

## ***Economic Impact Analysis of Sports Facilities***

**Objectives.** A major racing league was interested in measuring the annual economic impact, including the employment and fiscal impact, of one of its facilities. Additionally, the client was interested in learning more about the ethnography and demography of its current fan base, how this differs by event, and ways to potentially increase future event attendance within and across event types.

**Challenges & Methodologies.** To most accurately determine the economic impact of a facility, data were gathered from visitors to various events hosted at the facility via a survey instrument. To obtain a stratified sample of spectators, spectators were surveyed at each event type, as were participating teams and their crews, and manufacturers. Once a representative sample of events was gathered, the total operational impact of the facility was estimated by extrapolating the benefit from all events hosted at the location, in addition to the benefits of taxes and jobs generated by the facility.

This survey research also provided information on parties other than event visitors, such as corporations and event sponsors from outside of the local area who spent their sponsorship dollars within the defined area of impact. The property owner itself also injects incremental money in the local region by employing full-time staff and providing ancillary tax revenues to the community outside of the events it hosts, and this spending was accounted for.

Additionally, the survey provided information on the demographics, ethnographics, and psychographics of respondents, and showed the differences between the spectators by event type.

**Outcomes.** The study is the most comprehensive of any conducted on the racing industry. The study findings were presented to the client, and will be utilized in the league's public relations. Moreover, the results can also be utilized in negotiations with affiliates such as other leagues that "rent" the facility for their events. The respondent data can also be employed to increase the efficiency and effectiveness of the league's marketing techniques, and to increase attendance.