Economic Impact of a Small Event on a Mid-Sized Community

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The purpose of this study was to estimate the intangible benefits of hosting a club sport national tournament on a mid-size community. The current study estimates the economic impact of hosting the American Collegiate Hockey Association (ACHA) Division II National Championship. The results suggest that hosting a national tournament can have a positive effect on the local economy. It was found that the average family attending the event spent an average of $431.00. This research would provide mid-size city officials with information needed to justify hosting one time events. In the past decade, youth sporting events and club sport national tournaments have become one of the fastest growing types of event attractions (Crompton and McKay 1997, Turco, 1997, and Thrane, 2002).

Collegiate club sport tournaments have become big business for local communities and hosting such an event has economic benefits. Numerous communities, from small to mid-size, have become active in competing to host youth and collegiate tournaments. Club sport tournaments can deliver economic benefits to the host community and are often justified by limited expenditures from the local organization and the city governments. The economic benefits flow from the fact that sporting events impact a number of different but interlinked services, from restaurants, transportation, lodging, entertainment, and other support services (Paton, 1985).

Hosting the American Collegiate Hockey Association (ACHA) Division II National Championship is desirable strategy since collegiate club sport athletes will be accompanied by family and friends that contribute to the community. With respect to the studies referenced, economic impact is measured by collecting survey information from event attendees. The first step in the research process was to secure volunteers to disseminate and collect the survey instrument. Volunteers would typically approach the spectators as they located their seat in the facility and continue until the start of the hockey game. Volunteers gathered surveys by randomly selected patrons attending tournament games. The volunteers were dispersed throughout the two ice hockey facilities that were utilized for the tournament.

The demographic breakdown of respondents traveling to the ACHA Division II National Championship Tournament revealed that 65% were female and 35% male. The medium age of the respondents was 45, with a range of 18 to 77 years old. Of the respondents, 5% had a household income of $25,000 or less, 15% had $25,001 to $50,000, 47% had $50,001 to $100,000, and 33% had an income of over $100,001. To determine the economic impact of the event the National Association of Sports Commission (NASC) formula was employed. This formula may be stated as TEI = RM \[TAS + (OTV \times ASD \times ND)\] in which the Total Economic Impact (TEI) equals the Regional Multiplier (RM) multiplied by the sum of the Total Administrative Spending (TAS) plus the sum of the Out of Town Visitors (OTV) multiplied by the Average Spent per Day (ASD) by the visitors multiplied by the Number of Days (ND) the visitors spent in the city. New money from the NASC totaled nearly $2 million for the ACHA Division II National Championship Tournament.

The results indicated that participants and their family and friends spent dollars on tickets, lodging, food, concessions, merchandise, and shopping. This study suggests that limited administrative expenses and the assistance of volunteers can increase the economic impact to the community. Spending by visitors is strongly affected by travel distance and the larger the number of out-of-town participants, the greater the likely economic impact to your city.