

*Economic Impact of the 2006 NCAA Division II
National Championships Festival on the
Pensacola MSA*

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Summary Report

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The purpose of this summary is to provide a brief analysis of the economic impact related to the increased spending in the local economy expected as a result of the 2006 NCAA Division II National Championships Festival. In this summary there are two estimated economic impacts. The first estimation was calculated prior to the festival. The second estimation was calculated after the completion of the festival. This calculation factored in survey data taken from spectators at the festival along with ticket sales.

The festival included over 800 competing athletes from 70 teams. The festival's operating budget was approximately \$800,000. The event featured six sports competing from Thursday, November 16th through Saturday, November 18th of 2006. The competing sports included men's and women's cross country, men's and women's soccer, women's field hockey, and women's volleyball. Between the athletes, NCAA staff, committees, and invited guests there were approximately 3,200 room nights associated with the event. An actual attendance figure for the festival was not available. However, a total of 2,812 tickets were sold for this event.

Along with the athletic competitions, there were other activities related to the festival. A Youth Education through Sports (YES) clinic was held on Saturday, November 11th. On Wednesday, November 15th, a street festival and opening ceremonies was scheduled to take place in downtown Pensacola which was moved indoors due to inclement weather. The NCAA also sponsored the construction of 6 houses with Habitat for Humanity of Northwest Florida with a \$150,000 donation. On November 18th, closing ceremonies took place on Pensacola Beach.

Various economic components associated with the festival were examined in order to calculate the impact of this event. Estimates were constructed for the YES clinic (lodging and per diem), the competing athletes (lodging and per diem) and the NCAA's staff, committees, and invited guests (lodging and per diem). Additionally, the number of attendees as well as their spending in the local economy was estimated. Another significant component included in the impact estimate was the NCAA's donation to Habitat for Humanity for housing construction. As for the spending related to operation of the festival itself, the preliminary budget was used to capture the magnitude of relevant local spending. A brief summary of the inputs used in estimating the economic impact for the festival is shown on the following page in Table 1.

Table 1 – Economic Inputs Used in Calculations

Economic Input	Detail	Initial Estimates	Post Event Estimates
YES Clinic	Lodging	\$495	Unchanged
	Visitor Spending	\$1,050	Unchanged
Student Athletes	Lodging	\$ 263,744	Unchanged
	Visitor Spending	\$144,000	Unchanged
NCAA Staff, Committees, and Invited Guests	Lodging	\$69,888	Unchanged
	Visitor Spending	\$38,100	Unchanged
Attendees from out of the area	Lodging	\$111,280	\$421,772
	Visitor Spending	\$595,920	\$736,871
Habitat for Humanity	Donation for Construction	\$150,000	Unchanged
Festival Operation	Operating Events	\$800,000	Unchanged

Both estimates involved various assumptions to overcome difficulties regarding unavailable data. Most of the inputs were the same. A significant portion of the data came directly from the festival’s budget. At the close of festival there was no new data regarding the spending that was not accounted for in the budget; therefore, the same figures were used. When the per diem was paid by the NCAA, the per diem was assumed to be at the maximum allowable amount of \$75 per day. Since the actual per diem for the athletes from each school was unavailable, the per diem for the student athletes was assumed to be \$45 per day on average since individual schools’ per diem vary widely. Information on hotel room and condo rates was provided (rates were normally \$104 per room per night barring the YES Clinic which was \$99 per room per night).

Prior to the event occurring and after its completion, the attendance number was unknown. For the initial economic impact estimate, the festival’s total attendance was estimated to be 5,200 spectators. This figure was based on previous NCAA championships. The entire 5,200 was

assumed to be coming from outside the area because there was no information available regarding the ratio of local versus out of the area attendees. Since the future spending amounts of the attendees was also unknown before the festival, the attendees were assumed to be similar to a typical domestic tourist in Florida. The *Florida Statistical Abstract 2005's* average expenditures per person per day was used to estimate the attendees' spending (\$21.40 for lodging and \$114.60 for general spending per day). Additionally, attendees were assumed to only stay for one day in order to calculate their total spending. For the post event analysis, actual attendance numbers were assumed to equal the total ticket sales of 2,812. According to the survey results, 77.9% of the respondents were from out of the area. This percentage was applied to develop a 2,190 estimate of out of town visitors that attended. The survey also showed the average party spending in the Pensacola MSA (an average of \$299.98 for lodging and \$524.09 for general spending for the entire time of their visit). The average party size that came to the area for the festival was unknown. The assumption used for the average party size in order to calculate total visitor spending was that each party included two people.

As a result of all festival related spending in the Pensacola MSA, it was initially estimated (prior to the festival) that the total impact to the area in terms of 2006 dollars was over \$3.34 million of which almost \$1.16 million was labor income. Accordingly, the spending related to this event supported an additional 62 jobs in the economy. Additional breakouts of the estimated impact are shown below in Table 2.

Table 2 – Initial Estimated Economic Impact of the 2006 NCAA Division II National Championships Festival on the Pensacola MSA

Initial Estimated Economic Impact of the 2006 NCAA Division II National Championships Festival on the Pensacola MSA				
Estimated Impact of 2006 NCAA Division II National Championships Festival	Direct	Indirect	Induced	Total
Total Spending (Output)	\$2,174,477	\$501,077	\$669,717	\$3,345,271
Incomes Generated	\$744,944	\$181,184	\$233,621	\$1,159,749
Jobs Supported	48.7	5.8	8.2	62.7
Source: IMPLAN Professional Social Accounting & Impact Analysis Software				

After factoring in data related to the festival, a revised estimated economic impact was calculated. The impact of the festival was estimated at approximately \$3.66 million of which \$1.24 million was labor income. This revised estimate indicates that 66 additional jobs were created in the economy. More detail breakouts of the estimated impact are shown on the following page in Table 3.

Table 3 – Post Event Estimated Economic Impact of the 2006 NCAA Division II National Championships Festival on the Pensacola MSA

Post Event Estimated Economic Impact of the 2006 NCAA Division II National Championships Festival on the Pensacola MSA				
Estimated Impact of 2006 NCAA Division II National Championships Festival	Direct	Indirect	Induced	Total
Total Spending (Output)	\$2,369,634	\$572,843	\$718,874	\$3,661,351
Incomes Generated	\$787,515	\$206,496	\$250,769	\$1,244,780
Jobs Supported	51.0	6.6	8.8	66.4
Source: IMPLAN Professional Social Accounting & Impact Analysis Software				