

The Economic Impact of the **NCAA Men's Basketball Final Four** on the Louisiana Economy

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Executive Summary

This report summarizes the estimated economic impact of the NCAA Men's Basketball Final Four, held in the New Orleans, LA, on the Louisiana economy. In particular, we focus on estimating the Louisiana sales and excise taxes attributed to the event based on intercept surveys conducted by the LSU Economics & Policy Research Group at the games and its related events, expenditure data provided by the Host Committee, NCAA, media, and sponsors. Key results are:

- ▶ Recorded attendance figures indicated that 70,602 persons attended the Semi-Final games, and 69,423 persons attended the National Championship game in New Orleans, Louisiana.
- ▶ Final Four Weekend also included many events surrounding the Final Four basketball games, such as FanFest in the Ernest N. Morial Convention Center and the TipOff Tailgate in Champions Square.
- ▶ Consistent with standard impact study methodology, we focus on identifying visitors from outside of Louisiana and estimating spending by those visiting the state. Intercept surveys indicate that approximately 84% of the people attending the basketball games were from outside of Louisiana.
- ▶ The data collected indicates that 67,190 people from out-of-state were attracted to Louisiana by the Final Four to either attend the games or were a party to someone attending the games.
- ▶ Data collected from intercept surveys found that visitors attending the games spent an average of \$1,157 in Louisiana.
- ▶ Data collected also indicates that visitors who did not attend the games but attended other Final Four related events spent \$1,285 on average.
- ▶ The total spending of visitors to the state of Louisiana is estimated to be \$78.7 million due to Final Four weekend.
- ▶ The host committee, the NCAA, media, and sponsors reported additional spending across various categories that aggregated to \$27.6 million.
- ▶ Summing across all spending sources, the Final Four injected \$106.3 million in new direct spending into the Louisiana economy.
- ▶ Using input-output tables to account for the indirect impact of this spending, we estimate the event led to \$203.8 million in new Louisiana output and \$62.4 million in new Louisiana earnings.
- ▶ When accounting for both the direct and indirect impact, \$4.8 million in new Louisiana sales and excise taxes can be attributed to the Final Four.



Introduction

The 2022 NCAA Men's Basketball Final Four was held in New Orleans, Louisiana with the semifinal games being played on Saturday, April 2nd, 2022 and the NCAA Championship Game being played on Monday, April 4th, 2022. This study focuses on estimating the impact of the spending of the visitors to the Final Four and the related events. The study also pinpoints on the impact of the spending by the host committee, the media, and the sponsors of the Final Four and the Final Four related events. In particular, we seek to estimate the Louisiana sales and excise taxes attributable to the Final Four held in New Orleans.

The methodology of the study consists of a team conducting intercept surveys around the Caesars Superdome (where the games were held), the surrounding areas, and the sites of the Final Four related events, which include the Final Four FanFest in the Ernest N Morial Convention Center, the Final Four Music Festival in Woldenburg Park, and the Final Four Tipoff Tailgate in Champions Square. During the course of the interviews, the visitors were asked a series of questions about their spending in various categories during their time in Louisiana. Further, this data is expanded by the spending data provided by the host committee, the NCAA, the media, and the sponsors of the Final Four.

The attendance data from the event reveals that 70,602 total persons attended the Semi-Final games and 69,423 persons attended the National Championship game. Of these, it is estimated that 84% of game attendees were visitors of Louisiana from out-of-state, leading to an estimated 59,623 persons from outside of Louisiana attending the basketball games. The study defines who was attracted to the state of Louisiana by the Final Four and isolates their spending in the state. This gives an estimate for the amount of new money infused into the Louisiana economy that otherwise would not be spend in the state. The studies attendance estimates and survey data revealed for that approximately for every eight out-of-state visitors who attended the game, roughly one additional person from out-of-state was party to them and did not attend the game. This translated to an additional 7,566 persons not from Louisiana in the state due to the Final Four. The spending of all the visitors of Louisiana throughout the course of the Final Four weekend is estimated to be \$78.7 million of new money funneled into the Louisiana economy. The host committee, the NCAA, media, and sponsors, added another \$27.6 million in spending – raising the total new Louisiana spending to \$106.3 million. Accounting for both the direct and indirect impact of this spending, the Final Four Weekend led to \$203.8 million in new Louisiana output and \$62.4 million in new Louisiana earnings. This translates into \$4.8 million in new Louisiana sales and excise taxes.

