

CALIFORNIA CRAFT BREWING INDUSTRY: AN ECONOMIC IMPACT STUDY

Executive Summary

Sponsored by the California Craft Brewers Association (CCBA) in conjunction with the University of California, Berkeley's Goldman School of Public Policy, this study quantifies the total economic impact by dollar value of the California Craft Brewing industry for 2011. This study also estimates the number of jobs created, community contributions and the taxes paid locally, statewide and federally by the craft brewers.

The craft brewing industry in California is thriving due to rising consumer demand despite being on the heels of the most significant recession since the Great Depression. Providing a product as diverse as the state itself, the California craft brewing industry is an integral part of the state's economy. Producing approximately 2.2 million barrels in 2011 - equating to one in five craft beers brewed in the United States - California's craft brewers contribute significantly to the state's economy. "In 2011, the 243 breweries considered in this study generated approximately \$3 billion in total economic impact in California."

As a labor-intensive industry made up of small manufacturers focused on quality and innovation, California craft brewers are a substantial source of employment in the state. In 2011, California's craft brewers created 22,000 jobs in a state facing double-digit unemployment. While the jobs created and supported by the craft brewing industry are located throughout the state, the most significant impact can be seen in more rural communities that suffer from high unemployment - areas which tend to house some of California's top craft breweries. As small businesses, craft brewers face a large tax burden along with the state's stringent business regulations. In 2011, craft breweries in California paid more than \$400 million in total local, state and federal taxes – estimated at 52% of the cost of a craft beer at point of purchase.

California craft brewers have prospered through difficult economic times, but the future of the industry is dependent on the support of the state's political leadership through positive policy action.