

# **Potential Economic Impacts of a PGA Champions Golf Tour Event in New Mexico**

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## Executive Summary

Project Community, Inc. has been formed as a potential partner for the PGA Champions Tour with the hope of establishing an annual Champions Tour event in New Mexico to begin in 2007 or 2008. The purpose of this study, requested by Project Community, Inc., is to assess the potential economic impacts of an annual Champions Tour stop in New Mexico. This report estimates the potential economic impacts on a three-county area -- Bernalillo, Sandoval, and Santa Fe counties. Given the distribution of population and economic activity in New Mexico, this area seems most likely to be chosen as the tournament location and most likely to feel tournament related economic impacts although some benefits will likely accrue to the state as a whole.

The purpose of economic impact analysis is to measure the net change in economic activity, primarily spending, income, and jobs, associated with an economic activity or event. Typically three types of impacts are estimated: direct, indirect, and induced. When economic impact analysis is done before an event occurs, assumptions have to be made in order to generate impact estimates. In this report, three cases are estimated. The low, base, and high estimates assume tournament attendance of 25,000, 30,000 and 35,000 respectively. Other assumptions are outlined in the report.

The findings shown in Table ES1 (same as Table 16 in report) indicate that the conduct of a Champions Tour golf tournament in the three-county area identified in 2007 should lead to an increase in local spending of in a range between \$6,253,759 and \$7,678,750 and an increase of employment between 112.8 and 131.8, and an increase in labor income between \$2,902,883 and

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\$3,545,422. In addition state and local tax impacts of \$355,074 to \$445,524 are estimated.

Assuming that the tournament continues from year to year, the impacts can be assumed to be ongoing, annual impacts.

<b>Table ES1</b>				
<b>Estimated (annual) Economic Impacts of a PGA Champions Tour Event (2007 values)</b>				
<b>Low Case</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Output	\$2,814,466	\$738,359	\$2,700,934	\$6,253,759
Employment	72.8	7.5	32.4	112.8
Labor Income	\$1,338,606	\$265,085	\$1,299,191	\$2,902,883
State & Local Tax Impact				\$355,074
<b>Base Case</b>				
Output	\$3,124,641	\$821,419	\$2,995,894	\$6,941,954
Employment	77.6	8.4	36.0	121.9
Labor Income	\$1,476,138	\$294,130	\$1,442,758	\$3,213,026
State & Local Tax Impact				\$398,963
<b>High Case</b>				
Output	\$3,456,691	\$911,262	\$3,310,796	\$7,678,750
Employment	82.7	9.2	39.8	131.8
Labor Income	\$1,623,981	\$325,523	\$1,595,918	\$3,545,422
State & Local Tax Impact				\$445,524

In addition to the direct, indirect, and induced effects there remains the possibility of dynamic effects. Dynamic effects are non tournament-related, economic activity that would not have occurred in the absence of the tournament. These are potential benefits that cannot be estimated ahead of time. Similarly, the region in which the tournament is held can potentially benefit from some level of free media exposure through the broadcast and publicity related to the tournament.

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## Introduction

The Professional Golfer's Association (PGA) organizes three major men's golf tours each year. The PGA Tour features the most currently competitive players. The Champions Tour features "the most accomplished and revered players in golf" - professional golfers over the age of 50. The Nationwide Tour serves as a proving ground for PGA Tour contenders. Project Community, Inc. has been formed as a potential partner for the Champions Tour with the hope of establishing an annual Champions Tour event in New Mexico to begin in 2007 or 2008. The purpose of this study, requested by Project Community, Inc., is to assess the potential economic impacts of an annual Champions Tour stop in New Mexico.

## Overview of the Champions Tour<sup>1</sup>

The Champions Tour begins in late January and continues through late October or early November. Since 2003, the Champions Tour has included between 27 and 29 tournament sites. As of October 12, 2006, there are 29 Championship Tour stops planned for 2007 including two dates for which the location is yet to be determined. Each year sees minor changes in the site list and many sites have consistently attracted Champions Tour tournaments for years. When announcing the 2007 Champions Tour schedule, the Houston Chronicle reported that "twenty-four of the 29 tournaments on the 2007 schedule are committed through at least 2008, with some extended as far as 2010 and 2011." The quality of golfing facilities and the availability of sponsorships seem to be critical factors in attracting and maintaining a Champions Tour tournament. Table 1 shows the Champions Tour stops by year and location for 2003-2007. Over

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<sup>1</sup> Unless otherwise cited, all information in this section was derived from various pages of the PGA tour website, [www.pgatour.com](http://www.pgatour.com).

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five years, 54 percent of the Champions Tour tournaments have been held in five states (California, Florida, Hawaii, North Carolina, and Texas), usually during the spring and fall seasons. During the months of June, July, and August, the Tour moves north to more temperate states.

<b>Table 1</b>						
<b>Champions Tour Tournament Sites, 2003-2007 by State</b>						
State	2003	2004	2005	2006	2007	Total
AL	1	1	1	1	1	5
CA	3	4	4	4	4	19
FL	4	4	3	3	5	19
GA	2	1	2	2	1	8
HI	3	2	3	3	3	14
IA	1	1	1	1	1	5
KS			1	1		2
MD	1	1	1	1	1	5
MA	1	1	1	1	1	5
MI	2	2	1	1		6
MN	1	1	1	1	1	5
MO	1	1				2
NJ		1				1
NY	1	1	1	1	2	6
NC	2	2	2	2	2	10
OH	1	1				2
OR	1	1	1	1	1	5
TN	1					1
TX	2	3	3	3	3	14
WA			1	1	1	3
Mexico	1	1		1		3
TBD					2	2
Total	29	29	27	28	29	142

Source: PGA, <http://www.pgatour.com>, accessed October 12, 2006

Table 2 shows purse information for the Champions Tour for the four most recent years. The typical PGA Tour purse in 2006 was in the \$5-7 million range. A typical Nationwide Tour purse in 2006 was in the \$400-600 thousand range.

