

2-2-2012

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Recommended Citation

Tekula, Rebecca and Sinclair, Anna-Kay MPA, "The Economic Impact of the Pace University Athletic Department" (2012). *Wilson Center for Social Entrepreneurship*. Paper 7.
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The Economic Impact of the Pace University Athletic Department

Economic Analysis

Prepared for
Pace University Athletic Department

February 2, 2012
The Wilson Center for Social Entrepreneurship
Pace University
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Executive Summary

When Pace University Athletic Department facilities are filled for home games, partner events, and University-wide activities, millions of dollars of economic activity are generated through ticket sales, direct University support, tournament fees, royalties, and licensing. This spending and attendance creates a ripple effect in the economies of Pleasantville, Westchester County, and the Hudson Valley region as Pace University visitors and fans spend at restaurants, hotels, retail stores, gasoline service stations, and other community businesses on their way to and from games and hosted events.

Economic Impact

Athletic department spending and spending by fans and visitors who attend Pace University athletic facilities hosted games and events generate a substantial economic impact on Pleasantville, Westchester County, and the Hudson Valley Region.

The estimated overall annual economic impact of the Pace University Athletic Department during the 2011-2012 fiscal year is:

- \$20.7 million in output,
- \$7.6 million in worker income, and
- 196 jobs.

Methodology

In order to define the economic impact of Pace University's Athletic Department, we looked at several measures and estimates including the overall operating budget for the Athletics Department and number and profile of visitors to Athletics Department hosted events.

Departmental Spending and Multipliers

Economic multipliers obtained from the Bureau of Economic Analysis were used to estimate indirect and induced impacts on the Westchester economy. The multiplier for the industry *Spectator Sports- 711200* was applied to the recorded \$7.5 million in expenses to determine the impact on output, earnings and employment in Westchester County.

Visitors and Fans

We analyzed the number of attendees, visitors, and fans for three major categories of events:

- 1) External events hosted at Athletics Department facilities (e.g., First Tech Challenge Robotics Tournament)
- 2) University-wide events hosted at the Athletics Department facilities (i.e., visitor-attracting events which would be held off-campus if not for the Athletics Department facilities, e.g. commencement ceremony)

3) Athletics Department events (i.e., sporting events of the Pace Setters)

Data on number of attendees was provided by the Athletics Department and the Department of Special Events, along with estimates of the number of “out of town” visitors to three external events hosted. To calculate the ratio of out-of-town visitors of attending University-wide events, the Democracy Data & Communication Advocacy (DDC Advocacy) mapping system was used to estimate the number of Pace University students with residency in the NYS Senate districts in Westchester County. As this report was completed before the final two basketball games of Academic Year 2011-2012, attendance was estimated based on averaged past and current year data.

Primary data for Fan Spending was not available for the purposes of this report. In an effort to calculate this, we turned to similar economic impact reports with a recorded estimate of fan/visitor spending. We looked at a total of 10 reports and a consensus was made on 4 sources¹, averaging the estimate given for local, out-of-county and overnight visitor spending, producing the following estimates:

- Local: \$39.52
- Out-of-Town Day trip: \$62.49
- Out-of-Town Overnight: \$133.95

Visitor Spending Multiplier

In accordance with comparable reports, to determine the economic impact of attendance and fan spending we applied a different industry multiplier specific to the use of the recreational facilities. Hence, multipliers for industry code 713940- *Fitness and Recreational Sports Centers* were used to quantify economic impact of the services offered to local and out-of-county residents.

¹The Mount Beacon Railway Economic and Fiscal Impact Report; The Economic Impact of the University of Nebraska-Lincoln Athletic Department report; Economic Impact of the 2006 NCAA Division II National Championships Festival on the Pensacola MSA; The 2008 Economic Impacts of the Olympic Swims Trials and the NCAA Basketball and Volleyball Tournaments on the City of Omaha; The Trust for Public Land Economic Benefits of Land Conservation; and Economic Impact of the Husky Athletic Program on the Washington Economy.

Table 1

Athletic Department Operating Revenue

Ticket Sales	\$5,452
Contributions	\$32,339
Direct Institutional Support	\$6,184,452
Indirect Facilities and Administrative Support	\$1,116,951
NCAA/Conference Distributions including all tournament revenues	\$20,735
Royalties, Licensing, Advertisement and Sponsorships	\$109,999
Sport Camp Revenue	\$8,048
Other Operating Revenue	\$58,890
Total Operating Revenue	\$7,536,866

