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Economic Impact of Collegiate Bass Tournaments: Experiences from Auburn University

by

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ECONOMIC IMPACT OF COLLEGIATE BASS TOURNAMENTS

EXPERIENCES FROM AUBURN UNIVERSITY

Highlights

This study summarizes the economic impact of four collegiate bass tournaments hosted by Auburn University in North Alabama in 2009. Spending by anglers associated with these events show the interest by participants and economic importance to the community which hosted these events. The study found the bass tournaments produced almost $152,484 (direct and indirect) in business sales for the host community in 2009.

The following statements highlight the projected impact of collegiate bass tournaments on North Alabama in 2009.

- The four tournaments required about 20 tourism days to conduct.
- The average angler traveled about 531 miles (one-way) to participate in each tournament.
- More than 350 anglers and tournament organizers representing 181 teams from 23 universities in seven states participated in these events between January and April of 2009.
- Lodging demand from anglers and tournament organizers totaled 88 and 18 rooms, respectively.
- Total room nights equaled 246 during these events.
- Direct and indirect business income to local innkeepers, restaurants, gasoline stations, fishing suppliers, and other retailers from these events totaled $152,484.
- Direct and indirect wages and salaries (or labor income) from these tournaments total $59,318 for local workers in North Alabama.
- The tournaments created about 2.2 full-time equivalent jobs.
- Sales tax revenues increased by $4,232 because of the bass tournament in North Alabama.

Introduction

Recreation and tourism associated with collegiate bass tournaments can play a major role in local economic development as the dollars anglers and tournament organizers spend work their way through the economy. Some tourism-related activities may impact almost every part of the local economy.

During a four-month period in 2009, Auburn University sponsored four 5-day tournaments in North Alabama (Swaim, 2009). About 350 anglers representing 181 teams from 23 universities in seven states[1] participated in these events (Table 1). Tournament organizers and support staff from Auburn University devoted about 20 days to conduct these events.

Table 1. Number of Teams and Anglers in Collegiate Bass Tournaments, 2009

	Number of Tournaments and Participants				
State	**1**	**2**	**3**	**4**	**Total Participants**
Alabama	23	26	21	24	183
Tennessee	5	12	9	12	73
Virginia	0	6	3	5	28
Georgia	8	9	0	5	42
South Carolina	1	0	1	3	10
Mississippi	1	1	3	2	12
Kentucky	0	1	0	0	2
Total	38	55	37	51	350

Data

Preliminary data on the bass tournaments came from Auburn University Officials and a survey of anglers who took part in a similar event in Florence, Alabama (F&LCATB, 2009). Specific information gained from the 75 surveys suggested the average stay of each angler was 2.4 days and each angler spent an average of $127.77 each day during their trip. The authors assumed the remaining 25 participants who did not return a survey had similar lodging (average stay of 2.4 days) and spending ($127.77 a day) experiences during the Florence tournament. Figure 1 shows the specific sectors and spending amounts based on survey results from the Florence, Alabama bass tournament in 2009.

The authors used spending profiles of anglers participating in the Southern Collegiate Bass Fishing Series Championship (Florence, Alabama) to derive estimates by anglers and tournament organizers in the four tournaments in 2009. Specifically, the author developed spending estimates for these groups in six categories. Those were: lodging demand, lodging sales, food and beverages, fishing supplies, gasoline, registration fees and miscellaneous and other expenses in the study. Estimates of direct spending in these categories were as follows: gasoline- $38, 740, fishing supplies- $29,173, food and beverages- $24,587, lodging - $4,494, registration fees and miscellaneous - $6,000, and other expenses- $8,148. Table 2 contains a breakdown of these expenses into angler and tournament organizers in 2009.