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<b>Table 2</b>				
<b>Purse Size (U.S. dollars), Champions Tour, 2003-2006</b>				
	2003	2004	2005	2006
Average Purse	1,622,414	1,635,345	1,666,667	1,690,000
Median Purse	1,500,000	1,600,000	1,600,000	1,600,000
Range – Low	600,000	125,000	400,000	400,000
Range - High	2,500,000	2,500,000	2,500,000	2,500,000
Source: PGA, <a href="http://www.pgatour.com">http://www.pgatour.com</a> , accessed October 12, 2006, Authors' calculations				

A typical Champions Tour stop includes a week of activities. The first four days have intensive local involvement including a Pro-Am tournament where amateur golfers pay for the opportunity to golf with the professionals. Money raised from the Pro-Am activities is typically given to charity. The National Tour participants also play practice rounds during this time. The actual tournament is typically played over three days, one round per day, and involves 78 Tour professionals playing for a share of the purse. As an example of the distribution of a tournament purse, the Toshiba Classic was played from March 17-19, 2006 in Newport Beach, California. The purse for the tournament was \$1,650,000. The winner of the tournament, Brad Bryant, received \$247,500 in prize money. Three golfers tied for second place and received \$121,000 each. The lowest scoring ten golfers received prizes in the range of \$1,023-2,062.50. The charity portion of this tournament has raised some \$7.8 million over six years (on average a bit over \$1.3 million per year).

### **The Economics of Golf**

The economic impact of golf differs depending on the geographic definition of the economy. Golf represents a large industry with impacts throughout the nation and the world. Golf courses and related industries are scattered far and wide. At the other extreme, one might be concerned

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with the ongoing impact a local golf course has on the economy of a rural town or county. This section will summarize the economic impact of golf at various levels in order to set the stage for the particular impacts of concern in this report.

### *The Golf Economy – The Big Picture*

In December 2002, the World Golf Foundation published a report titled, *The Golf Economy Report*. This report revealed the results of research conducted by SRI International that attempted to estimate the size of the U.S. golf economy as of the year 2000. The report spoke of “the golf cluster” which included two main segments, core industries and enabled industries. The “core” industries are those directly related to the playing of the game, for example, golf course development and operations, golf equipment, supplies, clothing, magazines, and other related industries. The existence of golf also had tertiary effects in the “enabled” industries such as transportation, lodging, food and beverages, and real estate.

SRI estimated the overall golf economy to be \$62.2 billion in 2000 with \$38.8 billion (62%) in the core industries and \$23.4 billion (38%) in the enabled industries.<sup>2</sup> This made the golf economy slightly larger than the motion picture and sound recording industry and slightly smaller than the retail electronics and appliances industry. This amount was about six-tenths of one percent of the nation’s gross domestic product in 2000.<sup>3</sup> In 2006, \$62.2 billion in 2000 dollars is about equivalent to \$71.5 billion. Nationally, there were over 15,000 golf courses plus

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<sup>2</sup> The complete report is available at [http://www.golf2020.com/Reports/2020\\_GER\\_F.pdf#search='golf%20economy%20report'](http://www.golf2020.com/Reports/2020_GER_F.pdf#search='golf%20economy%20report').

<sup>3</sup> The SRI study measure expenditures, not value added as with GDP. Golf expenditures are compared to GDP here for reference only. It does not follow that golf contributes 0.6% of GDP as the \$62.2 billion figure double counts some expenditures.

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driving ranges and non-traditional golf facilities. Obviously, the golf economy was (and is) widely disbursed around the nation.

Several studies have been undertaken to estimate the size and impacts of the golf economy at the state and local level. The city of Scottsdale, AZ conducts an annual market analysis to estimate the size of the local golf economy. The July 2005 study reported combined 2004 golf revenue of approximately \$78 million, which translated to \$49 million of direct economic impacts (operating expenses and wages) and some 1,800 full-time and 960 part-time jobs.<sup>4</sup> In June 2004, a research team at Colorado State University estimated that golf drove a \$1.2 billion impact on that state.<sup>5</sup> Ocean City, MD sponsored a study that estimated that golf contributed over \$112 million and 2,300 jobs (in 1998) to the local economy.<sup>6</sup>

In 2004-2005, Joel Diemer of New Mexico State University studied the economic impacts of the golf and turfgrass industries in New Mexico.<sup>7</sup> His study estimated the economic impacts of the golf industry, golf tourism, landscaping, parks and open spaces. Among the findings was that the golf industry generated an estimated total economic impact of \$351 million (statewide). Golf tourism accounted for thirteen percent of the rounds of golf played in New Mexico or some 338,000 rounds of golf generating approximately \$11 million in spending directly attributable to golf played by non-residents. Adding the \$11 million to the non-resident golf tourists' other expenditures increases the estimated impact of golf tourism in New Mexico to \$298 million.

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<sup>4</sup> The complete report is available at <http://www.scottsdaleaz.gov/economics/documents/2005Golf.pdf#search='scottsdale%20golf%20analysis'>.

<sup>5</sup> The complete report is available at <http://dare.agsci.colostate.edu/csuagecon/extension/docs/impactanalysis/edr04-08.pdf#search='colorado%20golf%20analysis'>.

<sup>6</sup> The complete report is available at <http://www.vprgs.umd.edu/igs/publications/golf.pdf#search='golf%20ocean%20city%20impact'>

<sup>7</sup> The complete report is available at <http://turf.nmsu.edu/Economic%20Impact/Economic%20Impact.pdf>.



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Furthermore, the study reports that golf-oriented tourists, as compared to the general population, are older, have much higher income levels, and expect and pay for quality.

The strength of golf's economic impact can vary substantially at the local level. At one extreme, a small town in a rural region might have a course that generates a lot of local business but attracts few or no players from outside the local market. In these cases, the golf impacts might be small, as spending on golf simply replaces other forms of local spending. The impacts will be greater if golfers come from outside the local area as "golf tourists" or tournament participants. In these cases, the impacts are stronger because the golfing activity attracts spending that would not otherwise have occurred in the region. In addition to bringing in "outside" money, non-local golfers are likely to spend more on such things as restaurant meals and lodging. For this reason, several studies have attempted to estimate the economic impacts of a golf "event." This is in contrast to the studies mentioned above that tried to estimate the general impacts of the golf industry. Several of these studies are discussed briefly below and provide both guidance for the current analysis and points of comparison for the results reported herein.

### *Impacts of Golf "Events"*

In August 2005, the PGA Championship was held at the Whistling Straits golf course near Sheboygan, WI<sup>8</sup> (population approximately 50,000). NorthStar Economics, Inc. was hired to conduct a study of the statewide economic impacts of the tournament. The PGA Championship offered a \$6.5 million purse. A total of 94,470 tickets were sold with some 31,000 being sold to spectators from outside the State of Wisconsin. The spending of out-of-state attendees was

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<sup>8</sup> The complete report is available at [http://agency.travelwisconsin.com/Research/PGA\\_impact.pdf](http://agency.travelwisconsin.com/Research/PGA_impact.pdf).

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estimated to be \$46 million, which after multiplier effects were accounted for, became an estimated economic impact of \$63 million. When PGA spending on the tournament was included the impact estimate grew to over \$76 million plus an estimated \$2.77 million generated by sales tax. In addition, an estimated 500 jobs were generated although the one-time nature of the tournament meant that these jobs were temporary.

