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Perryman Study Finds Alcohol Beverage Sales Stimulate Economic Activity

Changing From “Dry” to “Wet” Spurs Retail Sales, Creates Jobs, Increases Tax Revenues

AUSTIN - Communities that vote to allow beverage alcohol sales can expect millions of dollars in increased economic activity, hundreds of additional jobs and a steady source of new tax revenue, according to a new study by The Perryman Group.

“Our analysis found that even after all other economic trends and retail patterns are taken into account, there is a statistically significant increase in retail sales following a change from ‘dry’ to ‘wet’. And, an area can reasonably expect a substantial gain in retail sales taxes the year after approval of a local option alcohol election,” said Dr. Ray Perryman, president of The Perryman Group.

The 52-page study by the Waco-based economic and financial analysis firm measured the economic impact of beer, wine and distilled spirits sales on three hypothetical areas that changed from “dry” to “wet.”

25,000-person community with per-capita income 10 percent below the state average.

Net impact of all beverage alcohol sales:

- Almost \$19 million in annual spending in local economy
- \$10.8 million in economic output
- 185 jobs
- \$429,000 in local tax receipts per year

The economic contribution of distilled spirits sales:

- \$5.8 million in annual spending
- Nearly \$3.3 million in output
- 55 jobs
- \$123,000 in local taxes per year

100,000-population city with average incomes equal to state average; impact of all beverage alcohol sales:

- \$90.1 million in annual spending
- \$50.8 million in output
- 863 jobs
- \$1.9 million in local taxes per year

The economic contribution of distilled spirits sales:

- \$27.8 million in annual spending
- \$15.5 million in output
- 264 jobs
- \$566,000 in local taxes per year

(more)

150,000-population city with per-capita income 20 percent above the Texas average; impact of all beverage alcohol sales:

- \$134 million in annual spending
- \$79.7 million in output
- 1,366 jobs
- \$3.1 million in local taxes per year

The economic contribution of distilled spirits sales:

- \$43.2 million in spending each year
- \$25.3 million in output
- 440 jobs
- \$964,000 in local taxes per year

“It is apparent that alcoholic beverage sales can be an important source of stimulus to economic activity. Furthermore, our study also found that retail sales in ‘wet’ areas are higher than in ‘dry’ areas even after adjusting for other factors such as income,” Perryman said.

For a full copy of The Perryman Group report, please visit: www.texashospitalityassociation.com

The Texas Hospitality Association is a non-profit foundation whose members sell and serve beverage alcohol in Texas.

THA’s mission is to encourage the responsible sale and service of adult beverages and to fight underage drinking through public awareness campaigns and education.

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