

**This document contains Section 5 and 6 of a larger document authored by Dr. Brian VanBlarcom and Dr. Lawrence Allen of Clemson University (September 1996) on behalf of the Spartanburg South Carolina Chamber of Commerce (Sections 5 and Sections 6 that follow contain a summary of the economic impact assessment).**

## **Section 5 An Economic Impact of Training of National Football League Carolina Panther Training Camp on the Economy of Spartanburg County, South Carolina.**

### **The Impact Process**

The Carolina Panther Training Camp attracts visitors from outside the Spartanburg area who spend money in Spartanburg County ( The Panther expenditures relate directly to conducting the Training Camp, fans and media spending relate to food and beverages, lodging, souvenirs, etc.) thereby generating (via direct, indirect and induced effects) incremental economic activity in the local economy. Economic impacts result directly when these expenditures are received by Spartanburg County businesses. Indirect impacts occur as business recipients of visitor expenditures spend a portion of these receipts on local goods and services. The induced impacts are produced when employer and employee incomes (profits, wages and salaries), generated directly and indirectly from visitor expenditures, are respent in Spartanburg County.

The increased income respent in the local area generates greater revenues for local businesses, which in turn generates additional employer and employee income and more respending. This process continues with ever decreasing amounts being respent in the local economy as a portion of spending "leaks out" (is respent outside the local area) in each successive round of respending.

Summing all the spending (direct, indirect, and induced) generated by Training Camp visitors captures the total impact of their expenditures. Since the succession of respending cannot be directly observed, it is estimated using the concept of the multiplier. The multipliers used in this analysis are generated by the IMPLAN (IMpact analysis for PLANning) computerized input/output (I/O) model for Spartanburg County. The use of the IMPLAN model captures the economic interrelationships (linkages) unique to the local economy and can be used to calculate the total multiplied (direct, indirect and induced) impacts on Spartanburg County generated by the Training Camp.

### **Direct Expenditures Generated by Training Camp**

The goal of the economic impact analysis is to calculate the incremental effect of the Training Camp on the economy of Spartanburg County. That is, to identify economic activity that would not have taken place in absence of the Training Camp. Direct

expenditures related to the Training Camp come from three sources:

- 1) The Carolina Panthers Football Club in conducting The Training Camp.
- 2) Fans from outside Spartanburg County whose primary purpose of their trip was to visit the Camp, previously identified as Visitor Types One and Two. (Spending by local residents and visitors who indicated the Training Camp was not the reason for their visit, is not considered incremental based on the premise it would have occurred in absence of the Camp)
- 3) Media personnel from outside Spartanburg County, all of whom come specifically to cover the Training Camp.

**Direct Expenditures by The Carolina Panthers in Conducting The Training Camp**

The Carolina Panthers have a contract with Wofford College for the use of their facilities in conducting the Training Camp (dorms, fields, offices, etc.). The Panthers make additional expenditures to Spartanburg County businesses in a wide variety of ways including: food supplies/preparation/delivery, laundry and cleaning, administration, facility maintenance/security/parking supervision, bus rentals, miscellaneous supplies/services and equipment rentals. Direct spending by the Panthers totaled \$320,000 in 1996. A breakdown of these expenditures by Standard Industrial Classification (SIC) category is given in Table 5.1.

**Table 5.1**

**Direct Expenditures by The Carolina Panthers to Spartanburg County Firms in Conducting The 1996 Training Camp**

<b><u>Expenditure Category</u></b>	<b><u>Direct Expenditure</u></b>
Lodging	\$ 60,000.00
Food Stores	70,048.00
Misc. Retail	12,858.00
Agg. Trans/Comm/Utilities	6601.00
Laundry/Cleaning	40,211.00
Vehicle Rental/Leasing	10241.00
Agg. Other Services	<u>119,806.00</u>
Total	\$319,765.00

### **Direct Expenditures by Non-Resident Fans**

The total number of Non-Spartanburg residents attending the Training Camp was 4,213 (from Table 3.1). Based on the survey results, 79.0% of these visitors stated their primary purpose was to view the Camp, comprised of 8.5% who stayed overnight and 70.5% who did not stay overnight. Applying these percentages to the total number of non-resident attendees gives the following:

Non-Residents (Primary Purpose of Trip was to view the Training Camp).

Stayed Overnight (4213 x .085) = 358  
Not Stay Overnight (4213 x .795) = 2970

The 358 non-residents who stayed overnight, had an average stay of 2.59 nights. The average expenditure for this group was \$46.33 per person/per night. Table 5.2 gives a breakdown of the average (per person/per night) and total expenditure by this group for the 8 expenditure categories contained in the visitor survey. Total direct expenditure by this group was \$42,958.

**Table 5.2**

#### **Direct Expenditures: Non-residents, Primary Purpose of Trip was to View the Training Camp, Stayed Overnight**

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<b><u>Expenditure Category</u></b>	<b><u>Average Expenditure Per Person/Per Night \$</u></b>	<b><u>Total Direct Expenditures (based on average stay of 2.59 nights) \$</u></b>
Lodging	\$ 14.61	\$ 13,546.68
Restaurant/Concessions	18.39	17,051.58
Grocery/Conven Stores	2.01	1,863.71
Misc. Retail	5.41	5,016.26
Entertainment/Admissions	3.52	3,263.81
Auto Gas/Oil	2.29	2,123.33
Auto Rentals/Parking	0.10	92.72
Other	<u>0.00</u>	<u>0.00</u>
Total	\$ 46.33	\$ 42,958.09

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The 2,970 non-residents who did not stay over night had an average expenditure of \$15.08 per trip. Table 5.3 gives a breakdown of the average (per person/per night) and total expenditure by this group. Direct spending from this group totaled \$44,787.