The University of Florida provided an economic impact analysis of the American Express Championship Golf Tournament held in San Francisco, CA<sup>9</sup> in October of 2005. In this case the concern was for the impact on the nine counties in the Bay area. The tournament attracted approximately 47,000 attendees over the six-day event with each person staying an average of two days. Approximately 17 percent of the attendees were from outside the Bay area. In addition, 582 people directly tied to the tournament, players (71 players), families, crew, etc., were drawn into the area staying an average of 6.24 days each. The researchers estimated that non-local attendees and participants spent \$1,682,691 on-site and \$12,667,186 off-site. After the multiplier effects were accounted for the expenditures translated to an estimated total impact of \$31.58 million dollars and 369 (temporary) jobs. The results were based on responses to some 2,000 surveys collected during the tournament.

The same team of University of Florida researchers examined the impact of the Players Championship Golf Tournament held in March of 2005 at Ponte Vedra Beach, FL.<sup>10</sup> In this case, they collected 2,403 usable surveys from the approximate 72,000 attendees who each stayed an average of 2.5 days. The study area was seven counties in northeast Florida. In this

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<sup>9</sup> The complete report is available at <http://economicimpact.ifas.ufl.edu/publications/PGA%20Am%20Exp%20Champ.pdf>

<sup>10</sup> The complete report is available at <http://economicimpact.ifas.ufl.edu/publications/PGA%20Players%20Championship.pdf>

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case, approximately 44 percent of the attendees were non-local. Total non-local expenditures were estimated to be \$45,541,906 and, after the multiplier effects, the total impact was estimated to be close to \$96 million and some 1,400 (temporary) jobs.

The Buy.Com Golf Tournament was held in Lafayette, LA in the spring of 2000.<sup>11</sup> The Buy.Com Tournament is the current version of a tournament with roots in the 1920s. According to the report, 144 golfers participated in the five-day tournament with the field narrowed to 60 golfers after the first two days. The study relied on the results of a survey taken at the tournament. The survey collected information from 88 tourists and 534 local residents regarding their spending during the tournament days. The study indicated a total five-day attendance of 59,750, however, it is not clear how this number reconciles with the reported ticket sales that were much lower. This study tried to estimate total expenditures related to the tournament and reported the spending estimates by category. The most obvious pattern was that tourists, while a small percentage of the attendees, spent substantially more than local attendees.

The four studies outlined above were based on information collected at the time of the tournaments. The surveys collected on site revealed information showing where attendees came from, how much they spent, how long they stayed, and what they spent money on. This information, combined with actual attendance information, allowed for after-the-event estimates of the economic impacts of the tournaments. The current study attempts to estimate the economic impacts of an event that might occur sometime in the future. Because of this, it is necessary to make assumptions about attendance (both local and out-of-area), spending (both the amount and pattern), and length of stay. The survey results reported in the four studies above

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<sup>11</sup> The complete report is available at <http://www.latour.lsu.edu/pdfs/golf.pdf>.

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provide some guidance in this regard. In addition, two pre-event studies have been consulted. One, conducted by the Anderson Economic Group estimated the likely impacts of the 2006 Ryder Cup (golf tournament) on Ireland.<sup>12</sup> The other, authored by James Peach and James Libbin of New Mexico State University predicts the likely impacts of holding the Western Athletic Conference basketball tournament in Las Cruces, NM in 2007.<sup>13</sup>

### **Measuring Economic Impacts**

Any economy will have some level of relatively consistent ongoing economic activity, usually measured by production, income, or employment. Economic impact analysis typically seeks to explain how an atypical economic event changes the levels of production, income, and/or employment. The event could be the placement of a new firm in the economy, the building of a prison, or some other event that suggests long term consequences. Likewise, it could be a one-time event that may only have a temporary impact. At least two outcomes are possible. A new event could displace ongoing economic activities as people substitute the new activity for an old activity, for example, they might golf more and go bowling less, perhaps they will shop more in a new store but less in an existing store, thus providing no increase in spending and no change in employment, etc. On the other hand, if a new event attracts spending from outside the economy under study, the new expenditures will result in expansions of production, income, and/or employment. The typical economic event will have some of each outcome.

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<sup>12</sup> The complete report is available at <http://82.195.132.35/uploadedfiles/The%20Economic%20Impact%20of%20the%20Ryder%20Cup%20in%20Ireland,%20September%202006.pdf>

<sup>13</sup> [http://arrowheadcenter.nmsu.edu/policy/WAC003\\_09132006D.pdf](http://arrowheadcenter.nmsu.edu/policy/WAC003_09132006D.pdf)

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Several factors are important in determining the impact of an economic event. They are briefly discussed below.

1. The geographic definition of the economy – Economies are discussed at various levels, local, regional, national, and international. In economic impact analyses, the impacts of an economic event will differ depending on the definition of the economy.
2. The total amount of new spending generated – As mentioned above, it is new spending that drives positive economic impacts. Whatever the total amount of spending on a new economic event, it is the additional spending from outside the economy that is important.
3. How the new money is spent – Spending in some industries will have stronger impacts than will spending in other industries. This is because spending multipliers (discussed below) differ across industries.
4. The structure of the economy – This is related to the previous point about multipliers. Economies differ in the mix of industries present in the economy.

The first three factors -- defining the economy, identifying new spending, and allocating spending properly across industries -- are critical to economic impact analysis. Assumptions must be made, especially when predicting the impacts of an event that has not yet occurred. Impact estimates can vary substantially depending on the assumptions adopted, therefore a researcher is likely to report a range of impact estimates centered on a set of basic assumptions. To capture the structure of the economy, researchers rely on existing input-output models constructed by third-party providers who create and consistently update their economic impact software and data packages. This analysis will rely on the model provided by IMPLAN,

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IMPLAN Pro™ Version 2.0 – a product of the Minnesota IMPLAN Group, Inc. of Stillwater, MN.

Economic impact studies typically estimate three types of effects: direct, indirect, and induced.

Each type of effect is briefly discussed below.

