

## City of Edinburg Boosts Local Economy Using Gift Cards

Factor4's Community Gift Card Program Helped Inject \$1,000,000 into the City of Edinburg

Read this interview with Brian Kelsey, Assistant City Manager, to learn more about the success of round one and two of the program. Also, check out the **SPARC Recap [video](#)**.

### 1. Can you summarize the results of round one of the SPARC (Stimulus Program Aimed at Recovery from Covid) gift card program?

The City distributed more than 10,000 SPARC gift cards to eligible residents of the city of Edinburg. More than 200 businesses participated in the gift card program. More than \$1,000,000 was invested back into the Edinburg community with the gift card program alone.



### 2. What is the reason you did round two?

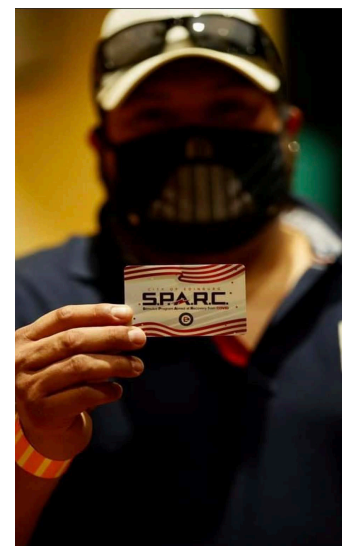
The City of Edinburg received Coronavirus Aid, Relief, and Economic Security Act (CARES) funds for round one and American Rescue Plan Act (ARPA) funds from the Federal Government for round two. The City saw great economic impact in injecting more than \$1,000,000 directly into the Edinburg economy by providing financial assistance to businesses and residents in round one. In utilizing 2021 ARPA funds, the City was able to provide additional recovery from the continued COVID-19 pandemic by investing back into the local economy once again. This provided eligible Edinburg residents with additional financial stimulus.

### 3. What made you choose Factor4 to manage your SPARC gift card program?

For round one and two, the City of Edinburg procured a gift card provider after receiving multiple quotes. Factor4 was the best choice for this program based on technology and experience in running a turnkey program like SPARC, including designing and creating the cards, processing transactions, and redeeming gift card funds.

### 4. Are there comments you would like to make about using the plastic cards, Factor4's mobile app and/or movement of money via Factor4's pooling services?

Setting a meeting with Factor4 prior to the start of the program was very helpful. Factor4 staff walked us through the process and set clear expectations on all aspects of the program. This prepared our team and allowed us to let participating businesses know what to expect from gift card sales.



The utilization of the plastic cards and mobile app was clear for businesses and residents to navigate. Businesses were able to run transactions with the Factor4 mobile app, which provided a contactless payment functionality, lower transaction fees, and a seamless checkout for customers. The movement of money via Factor4's pooling services was streamlined, and businesses received their sales funds within a week. As well, the wire transferring of money from the City to Factor4 was facilitated. The communication among everyone involved was effective.

## 5. How was your experience with Factor4?

The experience with Factor4 was excellent. Factor4 staff was very responsive via email and phone, and was always ready to assist City staff, Edinburg businesses, and residents. On various occasions, Factor4 staff took initiative in problem solving business or resident concerns and clarifying questions. Factor4 staff assisted businesses in setting up their accounts, downloading the mobile app, and running transactions. This made the communication easy and effective among Factor4 and the City of Edinburg. We are pleased with the level of customer service, responsiveness, and overall process with Factor4.



## 6. How did your community (residents and businesses) benefit from the SPARC program?

SPARC contributed to increasing Edinburg's sales tax base. While many communities in the Rio Grande Valley and elsewhere experienced revenue declines in the summer of 2020, Edinburg's sales tax revenue was up by 2% compared to the summer of 2019 and in September 2020, it was up by 17% on a year-over-year basis.

Businesses were able to keep their doors open as the financial stimulus aided in sustaining employee payroll, rent, inventory, repairs, or equipment to increase resiliency.

## 7. Are there any differences between round 1 and round 2 in terms of execution and results that you would like to highlight?

Round one of the SPARC program was the first time the City of Edinburg implemented a gift card program. The first round served as a learning opportunity to better execute round two. The process of distributing gift cards was streamlined and expectations were communicated to businesses and residents regarding the process before they used the gift card. Round two execution process also included the purchase and distribution of additional gift cards. Because the process was efficient, we were able to distribute more gift cards in round two.

## 8. Can you provide testimonials from Edinburg businesses and residents?

Please refer to the SPARC Recap video.