

Economic Impact of THE PLAYERS Championship Golf Tournament at Ponte Vedra Beach, Florida, May 2007

by

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Introduction

In 2007, for the first time since it was relocated to Ponte Vedra Beach, Florida, THE PLAYERS® Championship (TPC) golf tournament was held during the month of May, instead of its traditional annual date in late March. This year's event was also the first to take place after a major multi-million dollar renovation to the Sawgrass Stadium Golf course, including the construction of a new 77,000 square foot clubhouse. Designed to not only make the course more challenging and consistent across varied weather conditions, these renovations also expanded the course's spectator capacity.

The TPC tournament is part of the PGA TOUR and is operated by PGA TOUR Inc. Historically it has been the largest moneyed event in the TOUR, and this continued to be the case in 2007 with a purse totaling \$9 million. Ponte Vedra Beach is located in the north-eastern corner of St. Johns County, Florida, about 25 miles from both Jacksonville (to the northwest) and St. Augustine (to the south). Ponte Vedra is also the corporate headquarters of the PGA TOUR, Inc.,

The PGA asked the Food and Resource Economics Department (FRED) at the University of Florida to evaluate the economic impacts of this event on the seven county region of northeast Florida. In this type of economic analysis, mathematical input-output models of the region's economy are used to trace the flow of new dollars generated by an event or economic activity, to vendor and employee households in order to estimate how much revenues, income, taxes and jobs change for different types of businesses and institutions in the region. The economic impacts of the 2005 TPC tournament were evaluated in a previous study by the PGA TOUR Inc. and FRED ¹.

¹ Stevens, Tom, Alan Hodges, and David Mulkey "Economic Impact of THE PLAYERS Championship Golf Tournament at Ponte Vedra Beach, Florida, March 2005", University of Florida, Institute of Food and Agricultural Sciences, Food and Resource Economics Department, May 2005.

Data and Procedures

To obtain data on the characteristics, behaviors and expenditures of tournament attendees, PGA TOUR contracted with EventCorp Services, Inc. to conduct an on-site survey of TPC attendees. Nearly 1,400 usable questionnaires were completed during this effort. Summary statistics on attendee's place of residence, length of stay, on- and off-site expenditures and overnight accommodations were provided to FRED in a summary report.² As with all empirical analyses, the accuracy of the findings depend directly on the accuracy of the supporting data. Without access to the original survey data it was not possible to determine standard errors or confidence intervals on estimated expenditures or economic impacts.

Information on attendees' place of residence is critical for economic impact analysis because spending by individuals from outside the region (non-locals) provides "new" dollars to the local economy. These new dollars add to the flow of dollars within the regional economy of northeast Florida, generating additional multiplier effects as directly impacted businesses purchase inputs from local suppliers, as the households of employees and proprietors spend earnings, and as local governments collect and spend taxes. In contrast, spending by local or resident attendees at the TPC event will not necessarily constitute a change in total spending for the region. It can be argued that local attendees would have likely spent their dollars on some other activity within the region anyway. Knowledge about the nature of spending that occurs at such events is also important because sales of different types of goods and services entail different amounts and types of material and labor inputs, which may or may not be produced locally. If certain types of inputs or employees must be imported or commute from outside the region, then those expenditures represents dollars leaving the economy, which reduces the overall economic impact of an activity.

Once estimates on the types and amounts of attendee expenditures are calculated, multipliers derived from an input-output model of the regional economy can be used to estimate total economic impacts. Such impact estimates include changes in output (sales or revenues), earnings (either in the form of personal income or business profits), employment and taxes for an array of business and institutional sectors of the local economy. FRED is a licensed user of the

² EventCorp Services Inc. "Response Data Summary Report of I Count Survey Service, conducted for the PGA TOUR Inc. at THE PLAYERS" May 21, 2007.

IMPLAN Professional³ (IMPLAN) software and database system, which was used to construct the regional input-output models and to calculate economic impacts for this analysis.

The following caveats should be kept in mind when considering the results of this study. This analysis only evaluates the positive economic impacts, in terms of revenues, income, taxes or jobs, resulting from business activities associated with the TPC. It does not account for any costs, direct or indirect, to the government or surrounding community that may result from it. Possible effects on regional prices for goods, services, or real estate are not evaluated. Estimates of the secondary (indirect and induced) impacts calculated by the economic models used in this analysis are largely based on national averages. Thus their accuracy rests on the assumption that the economic relationships between businesses and institutions in the study area are similar to those of the U.S. as a whole.

Study Area

For this analysis, the regional or local study area was defined as the seven contiguous counties in northeast Florida, including Baker, Clay, Duval, Flagler, Nassau, Putnam and St. Johns counties. Details on the size and distribution of population, employment and personal income within this seven-county region are provided in Table 1. According to the Census Bureau, an estimated 1.44 million people were residents of northeast Florida in 2006. In 2005, the economy of this region had nearly 830,000 jobs and personal income in excess of \$46 billion, according to the Bureau of Economic Analysis. It is notable that over 80 percent of the region's population and over 85 percent of the region's economic activity take place in three (Duval, St. Johns and Clay) of the seven counties.