Methodology

The Louisiana State University Economics and Policy Research Group (EPRG) developed an intercept survey that was used for collecting data around the Final Four and its related events. The events took place in New Orleans, Louisiana from April 1st through April 4th. A survey team hired by EPRG used iPads to administer surveys of patrons of the Final Four to gather crucial data over the weekend. The survey team primarily conducted surveys around the Caesars Superdome and other venues of the Final Four related events such as:

- ▶ Area surrounding the Caesars Superdome
- ▶ Tipoff Tailgate in Champions Square
- ▶ FanFest in the Ernest Morial Convention Center
- ▶ Final Four Music Festival in Woldenburg Park

A comprehensive visitor profile providing more detailed results on the typical visitor based on these intercept surveys are included in the Appendix.

Results

The Final Four was a grand event in terms of both geography and attendance. Each event took place in many different locations throughout the city. Final Four Weekend was large in terms of attendance. Table 1 shows the attendance figures for each event of Final Four Weekend. Note that these figures do not show unique attendance; Table 1 displays total attendance for each event. Unique attendance was calculated using a conservative methodology based in the data obtained through intercept surveys. The results of the unique attendance data suggest that the vast majority of out-of-state visitors to Louisiana attended the basketball games as well as multiple Final Four related events, while the majority of the Louisiana residents did not attend the games but did attend the other Final Four related events. Based on the estimated unique attendees of each event, it is estimated that a total of over 87,000 persons attended at least one Final Four related event, and of those 87,000, approximately 67,190 were from out of state.

Table 1: Attendance at Each Final Four Event	
Event	Attendance
National Championship Game	69,423
Semi-Final Games	70,602
TipOff Tailgate	36,500
FanFest	30,331
Final Four Friday	11,000

Source: Attendance numbers were provided by the Host Committee

Our research continues with using the results of our intercept surveys to estimate the average spending per visitor. An appendix contains comprehensive results from the visitor profile. Table 2 below shows the estimated average spending per out-of-state visitor. The table is broken into three columns; The first indicating spending categories, the second representing out-of-state visitors who attended the Final Four basketball games, and the third column represents the out-of-state patrons who attended only other Final Four related events outside of the basketball games. All figures represent an estimated average spending per person in each category, with the total average expenditure per person listed at the bottom of the table.

Table 2: Average Louisiana Visitor Expenditures		
Spending Category	Attended Games	Attended Only Other Events
Accommodations	\$411	\$434
Meals	\$313	\$363
Bars	\$115	\$139
Shopping	\$114	\$119
Local Transportation	\$27	\$67
Gambling	\$148	\$121
Other Spending	\$29	\$41
Total	\$1,157	\$1,285

Source: EPRG Surveys and Author's Analysis. Numbers may not sum due to rounding

The next step requires us to estimate the number of out-of-state visitors attending the game. Ticket data shows that 70,602 people attended the NCAA Semi-Final and NCAA Championship Games. Our intercept survey data reveals that 84% of those game attendees were out-of-state visitors, coming to approximately 59,623 persons, with the remaining being local Louisiana residents. To estimate the total number of out-of-state visitors drawn to New Orleans but not attending the game, the intercept survey provides that 0.127 persons joined each out-of-state person attending the game (roughly one person per eight persons). This translates in additional 7,566 persons drawn to Louisiana from out-of-state by the Final Four but attending the game.

