



ECONOMIC IMPACT REPORT

# What If Little Africa Fest Stopped?

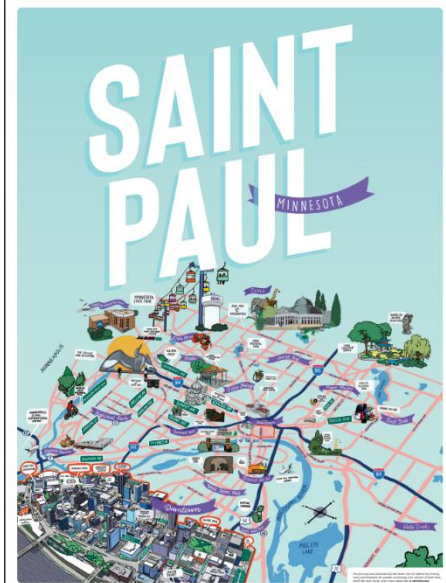
Estimating the Economic, Cultural & Social Cost

13 Years Festival Legacy	\$296K Annual Economic Impact	1:1.98 Return on Investment	261 Businesses in District
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PREPARED BY

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## What If Little Africa Fest Stopped? Economic Impact Report

*13 years - \$3.8 million economic impact*

The news that *Little Africa Fest* was cancelled this year was deeply disappointing to many. I have attended the festival since its launch 13 years ago and have seen the area come alive with the sounds of African drums, vibrant dance, memorable food, and artists and vendors who bring Africa to a Saint Paul neighborhood.

Little Africa Fest is organized by African Economic Development Solutions, led by the visionary behind the Little Africa Business and Cultural District, Dr. Gene Gelgelu. Spaces like Little Africa are **Cultural Destinations**—an economic development strategy that integrates art, music, dance, food, and events into commercial spaces to create places where people enjoy culture and entrepreneurs build wealth.

As Planning Director for the City of Saint Paul, I worked with my team in 2019 to establish Cultural Destination Areas. Soon after, Visit Saint Paul developed a map that incorporated these areas into the city's vibrant neighborhood landscape (see Visit Saint Paul map attached).

This model has significant potential. It brings people together while strengthening local businesses. It differs from a typical ethnic business district or cultural corridor in one important way: it regularly activates space through art, murals, performances, exhibitions, tours, and events. In Little Africa, that meant not only Little Africa Fest, but also walking tours, art exhibitions, music, and business support. Cultural Destinations are commercial spaces fully activated by cultural assets.

That is why the cancellation of Little Africa Fest is serious for Little Africa, Saint Paul, and Minnesota. Its impact is multidimensional:

- **Economic:** Even using conservative assumptions, Little Africa Fest has generated nearly **\$4 million** in impact over 13 years.
- **Fiscal:** The Arts & Economic Prosperity 5 Calculator suggests that festival expenses of **\$150,228** could support about **9 FTE jobs**, generate roughly **\$12,000** in local government revenue, and **\$14,000** in state government revenue.
- **Infrastructure:** The festival is essential infrastructure for a culture-based development model. Without it, core elements of the destination are weakened.
- **Public Safety** – Neighbors experience safety and a sense of shared community.
- **Marketing & Branding** – Small cultural businesses increase their visibility and markets
- **Culture and Belonging:** The festival creates joy, cultural affirmation, and a sense of belonging for entrepreneurs, artists, residents, and visitors.
- **Reversal of Progress:** When AEDS must redirect festival funds to emergency grants for struggling businesses due to fear and instability, the model shifts from celebration and growth back to survival.

The cancellation of Little Africa Fest is more than the loss of an event. It is the weakening of a long-built ecosystem of culture, commerce, and community. There is an urgent need to act to reverse the decline.

# LITTLE AFRICA FEST — ECONOMIC IMPACT

Saint Paul, MN | 13 Years of Community Investment | AEDS & Little Africa District

Estimates adapted from Americans for the Arts, MN DEED, Greater MSP & the Minnesota CDFI Coalition





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<b>3,000</b> Visitors / Year	<b>261</b> Businesses in 0.2-Mile Radius 100 used for analysis	<b>\$296,853</b> Total Annual Economic Impact	<b>\$3.8M+</b> 13-Year Cumulative Economic Impact
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**Cost Benefit Ratio: For Every 1 dollar spent there is a return of almost 2 dollars**

## QUANTITATIVE ECONOMIC IMPACT — Annual Calculation

IMPACT AREA	CALCULATION (Source)	AMOUNT
 <b>Visitor Spending</b>	3,000 visitors × \$22.32 avg. spend (Americans for the Arts AEP5 estimates adapted for local conditions) × 1.72 multiplier (MN DEED Visitor Study)	<b>\$115,171</b>
 <b>Business Sales Lift</b>	100 of 261 businesses (0.2-mile radius, Greater MSP / MN CDFI Coalition) × \$1,500 avg. daily sales × 10% lift × 1.72 multiplier (10 percent used as a lower end estimate of increase in sales)	<b>\$25,800</b>
 <b>Volunteer Time</b>	60 volunteers × 4 hrs × \$23.56/hr (Americans for the Arts volunteer valuation)	<b>\$5,654</b>
 <b>AEDS Operations</b>	Direct AEDS expenditures at festival: \$138,228   10 staff × 24 hrs × \$50/hr = \$12,000 staff time value	<b>\$138,228 + \$12,000 = \$150,228</b>
<b>TOTAL ANNUAL ECONOMIC IMPACT</b>		<b>\$296,853</b>
<b>13-YEAR CUMULATIVE IMPACT (2011–2024)</b>		<b>\$3,859,089</b>

All figures include the 1.72 MN DEED multiplier where applicable (visitor spending and business lift). Volunteer and AEDS staff/operations figures are direct values with no multiplier applied.