- Direct effects – These are equal to the sum of all *new* spending in the economy resulting directly from the economic event under study. For example, if the staging of a new opera performance draws someone from outside the economy that spends \$500 on tickets, hotel, meals, car rental, etc... all of these initial expenditures provide direct impacts. The \$500 spent by the opera fan is used to pay for the inputs used to stage the opera, provide lodging and meals, etc. Inputs might include labor, profit, lumber for the set, utilities, maintenance, and other things directly called into use by the \$500 expenditure
- Indirect effects - To the extent that the inputs are provided from within the economy, there will be indirect effects. For example, assume that of the \$500, \$200 immediately leaves the economy as payments to the out-of- town opera promoter, payments to an out-of-town utility company, as franchise fees from hotel and restaurant chains and the like. The \$300 that remains might be the wages and tips of hotel, restaurant, and theater staff, profits of the hotel and restaurants, and payments to a local lumber yard for set materials. The direct expenditure of \$500 stimulates another \$300 in indirect expenditures (within the economy). Expenditures continue to expand as the recipients of the \$300 spend some portion of it on goods and services in the economy, the induced effects, for example when the lumber yard pays its workers or the desk clerk pays his or her apartment rent.

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- Induced effects - When waiters, housekeepers, stagehands, lumber yard workers, etc... spend their new \$300 the process begins again with some share leaving the economy and another share being spent again inducing another (ever smaller) round of local spending. The induced effects might involve people and business that have no obvious connection to the original event, the \$500 spent on the opera and related activities. This expansion of spending is known as the multiplier effect. For every dollar of new direct expenditures, total expenditures will increase by some multiple of the direct spending. For example, if \$500 in direct expenditures caused indirect and induced expenditures of \$300 and \$200, the total expenditure increase is \$1,000 - the multiplier effect is two. Knowledge of the structure of the economy is critical as multiplier values vary significantly across industries. Generally, industries that rely heavily on local inputs, such as labor, have higher multipliers than industries that rely heavily on outside inputs.

While this study will estimate the sum of the direct, indirect, and induced effects of an economic event (golf tournament), a fourth possibility lingers. For lack of a better term these will be called the dynamic effects. Suppose for example that an economic event, the opera, attracts an opera fan that, as above, spends \$500 in the economy and causes a \$1,000 impact. If the fan goes home and never returns, the impact ends. However, what if the fan likes what he or she sees and decides to make an annual donation to the local opera society, buy a second home in the opera presenting town, move to the town, or perhaps move his or her business to the town. Obviously in this case the \$1,000 impact would understate the total impact. The problem is that the dynamic effects are impossible to measure before the event and, at best, difficult to measure after the event. If they occur, dynamic effects can be quite important, consider for example the long term effects of the spaceship sighting in Roswell, NM. After nearly 60 years the lingering

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impacts on the town are obvious but would have been difficult to quantify when the story broke in 1947.

### **The Economy**

According to information provided in a preliminary feasibility report generated by Event Management International (April 27, 2006), the most likely location for the Champions Tour event will be in the Albuquerque metroplex. This area is the population and economic center of New Mexico, it is easily accessible by ground or air transport, and has two golf courses that meet the minimum standards required by the PGA. Both courses, TwinWarriors and Sandia Golf Club, are located to the north of Albuquerque. Whether either of these two courses is eventually chosen as the site of the tournament, it seems likely that the best place for the tournament would be in this vicinity and that most of the economic impacts would occur in Bernalillo, Sandoval, and Santa Fe counties. For this study, the local economy will be defined as these three counties, see Figure 1. Table 3 provides some basic data on the counties.



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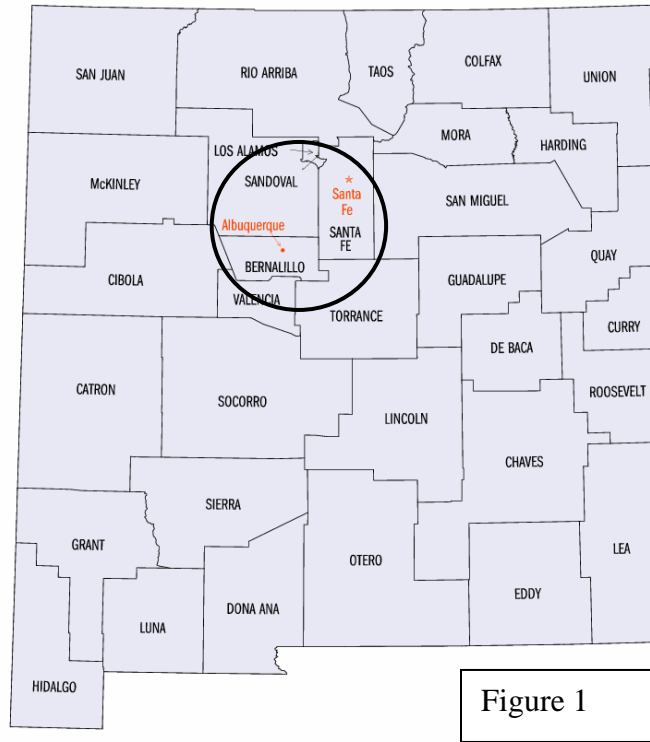


Figure 1

<b>Table 3</b>				
<b>Selected Characteristics of Study Area</b>				
Area	Area sq. miles	Total Population July 2005, est.	Population Ages 45-64 July 2005, est.	Total Personal Income 2004, thousands
Bernalillo County (% of Study Area)	1,166 (17.2%)	603,562 (70.9%)	156,622 (68.6%)	18,463,279 (71.4%)
Sandoval County (% of Study Area)	3,709 (54.7%)	107,460 (12.6%)	28,343 (12.4%)	2,616,216 (10.1%)
Santa Fe County (% of Study Area)	1,909 (28.1%)	140,855 (16.5%)	43,378 (19.0%)	4,794,015 (18.5%)
Study Area (% of New Mexico)	6,784 (5.6%)	851,877 (44.2%)	228,343 (46.3%)	25,873,510 (51.9%)
New Mexico	121,356	1,928,384	492,957	49,827,505
Sources: Census Bureau and Bureau of Economic Analysis				
Area - <a href="http://quickfacts.census.gov/qfd/states/35/35049.html">http://quickfacts.census.gov/qfd/states/35/35049.html</a>				
Population - <a href="http://www.census.gov/popest/counties/asrh/files/CC-EST2005-agesex-35.csv">http://www.census.gov/popest/counties/asrh/files/CC-EST2005-agesex-35.csv</a>				
Personal Income - <a href="http://www.bea.gov/bea/regional/reis/">http://www.bea.gov/bea/regional/reis/</a>				

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The major economic impacts of the golf tournament are expected to be shared across three counties. One cannot predict in advance exactly how the impacts will be distributed across the three-county region. Table 3 provides some information on the regional economy, as does Table 4. Table 4 reports the number of establishments in the counties that provide accommodation and food services. There is no adjustment for the size or quality of the establishments. Because much of the new tournament-related spending is likely to occur in these industries, it seems reasonable to expect the distribution of tournament impacts to be similar to the distribution of currently available services, perhaps with some adjustment for the specific location of the tournament (not yet determined). Although data for Table 4 is from 2002, the distribution of services across the study area would be similar today even if the number of establishments has changed.

