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David A. Schauer

University of Texas at El Paso, dschauer@utep.edu

Carlos Olmedo

University of Texas at El Paso, colmedo@utep.edu

Mario Caire

University of Texas at El Paso, mcaire@utep.edu

Guadalupe Corral

University of Texas at El Paso, gcorral@utep.edu

Dennis L. Soden

University of Texas at El Paso, desoden@utep.edu

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2008 UTEP/UT-Austin Football Game: Economic Impact on El Paso, Texas

Report Prepared By:

David A. Schauer, Ph.D.

Carlos Olmedo, M.S.

Mario Caire, M.S.

Guadalupe Corral, M.A.

Dennis L. Soden, Ph.D.

University of Texas at El Paso

El Paso, TX 79968-0703

915.747.7974 Fax 915.747.7948



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2008 UTEP/UT-Austin Football Game: Economic Impact on El Paso, Texas

Summary Sheet

Total Economic Impact	\$ 3,960,000
Incremental Business Volume from Visiting Fans, Direct + Indirect Effects	\$ 3,640,000
Incremental Business Volume from Team Expenditures, Direct + Indirect Effects	\$ 135,000
Value of Media Exposure	\$ 185,000
Incremental El Paso Employment	30
Increase in El Paso Household Income	\$ 860,000

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Introduction

On September 6, 2008 the University of Texas at El Paso Miners football team (UTEP) played the University of Texas at Austin Longhorns (UT-Austin) in the Sun Bowl Stadium. It was a major event, sports or otherwise, in the El Paso community. Fans purchased all available tickets two weeks before the game; some camping out over night in order to obtain tickets.¹ Thousands of UT-Austin fans from outside of El Paso County attended the game and stayed in the area for an average of three days and nights.² In addition, ESPN2 provided national coverage of the game. The event generated a significant impact to the region, in a relatively short period, in the form of incremental business volume, regional employment, household income, as well as value to the community from media exposure. The present report quantifies these economic benefits.

Methodology

It is important to note that the UT Austin/UTEP game was a single event held over one weekend. Thus in making comparisons to a larger event, such as the Sun Bowl and its associated activities including two visiting teams who stay in El Paso for a longer period, caution should be taken.

The following two steps were taken to develop economic impact values:

- The number of out-of-region fans was estimated. The following data were provided by the UTEP Athletic Department: tickets allocated to UT-Austin (3,500), players' comp tickets (300), additional UTEP season tickets sold to fans outside of El Paso (400), tickets provided to UTEP's administration for visiting dignitaries (620), and the number of and budget values for the UT-Austin "team" personnel including players, coaches, administrators, cheerleaders, band members, and donors (225 with a budget of \$60,000 for 2 days and 1 night).³

In addition, an intercept survey of fans (previous years' season ticket holders, new season ticket holders, and the general public) purchasing all remaining tickets was conducted. The sample consisted of 2,160 individuals that were questioned about 1) the number of tickets being purchased as well as 2) the number of these tickets going to fans outside of El Paso. The individuals sampled purchased 7,790 tickets with approximately one-fourth (25.4%) going to individuals outside of the region. Based on the 11,800 tickets available for purchase,⁴ the survey sample represents 66

percent of the total number or population of tickets sold. The survey data implies that approximately 2,900 (2,886) additional game tickets went to fans coming into El Paso. The total number of persons visiting El Paso with tickets for the game is estimated to be over 7,900 (7931).⁵

- A second intercept survey was conducted the day before and the day of the game to generate visiting fan demographics and spending pattern information including: the place of residence, number in party, length of stay, and expenditures in a variety of categories while in the City. **Only visitors to the region were asked to participate.** Intercept location/events included: the Texas Exes Tailgate; Texas Longhorns Golf Tournament; UTEP Alumni Tailgate; all UTEP Student, Inner Campus, Perimeter, Remote and off-campus parking lots; and all “green space” areas on campus. Over 300 survey responses (322) were generated providing data on 1,095 persons attending the football game and/or related events. The sample size is equivalent to 14 percent of the population of tickets going to visitors. In addition, the data generated was consistent with that developed in a recent impact study of the Brut Sun Bowl.⁶

Results

Specific results of the survey are presented below. A copy of the survey questionnaire is included in the appendix to this report.

- Number of persons traveling to El Paso 1,095
- Percent of persons attending the game 94.0%
- Place of residence
 - Austin 56.5%
 - Dallas/Ft.Worth 13.2%
 - San Antonio 7.9%
 - Houston 6.1%
 - Arizona 4.1%
 - New Mexico 4.0%
 - Other Texas areas 3.4%
 - Other States 4.7%
- Number of days in El Paso 3.4 (mean) ; 3 (median)
- Number of nights in El Paso 2.9 (mean) ; 2 (median)

- Where did you stay while in El Paso?

