The 2011 Mississippi Team Tennis Championship: An Economic Impact Case study

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Recreational sport tournaments have been shown to provide a significant impact to the hosting community (Crompton & McKay, 1994; Thrane, 2002; Turco, 1997). Because there are typically limited expenditures from local organizers for state and regional sport events, they have become popular for communities seeking an economic impact from hosting these events (Veltri, Miller, & Harris, 2009). According to Kurtzman (2001), hosting a state tournament event can contribute significantly to the local economy. Because recreational sport events have become popular spectator attractions, more and more local organizing committees are bidding to host such events (Gursoy, Kim, & Uysal, 2003). According to Getz (1997), the benefits of hosting sport events include economic impact, community pride, community marketing, and community awareness.

The economic impact a sport event provides can be seen as the net change in the economy as a result of the event (Crompton & McKay, 1994; Lee, 2001; Turco, 1997). In an economic impact study, researchers determine the number of participants and visitors, the number of days each visitor will stay in the community, and an average of how much they spend each day on certain categories of expenditures (Kurtzman, 2001). It is important to understand that this amount represents the spending of visitors in the community due to the event (Doshi, Schumacher, & Snyder, 2001).

The purpose of this presentation is to provide a case study analysis of the economic impact provided to the three county region of the Mississippi Gulf Coast as a result of hosting the 2011 Mississippi Team Tennis Championships. A visitor spending survey was developed by the researchers and administered to 247 individuals. Surveys from local residents (25) were discarded due to the fact that their spending was not deemed to have an additional economic impact on the region. Another four surveys were not used due to missing information resulting in 218 usable surveys for data analysis. The total economic impact (direct, indirect, and induced) of visitors to the Mississippi Gulf Coast for the competition were estimated with the IMPLAN input-output model to obtain estimates of the output, jobs, wages, and taxes generated. It should be noted that this economic impact analysis only includes spending on the part of visitors to the Mississippi Gulf Coast and does not account for additional revenue generated from event operations.

The direct effects from the initial expenditures by visiting participants and their guests produced $1,206,900 in output, 23.2 jobs, and $466,863 in personal income in all types of industries. Eating and drinking establishments, hotels and lodging, and amusement and recreation felt the greatest direct impact in industrial output. Expenditures from visiting participants and their guests did not occur in an economic vacuum. Many Mississippi Gulf Coast industries benefited from the $609,993 of additional spending from the indirect and induced effects produced after the direct influx of dollars into the economy. The dominant recipients of the indirect and induced rounds of spending were in real estate, utilities, food services, health care, and communications. The total industrial output or economic impact of visitors to the 2011 USTA League Tennis Mississippi Adult Championships was $1,816,893. The direct economic impact was $1,206,900, while indirect and induced effects produced an additional $609,993. Thus, the average combined multiplier associated with the study was 1.51. That is, 51 cents of every dollar in direct output was re-spent in the region's economy. Along with industrial output, employment on the Mississippi Gulf Coast increased through the creation of 28.2 full time jobs generated by the spending of visitors to the 2011 USTA League Tennis Mississippi Adult Championships. Employment resulting from these activities was greatest in the eating and drinking services, hotel and lodging places, and amusement and recreation sectors. Personal income associated with this employment was $698,495. Overall employee compensation was $24,769 per new job created. This indicates the jobs included both lower-income and middle-income wage earners. Mississippi Gulf Coast industry sectors that benefitted most from the spending of visitors to the 2011 USTA League Tennis Mississippi Adult Championships were eating and drinking places ($457,063 and 12.8 jobs), hotels and lodging ($373,087 and 5.3 jobs), and amusement and recreation ($257,357 and 3 jobs).
Overall, the tournament was a tremendous success and had a significant economic impact on the Mississippi Gulf Coast. A total economic impact of almost $2 million and the creation of over 28 new jobs based just on the spending of visitors to the region for the tournament is excellent for a statewide event. Figures used in this study were generalized to the total study population based on the 218 useable surveys collected. Approximately 1000 participants were expected to convene on the Mississippi Gulf Coast for the competition. Twelve and a half percent of the participants were from teams based in the region and were not used in the calculations as their spending was not considered to be new money infused into the local economy. Therefore, the total number of participants in the tournament that were considered to be visitors was 875. This means that 25% of visiting participants were included in the sample, a very high percentage for economic impact studies.