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Economic Impact Study 2018 Valero Alamo Bowl

ECONOMIC ANALYTICS CONSULTING, LLC
FEBRUARY 25, 2019



2018 Valero Alamo Bowl

Event Description

The Valero Alamo Bowl was held at the Alamodome in San Antonio, Texas on December 28, 2018. The Valero Alamo Bowl is a post-season college football bowl game hosted annually at the Alamodome since 1993. The Valero Alamo Bowl features the number one selection from the Pac-12 and Big 12 conferences after College Football Playoff selects teams for the top six bowl games.

The 2018 Valero Alamo Bowl featured #13 ranked Washington State University and #24 ranked Iowa State University. Washington State finished the regular season with its best record since 2003 (10-2) and a chance to set a program high of 11 wins in a season with a win at the Valero Alamo Bowl. Iowa State came into the game with an 8-4 record and a chance to tie their program's all-time win total.

In addition to hosting the football game, the Valero Alamo Bowl hosts events for fans and the participating universities including a pep rally at the River Walk, luncheons, hospitality events and an interactive fan zone. These events provide additional activities and entertainment for fans that travel to the Valero Alamo Bowl.



Ten of the games hosted since 2005 came down to an exciting finish in the final minutes and the 2018 game continued the tradition by providing the eleventh exciting finish. Washington State led the game into the second half, but watched a 21-10 lead shrink to a 28-26 lead with an Iowa State touchdown late in the fourth quarter. Iowa State was then stopped short of the goal line on a two-point conversion attempt. Washington State controlled the ball for the remainder of the game to seal the win.



WE THANK IOWA STATE, WASHINGTON STATE AND THEIR LOYAL FANS FOR VISITING SAN ANTONIO. THE PAGEANTRY AND EXCITEMENT TOOK OVER DOWNTOWN DURING A MEMORABLE BOWL WEEK THAT CULMINATED WITH OUR 11TH GAME SINCE 2005 WHERE THE OUTCOME WASN'T DECIDED UNTIL THE FINAL MINUTES.

Economic Impact Methodology

Overview

This report is prepared by Economic Analytics Consulting, LLC (“Economic Analytics”) on behalf of the Valero Alamo Bowl (“VAB”).

The analysis summarized in this report is based upon data gathered at the Valero Alamo Bowl. We conducted on-site surveys of event attendees. A total of 374 useable surveys covering 1,474 attendees were gathered. Additionally, VAB provided data on total attendance, credentialed attendance, university spending, on-site food and beverage sales, on-site merchandise sales and event production costs.

Using the data described above, we determine the economic impact of the Valero Alamo Bowl. Economic impact measures the economic effects of new spending in the local economy generated by the Valero Alamo Bowl. The focus on new spending limits the analysis to visitors to the area because we assume that attendees from the area would have found alternate forms of entertainment in the same area.

This study measures the spending associated with the Valero Alamo Bowl which reflects both direct and secondary spending, for the City of San Antonio. The analysis also quantifies the expected increase in taxes associated with the spending related to the Valero Alamo Bowl, which is often referred to as the fiscal effect. Finally, we describe the number of jobs supported in San Antonio by the spending related to the Valero Alamo Bowl.

While we used all of the data available, we may not have captured all relevant spending. For example, our study does not incorporate spending by sponsors, vendors or artists incurred in conjunction with the event. If there were additional setup, production or promotional expenses incurred by these parties, they are not included in the analysis. Additionally, a number of survey respondents, including 17 percent of the San Antonio residents, reported that they would have traveled to this event if it were hosted outside San Antonio. Because these San Antonio residents were willing to travel outside San Antonio for this event, hosting the Valero Alamo Bowl in San Antonio retained their spending in San Antonio. This retention effect is not included in our estimate of economic impact.



Economic Impact Methodology

Direct Spending

Direct spending quantifies the amount of money spent directly in the local economy due to the Valero Alamo Bowl. Direct spending includes visitor spending and spending by the VAB for the production and presentation of the football game and related activities.

Visitor Spending

Visitor spending is the portion of direct spending attributable to people that visited San Antonio for the Valero Alamo Bowl. Visitor spending includes spending on hotels, food and beverage, alcoholic beverages, entertainment, shopping and merchandise and ground transportation during their visit to San Antonio.

Visitor spending is generated by game attendees, members of their party that are also visiting San Antonio, but did not attend the Valero Alamo Bowl, credentialed attendees and the participating universities.