TPC Attendance

Total attendance (ticket sales) for the TPC event in 2007 was reported to be 206,000 by the PGA TOUR, Inc. By dividing this number by the estimated average number of days attended (2.755) from the EventCorp survey, it can be inferred that there were 74,773 unique attendees to the 2007 tournament (Table 2). PGA TOUR also reported that there were a total of 1,265 players, caddies, officials, directors and TV crewmembers participating or involved in the event. Statistics on attendees' place of residence, primary purpose in traveling to the area,

³ Minnesota IMPLAN Group (MIG), IMPLAN Professional, 1997–2004. IMPLAN Economic Impact and Social Accounting Software, and data for Florida. Stillwater, MN. www.implan.com. The most current release of the IMPLAN software and database package that was available at the time of this analysis was based on 2004 data.

Table 1. Population, Employment and Personal Income for the Seven County Study Area of Northeast Florida, 2005/2006.

<i>Florida Counties</i>	<i>Est. 2006 Population</i>	<i>Percent of Region</i>	<i>2005 Employment</i>	<i>Percent of Region</i>	<i>2005 Pers. Income \$1,000</i>	<i>Percent of Region</i>
Baker	25,203	1.76%	9,060	1.09%	574,348	1.24%
Clay	178,899	12.47%	59,858	7.21%	5,017,632	10.80%
Duval	837,964	58.39%	620,623	74.77%	27,881,752	60.01%
Flagler	83,084	5.79%	24,204	2.92%	2,075,802	4.47%
Nassau	66,707	4.65%	25,671	3.09%	2,365,779	5.09%
Putnam	74,083	5.16%	23,013	2.77%	1,599,879	3.44%
St. Johns	169,224	11.79%	67,560	8.14%	6,945,963	14.95%
Total	1,435,164	100.00%	829,989	100.00%	46,461,155	100.00%

Sources: U.S. Dept of Commerce, Census Bureau, Population Division. <http://www.census.gov/popest/estimates.php>
 U.S. Dept of Commerce, Bureau of Economic Analysis, Regional Economic Accounts
<http://www.bea.doc.gov/bea/regional/reis/default.cfm#a>

duration of attendance, and type of overnight accommodations were derived from the EventCorp survey report, and are shown in Table 2. The estimated number of attendees of various types are shown in the last column.

Individuals residing within the seven county study area were deemed to be local attendees and all others non-locals. Based on survey responses, 48 percent, or 36,237 attendees to the event in 2007 resided outside the study area (Table 2). If non-local attendees came to the area primarily to attend the tournament, then all of their off-site as well as their on-site expenditures were included in the estimation of economic impacts. About 87 percent of non-local attendees reported that they came to the region primarily to attend the 2007 golf tournament and 79 percent of these attendees stayed overnight in the region. Of those primary attendees who stayed overnight, 79 percent stayed at commercial lodging (Table 2). On average, primary non-local attendees who stayed overnight reported attending the event for 3.36 days and staying 4.29 nights for the 2007 tournament. Off-site expenditures by this group of attendees were estimated from averages of survey respondents' reported expenditures at restaurants, food stores, retail shopping, transportation, other recreation, and lodging. Lodging was included in off-site expenditures only for those non-local attendees staying overnight in commercial facilities. The estimation of on-site expenditures by non-local attendees was based on the average daily expenditures of all tournament attendees on food, beverages, admission, parking and merchandise, multiplied by the average number of days attended by primary non-locals (3.36).

Table 2. Attendance Estimates by Residence, Purpose and Type of Stay for THE PLAYERS Championship Golf Tournament, Ponte Vedra, Florida, May 2007.

Statistic	Survey Responses		Estimated Attendance
	Number	Percent	Number
Total Attendance (tickets sold)			206,000
Average Days Attended	2.755		
Estimated Number of Attendees			74,773
Total number of completed questionnaires	1,386		
Place of Residence	1,106	100.0%	74,773
Local (north-east Florida residents)	570	51.5%	38,536
Non-local	536	48.5%	36,237
Purpose Responses (Non-locals)	363	100.0%	36,237
Primary Purpose	316	87.2%	31,545
Coincidental	47	12.95%	4,692
Primary Overnight Stay	313	100.0%	31,545
Stayed overnight in area	248	79.2%	24,994
Did not stay overnight in area	65	20.8%	974
Average nights stayed	4.29		
Primary Type of Lodging	223	100.0%	24,994
Stayed with family or friends	47	21.1%	5,268
Stayed in commercial lodging	176	78.9%	19,726
Coincidental non-local attendees	47	100.0%	4,692
Who stayed overnight in area*	37	79.2%	3,718
And lodged at commercial facilities *	29	78.9%	2,934
Participants, officials, directors, & TV crew			1,265
Average length of stay (nights)	5.86		

* Based on proportion estimated for primary non-locals

Some non-local attendees did not come to northeast Florida primarily to see the tournament. These attendees were classified as “Coincidental”. Although no information was obtained on the off-site expenditures by these attendees, it could be argued that these visitors would probably not have remained in the area if the tournament had not occurred, and therefore it would be appropriate to count their on- and off-site expenditures for the analysis.

