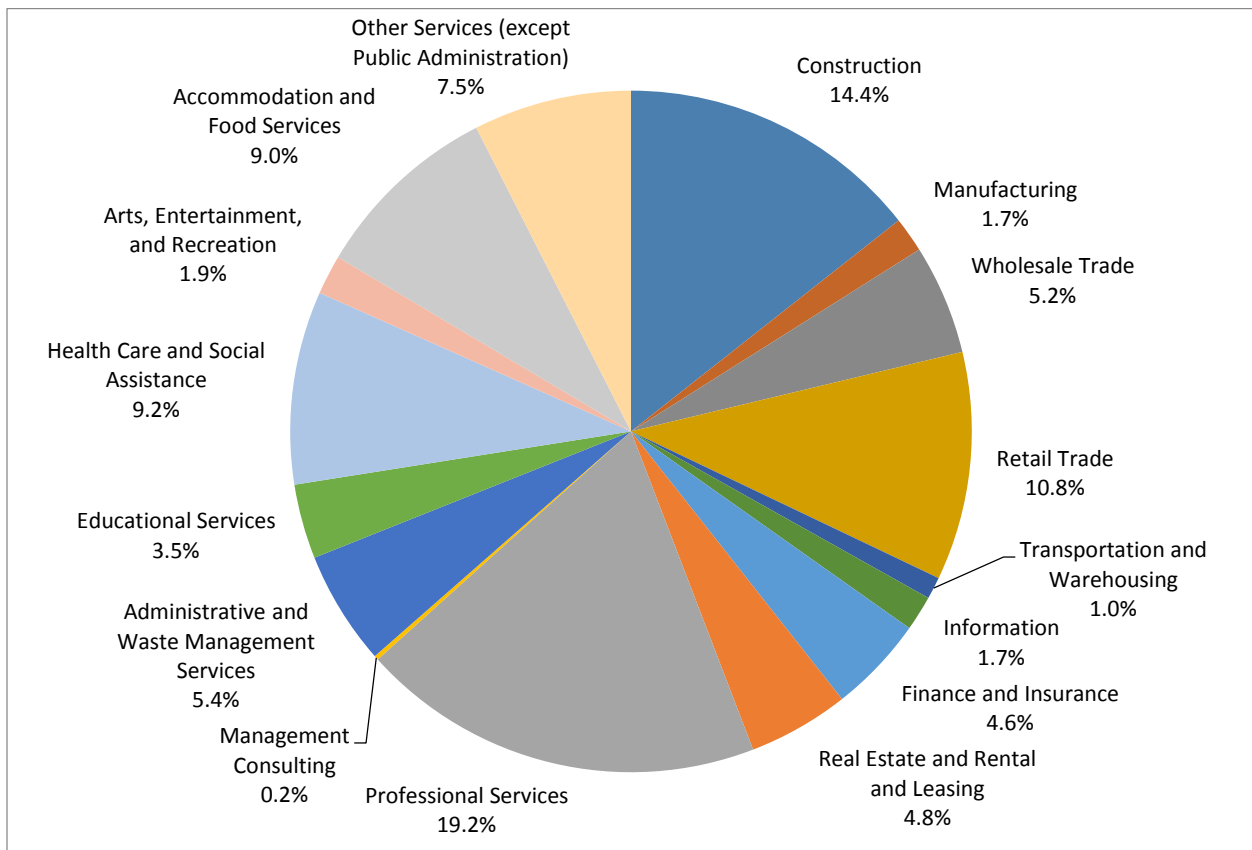
Type of Business	Number of Business	Type of Retail Business	Number of Business
Rental Homes	372	Restaurant	26
Contractors	310	Antiques	21
Commercial Realty	100	Food Store	7
Delivery Vehicles	63	Misc (Gift) Store	3
Mental Health	25	Furniture Store	2
Hair and Beauty	22	Drug Store	1
Health Care	20		
Graphic Design	19		
Auto Repair	18		
Interior Design	18		
Legal	16		
Exercise/Fitness	15		
Architecture	14		
Engineering	12		
Artists	11		
Accounting	10		
Brokers	10		
Dentists	10		
Acupuncture	10		

Source: Town of San Anselmo

If local restaurants reflect a surplus, those restaurants will rely on income from other households and businesses beyond the local area and may compete internally for the same markets. This is why tourism areas are heavy retail and restaurant areas because the influx of spending comes from outside and those businesses serve tourists and locals directly.

