



# The Economic Impact of College Bowl Games

September 2016

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# EXECUTIVE SUMMARY

## Executive Summary

The following report provides a summary of the economic impact (EI) of college bowl games on the US economy. Some 40 bowl games were played in 2015 in addition to the College Football Playoff National Championship.<sup>1</sup> This report uses both primary and secondary data collected from the 2014 and 2015 bowl game seasons. For the purposes of this report, total EI is defined as the expenditure of money from sources outside the bowl game area that resulted from hosting the events. Both direct EI from non-local attendees, such as spending on lodging, shopping and entertainment, and food and beverage is used to determine the total economic impact, as well as indirect impact which includes additional spending generated in the local area resulting from the bowl games.

Bowl games were categorized by matchup and stratified to gain a more accurate assessment of EI. The average bowl game EI ranged from \$12,650,000 at the low end for Group of 5 vs. Group of 5 to \$93,773,880 at the high end for New Year's Six matchups with an average of \$40,372,220 per bowl. The total estimated economic impact of bowl games per year is \$1,449,953,046.

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<sup>1</sup> [http://espn.go.com/college-football/story/\\_/id/15181015/ncaa-approves-three-year-moratorium-new-bowl-games](http://espn.go.com/college-football/story/_/id/15181015/ncaa-approves-three-year-moratorium-new-bowl-games)

# INTRODUCTION

## Introduction

Since the Rose Bowl was the first played in 1902 college bowl games have emerged from coast-to-coast and beyond in the United States. The term “bowl game” comes from this historic game as well as the bowl shape of stadiums where the games are played. These post-season contests are generally played by NCAA Division 1 schools and recently have helped to determine the best team in the country. In 2015 40 college bowl games took place with an additional championship game for a total of 41 bowl games.<sup>2</sup>

College bowl games are played at neutral sites all across the United States. From Texas to California, from Hawaii to Florida, these post-season contests are draws for team fans who travel, as well as local spectators who attend the game every year. A critical component of bowl game economic impact (EI) is the team matchup for the game. The teams who earn a bowl game selection are different in terms of division, school size, number of fans, past success, national reputation and fan commitment. Consequently, a bowl game with top-tier teams and fans who travel *en masse* will likely generate a larger EI than the reverse.

For the purposes of this study, stratifying bowl games by matchup seemed appropriate so that similar bowls could be compared. In 2015, the bowl games took place as follows:

**New Year’s Six:** These six games are top-tier bowl games that are often used as a semi-final for the National Championship. This group includes Rose, Sugar, Orange, Peach, Fiesta and Cotton Bowls

**Power 5 vs. Power 5:** This group encompasses some of the best football programs in the country. Bowl games are matched up between the five power conferences including Atlantic Coast Conference (ACC), Big Ten (B1G), Big 12, Pac-12, and Southeastern Conference (SEC).

**Power 5 vs Group of 5:** The next tier of bowl games includes selections from the Power 5 group vs Group of 5. Group of 5 includes Mid-American, Mountain West, Sun Belt, American and Conference USA.

**Group of 5 vs Group of 5:** The final group includes matchups drawn from Group of 5 only.

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<sup>2</sup> [http://espn.go.com/college-football/story/\\_/page/bowlschedule2015/2015-16-college-football-playoff-bowl-schedule](http://espn.go.com/college-football/story/_/page/bowlschedule2015/2015-16-college-football-playoff-bowl-schedule)

# INTRODUCTION

Table 1 provides a list of all bowl games played in 2015<sup>3</sup>.