[1] See Figure 1 in appendix section for a map of universities and states participating in each tournament

Figure 1. Average Daily Expenditure by Anglers Participating in the Southern Collegiate Bass Tournament, 2009

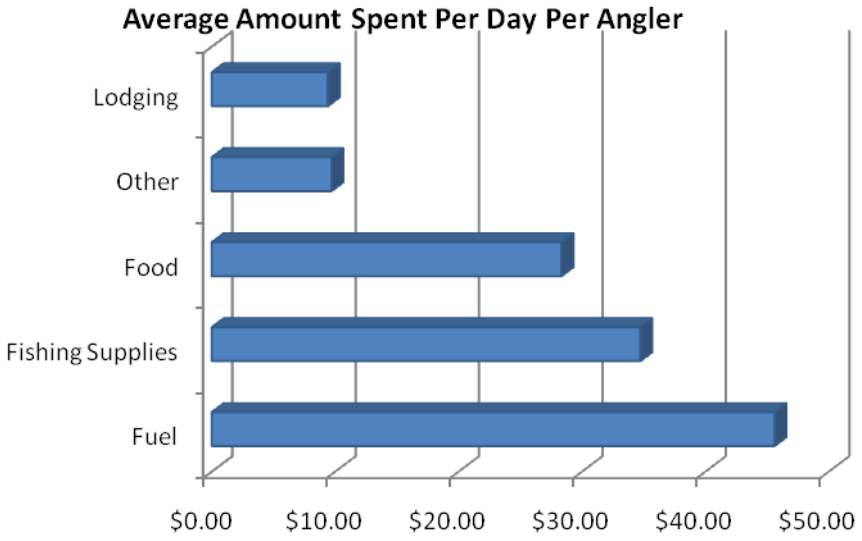

Table 2. Key Economic Data for Auburn University Bass Tournaments, 2009

Lodging	Anglers	Tournament Coordinators	Total
Rooms sold	88	18	106
Room nights	210	36	246
Average[2] distance traveled	531	320	851
Cost			
Lodging costs	$1,974	$2,520	$4,494
Food & beverages	$23,805.60	$780	$24,585
Gasoline	$38,304	$400	$38,704
Fishing supplies	$29,173		$29,173
Registration fees, food, misc.		$6,000	$6,000
Other expenses	$8,148		$8,148

Methods

The study used preliminary and survey data about tournament expenses to populate a Tourism Impact Model (TIM). The model is easy to use and the calculations are self-documented. The model estimates the total effect (direct, indirect, and induced) of bass tournaments' expenses in the form of jobs, payroll, and sales (Myles, 2009). Sales tax receipts were estimated outside the model because of the unique taxing structure in Alabama.

The *Tourism Impact Model* (TIM) is a computer-based Excel spreadsheet that calculates angler and tournament organizers spending, using IMPLAN input-output multipliers to estimate the spin-off effects of the direct spending in the community (Lindall and Olson, 1993). The TIM model can evaluate various tourism-related activities (such as agricultural tourism, heritage tourism, nature-based tourism, or athletic events) and other special events in a given county. The accuracy of these estimates depends on detailed reliable local information to supplement state data sources. In cases where such data are available, local variations in tourism expenses are explicitly included in the model. Because the model uses a standard approach to measure the impact of tourism, it offers the potential to compare and contrast counties in a region.

Estimating Economic Impact

Calculating the economic effects of collegiate bass tournaments involved determining the expenses associated with anglers and tournament organizers. Of these, the study used the expenses of anglers and tournament organizers occurring in the local economy from outside the host community (or county). For this study, Marshall County[3] is 'local.'

The model assumed that most of the spending by local anglers and tournament organizers would occur in the host county, mainly in North Alabama. These expenses have both direct and indirect impacts on the host community's economy.

To estimate the impact of these relationships in the host community, the model uses county multipliers based on the population size of the local economy. For this study, the multipliers are from a representative county in Mississippi and show how attracting anglers to an area may stimulate economic growth in the area. Multipliers may also show how a decline in angler spending could result in decreased local economic activity (e.g., income, employment, income, and tax revenues).

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[2] This is a weighted average of the distances traveled. Weighting the miles gives deference to distance farther away from the host community.

[3] Guntersville in Marshall County served as the central location of the bass tournaments in North Alabama.