Table 3 contains estimates for the aggregate new spending in Louisiana. These figures were created by multiplying the average per person spending estimates with the number of out-of-state persons broken into separate categories of attended the games versus did not attend the games, obtained through survey data. The table is once again broken into columns representing spending categories, out-of-state visitors who attended the games, and out-of-state visitors who attended only other Final Four related events. An additional column has been added to Table 3 showing the sum of spending per spending category. The total amount of new spending in Louisiana generated by the out-of-state visitors attending the games summed to \$69.0 million, while the new spending in Louisiana generated by the out-of-state visitors attending only other Final Four related events summed to \$9.7 million. Across both groups, the aggregate amount of new spending in Louisiana totals to \$78.7 million. Note these figures exclude the expenditures by the host committee, the NCAA, media, and sponsors.

Table 3: Total Louisiana Visitor Expenditure			
Spending Category	Attended Games	Attended Only Other Events	Total
Accommodations	\$24.5	\$3.3	\$27.8
Meals	\$18.7	\$2.7	\$21.4
Bars	\$6.9	\$1.1	\$8.0
Shopping	\$6.8	\$0.9	\$7.7
Local Transportation	\$1.6	\$0.5	\$2.1
Gambling	\$8.8	\$0.9	\$9.7
Other Spending	\$1.7	\$0.3	\$2.0
Total	\$69.0	\$9.7	\$78.7

Source: EPRG Surveys and Author's Analysis. Numbers may not sum due to rounding.

Table 4 reveals expenditure data by the host committee, the NCAA, media, and sponsors.

Table 4: Host Committee/NCAA, Media, and Sponsors Expenditures				
Spending Category	Host Committee/NCAA	Media	Sponsors	Total
Airfare	\$0.2	\$0.8	\$0.2	\$1.3
Local Transportation	\$0.2	\$0.6	\$0.1	\$0.9
Lodging	\$1.5	\$2.5	\$0.8	\$4.8
Dining	\$0.9	\$0.8	\$0.6	\$2.4
Bars	\$0.0	\$0.2	\$0.8	\$1.1
Rental of facilities	\$6.5	\$0.2	\$1.9	\$8.6
Local Contractors	\$2.3	\$5.3	\$1.0	\$8.5
Totals	\$11.6	\$10.4	\$5.5	\$27.6

Source: EPRG Survey and Author’s Analysis. Numbers may not sum due to rounding.

This new spending directly creates output and tax revenues for the state of Louisiana. In addition, when people or businesses receive revenue, they make additional purchases with said revenue, which generates revenue for other individuals and businesses. This creates more cycles of spending. Input-output tables provide economists with a way to estimate the total impact from all rounds of spending. Table 5 lists the results of inputting the visitor spending from Table 3 and Table 4 into input-output tables.

Table 5: Economic Impact of the Final Four	
Item	Impact
New Louisiana Output	\$203.8
New Louisiana Earnings	\$62.4
New LA Sales and Excise Taxes	\$4.8