Inputs into the analysis include:

- Total event attendance,
- The origin of visitors,
- The purpose of each attendee's visit,
- The percentage of attendees staying in paid accommodations in San Antonio,
- The length of stay of visitors, and
- The daily spending of visitors.

Spending for the Preparation and Presentation of the Valero Alamo Bowl

Large spectator events require significant expenditures from their organizers. The VAB provided their budget and the portion of their expenses spent in San Antonio.



Economic Impact Methodology

Secondary Spending

Overview

Secondary spending measures subsequent rounds of spending in the measurement area and is divided into two parts, indirect and induced spending. Indirect spending represents gains in industries that are related to the measurement area where the original spending occurred. For example, restaurant supply companies see an increase in business when spending at restaurants increases. The spending by restaurants at restaurant supply companies is indirect spending. Induced spending represents increases in local spending due to increased income associated with direct spending. For example, if restaurant workers worked overtime to keep up with increased customers, the spending associated with their extra earnings is induced spending.

Estimation

Secondary spending is estimated through the use of economic models of the local economy. These models are known as input-output models because they trace the spending through the local economy by accounting for industry interactions. These interactions are the spending by each industry to acquire inputs, such as raw materials and labor, which are necessary to produce outputs, such as goods and services, used within the local economy. These models also account for the various outflows from the region to the rest of the nation's economy. We use the output from these models to develop our estimate secondary spending.



Direct Spending

Input - Total Attendance

Total attendance at the Valero Alamo Bowl consists of ticketed attendees, additional visitors in town but not at the game, credentialed attendees and university attendees.

Ticketed attendees represent those attendees that purchased tickets to the event. In addition to the ticketed attendance, the survey data indicate there were additional visitors that came to San Antonio but did not attend the game. While these additional guests of the ticketed attendees did not attend the Valero Alamo Bowl, they contributed to the economic impact with their daily expenditures.

Credentialed attendees at the Valero Alamo Bowl are those personnel working in various capacities at the event ranging from vendors to media to referees. University attendees represent the attendees from Washington State and Iowa State including their athletes, cheerleaders, band members, athletics departments and other university representatives.

Total attendance at the Valero Alamo Bowl was 63,490.

Input - Incremental Visitors

The intercept survey provides information about the origin of attendees allowing a determination of the number of attendees visiting from outside San Antonio. A total of 80 percent of attendees at the Valero Alamo Bowl were from outside San Antonio.

An additional 17 percent of the ticketed attendees indicated the primary purpose for their trip was a reason other than the Valero Alamo Bowl or they rescheduled an existing trip to coincide with the Valero Alamo Bowl.¹ These visitors are removed from the analysis since we assume they do not provide an incremental impact to San Antonio. After removing these visitors, the remaining visitors are termed incremental visitors.

There were a total of 42,670 incremental visitors visiting San Antonio for the Valero Alamo Bowl. Total attendance and total incremental attendance is summarized in the table below.

¹ It is coincidence that 17 percent of the San Antonio residents reported that they would have traveled to this event and 17 percent of the ticketed attendees were in San Antonio for another reason.

Total Attendance and Total Visitors

Category	Attendance	Visitors	Incremental Visitors
Ticketed Attendees and Guests	62,232	50,366	41,720
Credentialed Attendees	661	353	353
University Attendees	597	597	597
Total Attendance	63,490	51,316	42,670

Direct Spending

Input - Accommodation Information

The intercept survey indicates that approximately 86 percent of incremental visitors stay in paid accommodations in San Antonio. The remaining incremental visitors do not stay in paid accommodations or stay outside San Antonio.

The intercept survey provides information about attendees length of stay as summarized in the table below.

Length of Stay

Category	Length of Stay (Nights)	Length of Stay (Days)
Ticketed Attendees and Guests	2.9	3.4
Credentialed Attendees	3.5	3.5

The VAB provided information about the actual expenditures of the participating universities. We utilize the actual expenditure data for university attendees.

Input - Average Daily Spending

The intercept survey provides information about the daily spending of ticketed attendees and their guests outside the Alamodome. Ticketed attendees and their guests spent an average of \$191 per person per day outside the Alamodome. We utilize the survey information and information from other similar events to estimate the daily spending of credentialed attendees. Credentialed attendees spent an average of \$333 per person per day outside the Alamodome.