Results

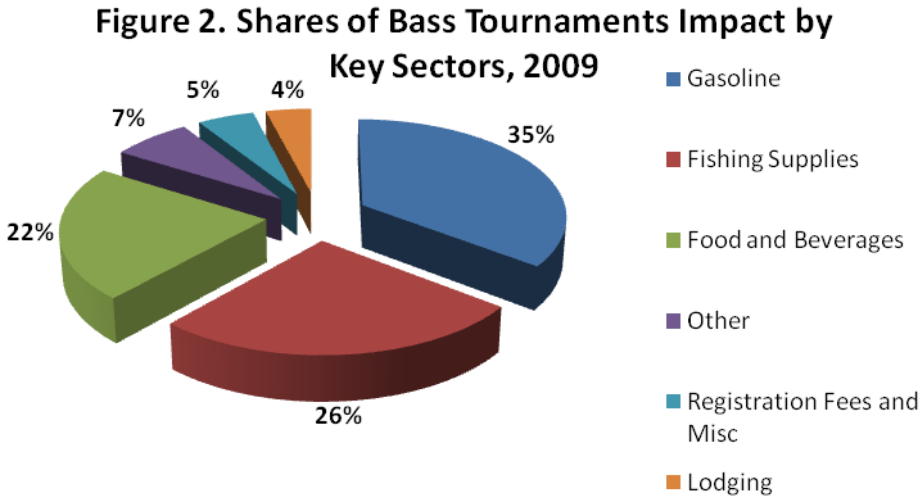
Results from calculating the direct and indirect effects are in Tables 3. This table provides a summary of the total economic impacts and key statistics from the bass tournaments held in the host community in 2009. The economic impacts of the tournaments are employment, income, sales, and tax revenues. These impacts are further divided into direct, indirect, and induced effects in the host community.

Table 3. Economic Impact of Auburn University Bass Tournaments, 2009

	Amount			
Category	**Direct**	**Indirect**	**Induced**	**Total**
Output/sales ($)	111,141	18,200	23,142	152,484
Employment	1.8	.2	.2	2.2
Income ($)	40,396	6,411	7,5560	59,318

Economic Impact Analysis

These tournaments had a significant impact on several key sectors of the host economy in 2009. Specifically, gasoline accounted for more than 35 percent of the direct sales associated with these tournaments in the study (Figure 2). Fishing supplies and food and beverages accounted for 26 and 22 percent of direct sales respectively, in 2009. Lodging, registration fees and miscellaneous and other expenses accounted for 4, 5, and 7 percent, respectively, of the remaining expenses in the study. Combined, these sectors represented a significant portion of the tournaments' economic impact in the area.



Sales

Table 3 shows the combined impact of spending by anglers and tournament organizers on local businesses output or sales equaled $152,484 in 2009. Of which, $111,141 were direct sales and $41,342 were indirect and induced sales in the study.

Employment
The four bass tournaments in North Alabama supported about 2.2 jobs for every $152,484 of anglers and tournament organizers spending in 2009. This job total consisted mostly of part-time employment during this period.

Income
The direct impact of sport fishing on personal income in the host communities was $40,396. The total impact was $59,318 The multiplier is 1.47 and suggests that for every dollar in angler and tournament organizer spending there was about $.47 in personal income generated in the North Alabama economy.

Taxes
The effect of spending by anglers and tournament organizers reach beyond the sales, income, and employment impacts; it also affected North Alabama's tax base as well. Alabama allows a city, county, and state sales tax. These rates are 4 percent, 1 percent, and 4 percent respectively. City and county sales tax revenues stay within those geographic areas. State sales tax revenues levied at the city and county levels leave the local area. Of the 65 counties in Alabama, only Washington County does not levy a county tax.

Marshall County levies a tax on sales in the city. Marshall also has a county tax that is levied on sales outside a municipality but in the county.

A key assumption of the study was that all purchases associated with the bass tournaments occurred in North Alabama and were subject to the 4 percent sales tax. This suggested that $105,853 of sales would produce about $4,232 in tax revenues in 2009. It is worth pointing out that these impacts are seasonal since the tournaments occur only four times a year.

Conclusions and Recommendation

Based on these results, collegiate bass tournaments provide an opportunity for improving the economy of host communities, while providing athletic venues for college students in this sport. Much of the economic increase would occur in the local area through restaurant, lodging, or gasoline sales to anglers and tournament organizers associated with these events in host communities.