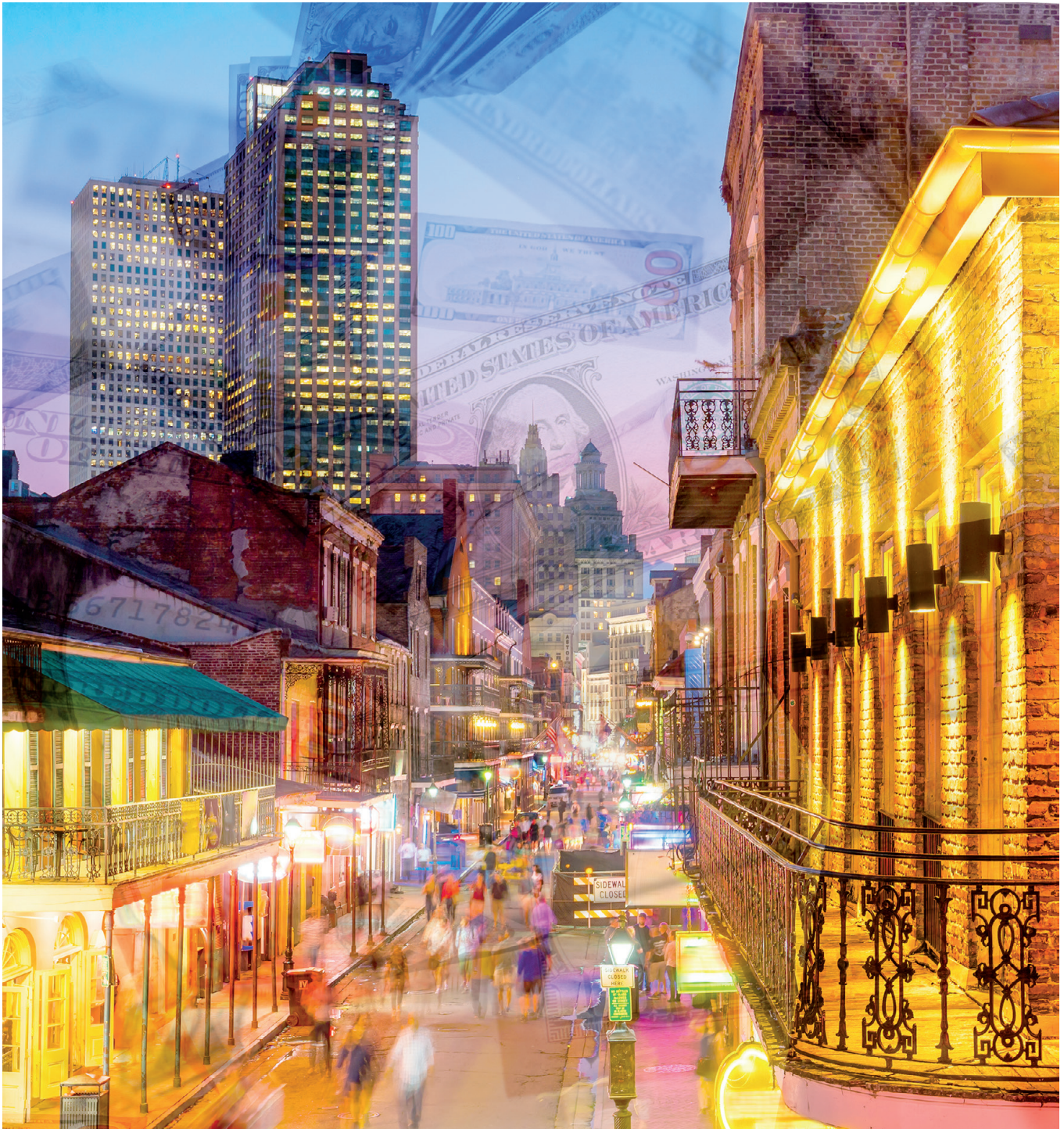
Sources: U.S. Bureau of Economic Analysis Input-Output tables and author’s calculations and analysis

The results of the input-output tables suggest that \$203.8 million in new Louisiana output and \$62.4 million in new Louisiana earnings were generated by the Final Four. It is important to note that Louisiana output does not imply taxable Louisiana sales. Some items counted as output could be wholesale transactions or other transactions not subject to Louisiana sales taxes.

Sales and excise tax are computed based on applying the relevant tax rates, which is 4.45% for all categories except accommodations which is 2.5%, to direct spending. Tax revenues for indirect output and earnings are computed by multiplying the indirect earnings times the ratio of Louisiana sales and excise taxes to Louisiana compensation. These calculations led to a figure of \$3,946,531 of direct sales and excise taxes, and \$834,478 in indirect sales and excise tax or \$4,781,010 of total Louisiana sales and excise taxes generated by the Final Four.