<b>Table 4</b>			
<b>Accommodation and Food Service Establishments in the Study Area, 2002</b>			
	Accommodations NAICS 721	Food and Drinking Places NAICS 722	Accommodations and Food Services NAICS 72
Bernalillo County (% of Study Area)	148 (60.7%)	1052 (73.9%)	1200 (71.9%)
Sandoval County (% of Study Area)	23 (9.4%)	92 (6.5%)	115 (6.9%)
Santa Fe County (% of Study Area)	73 (29.9%)	280 (19.6%)	353 (21.2%)
Study Area	244	1424	1668
Source: 2002 Economic Census, <a href="http://www.census.gov/econ/census02/data/nm/NM000_72.HTM#N721">http://www.census.gov/econ/census02/data/nm/NM000_72.HTM#N721</a>			

Of course not all expenditures will be for food and accommodations, it is likely that visitors will shop and/or visit local tourist sites. Assuming that retail establishments will be distributed in roughly the same proportion as people and income, retail spending might be expected to follow a pattern similar to food and accommodation spending. Table 5 shows the averages of the three

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shares based on population, income, and accommodation and food establishments. The final weights have been adjusted slightly on the assumption that Santa Fe County might attract more sightseeing dollars than Bernalillo County. These weights (70%, 10%, 20%) provide a rough guess as to the final distribution of tournament-related economic impacts within the region.

<b>Table 5</b>					
<b>Shares for Expenditure Allocation Across Counties in Study Area</b>					
	(A) Share of Population	(B) Share of Personal Income	(C) Share of Establishments	Average of A, B, & C	Final Expenditure Weights (adjusted)
Bernalillo County	70.9%	71.4%	71.9%	71.4%	70
Sandoval County	12.6%	10.1%	6.9%	9.9%	10
Santa Fe County	16.5%	18.5%	21.2%	18.7%	20

### Expected Attendance and Spending

To calculate expected spending, several pieces of information are necessary. For example, it is necessary to know how many people will attend or participate in the event, where they will come from, how long they will stay, and what will they spend their money on. In addition, expenditures will be made to run and promote the tournament. As mentioned above, attendance and spending will have to be estimated because the tournament does not exist at present.

Because of this uncertainty, this report will provide three estimates, a base estimate built upon a reasonable set of assumptions, and both a low and high estimate based on conservative and optimistic deviations from the base assumptions, respectively.

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The starting point for all estimates is data provided by Rebecca Carter of Project Community, Inc. According to Ms. Carter, the numbers provided are based on her past experiences with similar tournaments but the original numbers are not publicly available. Requests for information from other tournament sites have not been successful.

To estimate total expected spending one must first develop estimates of the number of attendees and participants in the tournament. Attendance/participation falls into five categories: local attendees, out-of-area attendees, golf professionals and accompanying persons (spouses, caddies, etc.), media personal associated with television coverage (network spending), golf officials, and sponsor guests. Then it is necessary to estimate spending attributable to each category of attendee/participant. The most difficult to estimate are the first two categories, local and out-of-area attendees/amateur participants.

### *In- and Out-of-Area Attendance*

Attendance can be measured in two ways. One way would be to sum all expected attendance at the event and call this total attendance. For example if one expects 8,000 attendees each day over a 5 day event, attendance would be 40,000. However, it is unlikely that 40,000 different people will attend the event. It is more likely is that the same people will attend over multiple days. For example, maybe 16,000 people attend an average of 2.5 days each. This measure of attendance can be called “people attending” or attendees. Project Community, Inc. reported an estimated attendance of 50,000 with 20,000 coming from out-of-area (not 50,000 attendees). Often news releases about other tournaments are unclear in their reporting and attendance numbers vary substantially depending on the type of event and the location. The Commerce

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Bank Championship, a Champions Tour event in East Meadow, New York,<sup>14</sup> reports an average annual attendance of 35,000 (measure uncertain). The Greater Hickory Classic in Conover, North Carolina,<sup>15</sup> another Champions Tour event claims an approximate attendance of 80,000-90,000 (measure uncertain). A study of the Bank of America Championship in Massachusetts<sup>16</sup> reported attendance of approximately 60,000. Again, it is not clear which measure was used in this estimate. The American Express Championship in San Francisco, California in 2005<sup>17</sup> had some 47,000 attendees averaging a two-day attendance for a total of 94,000. Total attendance at the 2005 Players Championship Tournament in Ponte Vedra Beach, Florida was estimated to be 180,000.<sup>18</sup> The last two of these events were PGA Tour events rather than Champions Tour events.

Is 50,000 a reasonable estimate of attendance for a new Champions Tour event in New Mexico? Given several considerations, the 50,000 figure seems optimistic when compared to the numbers reported by other tournaments. The tournament will be a new event, the three county area is less populated than many other tournament sites, and the region beyond the tournament site is sparsely populated. Therefore 50,000 attendance is probably optimistic, at least for the early years of the tournament. Thus, for this study, 30,000 in total attendance will be used for base estimates. The low and high estimates will use 25,000 and 35,000 total attendance, respectively. Evidence from the same studies cited above suggests that 15-25 percent of the attendees will come from outside the three-county region. This study will assume that 20 percent of attendees will be out-of-region. Similarly, the studies suggest that per-person attendance will fall in the 2-

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<sup>14</sup> <http://www.pgatour.com/tournaments/s554/news200610201015281311478SVRN6URJQP>

<sup>15</sup> <http://www.pgatour.com/tournaments/s613/news200607251319243361908SVRN6S2NBM>

<sup>16</sup> Put bank of America study here

<sup>17</sup> Stevens, et al, January 23, 2006

<sup>18</sup> Stevens, et al, May 31, 2005

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2.5 day range with non-locals attending for a slightly longer period than locals. We will assume that locals will attend for 2 days each and non-locals will attend, on average, 2.5 days each.

Further, previous surveys indicate that not all attendees stay in hotels. Some stay with friends and relatives. This study assumes that 25 percent of the out-of-area attendees will stay with friends and relatives rather than in hotels. Table 6 shows the attendance assumptions under this scenario.

<b>Table 6</b>			
<b>Attendance Assumptions for Economic Impact Analysis</b>			
	Low Case	Base Case	High Case
Total Attendance	25,000	30,000	35,000
Local Attendees @ 2 days average attendance	9,524	11,429	13,333
Out-of-Area Attendees @ 2.5 days average attendance	2,381	2,857	3,333
Out-of-Area Attendees in Hotels	1,786	2,143	2,500
Out-of-Area Attendees, No Hotels	595	714	883
Total Attendees	11,905	14,286	16,666
$(.2)(2.5)A + (.8)(2)A = \text{Total Attendance}$ where $A = \text{Attendees}$ , .2 and .8 are out and in area shares, 2.5 and 2.0 are average days attended for each group.			