## SOCIAL MEDIA IMPACT — Festival Week Engagement

<b>33,000</b> Facebook Views ↑ 130%	<b>742</b> Content Interactions ↑ 72.6%	<b>88</b> New FB Follows ↑ 151%	<b>41</b> New IG Follows ↑ 57.7%	<b>3,700</b> Instagram Reach ↑ 97.1%
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## QUALITATIVE IMPACTS — What the Numbers Don't Fully Capture

### Capital+ Model

AEDS pairs loans with marketing, business coaching, and technical assistance — the proven CDFI model growing businesses from start up to mature businesses.

### Public Safety

A park where neighbors reported crime is now an activated, community-owned space 13 times. Research shows programmed spaces reduce crime.

### Cultural Pride

For African immigrants, the festival is visible proof that their community is celebrated — a documented factor in diaspora mental health, civic participation, and economic integration (National Academies, 2020).

### Marketing & Branding

The 'Little Africa' brand anchors visibility for ~30 immediate-area and hundreds of businesses that cannot afford standalone marketing. AEDS provides the coordinated brand platform they share. Many of these moved to the area over the past 13 years.

### Economic Development

Many businesses within 0.2 miles. Hundreds more served by AEDS lending and technical assistance. The festival is the annual activation that keeps this corridor competitive and investable.

### Crisis Stability

AEDS and Little Africa Fest have anchored the district through light-rail construction disruption, COVID-19, the 2020 civil unrest, and the current ICE enforcement surge — each a moment when businesses needed a visible, trusted institution.

## THE COST OF CANCELLATION

What Saint Paul & Minnesota Loses If Little Africa Fest Does Not Happen?

*At a moment of ICE enforcement, community fear, and economic fragility — the stakes have never been higher*

## \$296,853 IN IMMEDIATE ECONOMIC IMPACT — GONE

Every dollar of visitor spending, business sales lift, volunteer value, and AEDS operational investment disappears from the Saint Paul economy in a single cancelled event.

## DIRECT ECONOMIC LOSSES

### Visitor Spending Lost

—\$115,171

3,000 visitors who would have spent \$22.32 each, with 1.72 ripple multiplier through the local economy, stay home or spend elsewhere.

### Business Revenue Loss

—\$25,800

The 10% sales lift that 100 district businesses would have received — in a year when every dollar matters — does not arrive. For immigrant-owned small businesses operating on thin margins, one missed revenue day has outsized consequences.

### AEDS Investment Undeployed

—\$150,228

\$138,228 in organizational expenditure and \$12,000 in staff time that would have activated the corridor is redirected or lost — reducing AEDS's visible footprint at a moment when community trust is most needed.

### Brand Equity at Risk

10 years of value

The 'Little Africa' brand — built over 13 years of media coverage, sponsor relationships, and regional recognition — loses its annual activation.

## THE STAKES ARE HIGHER IN 2026 — WHY THIS MOMENT MATTERS

### ICE Enforcement Surge

African immigrant business owners are operating under fear, reduced customer traffic, and financial stress. The festival is a visible declaration that this community has a right to public space and economic life in Saint Paul.

### Cultural Disconnection

For diaspora communities, the loss of a public cultural event is not a scheduling inconvenience — it is a signal of diminished belonging. Research links loss of cultural anchor events to increased isolation, reduced civic participation, and measurable mental health impacts

### 13 Years to Build, Fast to Lose

AEDS has anchored this corridor through light-rail disruption, COVID, and civil unrest. Each crisis was survivable because the institution and its flagship event remained. Cancellation now — in a fourth consecutive crisis — risks permanent displacement of the district's organizing capacity.

### **Little Africa Fest is not a celebration. It is infrastructure. A Cultural Destination.**

Thirteen years of investment — \$3.8 million in documented economic impact, a proven Capital+ CDFI model, and a cultural anchor for African immigrant entrepreneurs in the Twin Cities — cannot be replaced by another event or another organization. The cost of cancellation is not measured in one day. It is measured in what the district loses the year after, and the year after that.

## The Bright Light!

Responding to the current crisis – AEDS has redeployed the Little Africa Fest budget to offer small grants to African immigrant businesses to help jump start their businesses negatively impacted by the recent crisis

AEDS continues to bring new businesses and investments into the area, including its offices with a new marketplace and the Little Africa Museum and Gallery.

# What Policy Makers Can Do

Continue to fund the arts especially in the Cultural Destinations/Cultural Corridors model of integrating culture into wealth building. This also provides spaces for people to enjoy other cultures and build relationships.

For Every \$1 dollar invested in Little Africa Fest there is a \$1.98 return on investment.

The Arts and Economic Prosperity 5 Calculator shows that the AEDS expenses of \$150,228 for Little Africa Fest can generate an estimated 9 FTE, \$12,000 in local government revenue and \$14,000 in state government revenue.

<https://www.americansforthearts.org/by-program/reports-and-data/research-studies-publications/arts-economic-prosperity-5/use/arts-economic-prosperity-5-calculator>



## CULTURAL DESTINATIONS

*Enjoy Culture.*

*Build Wealth*

[www.culturaldestinations.org](http://www.culturaldestinations.org)

Thanks: Dr. Gene Gelgelu & Jalene Burka of AEDS, LeeAnn Rasachak & Carl Swanson of the CDFI Coalition, Cristina Archila of Visit Saint Paul

### Links to Sources:

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