Expenditures

Details on the estimation of on-site expenditures by different types of attendees and participants are provided in Table 3. In soliciting information on these expenditures, survey

Table 3. Estimated On-site Expenditures by Attendees and Participants of THE PLAYERS Championship Golf Tournament, May 2007.

Attendee Type Attendance/spending	Locals ¹	Non-locals				Grand Total ⁴
		Primary ²	Coincidental ³	Participants	Total	
Attendees	38,536	31,545	4,692	1,265	37,502	76,038
Average Days Attended	2.49	3.36	3.22	5.86	3.43	⁵
Total Attendance Days	95,932	105,996	15,096	7,410	128,502	224,434
Avg. Spending per attendee-day	\$123.07	\$123.07	\$123.07	\$123.07	\$123.07	
Total Spending (dollars)	\$11,806,191	\$13,044,728	\$1,857,778	\$911,933	\$15,814,440	\$27,620,631
Percent Share	42.74%	47.23%	6.73%	3.30%	57.26%	100.00%

Source: PGA TOUR (Championship Management Division) and EventCorp Services Inc.

1. Local attendees' home residence was located in the seven county region of northeast Florida.
2. Primary attendees are non-local attendees whose primary purpose for traveling to the area was to attend the event.
3. Coincidental attendees are non-local attendees whose traveled to the area for some other reason than to attend the event.
4. Totals may not sum exactly due to rounding.
5. Computing average days attended for the Grand Total by dividing attendees into attendance days will not equal 2.755 because participants were not included in the survey sample.

respondents were asked to select from nine different spending brackets incurred per day for themselves and separately for others in their party. No information was requested on the type or nature of these on-site expenditures. EventCorp has a policy of adjusting average reported survey expenditures downward because they have found that with many types of events, respondents frequently confuse the difference between spending on themselves and others. In the case of THE PLAYERS Championship, however, average on-site expenditures were not adjusted because the composition of attendees to the tournament was not as family oriented as the type of events on which EventCorp based their adjustment procedure.

Based on survey results, on-site expenditures for all types of attendees averaged \$123.07 per day during the 2007 tournament. The average number of days attended for different types of attendees was available from the survey data. Primary non-locals attended the event for an average 3.36 days, compared to 3.22 days for Coincidental non-locals and 2.49 days for local attendees. Players, PGA TOUR associates and others participating in the event were estimated to have stayed an average 5.86 days at the event. Total on-site expenditures were estimated by multiplying the average daily expenditures by the average number of days attended for each type of attendee, then multiplying that product by the estimated number of attendees of each type, and then summing the type sub-totals.

On-site expenditures for the 2007 TPC event were estimated to total \$27.6 million (M) (Table 3). Non-local attendees and participants were responsible for 57 percent, or \$15.8 M, of total on-site spending. Local attendees contributed \$11.8 M, representing 43 percent of on-site expenditures. Primary non-local attendees were responsible for the largest share (47 percent) of on-site spending. Coincidental attendees contributed \$1.86 M or about 6.7 percent of total on-site expenditures. The remaining 3.3 percent, or \$0.91 M, in on-site spending came from players, caddies, officials, directors and their family and friends (Table 3).

The composition of on-site expenditures was not solicited in the survey questionnaire except with respect to whether they were incurred for “yourself” or “others with you”, for “food, beverage, admission, parking and merchandise”. For purposes of estimating the economic impacts, the \$27.6 M in on-site expenditures was equally divided between “Sporting Goods, Hobby, Book and Music Stores” (NAICS 451)⁴, “Food Services and Drinking Places” (NAICS

⁴ NAICS is the North American Industry Classification System: see <http://www.census.gov/epcd/www/naics.html> for details.

722) and “Spectator Sports” (NAICS 7112) equivalent industry sectors in the IMPLAN input-output model.

Data on off-site expenditures (away from the tournament venue) by non-local attendees were collected for spending on food at restaurants and food stores, as well as for retail shopping, transportation, other recreation, and lodging. The size and composition of these off-site expenditures for different types of non-local attendees are itemized in Table 4. Estimated off-site expenditures by all non-local attendees totaled slightly over \$60.4 M. Nearly 87 percent, or \$52.3 M of these expenditures were made by attendees who visited the area primarily to attend the tournament. Estimated off-site expenditures by non-local coincidental attendees’ were based on the average number of days that this group attended the event (3.22). In comparison, off-site expenditures by primary non-local attendees were based on their average length of overnight stays (4.29 nights). Thus, off-site expenditures per coincidental attendee were estimated to equal to 75.06 percent ($3.22 \div 4.29$) of those expenditures reported by primary non-local attendees. Non-locals who attended the tournament coincidentally contributed about \$4.9 M, or 8.1 percent, of total off-site expenditures.

Expenditures by players, caddies, rules officials, TV crews and PGA directors also contributed to the economic impact of the TPC, since they were visitors from outside the region. While the PGA TOUR was able to provide data on the number and length of stay for different types of participants, no specific data on their expenditures were available. An approximation of participant expenditures was made by multiplying average per-visit expenditures by primary non-local attendees by the ratio of participant’s average length of stay over primary non-locals average length of stay, i.e., $5.86 / 4.29$ or 137 percent. With these data and estimates, total expenditures by participants for lodging, restaurants, retail stores, transportation and other recreation were estimated to equal \$3.22 M (Table 4).