Because of the added value associated with bass tournaments to the local economy and their effectiveness as an economic generator, the author recommends that tourism directors strategically invest in marketing these events. This should help increase the number of anglers associated with these events, their stay in the community, and the amount they spend in host communities.

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APPENDIX

SOUTHERN REGION

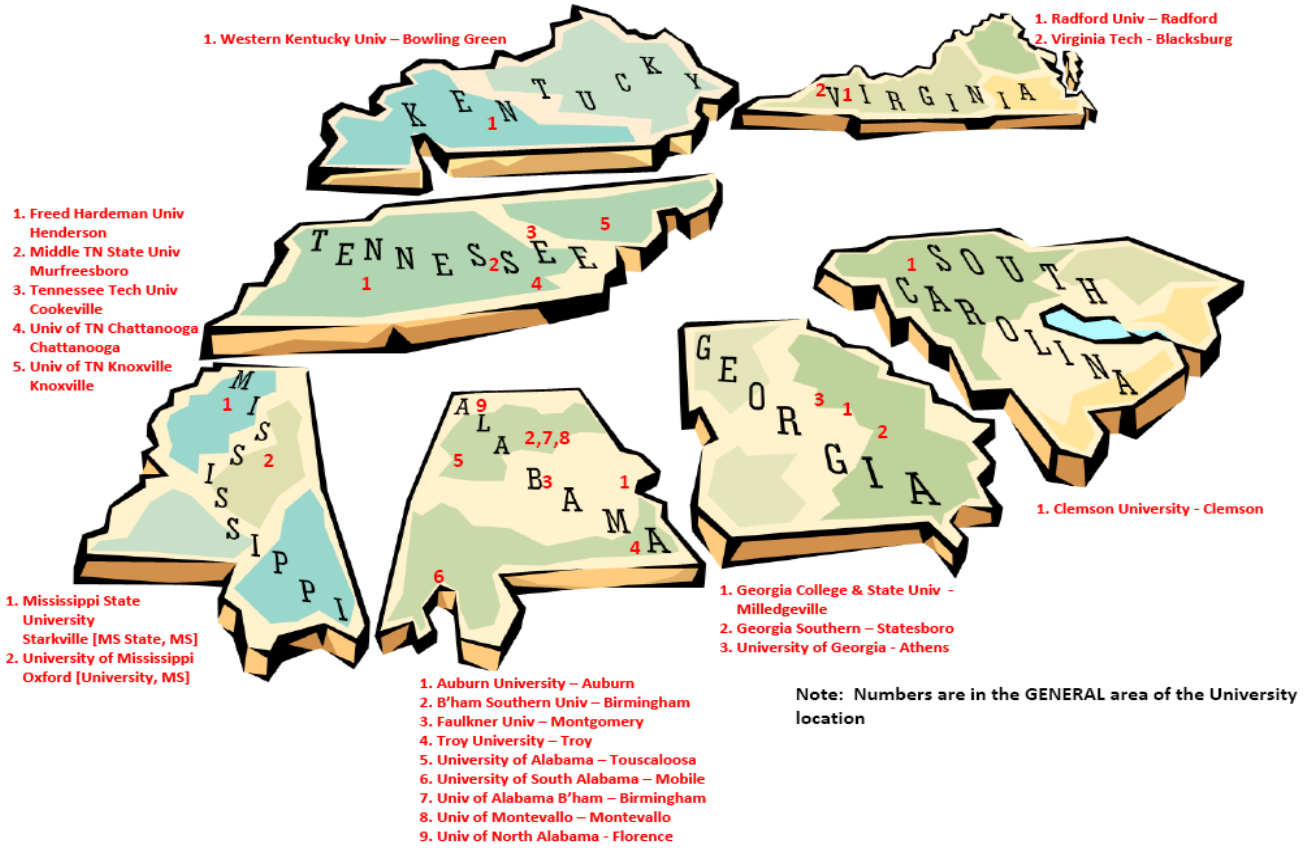

Figure 1. Participating Institutions in Auburn University Sponsored Collegiate Bass Tournaments, 2009

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