Conclusion

Final Four weekend attracted over 80,000 people to New Orleans. Intercept surveys found that the finals from outside Louisiana injected \$78.7 million into the Louisiana economy. Accounting for the NCAA, Host Committee, media, and sponsor spending, the weekend brought \$106.3 million in new direct spending to Louisiana. Accounting for both direct and indirect impacts, the event led to \$203.8 million in new Louisiana output, \$62.4 million in new earnings for Louisiana workers, and \$4.8 million in Louisiana sales and excise tax.



Appendix

VISITOR PROFILE

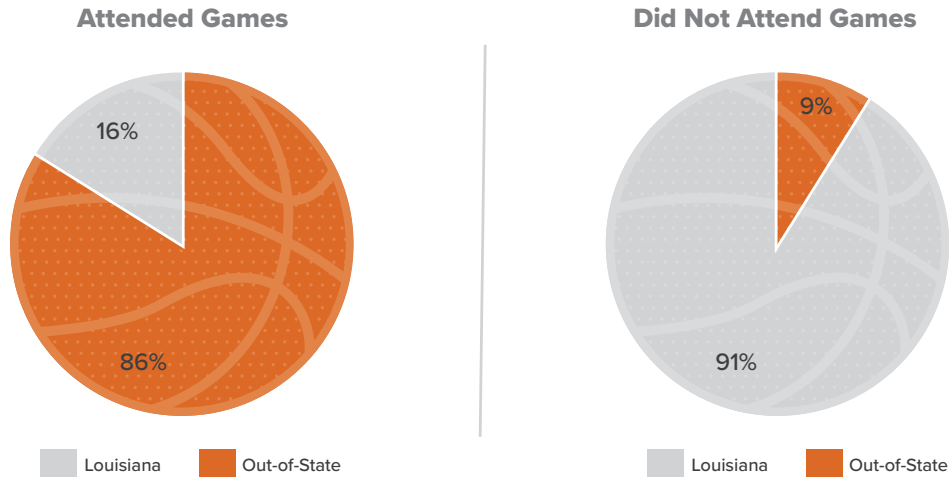
Visitor Profile

- ▶ Approximately 72% of people interviewed were from outside Louisiana, but those attending the game skewed more towards the out-of-state visitors with 84% of the game attendees from outside Louisiana. Of the people who only attended the Final Four related events but not the game, approximately 9% of them were from outside Louisiana.
- ▶ Among all visitors of the Final Four, the states with the largest presence at the Final Four were, of course, Louisiana with approximately 25%, North Carolina with about 10%, Kansas with approximately 6%, and Pennsylvania with about 3%. This makes a lot of sense due to the fact that the tournament was held in Louisiana, and of the four teams, two were from North Carolina, one was from Kansas, and the other from Pennsylvania.
- ▶ 95% of the visitors to Louisiana stayed overnight for an average of 4.22 nights. The common lengths of stay was four nights with 43% and three nights with 22%.
- ▶ Among the overnight visitors of Louisiana, 72% stayed in hotels, 8% stayed in private homes or apartment rentals such as Airbnb, 8% stayed with friends or relatives in private residences, and the remaining visitors stayed in timeshares, bed and breakfast establishments, or obtained other accommodations.
- ▶ The average nightly rate of a hotel was \$409.
- ▶ 56% of out-of-state patrons flew to Louisiana; the other 44% drove personal vehicles or used other forms of transportation.
- ▶ The average airfare was \$594.
- ▶ Of those surveyed, 11.93% brought children under the age of 18 to the Final Four games, and 12.50% of those surveyed brought children under the age of 18 to only other Final Four related events.
- ▶ The median household income of interviewees was between \$100,000 and \$149,999.
- ▶ Of the people surveyed, 78% were white, 15% were African American, 3% were Asian, 3% were Hispanic, and 1% were other races.
- ▶ 68% of the interviewees were male; 32% were female.
- ▶ The mean age was 44.5 years old.

