Brewing Growth: The Economic Development Potential of Craft Beer

At the end of 2016 the number of craft breweries in the United States stood at over 5,000. This is an impressive number; in 2010 there were only 1,754 such establishments. In 2015 sales of craft beer reached $22.3 billion, which represented 21% of total beer sales that year. Increased consumption of craft beer is driven by beer drinkers demanding beer that is more flavorful, of higher quality, and more diverse than the beer produced by large-scale producers. Craft beer is being produced in increasing quantities by small-scale, independent breweries that have strong connections with their local communities.

There is a growing recognition in many parts of the United States that the craft beer industry represents an economic development opportunity. This has resulted in initiatives at both the local and regional scales to create a business climate that is conducive to the growth of the industry.

At the local level elected officials recognize that craft breweries can play a key role in the revitalization of distressed neighborhoods. This has resulted in craft breweries being included in neighborhood revitalization plans. Craft breweries are attracted to distressed neighborhoods because of the availability of inexpensive space in old abandoned buildings. Thus craft breweries can be found in old churches, funeral homes, automotive dealerships, fire stations, and a variety of other unique spaces that they adaptively reuse.

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