Table 4. Estimated Off-site Expenditures by Non-local Attendees of THE PLAYERS Championship Golf Tournament, May 2007. ¹

Type of Attendee/Participant Expenditure Category	Expenditures per Attendee/ Participant	Number of Attendees/ Participants	Total Expenditures ⁶
Primary non-local attendees ²			
Commercial lodging	\$550.94	19,726	\$ 10,868,054
Restaurants, bars and lounges	\$362.89	31,545	\$ 11,447,457
Food stores	\$228.59	31,545	\$ 7,211,027
Retail stores	\$289.36	31,545	\$ 9,127,908
Transportation	\$227.88	31,545	\$ 7,188,569
Other recreation	\$204.83	31,545	\$ 6,461,507
Total			\$ 52,304,523
Percent of off-site expend.			86.6%
Coincidental non-local attendees ^{3,4}			
Commercial lodging	\$413.55	2,934	\$ 1,213,347
Restaurants, bars and lounges	\$272.39	3,718	\$ 1,012,627
Food stores	\$171.59	3,718	\$ 637,878
Retail stores	\$217.20	3,718	\$ 807,443
Transportation	\$171.05	3,718	\$ 635,891
Other recreation	\$153.75	3,718	\$ 571,576
Total			\$ 4,878,762
Percent of off-site expend.			8.1%
Participants, Officials, Family and Others ⁵			
Commercial lodging	\$752.92	1,265	\$ 952,443
Restaurants, bars and lounges	\$495.93	1,265	\$ 627,352
Food stores	\$312.40	1,265	\$ 395,184
Retail stores	\$395.44	1,265	\$ 500,234
Transportation	\$311.43	1,265	\$ 393,953
Other recreation	\$279.93	1,265	\$ 354,108
Total			\$ 3,223,275
Percent of off-site expend.			5.3%
Total off-site expenditures by all non-locals			\$ 60,406,559
			100.0%

Source: PGA TOUR (Championship Management Division) and EventCorp Services Inc.

1. Non-Local attendees' home residence was located outside the seven county region of northeast Florida.
2. Primary attendees are non-local attendees whose primary purpose for traveling to the area was to attend the event.
3. Coincidental attendees are non-local attendees who did not travel to the area primarily to attend the event.
4. Expenditures per coincidental non-local attendee were estimated to equal 75.06% of primary non-local expenditures based on the ratio of number of days stayed to number of nights stayed by primary non-locals which equals 3.22 / 4.29 or 0.7506
5. Expenditures by participants and tournaments affiliates were estimated to equal 137% of primary non-local expenditures based on the ratio of nights stayed, i.e., 5.86 / 4.29 .
6. Totals may not sum exactly due to rounding.

Expenditures by different classifications of attendees and participants are summarized in Table 5. Total expenditures by all types of attendees and participants to the 2007 TPC are estimated to be slightly over \$88 M. Approximately \$27.6 M or 29.7 percent of total expenditures took place on site. Off-site expenditures amounted to just over \$60.4 M, and represented 70.3 percent of total event expenditures. Expenditures originating from local attendees (those residing in northeast Florida) summed to nearly \$11.8 M, or 12.7 percent of total expenditures. Spending by non-local attendees and participants totaled over \$76.2 M for the 2007 event, equal to approximately 87.3 percent of all spending associated with the Tournament. This significant share of outside or new dollars is notable because such expenditures generate additional economic activity for the region through economic multiplier effects.

Table 5. Summary of Expenditures by Attendees and Participants at THE PLAYERS Championship Golf Tournament, May 2007.

Category	Amount	Percent Share
On-site expenditures		
by local attendees	\$11,806,191	12.7%
by nonlocal attendees & participants	\$15,814,440	17.0%
Total on-site expenditures	\$27,620,631	29.7%
Off-site Expenditures		
by primary non-local attendees	\$52,304,523	61.5%
by coincidental non-local attendees	\$4,878,762	5.2%
by non-local participants & others	\$3,223,275	3.5%
Total off-site expenditures	\$60,406,559	70.3%
Total expenditures by locals	\$11,806,191	12.7%
Total expenditures by non-locals	\$76,220,999	87.3%
Total expenditures of all types	\$88,027,191	100.0%

Economic Impacts

To estimate the economic impacts of the Tournament on the seven county region of northeast Florida, an input-output model of the region was constructed using IMPLAN software and associated databases. This model included institutional sectors for households, state, local and federal government, and capital accounts which allows the estimation of social accounting matrices and multipliers. The expenditures calculated in Tables 2 and 3 were assigned to the appropriate IMPLAN sectors and entered into the impact analysis module of the software. The allocations of expenditures to IMPLAN sectors are shown in Table 6.

Table 6. Allocation of Attendee Expenditures to Industry Sectors for THE PLAYERS Championship Golf Tournament, May 2007.