Details

This year, the Final Four was held in New Orleans, Louisiana and served as the destination for many from around the country to come and support their local team. Two of the tournament's final four teams were from North Carolina, Duke, and the University of North Carolina. The other two teams were Kansas University and Villanova University, which are from Kansas and Pennsylvania respectively. It is estimated that a total of 87,495 people from out-of-state and local to Louisiana converged in New Orleans as a result of the Final Four. Approximately 72% of the total people around the Final Four were from outside Louisiana, and that percent skews more

towards out-of-state persons when looking at the percent of out-of-state versus local persons attending the games, with 84% of game goers bring from outside Louisiana. Although the vast majority of the out-of-state visitors came to Louisiana and attended the games, another portion of Final Four patrons came to enjoy the other Final Four related events. Of those visitors interviewed who did not attend the games, 9% originated from out-of-state.

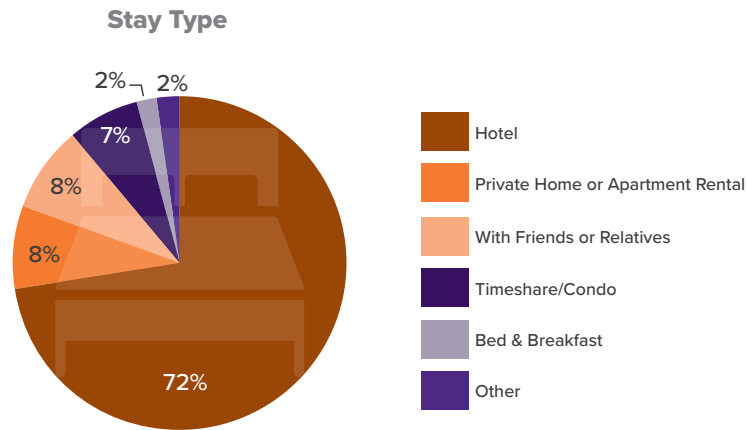


Most (95%) of the visitors to Louisiana stayed overnight for at least one night. The average duration of stay was 4.22 nights, with 12% staying 2 nights, 22% staying 3 nights, 43% staying 4 nights, 15% staying 5 nights, and 4% of people staying 6 or more nights.