Athletic Department Operating Expenditure

Athletic Student Aid	\$3,095,095
Guarantees	\$192
Coaching Compensation and Benefits	\$912,786
Support Staff/Administrative Compensation and Benefits	\$1,015,316
Recruiting	\$49,984
Team Travel	\$393,898
Equipment, Uniforms and Supplies	\$172,313
Game Expenses	\$88,641
Fund Raising, Marketing and Promotion	\$89,567
Direct Facilities, Maintenance, and Rental	\$95,894
Spirit Groups	\$27,571
Indirect Facilities and Administrative Support	\$1,116,951
Medical Expenses and Medical Insurances	\$173,211
Membership and Dues	\$23,664
Other Operating Expenses	\$241,081
Total Operating Expenses	\$7,496,164

Source: NCAA reporting submission with FY11 data

Table 2

Attendance and Visitor Spending for ATHLETICS DEPT FACILITIES USE (by outside partners and departments, on Pleasantville Campus)

Estimated Visitor Spending: External and University-wide Events Held at Pleasantville Athletics Facilities During Academic Year 2011-2012

Event Hosted	Total Visitors	% Local Visitors	# Local Visitors	Spending by Local Visitors	% Out of County	# Out of County	Spending by Out of County	% Overnight Visitors	# Overnight Visitors	Spending by Overnight	Total Visitor Spending
CFP Exam	700	100.00%	700	\$27,664.00	0.00%	0	\$0.00	0.00%	0	\$0.00	\$27,664.00
First Tech Challenge	750	33.30%	250	\$9,870.12	66.70%	500	\$31,260.62	0.00%	0	\$0.00	\$41,130.74
High School Graduations (2)	6,000	100.00%	6,000	\$237,120.00	0.00%	0	\$0.00	0.00%	0	\$0.00	\$237,120.00
Pace Commencement	3,200	25.00%	800	\$31,616.00	0.00%	0	\$0.00	75.00%	2,400	\$321,480.00	\$353,096.00
Pace Convocation	2,000	25.00%	500	\$19,760.00	75.00%	1,500	\$93,735.00	0.00%	0	\$0.00	\$113,495.00
Sports Camp	1,500	100.00%	1,500	\$59,280.00	0.00%	0	\$0.00	0.00%	0	\$0.00	\$59,280.00
State Baseball Playoffs (2)	400	50.00%	200	\$7,904.00	50.00%	200	\$12,498.00	0.00%	0	\$0.00	\$20,402.00
State Basketball Playoffs (1)	2,200	50.00%	1,100	\$43,472.00	50.00%	1,100	\$68,739.00	0.00%	0	\$0.00	\$112,211.00
State Diving Playoffs (4)	600	66.10%	397	\$15,673.63	33.90%	203	\$12,710.47	0.00%	0	\$0.00	\$28,384.10
State Wrestling Playoffs (1)	3,000	63.50%	1,905	\$75,285.60	36.50%	1,095	\$68,426.55	0.00%	0	\$0.00	\$143,712.15
Swim classes/meets	1,100	100.00%	1,100	\$43,472.00	0.00%	0	\$0.00	0.00%	0	\$0.00	\$43,472.00
Total	21,450		14,451	\$571,117.35		4,599	\$287,369.64		2,400	\$321,480.00	\$1,179,966.99

Source: Pace University Athletics Department and the Department of Government and Community Relations
Average Spending Per Person: Local Visitors \$39.52, Out-of-County \$62.49, Overnight \$133.95

Attendance and Fan Spending at PACE UNIVERSITY SPORTING EVENTS (by Athletics Dept, on Pleasantville Campus)

Estimated Fan Spending: Home Games 2011-2012

Games	Total Attendance	% Local Fans	# Local Fans	Spending by Local Fans	% Out of County Fans	# Out of County Fans	Spending by Out of County	% Overnight Fans	# Overnight Fans	Spending by Overnight	Total Fan Spending
Football (5)	4,256	70.0%	2,979	\$117,737.98	20.00%	851	\$98,041.22	10.00%	426	\$57,009.12	\$272,788.32
Men's Basketball (10)	3,214	75.0%	2,411	\$95,262.96	5.00%	161	\$18,509.43	10.00%	321	\$43,051.53	\$156,823.92
Women's Basketball (10)	2,799	75.0%	2,099	\$82,962.36	5.00%	140	\$16,119.44	10.00%	280	\$37,492.61	\$136,574.41
Other Sports	3,314	70.0%	2,320	\$91,678.50	5.00%	166	\$19,085.33	10.00%	331	\$44,391.03	\$155,154.85
Total	13,583		9,809	\$387,641.80		855	\$132,670.08		1,358	\$181,944.29	\$721,341.49

