

Literature Review

Kenneth R. Crawford

East Central University

Economic impact is a broad term that can have a significant local impact for communities and youth group associations. “Community leaders need to be able to estimate the annual economic impact that comprehensive sports programs generate in their communities” (Freeman & Brewer, 2017). I have found over the last fifteen years, most community stakeholders know the value of the outside dollars circulating in their local community, but rarely do they understand how statistical data was arrived. “It is critical to recognize who qualifies as an event tourist so that only the spending from those individuals can be included in economic calculations” (Tyler, Morse & Cook, 2017).

Most stakeholders believe that the entity providing the information is an expert and consider their findings at face value. The same conclusion can be drawn about how we as researchers can find information from valuable sources (such as journals and peer-reviewed articles). However, since almost all studies estimate that the daily attendance rate will increase in dollars given statistics for a given event or movement, stakeholders are making decisions based on a limited understanding of knowledge.

My entire graduate program study has been geared specifically to help aid in building a memorial sports complex for my son. This road has taken me down many paths as I tried to understand the value of a sports complex to a local community and what would motivate stakeholders to partner with the Brian Crawford Memorial Foundation. It is my belief that if stakeholders truly understand economic impact and how the data drives their decisions can be misleading if not done properly and addressing their specific community.

As early as 2010, I began tracking statistical data for specific annual baseball events in Ardmore, Oklahoma. Each year, a tournament director hosts three separate events divided by age groups 10U, 11U and 12U on separate weekends with a maximum capacity of 64 teams per

weekend. The advantage I held over any of the other studies is that I have precise information for all participants. This information is very valuable as now the statistical data is not an estimate of daily attendance. The precise additional information includes the number of nights of accommodation and meals for each player's family. Other studies are complicated by soliciting second- or third-party data that cannot be validated other than an educated guess or estimation. Another key advantage I had implemented was a voluntary survey that teams could submit electronically to aid my efforts to provide accurate economic impact statistics.

My study of economic impact as it pertained to my early on goals opened up an avenue of possibility to find a home for a sports complex. Financial statistics have been reported by others that only scratch the surface of my findings. As time went on, I quickly realized my independent limited knowledge was inadequate and began to educate myself on the process. One big finding for me personally was the amount of revenue an event can generate for a local community that does not financially benefit a local association or tournament director. This scenario was the limiting factor on why I could not just run out to a bank and get a loan to build a sports complex. It is very difficult for an owner operator to self-sustain financially to cover all the business expenses to operate. Thus, this fact is usually a defining factor as to the need for communities passing bonds or tourism tax to cover the capital investment.

Specific records such as accurate daily attendance should be scrutinized and documented as a source data that drives the study rather than estimates. It is only then stakeholders can make an informed decision as to the benefits of forecasting annual budgets, capital improvements or new construction.

Economic impact studies often use the dollar amount as a variable for daily attendance, depending on the sub-category designation of night or day visitors. These values are again

estimates, depending on their geographic area or the data collected by the party responsible for the survey, which rarely reflects the local market or economy. “In the inevitable absence of perfect information, economic impact analyses are complicated by the process of estimating the required inputs where facts are unknown” (Freeman & Brewer, 2017). This is back to my original idea of the value of specific information that I can also access, and most researchers classify it as unknown data.

My proposal of economic impact study would solicit information directly from coaches who usually delegates to a parent for a specific point of contact for their team. A great source for information as I have found that coaches are somewhat unreliable and do not handle that sort of information. “Surveys and questionnaires have an advantage of being brief and easy to administer” (Williams & Riley, 2003). The electronic survey solicits a point of contact and specifically request the number of hotel rooms per night for their team, amount spent on meals, entertainment, lodging, local shopping, etc. “Tourist spend money on events, lodging, food, transportation, and more, which represents the direct economic benefit from tourism” (Tyler, Morse & Cook, 2017).