### *Spending by In- and Out-of-Area Attendees*

Typically, expenditures by local residents are not included as direct expenditures in economic impact analysis. These expenditures are assumed to be substituted for other expenditures. For

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example, if someone goes to the golf tournament, it is assumed that they would have spent the same amount on other local activities if the golf tournament was not available. For local spending to have a positive marginal impact, the golf tournament would have to cause local residents to spend from savings, spend beyond their typical local spending, substitute spending on the golf tournament for an out-of-town trip, or the like. It is possible that some local attendees might do these things. However, it is at least as likely that some local expenditure will be displaced by the tournament. For example, if the tournament causes the golf course to be closed to the public for a week, the normal local expenditure at the course will be displaced by tournament expenditures. Likewise, some locals might decide to leave town to golf because their favorite local course is closed for the tournament. Similarly, to the extent that the hotel rooms taken by tour attendees would have been filled anyway, tournament expenditure replaces, rather than adds to local expenditures. Thus, assuming that gains and losses in local spending offset one another, tournament related expenditures by local attendees will not be included as direct expenditures.

Alternatively, attendees who would not have come to the area in the absence of the tournament will almost certainly add to local direct expenditures unless there are supply constraints that cause out-of-area tournament attendees to displace other out-of-town spenders. Given the size of the tournament compared to the local availability of lodging and dining establishments, it seems reasonable to assume that expenditures by out-of-area attendees will add to rather than displace local direct spending.

Expenditures by out-of-area attendees will likely fall into a few major categories: lodging, food and drink, local transportation, local sightseeing, retail, and perhaps gaming. Spending on

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commercial airline tickets is unlikely to have a noticeable local impact as the increase in traffic will be small relative to the total flow of air traffic into Albuquerque. However, if the passenger flow is above normal because of the tournament, or if private aircraft are used by some attendees, local spending may be increased. Purchases of tickets to the tournament are not included because tournament expenditures will be accounted for below. To count both tournament revenue and spending (double counting) would cause the economic impacts to be overstated. Tables 7 and 8 show assumptions about spending by out-of-area attendees and estimated spending based on the assumptions. Table 7 accounts for those staying in hotels.



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<b>Table 7</b>			
<b>Spending by Out-of-Town Attendees Staying in Hotels</b>			
<b>Assumptions for Economic Impact Analysis</b>			
	Low Case	Base Case	High Case
Out-of-Area Attendees @ 2.5 days average attendance	1,786	2,143	2,500
Lodging Expenditures 1.5 persons per room 2.5 day average stay \$125 average daily rate	\$372,083	\$446,458	\$520,833
Food and Drink Expenditures \$65 per person 2.5 day average stay	\$290,225	\$348,238	\$406,250
Local Transportation \$60 per day per 1.5 persons 2.5 day average stay	\$178,600	\$214,300	\$250,000
Local Sightseeing \$20 per day per person, 2.5 days	\$89,300	\$107,150	\$125,000
Retail \$50 per day, per person, 2.5 days	\$223,250	\$267,875	\$312,500
Gaming \$25 Per Person	\$44,650	\$53,575	\$62,500
Marginal Airport Spending	\$10,000	\$15,000	\$20,000
<b>Total Direct Spending by Out-of-Area Attendees/Participants</b>	<b>\$1,208,108</b>	<b>\$1,452,596</b>	<b>\$1,697,083</b>

Table 8 accounts for those who will stay with friends and family. One main difference between Table 7 and Table 8 assumptions is that those staying with friends and family will spend nothing on lodging. Similarly, since friends and family are likely to provide some local transportation, somewhat less is allowed for local transportation spending.

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<b>Table 8</b>			
<b>Spending by Out-of-Town Attendees Not Staying in Hotels</b>			
<b>Assumptions for Economic Impact Analysis</b>			
	Low Case	Base Case	High Case
Out-of-Area Attendees @ 2.5 days average attendance	595	714	883
Food and Drink Expenditures \$65 per person 2.5 day average stay	\$96,688	\$116,025	\$143,488
Local Transportation \$60 per day per 2 persons 2.5 day average stay	\$44,625	\$53,550	\$66,225
Local Sightseeing \$20 per day per person, 2.5 days	\$29,750	\$35,700	\$44,150
Retail \$50 per day, per person, 2.5 days	\$74,375	\$89,250	\$110,375
Gaming \$25 Per Person	\$14,875	\$17,850	\$22,075
<b>Total Direct Spending by Out-of-Area Attendees/Participants</b>	<b>\$260,313</b>	<b>\$312,375</b>	<b>\$386,313</b>

### *Attendance and Spending of Golf Professionals and Accompanying Persons*

Attendance estimates for golf pro and accompanying persons are much more reliable as the number is fairly consistent across stops on the Champions Tour. Project Community, Inc. predicts this group to include 78 professional golfers, 58 spouses, 78 caddies, 8 agents, and 16 business colleagues. These numbers are consistent with numbers reported in other studies. Also, because the number in this group is the same regardless of the number of attendees, there is no

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need to make low or high estimates. Table 9 shows the assumptions and spending estimates for this group.

<b>Table 9</b> <b>Spending by Pro Golfers and Related Attendees/Participants</b> <b>Assumptions for Economic Impact Analysis</b>	
Lodging for Golfers, Agents, Colleagues, and Spouses 102 rooms, \$200 per night, 5 night stay	\$102,000
Lodging for Caddies 78 rooms, \$100 per night, 5 night stay	\$39,000
Food and Drink for Golfers, Agents, Colleagues, and Spouses 5.5 days, \$100 per person, 160 people	\$88,000
Food and Drink for Caddies 5.5 days, \$60 per person, 78 people	\$25,740
Local Transportation 5.5 days, \$60 per day, 102 + 39 (assumes some sharing)	\$46,530
Local Sightseeing \$30 per day per person, 160 people, 2 days	\$9,600
Gaming \$35 Per Person	\$5,600
Retail \$100 Per Person	\$16,000
Marginal Airport Spending	\$5,000
<b>Total for Pro Golfer Related Spending</b>	<b>\$337,470</b>

### *Network Spending*

Project Community, Inc. expects 20 people to each spend four nights and five days to support the television broadcast of the tournament. Again, this level of spending will not vary with attendance so only one estimate will be created. The pattern of network spending will vary slightly from other attendee spending as it is assumed that all network people will be primarily occupied with their work duties. Table 10 lays out the assumptions and spending estimates for the network crew.