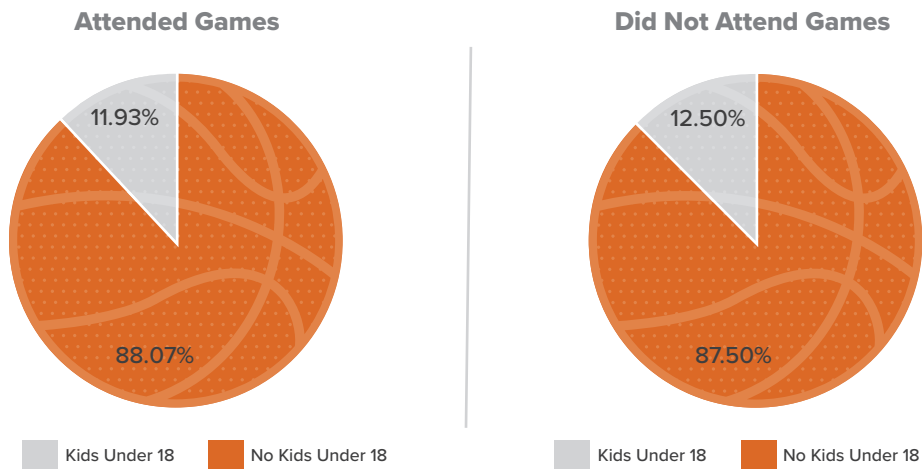
Length of Stay



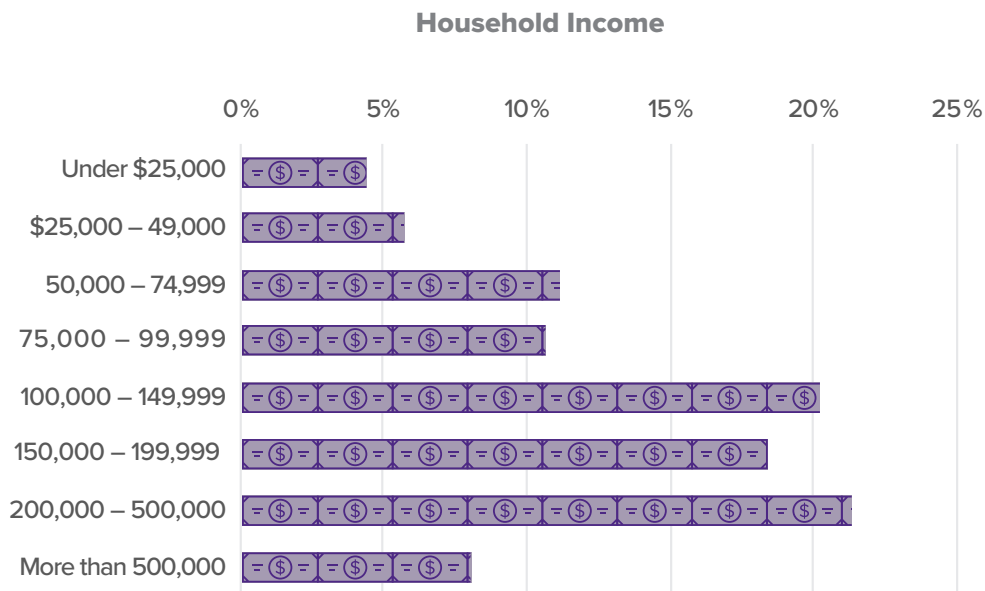
The most popular type of place to stay during the Final Four weekend was in a hotel with 72% of visitors staying in hotels. Another 8% stayed in private home rentals or apartment rentals, like Airbnb. An additional 8% stayed with friends or relatives, while 7% stayed in timeshares or condos. 2% stayed in bed and breakfast establishments, and the remaining 2% stayed in other types of accommodations.



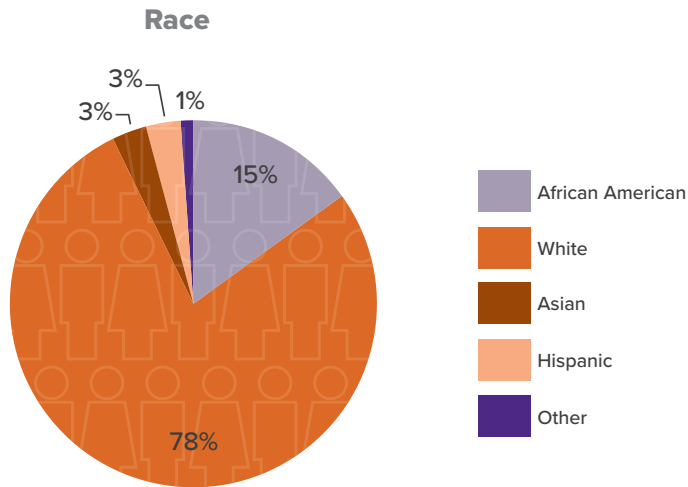
Of the people interviewed, approximately 12% brought children under the age of 18. The two pie charts below show the visitors who had children in their parties who attended the games versus who did not attend the game.



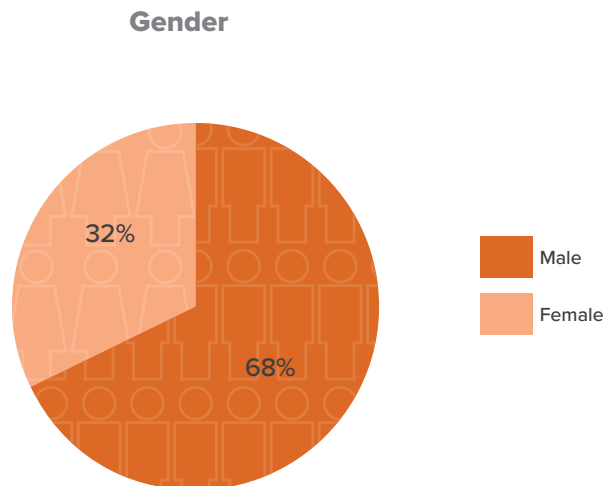
Visitors of the Final Four had above average incomes. The median average household income was between \$100,000 and \$149,999. Only 10% of households had income of less than \$50,000, while 29% had incomes of over \$200,000.