2015 Bowl Game	Grouping	Location
<b>Peach Bowl</b>	New Year's Six	Atlanta, GA
<b>Orange Bowl</b>	New Year's Six	Miami Gardens, FL
<b>Fiesta Bowl</b>	New Year's Six	Glendale, AZ
<b>Sugar Bowl</b>	New Year's Six	New Orleans, LA
<b>Rose Bowl</b>	New Year's Six	Pasadena, CA
<b>Cotton Bowl</b>	New Year's Six	Arlington, TX
<b>CFP Championship Game</b>	New Year's Six	Glendale, AZ
<b>Holiday Bowl</b>	Power 5 Vs. Power 5	San Diego, CA
<b>Texas Bowl</b>	Power 5 Vs. Power 5	Houston, TX
<b>Alamo Bowl</b>	Power 5 Vs. Power 5	San Antonio, TX
<b>Music City Bowl</b>	Power 5 Vs. Power 5	Nashville, TN
<b>Citrus Bowl</b>	Power 5 Vs. Power 5	Orlando, FL
<b>Outback Bowl</b>	Power 5 Vs. Power 5	Tampa, FL
<b>Liberty Bowl</b>	Power 5 Vs. Power 5	Memphis, TN
<b>Belk Bowl</b>	Power 5 Vs. Power 5	Charlotte, NC
<b>Sun Bowl</b>	Power 5 Vs. Power 5	El Paso, TX
<b>Pinstripe Bowl</b>	Power 5 Vs. Power 5	Bronx, NY
<b>Foster Farms Bowl</b>	Power 5 Vs. Power 5	Santa Clara, CA
<b>Russell Athletic Bowl</b>	Power 5 Vs. Power 5	Orlando, FL
<b>Taxslayer Bowl</b>	Power 5 Vs. Power 5	Jacksonville, FL
<b>Cactus Bowl</b>	Power 5 Vs. Power 5	Phoenix, AZ
<b>Las Vegas Bowl</b>	Power 5 Vs. Group of 5	Whitney, NV
<b>Heart of Dallas Bowl</b>	Power 5 Vs. Group of 5	Dallas, TX
<b>Military Bowl</b>	Power 5 Vs. Group of 5	Annapolis, MD
<b>Independence Bowl</b>	Power 5 Vs. Group of 5	Shreveport, LA
<b>Armed Forces Bowl</b>	Power 5 Vs. Group of 5	Fort Worth, TX
<b>Quick Lane Bowl</b>	Power 5 Vs. Group of 5	Detroit, MI
<b>Birmingham Bowl</b>	Power 5 Vs. Group of 5	Birmingham, AL
<b>New Mexico Bowl</b>	Group of 5 Vs. Group of 5	Albuquerque, NM
<b>Camillia Bowl</b>	Group of 5 Vs. Group of 5	Montgomery, AL
<b>Cure Bowl</b>	Group of 5 Vs. Group of 5	Orlando, FL
<b>New Orleans Bowl</b>	Group of 5 Vs. Group of 5	New Orleans, LA
<b>Miami Beach Bowl</b>	Group of 5 Vs. Group of 5	Miami, FL
<b>Potato Bowl</b>	Group of 5 Vs. Group of 5	Boise, ID
<b>Boca Raton Bowl</b>	Group of 5 Vs. Group of 5	Boca Raton, FL
<b>Poinsettia Bowl</b>	Group of 5 Vs. Group of 5	San Diego, CA
<b>Go Daddy Bowl</b>	Group of 5 Vs. Group of 5	Mobile, AL
<b>Bahamas Bowl</b>	Group of 5 Vs. Group of 5	Nassau, Bahamas
<b>Hawaii</b>	Group of 5 Vs. Group of 5	Honolulu, HI
<b>St. Petersburg Bowl</b>	Group of 5 Vs. Group of 5	St. Petersburg, FL
<b>Arizona Bowl</b>	Group of 5 Vs. Group of 5	Tucson, AZ

Table 1: 2015 NCAA Bowl Games

<sup>3</sup> <http://www.ncaa.com/news/football/article/2016-01-02/2015-16-bowl-season-schedule-tv-listings-matchup-information>

## Bowl Game EI Studies

Bowl games conduct EI studies to determine how much money is brought in to the local economy from outside the local area. Perhaps the best way to look at the impact is to determine how much money would be lost in the local area if the game did not take place. Identifying this impact is important for a variety of reasons. For example, bowl games that generate significant economic impact may get assistance from local government in the form of cost recovery for increased police, fire or sanitation services. These bowls may be able to generate funding in the form of marketing dollars from local tourism districts. In addition, positive impact provides greater opportunity for both sponsorships and charitable endeavors.