Average Daily Spending per Person outside Alamodome

Category	Ticketed Attendees and Guests	Credentialed Attendees
Hotel	\$ 63.29	\$ 158.61
Food & Non Alcoholic Beverages	\$ 39.78	\$ 40.09
Alcoholic Beverages	\$ 28.27	\$ 36.29
Entertainment	\$ 18.38	\$ 32.56
Shopping/Merchandise	\$ 29.01	\$ 51.43
Ground Transportation	\$ 12.39	\$ 13.51
Total	\$ 191.13	\$ 332.50

The VAB provided information about the actual expenditures of the attendees inside the Alamodome and the spending by participating universities.

Economic Impact

Conclusion

The economic impact of the Valero Alamo Bowl is summarized in the table to the right.

The Valero Alamo Bowl:

- Generated a direct impact of \$31.2 million,
- Generated an economic impact of \$52.9 million,
- Supported 482 jobs and
- Utilized over 1,750 workers and volunteers at the football game and related events on game day.



Economic Impact Summary

Spending Category	Direct	SPENDING EFFECTS			Total
		Indirect	Induced		
Hotel	\$ 7,259,282				
Food & Beverage	\$ 6,606,470				
Alcoholic Beverages	\$ 4,335,092				
Entertainment	\$ 2,790,755				
Shopping / Merchandise	\$ 4,169,144				
Ground Transportation	\$ 1,868,843				
Event Spending	\$ 4,858,562				
Total	\$ 31,888,148	\$ 10,003,627	\$ 10,963,493		\$ 52,855,268

	Direct	EMPLOYMENT EFFECTS			Total
		Indirect	Induced		
Jobs Supported	325	70	86		482

Fiscal Impact

Conclusion

The spending associated with the Valero Alamo Bowl generates taxes for state and local governments. This fiscal impact is summarized in the table to the right.

The Valero Alamo Bowl:

- Generated a direct fiscal effect of \$3.0 million and
- Generated a total fiscal effect of \$4.3 million.



Fiscal Effects from Economic Impact

	FISCAL EFFECTS			
	San Antonio	Bexar County	Texas	Total
Hotel	\$ 653,335	\$ 127,037	\$ 435,557	\$ 1,215,930
Food & Beverage	\$ 66,065	\$ -	\$ 412,904	\$ 478,969
Alcoholic Beverages	\$ 59,004	\$ 41,663	\$ 431,249	\$ 531,916
Entertainment	\$ 27,908	\$ -	\$ 174,422	\$ 202,330
Shopping / Merchandise	\$ 41,691	\$ -	\$ 260,572	\$ 302,263
Ground Transportation	\$ -	\$ 93,442	\$ 186,884	\$ 280,326
Event Spending	\$ -	\$ -	\$ -	\$ -
Total Direct Fiscal Effect	\$ 848,003	\$ 262,143	\$ 1,901,588	\$ 3,011,734
Total Direct Fiscal Effect	\$ 848,003	\$ 262,143	\$ 1,901,588	\$ 3,011,734
Total Indirect Fiscal Effect	\$ 143,916	\$ 93,176	\$ 257,374	\$ 494,466
Total Induced Fiscal Effect	\$ 222,352	\$ 143,958	\$ 397,646	\$ 763,956
Total Fiscal Effect	\$ 1,214,271	\$ 499,277	\$ 2,556,609	\$ 4,270,157

Other Survey Results

Ticket Purchase Location

The on-site intercept survey provides information about where ticketed attendees purchased their tickets.

Where Did You Purchase Your Ticket?

Category	% of Respondents
Bowl Office	6.1%
Participating University	41.7%
Ticketmaster	23.8%
Secondary Seller	20.5%
Other	7.9%



First Time Visitors

The on-site intercept survey provides information about the proportion of ticketed attendees that were on their first trip to San Antonio.

Out-of-State Visitors - First Visit to San Antonio

Category	Total Visitors	Incremental Visitors	% of Visitors
First Visit	25,864	21,319	62.2%
Repeat Visit	15,714	12,952	37.8%
Total	41,578	34,272	

Texas Visitors - First Visit to San Antonio

Category	Total Visitors	Incremental Visitors	% of Visitors
First Visit	586	497	6.7%
Repeat Visit	8,202	6,952	93.3%
Total	8,788	7,448	

Visitors - First Visit to San Antonio

Category	Total Visitors	Incremental Visitors	% of Visitors
First Visit	26,450	21,816	58.8%
Repeat Visit	23,916	19,904	41.2%
Total	50,366	41,720	

Other Survey Results

Respondent Demographics

The on-site intercept survey also provides demographic insights about ticketed attendees. These demographic results are summarized in the tables to the right.