Notice San Anselmo’s business mix, based on 2013 license counts, follows what San Anselmo’s business and retail character is by anecdote: retail, restaurants, contractors, salons, and professional services. While it is not a complete indication of potential competition and leakage, this business mix reminds those considering economic development strategies about regional mix and how different San Anselmo is to the rest of the county economy. Figure 3 shows the mix of industry employers in San Anselmo.

Figure 3: Mix of Industries with Employment in San Anselmo, 2013



Source: Census Bureau, Zipcode Business Patterns

Business income for San Anselmo is approximately \$527 million in 2013, this is likely closer to \$560 million as of 2015 (assuming 3 percent growth per year since 2013). This business income becomes the basis for how much income is made from internal spending, external purchases and the genesis of local tax receipts. Leakage is potential, additional income lost to other places.

Leakage Calculations and Data

The spending and overall income data come from looking at the estimate of what is “imported” into San Anselmo. As part of its building economic impact multipliers for every zip code in the United States, IMPLAN (www.implan.com) provides estimate import and export data for each zip code. We will see later what businesses have the largest “multiplier” effects or the effects of one business growing on other businesses. Households are the focus; a more complete look at leakage, which is beyond retail, combine local businesses and households and governments purchases of goods and services throughout the region and some will leak away from San Anselmo.

Leakage and Surplus Industries and Commodities

Earlier, we saw that San Anselmo is likely losing some retail leakages to other parts of the region, most likely Marin County outside of San Anselmo. Retail leakage is not a shocker; for example, internet sales alone are going to likely leak away from the local area due to using a global market for those sales. Table 7 shows industries that have leakage (and surplus, or where San Anselmo is likely drawing in outside income), the loss of local spending to other areas.¹

Smaller towns and cities generally exhibit net leakages for three main reasons: (1) a lack of available commercial space within the defined area; (2) a relatively large amount of personal income versus the surrounding area; and (3) an imbalance in the local business mix toward specific types of customers versus the local area. What leakage data can do is re-direct economic development resources or current planning efforts to filling gaps left by leakages. It is critical these data be seen as indicators and not as requirements of local economic development work.

The methodology relies on having a specific “trade” area (San Anselmo) and a larger trade area (Marin County). This allows for a comparison between the two based on the surrounding and internal consumption pattern data. These data are specific to San Anselmo’s zipcode (94960) and for Marin County overall. The logic is as follows:

- Each area has a consumption pattern by household income and overall;
- Each area as a population as defined and a median income level;
- The initial comparison is in per capita or per person spending in each area, and how each area differs;
- From that difference, we can derive the “potential” sales per capita in San Anselmo, or what the level of income and differences between the larger area and internal spending suggest is income produced (versus spent);
- Using the potential sales for each industry or commodity and comparing to the actual data provides an amount of leakage (potential > actual) or surplus (potential < actual); therefore
- The idea is that if potential spending exceeds actual spending, that difference is spent outside the local area because local residents and businesses have the wherewithal to demand goods and services locally, but the supply does not exist.

¹ The Appendix has a more complete list of the types of businesses that currently generate leakage and surplus for San Anselmo.

Based on that analysis, Table 7 has the industries with the most leakage or with the largest amount of household and business spending that starts in San Anselmo but purchases goods and services elsewhere in Marin County (or beyond).

Table 7: Employers with the Most Leakage, 2014, San Anselmo, () = negative number

Industry	Leakage
Private hospitals	\$(24,659,804)
Medical and Dental Offices	\$(23,187,139)
Retail Stores - Motor vehicle and parts	\$(15,325,039)
Medical labs and outpatient care services	\$(14,410,160)
Retail Stores - General merchandise	\$(10,609,080)
Nursing and residential care facilities	\$(9,529,480)
Insurance carriers	\$(8,591,454)
Wholesale trade businesses	\$(7,966,688)
Real estate establishments	\$(7,514,822)
Home health care services	\$(6,969,971)
Telecommunications	\$(5,926,007)
Retail Stores - Gasoline stations	\$(5,856,024)
Legal services	\$(5,319,662)
Retail Stores - Clothing and clothing accessories	\$(4,668,682)
Nonprofits and foundations	\$(4,028,216)
Child day care services	\$(3,795,349)
Retail Stores - Furniture and home furnishings	\$(3,262,566)
Automotive repair and maintenance, except car washes	\$(2,967,508)
Retail Stores - Building material and garden supply	\$(2,771,838)
Data processing, internet hosting and related services	\$(2,709,572)
Amusement parks, arcades, and gambling industries	\$(2,489,201)
Retail Stores - Electronics and appliances	\$(2,213,940)
Other amusement and recreation industries	\$(2,018,307)
Travel arrangement and reservation services	\$(1,410,233)
Funds, trusts, and other financial vehicles	\$(1,407,994)
Motion picture and video industries	\$(1,316,182)
General and consumer goods rental	\$(1,269,439)
Civic, social, professional, and similar organizations	\$(1,178,457)
Transit and ground passenger transportation	\$(1,089,776)
Pawn and check cashing	\$(979,915)
Community food, housing, and rehab services	\$(839,589)
Retail Stores - Sporting goods, hobby, book and music	\$(775,605)
Automotive equipment rental and leasing	\$(768,540)
Other personal services	\$(754,083)
Car washes	\$(686,361)