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<b>Table 10</b> <b>Spending Television Network and Crew</b> <b>Assumptions for Economic Impact Analysis</b>	
Lodging for Network Crew 20 rooms, \$125 per night, 4 nights	\$10,000
Food and Drink for Crew 5 days, \$65 per day, 20 people	\$6,500
Local Transportation 5days, \$60 per day, 15 people (assumes some sharing)	\$4,500
Local Sightseeing \$30 per day per person, 20 people, 1 day	\$600
Gaming \$25 Per Person, 20 people	\$500
Retail \$75 Per Person	\$1,500
Marginal Airport Spending and Equipment Handling	\$2,000
<b>Total for Network Related Spending</b>	<b>\$25,600</b>

### *Golf Official Spending*

Several officials will be on hand to officiate at the golf tournament. For the purposes of this study it will be assumed that all officials will come from out of the area. Project Community, Inc. reports that 15 officials can be expected. Table 11 reveals the assumptions about spending by Tour officials who are assumed to stay for 6 nights/7 days.

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<b>Table 11</b> <b>Spending by Golf Officials</b> <b>Assumptions for Economic Impact Analysis</b>	
Lodging for Tour Officials 15 rooms, \$125 per night, 6 nights	\$11,250
Food and Drink for Officials 7 days, \$65 per day, 15 people	\$6,825
Local Transportation 7days, \$60 per day, 10 people (assumes some sharing)	\$4,200
Local Sightseeing \$30 per day per person, 15 people, 1 day	\$450
Retail \$50 Per Person	\$750
<b>Total for Tour Officials Spending</b>	<b>\$23,475</b>

### *Sponsor Spending*

Tournament sponsors are expected to invite customers and other out-of-area guests to attend the tournament and, perhaps participate in the Pro-Am portion of the tournament. Project Community, Inc. anticipates that sponsors will bring in 100-150 funded attendees staying for four days, three nights. More likely than not, funding to cover the expenses of sponsor guests will come from local sources. This funding cannot be fully counted as new local expenditures, however, some of these guests may not be invited in the absence of the tournament. Thus, some of the sponsor spending on guests should be counted as new local spending. Because of this, one-half of the expected sponsor (local) spending will be counted as new. In addition, it is expected that the guests will make some expenditures from their own funds. Table 12 shows the assumptions and expenditures under three cases (100, 125, and 150 sponsor guests beyond other attendees).

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<b>Table 12</b>			
<b>Spending by Sponsors and Guests on Invited Guests</b>			
<b>Assumptions for Economic Impact Analysis</b>			
	Low Case	Base Case	High Case
Sponsor Guests	100	125	150
*50% of Non-Tournament Food and Drink Expenditures, \$150 per person	\$7,500	\$9,375	\$11,250
*50% of Local Transportation \$60 per day per person, 4 days	\$12,000	\$15,000	\$18,000
**Local Sightseeing \$25 per day per person, 4 days	\$10,000	\$12,500	\$15,000
**Retail \$50 per day, per person, 4 days	\$20,000	\$25,000	\$30,000
**Gaming \$50 Per Person	\$5,000	\$6,250	\$7,500
<b>Total Direct Spending by/on Sponsored Guests</b>	<b>\$54,500</b>	<b>\$68,125</b>	<b>\$81,750</b>
* Expected to be paid by sponsor			
** Expected to be paid by guest			

## Champions Tour Golf Tournament Economic Impact Study

### *Total Expected New Expenditures by Tournament Attendees*

Table 13 shows the sum of spending by attendees in all the categories discussed above.

<b>Table 13</b>			
<b>Total Estimated New Direct Spending by Out-of-Area Tournament Attendees</b>			
Spender Category	Low Case	Base Case	High Case
Out-of-Area Attendees in Hotels (Table 7)	\$1,208,108	\$1,452,596	\$1,697,083
Out-of-Area Attendees, no Hotels (Table 8)	\$260,313	\$312,375	\$386,313
Pros and Related Attendees (Table 9)	\$337,470	\$337,470	\$337,470
Network (Table 10)	\$25,600	\$25,600	\$25,600
Tour Officials (Table 11)	\$23,475	\$23,475	\$23,475
Sponsored Guests (Table 12)	\$54,500	\$68,125	\$81,750
Total New Spending Various Out-of-Area Attendees	\$1,909,465	\$2,219,641	\$2,551,691

### **Tournament Spending**

In addition to the direct spending by attendees shown above, there will be other direct, annual expenditures related to the management and conduct of the tournament. For example, the tournament will be advertised, various catered events will be held, trophies will be awarded, the course will be prepared, trash will be hauled, etc. As discussed above, only local direct expenditures can be counted when calculating economic impacts. Additionally, adjustments

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must be made for the source of revenue from which the expenses are paid. Local tournament expenditures funded by local funds must be separated from local expenditures funded by outside or new funds.

Projected tournament expenses have been provided by Project Community, Inc. Project Community, Inc. anticipates spending \$5 million (including the \$1.6 million purse) to conduct the tournament with \$4.5 million going to expenses and \$.5 million going to charity. About 45 percent of the \$5 million is expected to be spent in New Mexico and 55 percent spent out of state. The revenue to fund the tournament is anticipated to come from both local (60%) and out-of-area sponsors (40%). Only one comparable study<sup>19</sup> provides specific information on these expenses. Tournament operation and management costs (expenditures) for the Bank of America Championship were estimated to be \$3,830,481 of which \$564,995 (15%) was local spending, \$1,040,311 (27%) was state (Massachusetts) spending, and \$2,225,176 (58%) was national spending. Comparing the two estimates it seems that the Project Community, Inc. expenditure estimate and regional allocation is consistent with the other study. Project Community, Inc. does not distinguish between in-state and local (three county) spending. Because the tournament will be held in the economic center of New Mexico, all of the New Mexico spending will be allocated the three-county region. Table 14 outlines the spending numbers reported by Project Community, Inc. Only the 40 percent that are funded by out-of-area sources can be counted as new direct expenditures in this study.