This will allow me to compare the reported data per hotels given to the tourism department to validate overnight visitors. This validation is critical as hotels rarely are accurate on their reports. This conflict is further evidence as the difficulty to obtain factual numbers as it almost appears the data disappears in a cloud and reinforces estimations for data.

The study of economic impact should be precise and conducted with transparency. This issue creates a concern for the cost of a study and the amount of time required or allocated to the research. I understand my position is unique and fueled by passion for a higher calling and an effort committed to details. One detail that should be specifically addressed is the social benefits

of the education community, which are not equivalent to measurable dollars. “These impacts include social cohesion in the local communities, event management skills, and greater interest of students in sports activities” (Somphong, 2020).

My literature review covered 10 separate journal articles and coupled with my ongoing experience. It is evident to me that youth sports is a big business that generates an enormous amount of money into a local economy. Partnerships between all benefactors should be managed and nurtured with care to facilitate a long rewarding relationship. A new facility alone will not sustain a steady daily attendance for the life of the complex. It is that partnership and working together with tourism, parks and recreation, hotel and restaurant associations, youth associations, and city leaders that generate a sustainable economic impact bringing in new money. The first step in my opinion for economic impact is in community education and sharing the vision. Surprisingly, this aspect was seldom mentioned in my literature review, and I believe is undervalued.

The results of my research will be submitted to the Ardmore Tourism Bureau as an independent study that will provide factual statistics on the economic benefits of the three designated annual events. This report will also help further our Foundation’s goal of providing evidence of the benefit partnering with the Brian Crawford Memorial Foundation.

REFERENCES

- Feng, X., & Humphreys, B. (2016). Assessing the Economic Impact of Sports Facilities on Residential Property Values. *Journal of Sports Economics*, 19(2), 188-210. doi:10.1177/1527002515622318
- Földesi, G. S. (2014). The Impact of the Global Economic Crisis on Sport. *Physical Culture and Sport. Studies and Research*, 63(1), 22-30. doi:10.2478/pcssr-2013-0029
- Freeman, K. M., & Brewer, R. M. (2017). Estimating the annual economic impact of youth sports tourism programs using secondary data. *Journal of Contemporary Athletics*, 11(1), 1-15. doi:1554-9933
- Késenne, S. (2005). Do We Need an Economic Impact Study or a Cost-Benefit Analysis of a Sports Event? *European Sport Management Quarterly*, 5(2), 133-142. doi:10.1080/16184740500188789
- Perić, M. (2018). Estimating the Perceived Socio-Economic Impacts of Hosting Large-Scale Sport Tourism Events. *Social Sciences*, 7(10), 176. doi:10.3390/socsci7100176
- Propheter, G. (2020). Does Proximity to a New Sports Facility Affect Existing Businesses' Survival Time? *Journal of Sports Economics*, 21(5), 451-476. doi:10.1177/1527002520917197
- Salgado-Barandela, J., Barajas, A., & Sánchez-Fernández, P. (2017). Impacto económico del deporte: Tema de interés creciente en la literatura científica / Economic Impact of Sport: Topic of Growing Interest for the Scientific Literature. *Revista Internacional De Medicina Y Ciencias De La Actividad Física Y Del Deporte*, 68(2017), 729-755. doi:10.15366/rimcafd2017.68.010
- Somphong, S. (2020). Bidding to host a major sports event: The Youth Olympic Games. *African Journal of Hospitality, Tourism and Leisure*, 9(2), 1-10. doi:2223-81 4X
- Tyler, B. D., Morse, S. C., & Cook, R. K. (2017). Putting Heads in Beds: A Small Sport Event Seeks the Right Analysis to Appeal to CVBs. *Case Studies in Sport Management*, 6(1), 10-19. doi:10.1123/cssm.2016-0010
- Williams, W., & Riley, K. (2003). Using Economic Impact Studies to Gain Support for Youth Sports from Local Businesses. *Journal of Physical Education, Recreation & Dance*, 74(6), 49-51. doi:10.1080/07303084.2003.10609220