Hotel/Motel	25.9%
Family/Friends	70.0%
RV/Other	4.1%

- Average expenditure per person while in El Paso \$ 210
- Distribution of expenditures

Lodging	15.2%
Food & Drink	31.4%
Entertainment	15.3%
Transportation	20.0%
Other	18.1%

Generally, these results are self-explanatory and are consistent with expectations. Note, however, that over 74 percent of visitors did not stay in a hotel/motel during their stay. Consequently, expenditures for these persons were reported as \$0 for this category. As a result, the overall average expenditure per person (\$210) is lower than one might expect.

The data presented provide the basis for determining the economic impact to the El Paso regional economy. As noted above, the estimated 7,706 fans visiting El Paso (not including the 225 UT-Austin “team” personnel with a \$60,000 budget) spent \$210 per person (referred to as direct spending) during their stay in the region. This implies an immediate impact on local business activity of **\$1.62 million**. The direct spending brought into El Paso has a secondary or indirect impact. This “economic rollover” benefit results from the fact that individuals and firms receiving direct expenditures by visitors to the area will allocate at least a portion of these revenues on local purchases of goods and services. These funds are then received by area residents and firms who, in turn, will spend a portion of the dollars on additional products and services. This so-called multiplier effect suggests that the total economic benefit to a region resulting from an externally induced spending increase will be a multiple of the original, direct spending amount.

An alternative approach to estimating the indirect benefits is to measure the impact of an incremental change in the level of final demand for goods and services. Various regional econometric or input/output models have been developed to identify the overall effects of an increase in demand and spending for consumer goods and services in a region. More specifically, if local firms are to meet the increased demand for their products and services, they must increase the “inventory” of their products/services. This, in turn, requires an increase in expenditures on their part for various inputs, a portion of which will be acquired locally.

Given the variety of multiplier studies, regional econometric or input/output models, economic impact analyses of other football games across the United States, along with a number of economic impact investigations conducted by the authors in the El Paso/Juárez region, the multiplier effect is estimated to be 1.25 times the direct benefit level.⁷ Alternatively, the sum of direct and indirect economic benefits is assumed to be 2.25 times the original or direct impact. As a result, the \$ 1.62 million direct impact noted above is multiplied to a total **Business Volume impact of \$3.64 million.**

The same argument can be made with respect to the local expenditures made by the UT Longhorns “team” personnel. The \$ 60,000 local area budget represents the direct or immediate impact in El Paso. The total impact from the direct plus indirect effects is **\$135,000 on the local Business Sector.**

The third component of the economic impact to the region in general, and this study assumes, to the business sector in particular, is the value of Media Exposure. Data provided by the UTEP Athletic Department and ESPN2 regarding the cost of 30 second “spots”, along with an analysis of the number and total seconds of verbal and visual comments and/or scenes of the El Paso area suggest media exposure value of **\$185,000 to the Business Sector.**

Finally, the IMPLAN model (see endnote #7), was used to identify two additional impact values. IMPLAN estimates the UTEP/UT-Austin football game generated an **additional 30 jobs** in the region and an **incremental \$860,000 in income to households** in the area. It must be noted that this dollar amount is part of the incremental value for business sector activity. That is, this amount cannot be added to the business volume figure. Note that the additional employment should not be interpreted as 30 permanent new jobs within the region. Instead, given the increase in business sales, along with all of the temporary employment created during and beyond this weekend, the dollar effect on the economy is similar to 30 full- and part-time jobs being supported through a prolonged period of time.

Endnotes

¹ Jaeckle, Adriane. 2008. "Camping out for tickets," **El Paso Times**, August 25.

² Sanchez, Stephanie. 2008. "UT-Austin has big plans for Miner game," **El Paso Times**, September 5.

³ IPED acknowledges and thanks Brian Wickstrom, UTEP Senior Associate Athletic Director, for his assistance with this project.

⁴ Brian Wickstrom, UTEP Senior Associate Athletic Director.

⁵ This estimate does not include season ticket holders that provided some of their season tickets to out-of-town visitors. The database necessary to survey these individuals was not available. Consequently, these estimates are conservative.

⁶ Schauer, David A. and Dennis L. Soden. 2007. "Economic Impact of the 2006 Brut Sun Bowl Game," IPED, UTEP, SR #2007-09.

⁷ For examples of models and their applications, see:

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