Not all bowls conduct EI reports but those that do follow a similar methodology. The approach detailed here provides a solid model for those seeking to explore EI. The goal of the study is to determine the spending generated from non-local spectators who traveled to the local area specifically for the bowl. In some cases, spending by teams, coaching staffs, media, bands and cheerleaders who travel for the game would be included as well. Data are collected either electronically or by intercept interview. Traditionally the following question would be included on an EI survey:

- Spectator place of residence
- Hotel stay or other
- Number of hotel nights staying
- Average daily rate of hotel (ADR)
- Bowl impact on travel to the local area (if Bowl was main reason for travel)
- Average daily spending on food and beverage, shopping, entertainment and often local transportation.
- Other attractions attended during stay
- Intentions to return to the Bowl and the city
- Miscellaneous demographic information

Once the data are collected, the total attendance number is filtered to identify non-locals who traveled specifically for the game and total expenditures are determined. This “direct” spending is only one component of EI. The “indirect” expenditures or domino effect of these dollars entering the local economy is calculated through the use of a multiplier. These well-researched multipliers take into consideration the industry and geographic location to determine additional spending. Consequently, total EI is the combined total of direct and indirect impact. In some cases, induced impact is included, which accounts for individual spending (vs. firms directly involved) that resulted in the local economy, as a result of the bowl.

# ANALYSIS

## Analysis

To determine the combined EI of college bowl games, the previously described steps were followed. In essence 4 analyses were conducted stratified by matchup. Each grouping of bowl game match ups (i.e., New Year's Six, Power 5 vs. Power 5, etc.), was broken out and assessed individually to account for differences in each category. It is reasonable to assume that New Year's Six bowl games would likely generate greater EI than Group of 5 games. Consequently, these groupings were investigated separately.

### Data Collection

Both primary and secondary data were used in this study. Those bowl games that did indeed conduct EI studies from 2014- 2015 seasons were identified and contacted. A total of 16 studies were used to create the estimate presented in this study. Each grouping had a minimum of 4 studies to create the category average. The average and total economic impact of each category is presented in Table 2.

Category	Average EI per Category	Total EI
<b>New Year's Six</b>	\$93,773,880	\$656,417,158
<b>Power 5 Vs. Power 5</b>	\$34,804,413	\$487,261,775
<b>Power 5 Vs. Group of 5</b>	\$20,260,588	\$141,824,113
<b>Group of 5 Vs. Group of 5</b>	\$12,650,000	\$164,450,000
<b>Total</b>	<b>Mean = \$40,372,220</b>	<b>\$1,449,953,046</b>

Table 2: Average and total EI per category

The range of bowl game EI was from a low of \$12,650,00 to a high of \$93,773,880 with an average of \$40,372,220. The average taken as shown can be deceptive given the range of EI. Looking at EI by category provides a more accurate picture of how bowl games contribute to their local economy.

# ANALYSIS

In addition to assessing the average and total EI, the breakdown of spending in each category was identified as shown in Table 3. Clearly, lodging and food and beverage are the greatest expenditures at bowl games. Interestingly, the cost of a hotel seems to increase with the prestige of the match up with expenditures steadily increasing moving from Group of 5 Vs. Group of 5 to New Year's Six.