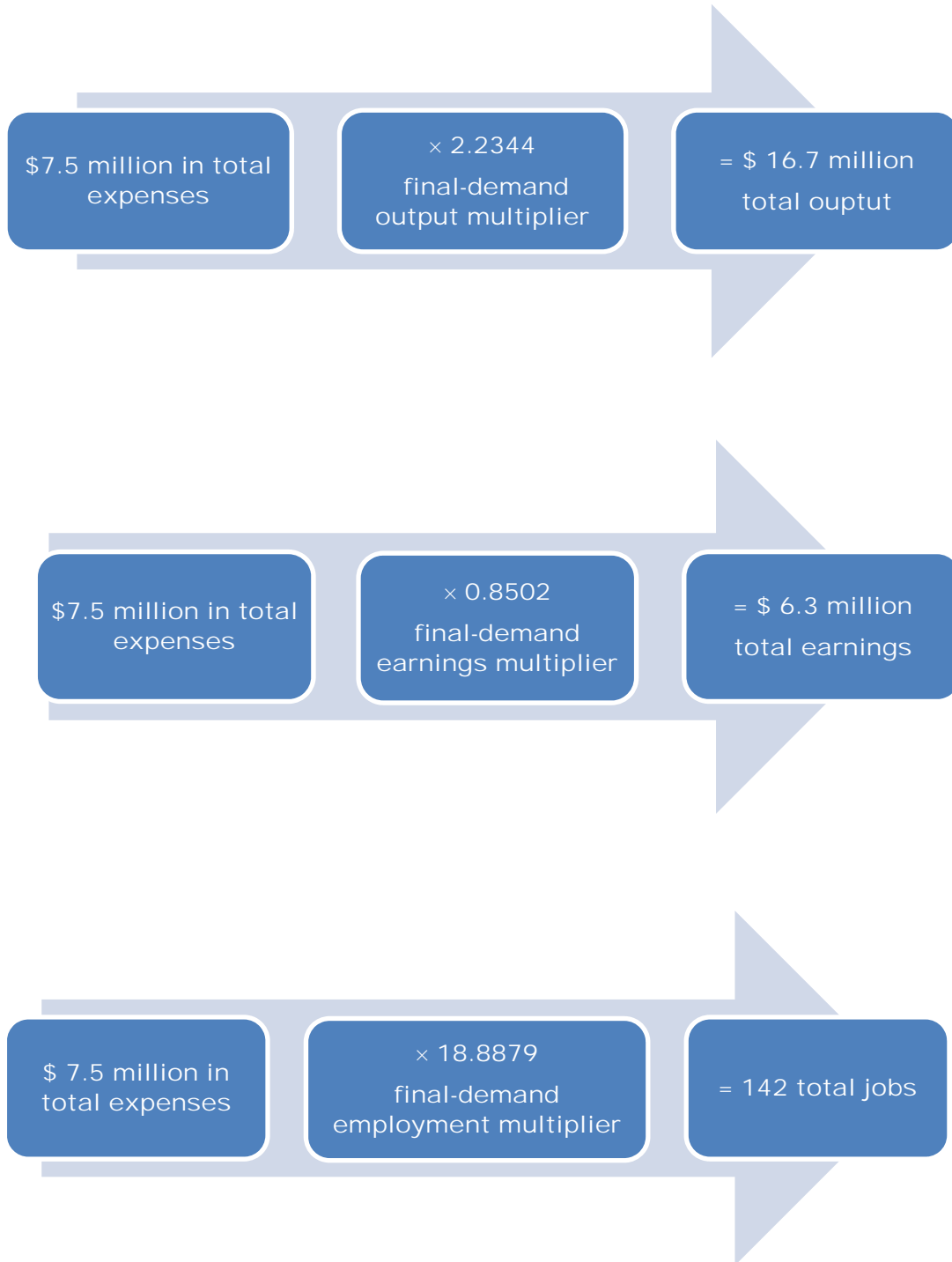
Source: Pace University Athletics Department and the Department of Government and Community Relations
Average Spending Per Person: Local Visitors \$39.52, Out-of-County \$62.49, Overnight \$133.95

Overall Fan/Visitor Spending

Category	Total
External Events Hosted	\$1,179,966.99
Pace Home Games	\$721,341.49
Total Fan Spending	\$1,901,308.48

Table 3

**Calculating the Economic Impact of
Pace University's Athletic Department Expenses
Using Type II Final-Demand Multipliers**

