

Go Team!

How Sports Can Spur the Local Economy

The wide world of sports isn't just peanuts when it comes to economic impact.

If you watched any World Cup Soccer, you saw what amounted to a major industry at work in Johannesburg. A report by UBS Investment Research estimated that preparation for the World Cup has added between 0.5% and 2.2% to South African GDP and overall had created in excess of 300,000 jobs since 2006. That's a 2.7% contribution to employment figures. Likewise, the pastime of American Football can mean big money to a region. A study released in early February concluded that the big game's economic impact to South Florida was \$333 million.

Here in Iowa -- where we have neither an NFL team nor a World Cup Soccer team, and very little chance of landing either event in a local venue -- what do sports mean to us in economic terms? Lots. Really!

We do have that big rolling economic engine called RAGBRAI and at least once every 3 or 4 years it rides thru some of the towns in the Great River Region. That's 12,000 bikers, each spending an average of \$50 per day. Do the math - \$600,000 being spent daily between 2 towns less than 100 miles apart. Now we're talking!

Take the Burlington Bees. They have 70 home games with an average nightly attendance of 900 people. Season ticket holders (200) pay about \$3.00 per game. The rest of the crowd pays an average of \$5.00 per ticket. That's 900 people at \$4.00 per person (\$3,600) for 70 games or \$252,000 in tickets. Another great example is the Burlington Regional RecPlex which has an annual attendance of 75,000 visitors with a ticket price of approximately \$1.50 per person. That's \$112,500 in just gate receipts. The 34 Raceway is paying out \$775,000 in prize money in a 6 month racing season! Add the prize money at Lee County Speedway and CJ Speedway in Louisa County and the dollars add up.

But gate receipts and prize money barely scratch the surface. Calculate the hot dogs, beer, soda and t-shirts! Then factor in hotel rooms for visiting teams and fans, gasoline, food and shopping. Don't forget salaries for the employees and budgets for the balls and cars and uniforms. Not to mention the mowing, bathroom cleaning supplies, printer paper and...well, you get the picture.

The RecPlex is in the midst of their second economic impact report. In the previous study done 5 years ago, the area saw a \$5 million dollar impact from RecPlex activities resulting from hotel, food, gas, merchandizing and other expenditures. And these kinds of ripples aren't just for the big boys -- even youth leagues, swimming pools, school sports and your average bike club can add up to big change in more than one bottom line.

Do sports activities have a positive economic impact? Game On!