Source: IMPLAN (www.implan.com)

There are other industries that have leakage (see the Appendix for the full list); Table 8 provides the other view point or the businesses that draw in from other areas, specifically other parts of Marin County. Notice, there are retailers and restaurants and bars throughout this list.

Table 8: Surplus by Employer, San Anselmo, 2014

Industry	Surplus
Food services and drinking places	\$19,771,433
Private colleges and schools	\$8,077,413
Retail – Internet	\$6,926,187
Retail Stores - Health and personal care	\$3,472,782
Cookie, cracker, and pasta manufacturing	\$3,368,933
Retail Stores – Grocery	\$2,874,708
Natural gas distribution	\$2,319,962
Bread and bakery product manufacturing	\$2,240,964
Other accommodations	\$1,720,457
Transport by truck	\$1,511,267
Investment Banking	\$1,468,332
Retail Stores – Misc (tourist focused)	\$1,447,958
Individual and family services	\$1,169,886
Other state and local government enterprises	\$1,152,704
Banks and Credit Unions	\$682,901
Veterinary services	\$665,936
Personal care services	\$628,848
Sound recording industries	\$520,290
Other private educational services	\$504,645
Personal goods repair and maintenance	\$415,264
Private household operations	\$357,413
Radio and television broadcasting	\$304,623
Miscellaneous food manufacturing	\$278,886
Dry-cleaning and laundry services	\$227,505
Death care services	\$197,781
Performing arts companies	\$145,773

Source: IMPLAN

Summary

Notice the path is not extremely clear in terms of industry sector: retail leakage is in some areas of stores and not in others. This is why this analysis can help clarify at a detail level how to target current, empty spaces and overall industry mix. The next section adds information to this analysis, in terms of considerations for how many employees would come with certain types of new businesses (which can imply parking demand) and which sectors may have more of a multiplicative effect than others on the town’s economic outcomes (income and jobs and taxes).

Multiplier Data

The data in Table 9 show the largest “multiplier” effects by industry. This is another tool to use when considering economic development where the largest number of other, local businesses is affected the most by more revenue coming to one type of business. Alongside of the multiplier data are data on revenue per worker, which also suggests how many employees come with more business revenue. Finally, there is the number of current employees. These additional data are provided because of the parking issues that exist in San Anselmo, and considerations about business expansion and how that may infringe on current resources or encourage broader conversations about more resources. The FTE jobs category provides an indicator of the current employment level of each industry in San Anselmo.

Table 9: Multipliers, Revenue per Worker, FTE Jobs in San Anselmo, 2014

Description	Multiplier	Revenue Per worker	FTE Jobs
Funds, trusts, and other financial firms	3.47	\$304,532	119.6
Sightseeing and support activities for transportation	2.53	\$56,938	24.8
Civic, social, professional, and similar organizations	1.94	\$44,279	15.6
Computer systems design services	1.91	\$69,059	31.2
Miscellaneous food manufacturing	1.73	\$295,146	0.8
Social nonprofits and foundations	1.61	\$86,654	11.7
Religious organizations	1.58	\$163,650	42.0
Sound recording industries	1.57	\$794,355	3.5
Cookie, cracker, and pasta manufacturing	1.50	\$381,560	22.7
Promoters of arts and sports, agents for public figures	1.49	\$68,235	373.0
Bread and bakery product manufacturing	1.49	\$166,261	8.7
Private colleges and professional schools	1.49	\$74,015	76.4
Investment Banking	1.48	\$141,700	201.4
Periodical publishers	1.44	\$299,148	2.0
Internet publishing and broadcasting	1.43	\$190,723	10.6
Architectural, engineering, and related services	1.41	\$109,524	70.5
Tortilla manufacturing	1.41	\$206,464	1.4
Office administrative services	1.41	\$99,973	1.2
Other accommodations (beyond hotel and motel)	1.40	\$83,933	17.1
Retail Stores - Furniture and home furnishings	1.36	\$96,003	2.5
Scientific research and development services	1.36	\$224,953	18.0
Construction of new residential structures	1.36	\$210,166	42.2
Fitness and recreational sports centers	1.35	\$39,140	44.0
Insurance agencies	1.35	\$171,492	12.6

