

**Economic Impact Analysis of  
Non-Local Attendance  
to the  
2019 NCAA Division III Softball Championship  
in Tyler (MSA)**

**Prepared by**

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The *Hibbs Institute for Business and Economic Research* is a unit of the Soules College of Business at the University of Texas at Tyler. The *Hibbs Institute* is the primary business research organization serving the greater East Texas region. Its team of highly skilled, multidisciplinary professionals (1) collects and presents regional demographic, business and economic data, (2) provides expert analyses for companies considering locating or expanding in East Texas, and (3) conducts out research studies for local governments, economic development entities, and other clients in East Texas and beyond.



# Economic Impact Analysis of Non-Local Attendance to the 2019 NCAA Division III Softball Championship in Tyler (MSA)

## Introduction

The *Hibbs Institute for Business and Economic Research* at the University of Texas - Tyler was contacted by the Provost Office to conduct an economic impact analysis of the non-local attendance at the 2019 NCAA Division III Softball Championship Finals in Tyler Metropolitan Statistical Area (MSA).<sup>1</sup> The tournament was held at UT Tyler from May 23 to May 27 of 2019 with eight participant teams:

- East Connecticut State University (Connecticut)
- Emory University (Georgia)
- Illinois Wesleyan University (Illinois)
- Randolph-Macon College (Virginia)
- Texas Lutheran University (Texas)
- Trine University (Indiana)
- University of Saint Thomas (Minnesota)
- Williams College (Massachusetts)

## Data

The *Hibbs Institute* estimated the number of attendees to the event by using the number of tickets sold as an effective proxy provided by the UT Tyler Athletics Department.<sup>2</sup> This department also provided the total number of NCAA officials and team players attending the event. The number of attendees and players go down as the tournament progressed, since teams were eliminated, and the number of matches were reduced. A key assumption made by the *Hibbs Institute* based on information provided by the UT Tyler Athletics Department was that 90% of the event attendees were not residents of Tyler. The total estimated number of attendees and type of attendees per day are depicted in **Table 1**.

**Table 1. Total Attendance to the Event by Type of Attendees and Day**

	May 23	May 24	May 25	May 26	May 27
General Attendees	421	421	310	355	356
Athletes	300	300	225	150	75
Officials	15	15	15	15	15
<b>Total</b>	<b>736</b>	<b>736</b>	<b>550</b>	<b>520</b>	<b>520</b>

Source: Estimations by Hibbs Institute based on numbers provided by UT Tyler Athletics Department.

<sup>1</sup> The Office of Management and Budget (OMB) describes a Metropolitan Statistical Area (MSA) as an area containing a large population nucleus and adjacent communities with a high degree of integration with that nucleus and an urbanized area of 50,000 or more inhabitants.

<sup>2</sup> We would like to thank Mr. Tim Fairhead, Tournament Director, who kindly provided detailed information regarding single session tickets and all-session tournament passes by category (adult, youth, student, senior, and groups of 10+).

Estimates were calculated based on the average spending per person while traveling in the United States.<sup>3</sup> The types of spending used by the *Hibbs Institute* were *Accommodation* (Hotel), *Food* (Restaurants), *Local Transportation*, *Entertainment*, and *Alcohol* (**Table 2**). For a more realistic estimation, the attendees to the event were classified into three categories: athletes, audience, and NCAA officials.<sup>4</sup>

**Table 2. Total Estimated Spending by Type and Event Day**

Day	Accommodation	Food	Local Transportation	Entertainment	Alcohol
May 23	\$22,687.50	\$15,618.60	\$2,463.60	\$0.00	\$3,284.79
May 24	\$23,781.00	\$15,618.60	\$2,463.60	\$0.00	\$3,523.42
May 25	\$17,476.50	\$11,593.80	\$1,903.80	\$3,836.00	\$2,515.88
May 26	\$17,814.00	\$11,953.80	\$1,813.80	\$3,546.00	\$2,957.78
May 27	\$15,924.00	\$11,079.00	\$1,591.50	\$0.00	\$2,913.59
<b>Total per Spending Type</b>	<b>\$97,683.00</b>	<b>\$65,863.80</b>	<b>\$10,236.30</b>	<b>\$7,382.00</b>	<b>\$15,195.47</b>
<b>Event Total</b>					<b>\$196,360.57</b>

Source: Estimations by Hibbs Institute based on numbers provided by UT Tyler Athletics Department.

## Methodology

To estimate the economic impact of the non-local attendance to the 2019 NCAA Division III Softball Championship Finals in Tyler (MSA) the *Hibbs Institutes* utilized a modeling technique known as Input-Output (I-O) analysis. Essentially, an I-O model captures all rounds of inter-industry/institutional relationships that make up the production processes of industries in a given economy. Therefore, an I-O model can be used to estimate the regional effects of a particular change to that region's economy. Impact estimates are based on the economic input-output model, the IMPLAN. The IMPLAN is widely accepted and extensively used by various public and private organizations to compute economic impacts of a particular stimulus, in this case the Softball Tournament.

Economic impacts are frequently broken down into three types of effects, direct, indirect, and induced. A brief explanation for each one of these effects are discussed below:

- **Direct Effect** refers to the initial change, the initial investment (usually) for a project undertaken by a local business or government. In this context, it refers to the additional spending in Tyler generated by the non-local attendee to the tournament.
- **Indirect Effects** are the sum of all rounds of interactions among all industries in an economy derived from the initial change in business activity. In this context, it refers to the suppliers of those local businesses where the non-local attendees spent their money.

<sup>3</sup> Average spending as calculated by <https://www.budgetyourtrip.com/travel-cost-widget>.

<sup>4</sup> Types of spending were calculated differently for each attendee category due to specifics provided by the UT Tyler Athletics Department. For instance, UT Tyler provided two meals per day to team members and officials. Also, officials' accommodation spending was calculated at a higher rate per day compared to regular attendees in individual standard rooms. Finally, for local transportation, a rental car was included in the officials' spending.

- **Induced Effects** measure the household spending on goods and services by all employees (and owners) who receive additional income generated by both direct and indirect expenditures.

The impact results are depicted in three categories: *Employment, Labor Income, and Business Volume*.

- *Employment* represents the average annual jobs within a sector and consists of both full-time and part-time positions.
- *Labor Income* represents the sum of compensation paid to workers and business proprietors.
- *Business Volume* represents the total value of industry production or the value of all goods and services produced within the region’s economy.

Please note that when interpreting the results of this study, labor income and output should not be summed, as labor income is a component of the output value. Output is an overall measure of economic activity and is the sum of income paid to all factors of production as well as all inter-industry purchases.

## Findings

The total impact effects of the event for five days amounted to \$295,907, which is substantial for the Tyler (MSA). It is further projected to generate three additional jobs in the local economy (**Table 3**). The majority of impacts were incurred by Full-service restaurants, Hotel and motels, and other related industries (**Figure 1**). Overall, this event was very successful for the Tyler (MSA) community.

**Table 3. Economic Impacts in Tyler (MSA)**

	Employment	Labor Income	Business Volume (Output)
Direct Effects	3	\$63,548.00	\$196,361.00
Indirect Effects	0	\$18,881.00	\$56,696.00
Induced Effects	0	\$14,770.00	\$42,850.00
<b>Total Effects</b>	<b>3</b>	<b>\$97,199.00</b>	<b>\$295,907.00</b>

Source: Hibbs Institute for Business and Economic Research.

**Figure 1. Industry Sectors with the Largest Impact in Tyler MSA (in 2019 US Dollars)**



Source: Hibbs Institute for Business and Economic Research.