Industry Sector	Sector Numbers		Expenditure Value
	IMPLAN	NAICS	Dollars
Spending by locals			
Sporting goods, hobby, & book stores	409	451	3,935,397
Spectator sports	472	7112	3,935,397
Restaurants, bars and lounges	481	722	\$3,935,397
Sub-total			\$11,806,191
Spending by non-locals			
Transit & ground passenger transportation	395	485	2,739,471
Food and beverage stores	405	445	8,244,089
Gasoline stations	407	447	2,739,471
Sporting goods, hobby, & book stores	409	451	10,489,272
Miscellaneous store retailers	411	453	5,217,793
Automotive equipment rental and leasing	432	5321	2,739,471
Spectator sports	472	7112	8,965,076
Amusement, gambling, & recreation	478	713	3,693,596
Hotels and motels, including casino hotels	479	7211	13,033,843
Food services and drinking places	481	722	18,358,916
Sub-total			76,220,999
Total			\$88,027,191

The first three columns of Table 6 show the economic sector name and numbers assigned to each expenditure category. The Expenditure Value column (column 4) shows the total expenditures estimated for each sector. It should be noted that transportation expenditures estimated from the survey were divided equally among three related IMPLAN modeling sectors; Transit and Ground Passenger Transportation, Automotive Equipment Rental and Leasing, and Gasoline Stations. Similarly, on-site expenditures were allocated equally between Spectator Sports; Sporting Goods, Hobby, Book and Music Stores; and Restaurants, Bars and Lounges. Since spending by local residents does not generate multiplier effects for the local economy, only the direct impacts resulting from these expenditures were included in calculating the total economic impacts.

A summary of the estimated economic impacts for THE PLAYERS Championship golf tournament is shown in Table 7. Output, value-added, labor income, other property type income, indirect business taxes and employment impacts are given in individual rows of the table. The table columns separate the local direct, non-local direct, indirect, induced and total economic

Table 7 Economic Impacts of Attendee Expenditures from THE PLAYERS Championship Golf Tournament, May 2007. ^a

Impact Type/Level	Units	Impacts originating from				All Expenditures
		Local Attendee Expenditures	Non-Local Attendee Expenditures		Total	
		Direct	Direct	Indirect		
Output		9.36	58.47	17.56	66.09	151.47
Value Added	\$ Million	5.62	34.68	10.13	42.54	92.97
Labor Income		4.54	23.74	6.24	28.30	62.81
Other Prop. Type Income		0.29	6.23	3.01	11.20	20.73
Indirect Bus. Taxes		0.78	4.72	0.89	3.04	9.43
Employment		Jobs	172	972	158	660

^a Total impacts equal the sum of direct, indirect and induced impacts. Value-added impacts equal the sum of labor income, other property type income, and indirect business taxes. Employment represents both full-time and part-time jobs.

impacts. Direct impacts are those directly attributable to the revenues generated by businesses that serve TPC attendees and participants, basically measuring the value of production or services. Direct impacts result from both local and non-local attendee expenditures, but only non-local expenditures generate indirect and induced impacts (multiplier effects). Indirect impacts count the expenditures made by directly impacted businesses to purchase inputs, and the increased output and purchases of their suppliers. Induced effects represent the economic impacts from the increased spending by households of employees and owners of directly and indirectly affected businesses. The total impacts are the sum of the direct, indirect and induced effects, and measures the complete impacts of TPC related expenditures as they filter through the regional economy. All results are stated in current (2007) dollars.

Output impacts represent the total value of sales or revenues for goods and services provided by the region’s businesses during the TPC event. The direct output impacts generated by the tournament totaled \$67.83 M (\$9.36 M from expenditures by locals, plus \$58.47 M due to spending by non-locals) (Table 7). Indirect output impacts were equal to \$17.56 M. Induced output impacts were \$66.09 M. The total output impact of the Tournament for northeast Florida is the sum of the direct, indirect and induced output impacts, and is estimated to be \$151.47 M.

Value-added impacts represent labor income, business profits, other property related income and indirect business taxes that are generated directly and indirectly by event expenditures. The value-added impact of the 2007 TPC on northeast Florida was estimated to total \$92.97 M (Table 7). Labor income is the component of value-added that represents

earnings by employees and proprietors of businesses impacted by the TPC event, and was estimated to equal \$62.81 M. Impacts from the tournament on other property type income in northeast Florida were estimated to total \$20.73 M. Other property income consists of rents, royalties, interest, dividends, and corporate profits. Labor and other property type income combined are equivalent to personal income as reported by the Bureau of Economic Analysis. Thus the estimated impact of the event on personal income for northeast Florida represents about 0.17 percent of the total annual personal income for the region for 2005, in after adjusting for inflation (Table 1). Indirect business tax impacts are estimates of how much excise, property, and sales taxes, as well as business and licensing fees were generated as a result of the TPC. This does not include taxes on income or profits. It is estimated that the 2007 tournament generated approximately \$9.43 M in indirect business tax revenues within the region. Employment impacts estimate the number of full and part-time jobs created by an economic activity based on industry-average output per worker statistics. A total of 1,962 jobs are estimated to have been created through the direct, indirect and induced effects of the 2007 TPC for northeast Florida (Table 7). This number represents about 0.24 percent of all jobs in northeast Florida for 2005 (Table 1).