Source: IMPLAN and Bureau of Economic Analysis

Notice that many of the businesses identified in Table 9 are “surplus” employers, or businesses that generate more income from outside the town of San Anselmo than leaks away. The number of jobs identified for such industries can indicate how a new business that generates \$1,000,000 of revenue will have a certain number of jobs from the “revenue per worker” number. This indicates the amount of space that may be needed for some businesses versus others.

Furniture and home furnishing stores are a good example of a type of business that is a net leakage (of around \$3.3 million per year) to San Anselmo, generates a relatively large effect on other

local businesses when income grows (and additional \$360,000 for every \$1 million in revenue based on the multiplier), but has a relatively low revenue per worker (as in most retail settings, where sales forces are key to generating revenue when there is a showroom or storefront). This creates a dilemma for local economic development professionals or town staff assigned to filling downtown and other commercial spaces in partnership with landlords.

1. If the priority is reducing leakage, the types of businesses that would do that and should be attracted are clear; but
2. If infrastructure and space of all types are concerns, against competing needs for tourists, local residents, and employees, how many more workers can San Anselmo absorb without development of new and expanded infrastructure?

Conclusions and Recommendations

This study provides data and viewpoints to help guide the town of San Anselmo’s efforts on business retention and attraction. In terms of retention, these data show what businesses support the local residents and also draw in income from outside. Those that produce a surplus support tourists that visit San Anselmo, attract those that have business locally or just passing through to other destinations, and those that live in the town. Such businesses can be seen as retention targets; by not supporting these businesses, San Anselmo risks a loss of local jobs and tax revenues that are supported beyond the local residence base and thus provide external funding for internal, civic needs.

Businesses that result in leakages can be seen as potential attraction targets. These businesses are drawing local income and tourist away from San Anselmo in a competitive way and by considering what could be done locally to attract and retain such businesses, local jobs and tax revenues can be augmented. There are constraints to both retention and attraction strategies, specifically planning for new infrastructure such as parking, water, commercial space specific to a new or expanding business type, and potentially local housing.

The following lists provide recommended businesses upon which to focus retention and attraction strategies based on the leakages, demography, multipliers, and potential growth of that industry.

Focal Industries for Attraction	Focal Industries for Retention
<ul style="list-style-type: none"> • Medical and dental offices; • Hospital visits; • Auto parts, sales, repair and body work; • Insurance; • Gasoline purchases; • Cell phones and other telecommunications needs; • Legal services; • Clothing, department and furniture stores; and • Building materials retail. 	<ul style="list-style-type: none"> • Restaurants, bars, and other food service businesses; • Health Care stores; • Grocery Stores; • Bakery products; • Investment Banking; • Banking and Credit Unions; • Veterinary services; • Antiques and second-hand goods; • Gift shops and miscellaneous retail; and • Mental health professionals for individuals and families.

References and Data Sources

IMPLAN (2015) "Implan Data for Marin County", available at www.implan.com

Bureau of Economic Analysis (2015) "State and Local Personal Income and Employment", available at www.bea.gov.

Census Bureau (2015) "American Community Survey", available at <http://factfinder.census.gov>.

Town of San Anselmo (2015) "Business Licenses Counts, 2013". Received via e-mail from town of San Anselmo staff.