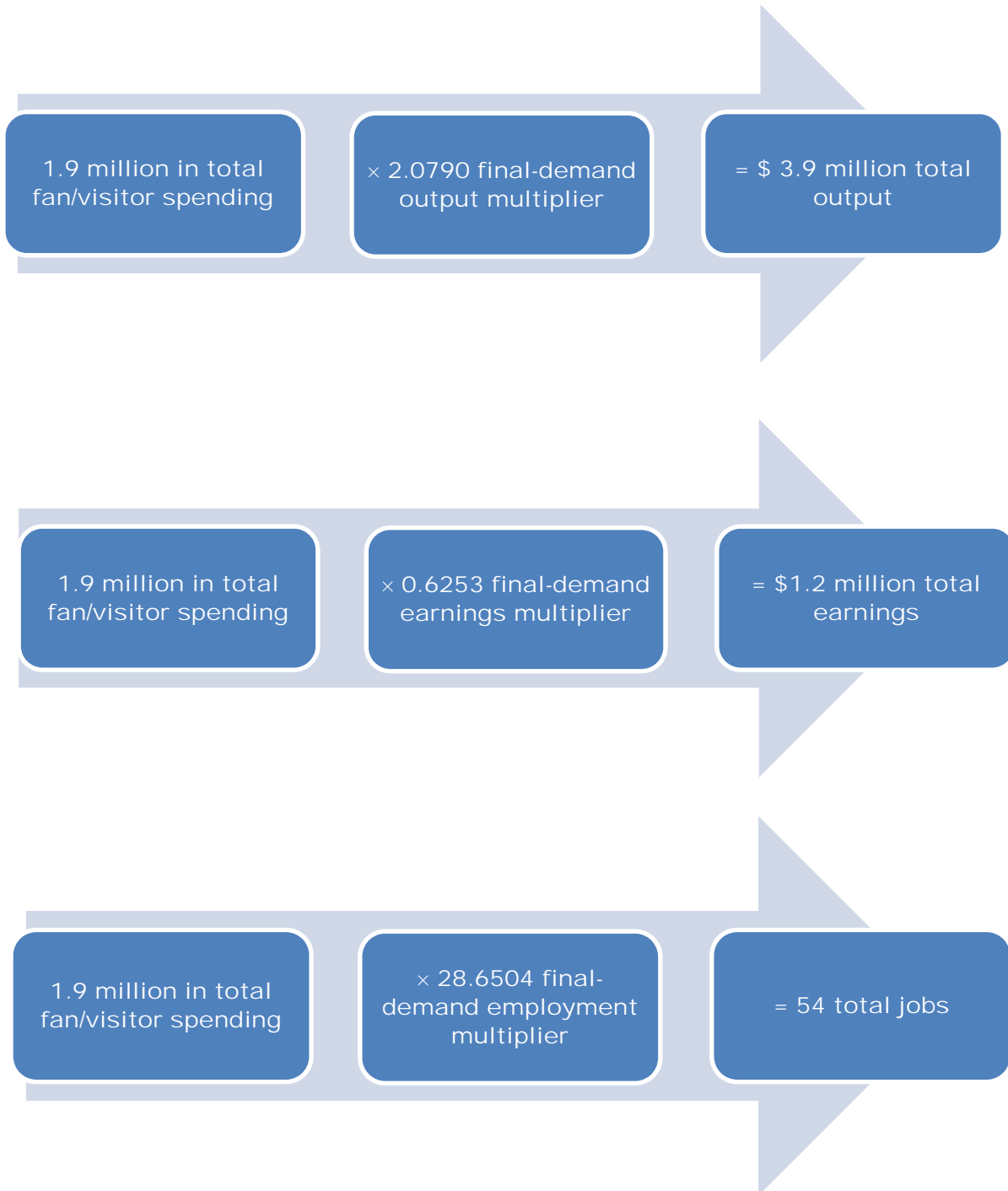


*Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Industry code **711200 (Spectator Sports)** was used, in accordance with comparable research (e.g., *Economic Impact Analysis of the University of Nebraska-Lincoln Athletic Department*).*

Economic Impact of Pace University Pleasantville Campus Athletic Department

Table 4

**Calculating the Economic Impact of
Pace University's Athletic Department Fan/Visitor Spending
Using Type II Final-Demand Multipliers**



*Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis. Industry code **713940 (Fitness and recreational sports centers)** was used, in accordance with comparable research (e.g., *Economic Impact Analysis of the University of Nebraska-Lincoln Athletic Department*).*

Economic Impact of Pace University Pleasantville Campus Athletic Department

Table 5

Overall Economic Impact of the Pace University Athletic Department and Fans/Visitors 2011-2012 Fiscal Year

Impact Measure	Total Impact
Athletic Department	
Output	\$16,749,428.84
Earnings	\$6,373,238.63
Employment	142
Fan/Visitor Spending	
Output	\$3,952,820.33
Earnings	\$1,188,888.19
Employment	54
Overall Impact	
Output	\$20,702,249.17
Earnings	\$7,562,126.83
Employment	196

*Multipliers retrieved from the RIMS II Multipliers published by the Bureau for Economic Analysis for industry codes **711200 (Spectator Sports)** and 713940 (Fitness and recreational sports centers).*