

*Prepared by
Bureau of Business Research
& Economic Development*

ECONOMIC IMPACT: PROPOSED TAEKWONDO TOURNAMENT

The ATA Blackbelt Academy is a martial arts school owned by Mr. Eddie Lott. Located in Statesboro, Mr. Lott's ATA Blackbelt Academy is part of the American Taekwondo Association's (ATA) Region 108. This report provides an estimate of the potential economic impact of a tournament which Mr. Lott's school proposes to sponsor in Fall of 2003.

It is anticipated that between 700 and 800 participants will attend the tournament. This participation rate is based on average participation rates for Region 108 for a Class B tournament. Over 70% of the participants will be minors age sixteen and under. All participants will compete in up to three categories in the day long event. It is estimated that the cost of staging the event will be approximately \$20,000. The following provides an estimate of the economic impact of both the production or staging of the event and the tourism revenues generated by participants and visitors.

Staging

The \$20,000 cost of staging the tournament is divided into three categories. The largest of the three categories is retail purchases for trophies and competition shirts at a cost of approximately \$13,000. All of these will be purchased locally.

The second largest category is services to include equipment and facilities rental, printing and advertising. This category will account for approximately \$4,500 and all of these purchases will be local.

The final category is an estimated expense of \$2,500 for travel expenses and honoraria for special guests. Some or all of this may not be spent locally.

The multiplier for the retail sector for Bulloch County is 1.13 so that expenditures of \$13,000 will result in a total impact of \$14,690. The multiplier in the service sector is 1.34 meaning that the \$4,500 expenditure on rental services advertising and printing will result in a total impact of \$6,030. The local direct expenditures of \$17,500 required to produce the tournament will result in total impact of \$20,720.

Impact of Visitor Expenditures

The cost and impact of staging is only a small portion of the total economic impact of the event. It is estimated that tournament visitors will spend between \$438,000 and \$500,000, for 700 and 800 participants respectively. Appendix A contains the calculations used to derive the estimations of the number of visitors.

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The regional input-output modeling system, IMPLAN was used to estimate the total economic impact of the direct expenditures by visitors to the tournament. The impact was calculated for Bulloch County. The estimated per person expenditure was \$230. This was based on average visitor expenditures for travel in coastal Georgia developed by BBRED from surveys of over 1,000 visitors. The estimated expenditure of \$230 is only slightly higher than the median expenditure of \$226 for a visitor traveling for a sporting event as estimated by the Travel Industry Association of America.

The expenditures are spread across 8 processing sectors per Table 1.

Table 1				
Estimated Direct Expenditures in 1999 Dollars				
Avg Expenditures Per Trip Per Person	Percent of Total Expenditure		Total Expenditure	
	Total	700 Participants	800 Participants	
Total Expenditures	\$230.14		\$438,025.46	\$500,600.53
Gasoline	\$27.63	12%	\$52,585.25	\$60,097.43
Meals	\$48.42	21%	\$92,158.42	\$105,323.91
Apparel	\$15.27	7%	\$29,066.86	\$33,219.27
Attractions	\$18.78	8%	\$35,742.93	\$40,849.07
Recreation	\$14.22	6%	\$27,062.25	\$30,928.29
General Merchandise	\$20.93	9%	\$39,841.65	\$45,533.31
Misc. Retail	\$22.75	10%	\$43,296.02	\$49,481.17
Accommodations	\$62.14	27%	\$118,272.07	\$135,168.07
	\$230.14	100%	\$438,025.46	\$500,600.53

Tables 2 and 3 show the total economic impact of the direct expenditures for 700 and 800 participants respectively. The tables are in base year 1997 dollars and are aggregated by Standard Industrial Classification codes.

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Table 2				
Output in 1997 Dollars: 700 Participants				
Industry	Direct*	Indirect*	Induced*	Total*
Transportation	\$ -	\$ 16,653	\$ 6,518	\$ 23,172
Man Durable	\$ -	\$ 1,006	\$ 479	\$ 1,487
Man Non Durable	\$ -	\$ 9,032	\$ 2,309	\$ 11,344
FIRE	\$ -	\$ 20,229	\$ 20,753	\$ 40,981
Retail	\$ 250,282	\$ 7,399	\$ 24,226	\$ 281,909
Services	\$ 170,034	\$ 35,381	\$ 23,510	\$ 228,921
Mining	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 5,594	\$ 1,530	\$ 7,125
Agriculture/Fish	\$ -	\$ 9	\$ 16	\$ 25
Serv	\$ -	\$ 2,914	\$ 1,827	\$ 4,742
Government	\$ -	\$ -	\$ 45	\$ 45
Dummy	\$ -	\$ -	\$ 45	\$ 45
Totals	\$ 420,316	\$ 98,217	\$ 81,213	\$ 599,751