Looking at the distribution of impacts across the direct, indirect and induced effects, it is notable that indirect effects comprise less than 15 percent of the total impacts for all forms of economic impacts. This implies that expenditures by TPC attendees do not generate a large demand for material inputs, or conversely that TPC related sales are labor intensive or value-added in nature. Thus subsequent spending by business employees and proprietors generates most of the secondary impacts from the event.

More detailed economic impacts by two digit NAICS sector codes are provided in Table 8. The four largest two-digit NAICS sectors impacted by the Tournament in terms of total output were Accommodation and Food Services; Arts, Entertainment and Recreation; Retail Trade; and Government. The Accommodation and Food Services sector was the biggest beneficiary of the TPC event, garnering \$38.74 M or 25.6 percent of the total output impacts. Arts, Entertainment and Recreation came in second with \$18.5 M, followed closely by Retail Trade at \$17.1 M. Government was the fourth largest impacted sector in terms of output at \$11.4 M.

Table 8. Two-digit NAICS Aggregate Sector Impacts of Attendee Expenditures from THE PLAYERS Championship Golf Tournament, May 2007 (Rank ordered by Output Impacts) .

Industry (NAICS *)		Total Impacts											
		Output		Value-Added		Labor Income		Oth. Prop. Inc.		Indir. Bus. Tax.		Employment	
Number	Name	Million \$	Rank	Million \$	Rank	Million \$	Rank	Million \$	Rank	Million \$	Rank	Jobs	Rank
72	Accommodation & food services	38.74	1	20.92	1	13.32	1	4.92	2	2.67	1	670	1
71	Arts, entertainment & recreation	18.46	2	12.94	3	10.85	2	0.44	12	1.66	3	279	3
44-45	Retail trade	17.13	3	10.86	4	7.07	4	1.46	4	2.33	2	331	2
92	Government & non NAICS	16.22	4	14.56	2	8.98	3	5.01	1	0.57	6	139	4
53	Real estate & rental	8.07	5	4.69	5	1.62	10	2.47	3	0.60	5	48	11
23	Construction	7.82	6	3.72	7	3.15	6	0.52	8	0.05	15	70	7
62	Health & social services	6.99	7	4.21	6	3.67	5	0.49	11	0.05	14	82	5
52	Finance & insurance	6.05	8	3.33	8	1.87	9	1.30	5	0.17	7	34	12
54	Prof. - scientific & tech. svcs.	5.54	9	3.27	9	2.79	7	0.41	13	0.06	12	50	10
48-49	Transportation & Warehousing	5.22	10	3.14	10	2.31	8	0.70	6	0.12	10	74	6
42	Wholesale Trade	4.18	11	2.86	11	1.57	11	0.64	7	0.65	4	24	13
31-33	Manufacturing	3.56	12	1.08	15	0.71	15	0.34	15	0.02	16	13	14
81	Other services	3.34	13	1.82	13	1.31	13	0.36	14	0.15	8	58	8
56	Administrative & waste services	3.17	14	1.89	12	1.50	12	0.34	16	0.05	13	55	9
51	Information	3.16	15	1.36	14	0.73	14	0.51	9	0.11	11	12	15
55	Management of companies	1.55	16	0.94	16	0.69	16	0.24	17	0.01	17	8	17
22	Utilities	1.41	17	0.94	17	0.31	17	0.49	10	0.14	9	2	19
61	Educational services	0.51	18	0.30	18	0.27	18	0.02	19	0.01	18	11	16
11	Ag, Forestry, Fish & Hunting	0.28	19	0.14	19	0.07	19	0.07	18	0.00	19	3	18
21	Mining	0.07	20	0.01	20	0.01	20	0.01	20	0.00	20	0	20
	Total Impacts	151.47		92.97		62.81		20.73		9.43		1,962	

* NAICS is the North American Industry Classification System: see <http://www.census.gov/epcd/www/naics.html> for details.

The distribution of value added impacts across industry sectors is similar to output, with the same top four sectors, but is not quite as dominated by Accommodations and Food Services (Table 8). This sector captured \$20.9 M, or 22.5 percent of total value added impacts, compared to \$14.6 M for the Government sector, just under \$13 M for Arts, Entertainment and Recreation, and \$10.8 M for Retail trade. Because labor income comprises a little over two-thirds of value added impacts for this analysis, the distribution of these impacts are quite similar. The top four sectors are the same, except that Government and Arts, Entertainment and Recreation swapped places in rank. Again, Accommodation and Food Services captured the largest share of labor income impacts at \$13.3 M, or 21.2 percent of the total. Government captured the largest Other Property Type Income impacts at \$5 M or 24.2 percent of total impacts of this type. For indirect business taxes, the Accommodation and Food Services, and Retail Trade sectors generated the largest impacts at 2.67 M and \$2.33 M respectively. These three sectors generate over 70 percent of the Indirect Business Tax impacts associated with the TPC. Six-hundred and seventy jobs or nearly 34.1 percent of the total employment impacts associated with the TPC occurred in the Accommodation and Food Services sector (Table 8). The next largest employment impact occurred in Retail Trade, which captured 331 additional jobs (16.9 percent of the total) in the region. Arts, Entertainment and Recreation, and Government had the third and fourth largest employment impacts resulting from the Tournament.

