

## THE ECONOMIC IMPACT OF



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## OVERVIEW

- This study examined the economic impact of the 2016 College Football Playoff National Championship Game held on January 11, 2016 and events surrounding these games. Data collection focused on the time period of January 9th through January 11th, 2016.
- The study focused on estimating the gross economic impact, or primary impact, of the 2016 College Football Playoff National Championship Game and related events. This was defined as the direct amount of spending by visitors and organizations from outside the state, and the indirect and induced impacts of those expenditures (often described as “ripple effects”). This assessment included the impact of both direct and indirect visitor and organizational expenditures in the Valley of the Sun/Greater Phoenix Metropolitan area. No resident spending was included.
- The 2016 College Football Playoff National Championship Game economic impact estimate was developed using three distinct factors: (1) out-of-state direct visitor spending, (2) organizational spending, and (3) indirect and induced effects.
- Indirect and induced economic impacts were calculated with an IMPLAN input-output model using SAM multipliers for the State of Arizona. IMPLAN (IMpact analysis for PLANning) is widely used for economic assessment throughout the United States, including impact analyses commissioned by the Arizona Commerce Authority. It is a commercially licensed linear input-output model based on local, regional and state multiplier models. The specific model used for this study has been designed for use in Arizona.

## SURVEY METHODOLOGY

- This study utilized multiple research, survey and analytical methodologies appropriate to the objective and task. Primary data was collected from out-of-town visitors who stated that the main reason for their visit to the Phoenix Metropolitan area was for the 2016 College Football Playoff National Championship Game and/or events associated with the game. Teams of trained and supervised students from the ASU W. P. Carey School of Business and Sports Business Association conducted on-site surveys at events around the Valley over the 3-day period.
- The sampling plan for data collection included multiple days at multiple sites to sample diverse socio-economic and demographic groups. Within a particular site (e.g. at the stadium on game days) student teams were deployed at varied locations to capture a representative sample (i.e. not all in the sample attended the same parties/events).
- For the purpose of this study, a visitor was defined as any individual who did not classify themselves as living in the greater Phoenix-Metro area or Valley of the Sun for any portion of the year. “Snow Birds” or part-time residents were not considered visitors and as such any respondent that indicated they were staying in the Valley for more than one month was excluded from the final data set.

## KEY FINDINGS

- The estimated total economic impact was \$273.6 million.
- An estimated 65,401 visitors came to Arizona for the 2016 College Football Playoff National Championship Game and stayed an average of 3.88 nights.
- An estimated 610 out-of-town media stayed an average of 4.3 nights.

## BREAKDOWN

- The key inputs for this study are illustrated in the following two tables. These were based on the research team’s collection and analysis of 864 useable surveys from visitors to the Phoenix metropolitan area, independently-supplied organizational data, and credentialed media.

DIRECT VISITOR & MEDIA EXPENDITURE	NUMBER	AVERAGE DAILY SPENDING	AVERAGE NUMBER OF NIGHTS IN TOWN	TOTAL DIRECT SPENDING
Visitors with Champ Game Tickets	62,127	\$467.93	3.94	\$114,547,165 <sup>1</sup>
Visitors without Game Tickets	3,274	\$523.93	2.77	\$4,745,619 <sup>2</sup>
Out-of-State Media	610	\$428.64	4.3	\$1,124,323
<b>Total Visitor &amp; Media Expenditure</b>				<b>\$120,417,107</b>

Source: Authors’ Calculations

ORGANIZATIONAL SPENDING	
Event, Operations and Media Production Spending <sup>3</sup>	\$35,935,310
Sponsored Out-of-State Championship Game Events	\$2,980,000
<b>Total Organizational Spending</b>	<b>\$38,915,310</b>

Source: Authors’ Calculations

- Out-of-state visitors were divided into three groups, those with Championship Game tickets, those without and media.
- Direct visitor and media spending was estimated at over \$120 million.
- Organizational spending as captured by reported events, stadium operations, media production, and confirmed spending by outside Arizona firms who produced Championship Game-related events was nearly \$39 million. No Arizona-based organizational spending was included in the figures.

<sup>1</sup> This excludes airfare expenditure.

<sup>2</sup> This excludes airfare expenditure.

<sup>3</sup> Spending by the National Organization, traveling teams, the Host Committee, and other media partners.

- Applying these key inputs within the IMPLAN model, the total gross economic impact for the State of Arizona was estimated at \$273.6 million. This included all direct, indirect, and induced impacts.

<b>TOTAL ECONOMIC IMPACT</b>	
Total Champ Game Ticketed Visitor Expenditure Impact	\$212.6 million
Total Non-Champ Game Ticketed Visitor Expenditure Impact	\$8.1 million
Total Media Spending	\$1.7 million
Total Organizational Expenditure Impact	\$51.2 million
<b>Total Economic Impact</b>	<b>\$273.6 million</b>

Source: Authors' Calculations

- A comparison of total gross economic impacts for the 2011 BCS Championship Game and the 2016 College Football Playoff National Championship Game in the State of Arizona is shown below but does not take into account the different buying power of the dollars in both years.

<b>COMPARISON OF 2011 BCS AND 2016 CFP NATIONAL CHAMPIONSHIP GAME TOTAL ECONOMIC IMPACT</b>	<b>2011 BCS GAME (2011 \$)</b>	<b>2016 CFP NATIONAL CHAMP GAME (2016 \$)</b>
Total Visitor Spending Impact	\$188,000,000	\$220,700,000
Total Media and Organizational Expenditure Impact	\$16,550,000	\$52,900,000
<b>Total Economic Impact</b>	<b>\$204,550,000</b>	<b>\$273,600,000</b>

Source: Authors' Calculations

- Using the Bureau of Labor Statistics Consumer Price Index (BLS CPI) inflation calculator, the 2011 BCS Championship Game impact expressed in the table above in 2011 dollars had the same buying power as \$215.6 million in 2016.<sup>4</sup> This suggests that the total gross economic impact of visitors, media and non-Arizona based organizational expenditure for the 2016 College Football Playoff National Championship Game was at least **26.8% greater** than the impact for the 2011 BCS game.
- The direct state, local and county sales tax revenue generated from the 2016 College Football Playoff National Championship Game was estimated at **\$12.2 million**.

<sup>4</sup> [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)

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