Table 3				
Output in 1997 Dollars: 800 Participants				
Industry	Direct*	Indirect*	Induced*	Total*
Transportation	\$ -	\$ 19,032	\$ 7,449	\$ 26,483
Man Durable	\$ -	\$ 1,150	\$ 550	\$ 1,699
Man Non Durable	\$ -	\$ 10,323	\$ 2,640	\$ 12,964
FIRE	\$ -	\$ -	\$ -	\$ -

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	-	23,118	23,717	46,835
Retail	\$	\$	\$	\$
	286,036	8,459	27,689	322,182
	\$	\$	\$	\$
Services	194,325	40,434	26,866	261,625
Mining	\$	\$	\$	\$
	-	-	-	-
Construction	\$	\$	\$	\$
	-	6,393	1,749	8,142
Agriculture/Fish	\$	\$	\$	\$
Serv	-	10	18	28
Government	\$	\$	\$	\$
	-	3,331	2,089	5,419
Dummy	\$	\$	\$	\$
	-	-	51	51
Totals	\$	\$ 112,250	\$	\$
	480,361		92,818	685,428

For the low estimate of 700 participants, the direct expenditure of \$438,000 in 2003 deflated to base year 1997 is approximately \$420,000. The total impact is nearly \$600,000 with an output multiplier of 1.42. For the high estimate of 800 participants, the direct expenditure of \$500,000 in 2003 deflated to base year 1997 is approximately \$480,000. The total impact exceeds \$685,000 given the output multiplier of 1.42. Revenues generated on these magnitudes will support between 16 and 18 jobs at Bullock County business.

Conclusions

Combining tournament staging and visitor expenditures results in a total economic impact of the proposed event of between \$620,000 and \$705,000 in base year 1997 dollars. An event of this magnitude is equivalent to the economic impact of many of the events held at or by Georgia Southern University, e.g. home football games, conferences, etc. The addition of a single event like the proposed Taekwondo tournament supports an additional 16 to 18 jobs in the local economy. The impact is spread across all sectors with the largest impacts in Services, Retail and FIRE (Finance, Insurance and Real Estate).

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**APPENDIX A
ESTIMATION OF TOTAL VISITORS**

Estimation of Visitors

The total number of visitors will exceed the total number of participants. The following describes how the number of visitors was estimated and discusses any necessary assumptions.

ATA's Region 108 maintains records of the number of participants by class of participation by type of tournament. Table 1A shows the distribution of competitors by class.

Table 1A	
Class	Percentages
Tiny Tiger	10.5
10 & Under W-Y	5.4
10 & Under Spar	21.3
11-16 W-Y	1.8
11-16 Spar	10.3
Jr Black Belt	22.4
Ad W-Y	5.2
Ad Spar	7.7
Ad Black Belt	15.5
	100.1

The classes highlighted in red are the classes in which the competitors are all age 16 or younger. These competitors will all be accompanied by an adult, typically both parents will be in attendance. The classes highlighted in blue are the adult competitor classes. A portion of these will also be escorted by an adult since the classes include competitors as young as 17 years old. Additionally, adult competitors are likely to be accompanied by at least one spectators.

Table 2A			
Estimates of Total Visitors			
Total Participants		Total Visitors	
700	800	700	800
73.5	84	220.5	252
37.8	43.2	113.4	129.6
149.1	170.4	447.3	511.2
12.6	14.4	37.8	43.2
72.1	82.4	216.3	247.2
156.8	179.2	470.4	537.6
36.4	41.6	72.8	83.2
53.9	61.6	107.8	123.2
108.5	124	217	248
700.7	800.8	1903.3	2175.2

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To estimate visitors it was assumed that the average party size for any competitor age 16 or younger was 3 persons per competitor. For the adult competitors it was assumed that average party size was 2 per competitor. Table 2 show the estimates of total visitors based on an assumed 700 and 800 competitors respectively. With 700 participants it is estimated that total visitors will be approximately 1,900. With 800 participants it is estimated that total visitors will reach 2,175.

The weighted average number of visitors based on the above assumptions is 2.7. The average party size for visitors per trip from the BBRED visitor survey was 2.6. In calculating the estimated expenditures it was also assumed that only 80% of the visitors would stay overnight. The average length of stay was estimated at 1.5 nights.