About 78% of visitors were white, 15% were African American, 3% were Asian, 3% were Hispanic, and 1% of visitors were other races.



Visitors were more likely to be male than female.



Survey Questions

1. In which activity or activities will you or members of your group participate?
 - a. Final Four Semifinals and Championship Game (@ Caesars Superdome)
 - b. Free Final Four Friday (@ Caesars Superdome)
 - c. Final Four Fan Fest Presented By Capital One (@ Ernest N. Morial Convention Center)
 - d. March Madness Music Festival (@ Woldenberg Park)
 - e. Tip-Off Tailgate Presented By Nissan (@ Champions Square)
 - f. Other related events
2. Do any of the following apply to you
 - a. Invited guest of the NCAA Final Four
 - b. Member of the media

- c. Representative of a NCAA Final Four sponsor
- d. None apply

We are going to ask several questions throughout the survey about spending. Please include only Louisiana expenditures that you made on this trip.

3. Do you live in Louisiana?
 - a. Yes
 - b. No
4. What is your Zip Code?
5. Did you travel here from somewhere in the United States?
 - a. Yes
 - b. No
6. What is your Zip Code?
7. What country are you from?
8. What type of transportation did you use to get to New Orleans?
 - a. Airplane
 - b. Personal Vehicle
 - c. Other
9. How much did you spend on airfare?
10. How much did you spend getting to New Orleans?
11. How many people did that cover?
12. Does your visit include an overnight stay in Louisiana?
 - a. Yes
 - b. No
13. How many total nights will you spend in Louisiana on this trip?
14. Where are you staying?
 - a. Hotel/Motel
 - b. With friends or relatives
 - c. Private Home or Apartment Rental
 - d. Timeshare/Condo
 - e. Bed and Breakfast
 - f. Other
15. Which hotel are you staying at?
16. What is the cost of your hotel per night?
17. What is the rate for your Timeshare/Condo per night?
18. What is the rate for your Bed and Breakfast per night?
19. What is the rate for your accommodations per night?
20. How many people does that cover?
21. How much money do you expect to spend in total in New Orleans on Restaurants/Meals?

22. How many people does that cover?
23. How much money do you expect to spend in total in New Orleans on Bars and Nightclubs?
24. How many people does that cover?
25. How much money do you expect to spend in total in New Orleans on Shopping?
26. How many people does that cover?
27. How much money do you expect to spend in total in New Orleans on Local Transportation (e.g. taxi, Uber)?
28. How many people does that cover?
29. How much money do you expect to spend in total in New Orleans on gambling?
30. How many people does that cover?
31. How much money do you expect to spend in total in New Orleans on any other category?
32. How many people does that cover?
33. How much money will you spend at each event on concessions, merchandise, etc. (excluding game or event tickets)?
34. How many people does that cover?
35. Did your group bring any children under the age of 18?
36. How many people in your group are under 18?
37. For statistics purposes, what is your age?
38. Which category best describes your household annual income?
 - a. Under \$25,000
 - b. \$25,000 - \$ 49,999
 - c. \$50,000 - \$74,999
 - d. \$75,000 - \$99,000
 - e. \$100,000 - \$149,999
 - f. \$150,000 - \$199,999
 - g. \$200,000 - \$500,000
 - h. More than \$500,000
39. (Optional) What do you wish was offered during the NCAA Men's Basketball Final Four that isn't already?
40. Race
 - a. African-American
 - b. White
 - c. Asian
 - d. Hispanic
 - e. Other
41. Gender
 - a. Male
 - b. Female
42. Is the person impaired?



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