Appendix

Table A-1: Leakage Employers and Estimated Leakage, 2015

Employer Type	Est. Leakage
Private hospitals	\$(24,659,804)
Medical and Dental Offices	\$(23,187,139)
Retail Stores - Motor vehicle and parts	\$(15,325,039)
Medical labs and outpatient care services	\$(14,410,160)
Retail Stores - General merchandise	\$(10,609,080)
Nursing and residential care facilities	\$(9,529,480)
Insurance carriers	\$(8,591,454)
Wholesale trade businesses	\$(7,966,688)
Real estate establishments	\$(7,514,822)
Home health care services	\$(6,969,971)
Telecommunications	\$(5,926,007)
Retail Stores - Gasoline stations	\$(5,856,024)
Legal services	\$(5,319,662)
Retail Stores - Clothing and clothing accessories	\$(4,668,682)
Nonprofits and Foundations	\$(4,028,216)
Child day care services	\$(3,795,349)
Retail Stores - Furniture and home furnishings	\$(3,262,566)
Automotive repair and maintenance, except car washes	\$(2,967,508)
Retail Stores - Building material and garden supply	\$(2,771,838)
Data processing, internet hosting and related services	\$(2,709,572)
Amusement parks, arcades, and gambling industries	\$(2,489,201)
Retail Stores - Electronics and appliances	\$(2,213,940)
Other amusement and recreation industries	\$(2,018,307)
Travel arrangement and reservation services	\$(1,410,233)
Funds, trusts, and other financial vehicles	\$(1,407,994)
Motion picture and video industries	\$(1,316,182)
General and consumer goods rental	\$(1,269,439)
Civic, social, professional, and similar organizations	\$(1,178,457)
Transit and ground passenger transportation	\$(1,089,776)
Pawn and check cashing	\$(979,915)
Community food, housing, and rehab services	\$(839,589)
Retail Stores - Sporting goods, hobby, book and music	\$(775,605)
Automotive equipment rental and leasing	\$(768,540)
Other personal services	\$(754,083)
Car washes	\$(686,361)
Investigation and security services	\$(430,502)
Spectator sports	\$(397,343)
Museum, heritage, zoo, and recreational services	\$(346,040)
Newspapers	\$(339,333)
Software	\$(337,280)
Soft drinks and manufactured ice	\$(308,169)
Periodicals	\$(302,003)
Accounting and payroll services	\$(281,968)

Employer Type	Est.Leakage
Refined petroleum products	\$(257,290)
Women's and girls' cut and sewn apparel	\$(237,570)
Electronic and precision equipment repairs and maintenance	\$(216,072)
Cheese	\$(202,356)
Services from religious organizations	\$(190,585)
Dry, condensed, and evaporated dairy products	\$(163,703)
Fluid milk and butter	\$(144,410)
Pharmaceutical preparations	\$(142,006)
Business support services	\$(120,032)
Vegetables and melons	\$(116,479)
Other information services	\$(106,999)
Coffee and tea	\$(93,884)
Air transportation services	\$(88,849)
Elementary and secondary education from private schools	\$(83,354)
Wine and brandies	\$(72,835)
Pawn and Check Cashing	\$(67,049)
Electricity, and distribution services	\$(66,294)
Toilet preparations	\$(57,885)
Agriculture and forestry support services	\$(49,943)
Cut stone and stone products	\$(44,333)
All other miscellaneous wood products	\$(39,117)
Radio and television entertainment	\$(38,331)
Dolls, toys, and games	\$(36,814)
Couriers and messengers services	\$(36,229)
Processed poultry meat products	\$(34,791)
Promotional services for performing arts and sports and public figures	\$(32,499)
Services to buildings and dwellings	\$(29,675)
Footwear	\$(24,409)
Non-chocolate confectioneries	\$(23,677)
Rail transportation services	\$(22,936)
All other petroleum and coal products	\$(19,979)
Directories and mailing lists	\$(18,939)
Heating equipment (except warm air furnaces)	\$(18,042)
Hotels and motel services, including casino hotels	\$(17,434)
Soaps and cleaning compounds	\$(17,240)
Other animal food	\$(16,617)
Other cut and sew apparel	\$(16,457)
Paper from pulp	\$(16,288)
Audio and video equipment	\$(13,730)
Pesticides and other agricultural chemicals	\$(13,713)
Boats	\$(12,382)
Books	\$(12,340)
Light trucks and utility vehicles	\$(11,373)
Motorcycles, bicycles, and parts	\$(10,265)
Surgical appliances and supplies	\$(10,120)
Upholstered household furniture	\$(9,716)
Breakfast cereal products	\$(9,526)