Economic impact analysis provides a comprehensive assessment of how an industry or economic event affects a regional economy, beyond its direct impacts (gross revenues or sales). Not only can economic impacts be estimated for specific types of businesses and institutions in the region, but additional impacts (indirect and induced) can be estimated as these revenues filter out or multiply through the economy. This occurs as businesses purchase inputs and pay their employees, and as owner and employee households spend their earnings from those businesses. Output, value added, income and jobs are basic units for measuring economic activity. Estimating the size of these economic indicators makes it possible to evaluate and compare the impact of THE PLAYERS Championship Golf Tournament to the whole economy and other industries or sectors within that economy.

A Comparison of 2005 and 2007 TPC Events

The same procedures were used to estimate the attendance, expenditures and impacts for the 2007 and 2005 TPC events so that the estimates from both events would be comparable.

Attendance estimates for different types of visitors for each year are presented in Table 9. The percentage difference in attendance is shown in the far right column. Estimated overall daily attendance (tickets sold) increased by 14.4 percent for the 2007 event. This was due to an increase in both the number of unique attendees and the average number of days each attendee came to the event. Average days attended increase by 10 percent to 2.755, while the number of attendees grew by nearly 4 percent. Growth in attendance was almost exclusively due to greater numbers of primary non-local attendees who stayed overnight in commercial lodging, up 77 percent over 2005 levels. In contrast, attendance by local, coincidental non-local, and primary attendees who stayed with family or friends declined at the 2007 TPC.

Table 9. Comparison of Attendance Estimates by Residence, Purpose and Type of Stay for THE PLAYERS Championship Golf Tournament, Ponte Vedra, Florida, March 2005 and May 2007.

	2007 Estimated Attendance	2005 Estimated Attendance	2005-07 Percent Change
Statistic	Number	Number	Percent
Total Attendance (tickets sold)	206,000	180,000	14.4%
Average Days Attended	2.76	2.50	10.2%
Estimated Number of Attendees	74,773	72,000	3.9%
Place of Residence			
Local (north-east Florida residents)	38,536	39,739	-3.0%
Non-local	36,237	32,261	12.3%
Purpose (Non-locals)			
Primary Purpose	31,545	25,735	22.6%
Coincidental	4,692	6,526	-28.1%
Primary overnight stay			
Stayed overnight in area	24,994	18,021	38.7%
Did not stay overnight in area	974	7,714	-87.4%
Average nights stayed	4.29	4.30	-0.3%
Primary Type of Lodging			
Stayed with family or friends	5,268	6,910	-23.8%
Stayed in commercial lodging	19,726	11,111	77.5%
Coincidental non-local attendees			
Who stayed overnight in area*	3,718	4,570	-18.7%
And lodged at commercial facilities *	2,934	2,818	4.1%
Participants, officials, directors, & TV crew			
Average length of stay (nights)	5.86	5.86	0.0%

* Based on proportion estimated for primary non-locals

A comparison of estimated of on-site expenditures by different types of attendees for the 2005 and 2007 tournaments is provided in Table 10. To remove the effects of inflation, dollar values for the 2005 impacts were converted into 2007 dollars using the Consumer Price Index. Average on-site spending per-day increased from \$83.23 (in 2007 dollars) per attendee at the 2005 event to \$123.07 at the 2007 tournament. In real terms, this represents a 47.9% increase. Total on-site expenditures for the 2007 TPC event by all types of attendees increased, in real terms, by 76 percent over 2005 levels to \$27.6 M . On-site spending by non-locals at the 2007 event increased by 114 percent over 2005 event levels, while on-site spending by local attendees grew by 43 percent. Primary non-local attendees increased their onsite spending by 134 percent over 2005 levels.

Table 10. Comparison of Estimated On-site Expenditures by Attendees and Participants of THE PLAYERS Championship Golf Tournament, May 2007 and March 2005.

	2007 Estimated Spending	2005 Estimated Spending ⁴	Percent Change
By Locals ¹			
Total by locals	\$11,806,191	\$8,268,692	42.8%
Percent share by locals	42.7%	52.8%	
By Non-locals			
Total by primary non-locals	\$13,044,728	\$5,568,903	134.2%
Percent share by primary non-locals	47.2%	35.6%	
Total by coincidental non-locals	\$1,857,778	\$1,194,976	55.5%
Percent share by coincidental non-locals	6.7%	7.6%	
Total by participants etc.	\$911,933	\$617,730	47.6%
Percent share by participants etc.	3.3%	3.9%	
Total by non-locals (including participants)	\$15,814,440	\$7,381,611	114.2%
Percent by all non-locals	57.3%	47.2%	
Total On-site Spending (all sources)	\$27,620,631	\$15,650,302	76.5%

Source: PGA TOUR (Championship Management Division) and EventCorp Services Inc.