Category	Food and Beverage	Lodging	Entertainment	Retail and Shopping
<b>New Year's Six</b>	36%	37%	12%	14%
<b>Power 5 Vs. Power 5</b>	28%	31%	19%	22%
<b>Power 5 Vs. Group of 5</b>	27%	24%	23%	26%
<b>Group of 5 Vs. Group of 5</b>	45%	23%	13%	19%

Table 3: Percent spending by category

Chart 2 provides a summary of spending in comparison with other categories. Over 70% of spending at New Year's Six bowls was derived from food and beverage and lodging, while only 50% for Power 5 Vs. Group of 5.

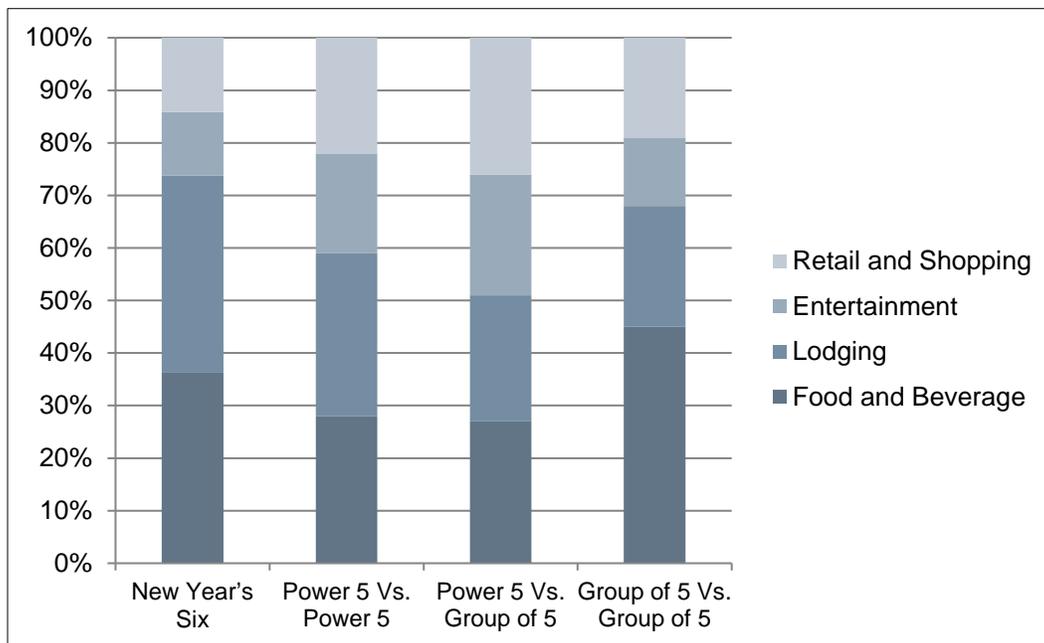


Chart 1: Spending by category

# LIMITATIONS

## Limitations

While every attempt was made to ensure that an unbiased assessment was conducted here, several limitations exist.

First, in the majority of cases, the researchers had to rely on secondary data collected by another organization for the conclusions drawn here. While the organizations that conducted the studies were vetted to ensure the research process was similar, and equally rigorous as the others included, it is impossible to know that every study was bias-free. During interviews with each study author, questions were posed on question type, data collection methodology, focus on non-local spending only, determination that the game was the primary reason for travel and the data analysis process utilized.

Next some studies used here did not include full information. In two cases, only totals were provided rather than the complete study and a breakdown of the methodology used. The totals in these two cases fell within an acceptable standard deviation and were thus included in the study.

Lastly, one area that some studies differed on was the method used to calculate indirect spending. Some studies used the RIMS II multiplier for their particular region and category, while others used the IMPLAN model. There are pros and cons to using each method and subsequent differences in the results. Both methods are considered academically rigorous. And, given the tremendous variance in geographic location used to host these bowl games, it was determined that each organization used the best method for their location. That is, geographic location is a significant, uncontrollable variable in the ultimate EI resulting from a bowl game. For example, the Average Daily Rate (ADR) is likely to be much higher in San Diego than in Idaho. By using the method identified as most appropriate by each research organization, this study accounts for those variances.

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