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<sup>19</sup> Bank of America Championship Economic Impact Study



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<b>Table 14</b>			
<b>Annual Tournament Spending</b>			
Category	New Mexico Spending	Out-of State Spending	New Local Direct Spending (40%)
Purse		1,600,000	0
Television Production		450,000	0
Advertising & Promotions	92,500		37,000
Corporate Hospitality	376,000		150,400
Pro-Ams	100,000		40,200
Tournament Staffing	622,000		248,800
Printing & Design	25,000		10,000
Public Relations	25,000		10,000
Volunteers	55,000		22,000
Concessions	25,000		10,000
Course Preparation	75,000		30,000
Office Overhead	94,500		37,800
Tournament Productions	200,000	152,500	80,000
Travel	10,000	15,000	4,000
Merchandise	10,000	20,000	4,000
Professional Fees	15,000		6,000
Miscellaneous	37,000		14,800
Charity Donation	500,000		200,000
<b>Totals</b>	<b>2,262,500</b>	<b>2,737,000</b>	<b>905,000</b>
Source: Columns 1-3, Project Community, Inc. Column 4, Authors' calculations			

Table 15 provides the sums of all categories of new spending. The amounts shown in the “Total” column represent the direct expenditures related to the tournament. The total impacts, including indirect and induced effects will be some multiple of these amounts. The total estimated impacts, direct, indirect, and induced are reported in Table 16.

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<b>Table 15</b>								
<b>New Tournament Related Expenditures, Three Cases</b>								
	Table 7	Table 8	Table 9	Table 10	Table 11	Table 12	Table 14	Total
<b>Low</b>	\$1,208,108	\$260,313	\$337,470	\$25,600	\$23,475	\$54,500	\$905,000	\$2,814,466
<b>Base</b>	\$1,452,596	\$312,375	\$337,470	\$25,600	\$23,475	\$68,125	\$905,000	\$3,124,641
<b>High</b>	\$1,697,083	\$386,313	\$337,470	\$25,600	\$23,475	\$81,750	\$905,000	\$3,456,691

<b>Table 16</b>				
<b>Estimated (annual) Economic Impacts of a PGA Champions Tour Event (2007 values)</b>				
	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Low Case</b>				
Output	\$2,814,466	\$738,359	\$2,700,934	\$6,253,759
Employment	72.8	7.5	32.4	112.8
Labor Income	\$1,338,606	\$265,085	\$1,299,191	\$2,902,883
State & Local Tax Impact				\$355,074
<b>Base Case</b>				
Output	\$3,124,641	\$821,419	\$2,995,894	\$6,941,954
Employment	77.6	8.4	36.0	121.9
Labor Income	\$1,476,138	\$294,130	\$1,442,758	\$3,213,026
State & Local Tax Impact				\$398,963
<b>High Case</b>				
Output	\$3,456,691	\$911,262	\$3,310,796	\$7,678,750
Employment	82.7	9.2	39.8	131.8
Labor Income	\$1,623,981	\$325,523	\$1,595,918	\$3,545,422
State & Local Tax Impact				\$445,524

## **Champions Tour Golf Tournament Economic Impact Study**

### **The Economic Impacts of the Tournament**

The various impacts reported in Table 16 were estimated using IMPLAN software and data. The spending outlined in the tables above were allocated to appropriate sectors in the IMPLAN program and appropriate multipliers were applied. Given all the assumptions outlined in the tables above, economic impact analysis using IMPLAN software and data results in the following.

The economic impact estimates generated in this study assume a range of attendance of 25,000-35,000. The findings indicate that the conduct of a Champions Tour golf tournament in the three-county area identified in 2007 should lead to an increase in local spending of in a range between \$6,253,759 and \$7,678,750 and an increase of employment between 112.8 and 131.8, and an increase in labor income between \$2,902,883 and \$3,545,422. In addition state and local tax impacts of \$355,074 to \$445,524 are estimated. Assuming that the tournament continues from year to year, the impacts can be assumed to be ongoing, annual impacts. The possible dynamic impacts and the value of the exposure provided by the tournament are discussed briefly below.

### **Possible Additional Impacts**

The impact estimates discussed thus far are those directly related to the conduct and operation of the tournament. If actual tournament participation and spending come close to the assumptions used in this analysis, the results in terms of increased spending and employment should be close to those reported. If actual tournament participation and spending deviate from the assumptions, the actual results could vary, up or down, from the estimates provided.

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As mentioned in the introduction it is possible that the tournament could produce impacts and benefits beyond the spending and job gains estimated above. One possibility is that there will be dynamic effects. Dynamic effects will be evident if the conduct of the tournament leads to additional, hopefully positive, economic changes that would not have occurred if the tournament were not held. These effects cannot be estimated in advance but the following provide some examples of possible dynamic effects.

- The fact that a Champions Tour is held on a local golf course might inspire golf tourists who might otherwise not consider New Mexico as a golfing destination to visit the area to play the Tour course. The main benefit of this would be the tourism related expenditures: hotels, RV space rentals, fuel purchases, food purchases, shopping, etc.
- During the tournament, local businesspeople and officials will have the opportunity to invite out-of-area business executives and other guests who may simply enjoy the tournament or perhaps participate in the Pro-Am portion. At the same time, the guests will be exposed to the local climate, culture, geography, and business environment. Potentially, some will find the area attractive and perhaps consider moving some aspect of their business operations to the area.
- The Champions Tour tends to have a mature fan base. Exposure through the tournament and coverage on the Golf Channel might invite retirees to consider moving to the area in retirement.
- National exposure through the broadcast of the tournament might inspire more general tourism in New Mexico.

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Another possible benefit, closely related to the dynamic benefits, is the value of the media exposure that comes with the conduct and broadcast of the tournament. Especially important is the value of the exposure that is not directly paid for. For example, Albuquerque, Santa Fe, or New Mexico might be mentioned or commented upon during the broadcast of the tournament. Likewise, any mention of the tournament event in sports news or in tournament related advertising will bring the state's name into the public eye (or ear). As with the dynamic effects, it is difficult to place a specific value on this type of exposure, however, the PGA does provide some information regarding the value of free media exposure.

The PGA contracts with a media firm, Joyce Julius & Associates<sup>20</sup>, to provide an annual evaluation of the value of media exposure to the title sponsor for a "typical" tournament. One must be careful in inferring the estimated value to any particular tournament as many things can vary, for example, advertising rates vary across regions and programs. Similarly, some announcers may comment on the region more than others. The most recent estimate provided to the PGA is that a typical tournament will provide its title sponsor with nearly \$5.7 million worth of media exposure. The region where the tournament is held, New Mexico for example, can expect some free exposure as part of this although the value would likely be substantially less. One way the regional value of the exposure might be closer to the \$5.7 million would be to have a regional reference in the title – The Acme-New Mexico Cup.

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<sup>20</sup> Information in this paragraph is based on a table provided by Project Community, Inc titled "Champions Tour Media Value Exposure Analysis, 3 Day Cable Event," and a conversation with Ken Lovell of the PGA conducted on December 1, 2006.

## Champions Tour Golf Tournament Economic Impact Study

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