Gender

Category	% of Respondents
Male	60.5%
Female	39.5%

Highest Level of Education

Category	% of Respondents
High School or Equivalent	5.2%
Some College	13.9%
College or Technical Degree	50.4%
Advanced College Degree	30.5%

Household Income

Category	% of Respondents
<\$50k	6.9%
\$50k-\$75k	14.6%
\$75k-\$100k	14.0%
\$100k-\$125k	13.7%
\$125k-\$150k	10.3%
\$150k-\$175k	16.3%
\$175k-\$200k	10.6%
\$200k+	13.7%

Economic Analytics Consulting, LLC

Our Firm

Economic Analytics is an independent consulting firm that provides our clients with economic, financial and valuation services for various business purposes. We focus on providing clients with a high level of principal involvement in order to provide a personalized client experience. We have found that this model with dedicated project management and senior level involvement ensures deadlines are met and any potential issues are highlighted early in the process. We pride ourselves in openness and transparency in our work and our pricing so there are no surprises.

We provide services in several different areas and our clients rely on us to estimate the economic impact of decisions and events; develop and support opinions of damages for intellectual property and commercial litigation; value patents, copyrights, trademarks and trade secrets; value complex securities and derivatives; and to develop intellectual property monetization strategies.

This engagement was led by Chris W. Johnson and James D. Woods, Ph.D. Mr. Johnson and Dr. Woods have experience conducting economic and fiscal impact studies. Since 2010 we have conducted over 20 economic and fiscal impact studies. We have experience conducting economic impact studies for some of the largest sporting events hosted in the U.S. such as the Super Bowl, the Final Four, WrestleMania, the Academy of Country Music Awards, the NAACP Annual Convention, the College Football Playoff National Championship Game, the Valero Alamo Bowl and the Goodyear Cotton Bowl Classic. We have also conducted economic impact studies for a variety of other sporting events, conventions, and entertainment events as well as economic impact analyses for the Houston Super Bowl LI Bid Committee, companies relocating, a professional sports team and a professional sports stadium.



Professionals



Chris W. Johnson
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Chris W. Johnson has over 15 years of experience providing consulting services to a range of public and private companies. Mr. Johnson's core strengths include economic and financial analysis. Much of his work involves predicting economic actions based upon a variety of assumptions and quantifying the impact of such behaviors. This work is often performed in the context of economic analyses, expert witness services in litigation matters or valuation analyses.

Mr. Johnson conducts economic analyses such as economic impact and feasibility studies that focus on understanding and quantifying the impact of a stimulus, or change, on a local economy. Mr. Johnson has also been designated as an expert in Federal and State Courts and has experience in areas such as the analysis of intellectual property damages, lost profits analyses, quantification of contract damages and class action damages. Mr. Johnson has provided valuation services in the context of litigation matters and for management's strategic planning and financial reporting. He has valued intellectual property, businesses, options, warrants, preferred stock and other complex financial instruments.

Credentials and Education

M.S., Economics, Texas A&M University
B.A., Economics, Trinity University
Certified Valuation Analyst
Certified Fraud Examiner



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James D. Woods, Ph.D. combines his training as a financial economist with over 30 years of business experience to provide efficient, analytical solutions to address his clients' and colleagues' challenges and opportunities.

Dr. Woods focuses his efforts on valuing patents, copyrights, trademarks and trade secrets, complex securities and derivatives and on evaluating the economic effects of decisions. Dr. Woods has helped his clients extract value from intellectual property through licensing and sale transactions and has testified at trial concerning his opinions of reasonable royalties and lost profits due to the misappropriation of intellectual property. He has also evaluated the economic impact of major sporting events, conventions and corporate relocation decisions.

Dr. Woods began his career with the Federal Reserve Bank of St. Louis and has been a principal with national accounting firms. He has been an invited speaker on the value of intellectual property at several influential national and international programs and regularly provides continuing educational programs to lawyers and corporate executives.

Credentials and Education

Ph.D., Finance, Mays Business School at Texas A&M University
M.B.A., University of Missouri
B.S.B.A., Finance and Banking, Cum Laude, Robert J. Trulaske, Sr. College of Business, University of Missouri
Certified Fraud Examiner



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