Employer Type	Est.Leakage
Fertilizer	\$(8,911)
Plastics packaging materials and unlaminated films and sheets	\$(8,810)
Chocolate confectioneries from purchased chocolate	\$(8,786)
Pottery, ceramics, and plumbing fixtures	\$(7,918)
Lighting fixtures	\$(7,833)
Sand, gravel, clay, and ceramic and refractory minerals	\$(7,746)
Distilled liquors except brandies	\$(7,550)
All other crop farming products	\$(7,535)
Other pressed and blown glass and glassware	\$(7,356)
Non-upholstered wood household furniture	\$(7,188)
Steel products from purchased steel	\$(6,605)
Electronic computers	\$(6,449)
Blinds and shades	\$(6,326)
All other textile products	\$(6,260)
Showcases, partitions, shelving, and lockers	\$(6,150)
Snack foods including nuts, seeds and grains, and chips	\$(5,993)
Office supplies (except paper)	\$(5,135)
Curtains and linens	\$(5,019)
Jewelry and silverware	\$(4,967)
Sanitary paper products	\$(4,966)
Mattresses	\$(4,954)
Other industrial machinery	\$(4,394)
Men's and boy's cut and sewn apparel	\$(4,162)
Fish	\$(3,921)
Warehousing and storage services	\$(3,223)
Paperboard containers	\$(3,211)
Air conditioning, refrigeration, and warm air heating equipment	\$(3,025)
Sporting and athletic goods	\$(2,951)
Ammunition	\$(2,432)
Other support services	\$(2,210)
Printed circuit assemblies (electronic assemblies)	\$(2,086)
Finished textiles and fabrics	\$(1,986)
Printed materials	\$(1,779)
Musical instruments	\$(1,768)
Fruit	\$(1,721)
Watches, clocks, and other measuring and controlling devices	\$(1,714)
Paints and coatings	\$(1,630)
Canned, pickled and dried fruits and vegetables	\$(1,583)
Glass products made of purchased glass	\$(1,548)
Photographic and photocopying equipment	\$(1,548)
Storage batteries	\$(1,318)
Office Furniture	\$(1,050)

Source: IMPLAN and Census Bureau and BEA

Table A-2: Surplus Employers and Estimated Leakage, 2015

Employer Type	Est. Surplus
Restaurant, bar, and drinking place services	\$ 19,765,571
Private and professional schools	\$ 16,301,896
Internet Sales	\$ 6,926,993
Retail Services - Health and personal care	\$ 3,472,321
Retail Services - Food and beverage	\$ 2,871,382
Bread and bakery products	\$ 2,766,308
Natural gas, and distribution services	\$ 2,511,512
Cookies, crackers, and pasta	\$ 2,405,875
Other accommodation services	\$ 1,800,359
Investment Banking	\$ 1,657,824
Retail Services - Miscellaneous	\$ 1,447,474
Truck transportation services	\$ 1,302,928
Individual and family services	\$ 1,226,938
All other manufactured food products	\$ 777,801
Veterinary services	\$ 665,936
Personal care services	\$ 628,848
Sound recordings	\$ 520,290
Banks and Credit Unions	\$ 479,467
Water, sewage treatment, and other utility services	\$ 474,727
Used and secondhand goods	\$ 428,807
Personal and household goods repairs and maintenance	\$ 415,264
Cooking, housecleaning, gardening, and other services to private households	\$ 357,413
Other private educational services	\$ 293,904
Scenic and sightseeing transportation services	\$ 261,707
Animal products, except cattle, poultry and eggs	\$ 244,094
Dry-cleaning and laundry services	\$ 227,505
Death care services	\$ 197,781
Waste management and remediation services	\$ 169,171
Performing arts	\$ 145,773
Poultry and egg products	\$ 131,468
All other chemical products and preparations	\$ 116,536
Video tape and disc rental services	\$ 89,079
Motor vehicle parts	\$ 82,602
US Postal delivery services	\$ 72,589
Fitness and recreational sports center services	\$ 64,661
Tortillas	\$ 62,185
Telephone apparatus	\$ 56,740
Photographic services	\$ 40,873
Scientific research and development services	\$ 34,319
Petroleum lubricating oils and greases	\$ 29,459
Bowling activities	\$ 27,493
Broadcast and wireless communications equipment	\$ 21,538
Specialized design services	\$ 18,832
Travel trailers and campers	\$ 18,771

Employer Type	Est. Surplus
Advertising and related services	\$ 16,955
Greenhouse, nursery, and floriculture products	\$ 15,896
Other leather and allied products	\$ 12,949
Automobiles	\$ 12,543
Other engine equipment	\$ 9,600
Employment services	\$ 9,070
All other miscellaneous electrical equipment and components	\$ 8,007
Wild game products, pelts, and furs	\$ 7,845
Seasonings and dressings	\$ 6,709
Processed animal (except poultry) meat and rendered byproducts	\$ 3,981
Cattle from ranches and farms	\$ 3,785
Other electronic components	\$ 3,617

Source: IMPLAN and Census Bureau and BEA