1. Local attendees' home residence was located in the seven county region of northeast Florida.
2. Primary attendees are non-local attendees whose primary purpose for traveling to the area was to attend the event.
3. Coincidental attendees are non-local attendees whose traveled to the area for some other reason than to attend the event.
4. Adjusted to May, 2007 dollars using the Consumer Price Index (CPI) for all urban consumers. <http://data.bls.gov/cgi-bin/surveymost?cu> , U.S. All items, 1982-84=100 - CUUR0000SA0

Changes in off-site expenditures for non-local attendees are presented in Table 11. After adjusting for inflation, overall off-site spending at the 2007 event increased by 45 percent above levels estimated for 2005. The types of spending by non-local attendees which experienced the largest increases were lodging, retail stores, and other recreation. Expenditures by non-locals on commercial lodging doubled over 2005 levels, and represented one-third of the additional \$18.7 M that non-locals spent off-site at the 2007 event.

Table 11. Comparison of Estimated Off-site Expenditures by Non-local Attendees of THE PLAYERS Championship Golf Tournament, May 2007 and March 2005. ¹

Expenditure Category	2007 Total Expenditures	2005 ² Total Expenditures	2005-07 Percent Change
	Dollars	Dollars	Percent
Commercial lodging	\$ 13,033,843	\$ 6,512,796	100.1%
Restaurants, bars and lounges	\$ 13,087,436	\$ 10,426,582	25.5%
Food stores	\$ 8,244,089	\$ 6,050,775	36.2%
Retail stores	\$ 10,435,585	\$ 7,501,234	39.1%
Transportation	\$ 8,218,414	\$ 5,822,552	41.1%
Other recreation	\$ 7,387,191	\$ 5,297,693	39.4%
Total off-site expenditures ³	\$ 60,406,559	\$ 41,611,632	45.2%

Source: PGA TOUR (Championship Management Division) and EventCorp Services Inc.

1. Non-Local attendees' home residence was located outside the seven county region of northeast Florida.
2. Adjusted to May, 2007 dollars using the Consumer Price Index (CPI) for all urban consumers. <http://data.bls.gov/cgi-bin/surveymost?cu> , U.S. All items, 1982-84=100 - CUUR0000SA0
3. Totals may not sum exactly due to rounding.

Expenditure changes by different classifications of attendees and participants are summarized in Table 12. In real terms, estimated total expenditures by all types of attendees and participants at the 2007 TPC were nearly 54 percent greater than 2005 levels. On-site expenditures saw more growth than off-site expenditures, 76.5 versus 45.2 percent. As a result the share of total spending generated by on-site expenditures grew from 27.3 to 29.7 percent from 2005 to 2007, with a complementary decline in the off-site percentage. Expenditures by local attendees increased by 42.8 percent, while spending by non-locals grew by 55.6 percent. As a result the share of total spending contributed by non-locals increased in 2007 by approximately 1.7 percent.

Table 12. Comparison of Summary Expenditures by Attendees and Participants at THE PLAYERS Championship Golf Tournament, May 2007 and March 2005.

	2007	2005 ¹	2005-07
Category	Amount	Amount	Percent Change
On-site expenditures			
by local attendees	\$11,806,191	\$8,268,692	42.8%
by nonlocal attendees & participants	\$15,814,440	\$7,381,610	114.2%
Total on-site expenditures	\$27,620,631	\$15,650,302	76.5%
Off-site Expenditures			
by primary non-local attendees	\$52,304,523	\$34,303,224	52.5%
by coincidental non-local attendees	\$4,878,762	\$4,450,712	9.6%
by non-local participants & others	\$3,223,275	\$2,857,696	12.8%
Total off-site expenditures	\$60,406,559	\$41,611,632	45.2%
Total expenditures by locals	\$11,806,191	\$8,268,692	42.8%
Total expenditures by non-locals	\$76,220,999	\$48,993,242	55.6%
Total expenditures of all types²	\$88,027,191	\$57,261,934	53.7%

1. Adjusted to May, 2007 dollars using the Consumer Price Index (CPI) for all urban consumers. <http://data.bls.gov/cgi-bin/surveymost?cu> , U.S. All items, 1982-84=100 - CUUR0000SA0

2. Totals may not sum exactly due to rounding.

Absolute and percentage changes in the total economic impacts of the 2007 and 2005 TPC events are shown in Table 13. All forms of economic impacts for the 2007 TPC were over 40 percent larger than those estimated for the 2005 event. The largest increases, 47 and 46.9 percent, occurred for output and indirect business tax impacts respectively. Total value-added impacts grew by 44.3 percent. Labor income total impacts increased by 43.4 percent. Total employment impacts grew by 40.3 percent between the 2005 and 2007 events. These changes represent real substantial growth in the economic significance of the TPC tournament for northeast Florida in 2007.

Table 13. Changes in Total Economic Impacts of Attendee and Participant Expenditures at THE PLAYERS Championship Golf Tournament, May 2007 and March 2005.

Impact Type/Level	Units	2007	2005 ¹	Change	Percent Change
Output	\$ Million	\$151.47	\$103.04	\$48.43	47.0%
Value Added		\$92.97	\$64.42	\$28.55	44.3%
Labor Income		\$62.81	\$43.79	\$19.02	43.4%
Indirect Business Taxes		\$9.43	\$6.42	\$3.01	46.9%
Employment	Jobs	1,962	1,398	564	40.3%

1. Adjusted to May, 2007 dollars using the Consumer Price Index (CPI) for all urban consumers. <http://data.bls.gov/cgi-bin/surveymost?cu>, U.S. All items, 1982-84=100 - CUUR0000SA0

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