**Table 5.3**

**Direct Expenditures: Non-residents, Primary Purpose of Trip  
was to View the Training Camp , Did Not Stay Overnight**

<b><u>Expenditure Category</u></b>	<b><u>Average Expenditure Per trip \$</u></b>	<b><u>Total Direct Expenditures \$</u></b>
Lodging	\$ 0.00	\$ 0.00
Restaurant/Concessions	8.25	24,502.50
Grocery/Conven Stores	0.64	1,900.80
Misc. Retail	3.31	9,830.70
Entertainment/Admissions	0.59	1,752.30
Auto Gas/Oil	2.27	6,741.50
Auto Rental/Parking	0.02	59.40
Other	<u>0.00</u>	<u>0.00</u>
Total	\$ 15.08	\$ 44,787.20

Summing direct expenditure for the non-resident visitors whose primary purpose of their trip was to view the Training Camp from Table 5.2 and Table 5.3 gives a total of \$87,745 as shown in Table 5.4.

**Table 5.4**

**Direct Expenditures by Non-Resident Fans  
Whose Primary Purpose of Their Trip Was to View Training Camp**

<b>Visitor Type</b>	<b>Total Direct Expenditures</b>
Non-Resident Stayed Overnight	\$ 42,958.09
Non-Resident Not Overnight	<u>44,787.20</u>
Total	\$ 87,745.29

**Training Camp Media Expenditures**

Training Camp officials supplied a list of 68 media representatives who were issued credentials allowing them to attend the Camp. A mail survey was sent to all of these members of the media. The survey contained questions on whether or not they attended the Camp, whether they made day trips to/from Spartanburg or stayed over night, and estimates of daily expenses (in seven spending categories) for day trips and/or over night stays as applicable.

Twenty-six of the sixty-eight surveys were returned, for a response rate of 38.2 percent. Twenty one persons (80.8%) indicated they had visited the Camp, while five (19.2%) said they had not attended. Six respondents had visited the Camp and stayed over night in Spartanburg, 18 respondents attended the camp and made day trips. Four persons indicated they had made both day trips and trips where they had stayed over night while covering the Training Camp. The average number of day trips was 4.4, while the average number of nights for those requiring accommodations was 11.67.

Inferring the survey information onto the total number of media issued credentials, translates into a total of 55 (80.8% of 68) media attending the Camp, making 49 day trips (19 day trips were made from a total of 21 persons who attended -  $19/21 \times 55 = 49$ ) and 16 over night stays ( $6/21 \times 55 = 16$ ). Ten ( $4/21 \times 55 = 10$ ) persons would be expected to make both day and overnight trips.

Total and average expenditures for the media, delineated by day trips and over night visits, appear in Table 5.5. All media representatives addresses were outside Spartanburg County and therefore all media expenditures were treated as incremental expenditures resulting from the Training Camp. Direct spending by media totaled \$24,103.57

**Table 5.5**

**Direct Media Expenditures**

<u>Spending Category</u>	<u>Day Trip Avg \$</u>	<u>Day Trips Total \$ (avg - 4.4 trips)</u>	<u>Over Night Avg \$ Person/Night</u>	<u>Over Night Total \$ (avg - 11.67 nights)</u>	<u>Total</u>
Lodging	\$ 0.0	\$ 0.00	\$ 50.88	\$ 9,500.30	\$ 9,500.30
Rest/Bar	14.38	3,100.33	30.83	5,756.58	8,856.90
Groc/Conv	6.94	1,496.26	1.67	311.82	1,808.08
Misc. Retail	1.25	269.50	0.33	61.62	331.12
Auto Gas	13.97	3,011.93	2.83	528.40	3,540.33
Auto Rent/Park	0.31	66.83	0.00	0.00	66.83
Other	0.00	<u>0.00</u>	0.00	<u>0.00</u>	<u>0.00</u>
<b>Total</b>		<b>\$ 7,944.85</b>		<b>\$ 16,158.72</b>	<b>\$24,103.56</b>

## **Total Direct Expenditures**

Summing the direct expenditures made by The Carolina Panthers (\$319,764 from Table 5.1), non-resident fans whose primary purpose of their trip was to view the Camp (\$87,745 from Table 5.4), and the media (\$24,103 from Table 5.5), gives a grand total of \$431,613 of direct expenditures generated by the Training Camp.

## **Total Economic Impact**

Calculating the total (direct, indirect and induced) impacts of the Training Camp requires grouping the direct expenditures from The Panthers, fans and media into Standard Industrial Classification (SIC) codes and using the corresponding multipliers from the IMPLAN model. Because IMPLAN's data are in producer prices, expenditure information cannot always be put directly into the IMPLAN sectors. The purchaser price includes a producer price (what the manufacturer charged for the item) a wholesale margin (classified under other trade), a transportation margin and a retail margin. Each of these margins go into the appropriate IMPLAN sector and the remainder would go into the manufacturing sector.

Expenditures for Auto Gas/Oil, and Misc. Retail had to be marginalized based on percentages available in the IMPLAN User's Guide. Gas/Oil expenditures were "marginalized" into retail, wholesale (Other Agg. Trade), petroleum refining (Manufacturing) and Transportation sectors. Misc. Retail (which included field supplies, equipment and miscellaneous for the Panthers) and which was an expenditure category in the fan and media survey, were similarly marginalized into IMPLAN's Manufacturing, Transportation, Retail and Other Agg. Trade Sectors. The remaining expenditure categories match the IMPLAN sectors and are fully "marginalized" within the model. Survey expenditure category Entertainment/Admissions was put into IMPLAN under the Motion Picture and Recreation Activities Sector. Table 5.6 shows the IMPLAN sectors which capture the final demand changes generated from direct spending by the Panthers. Table 5.7 shows final demand changes generated from the non-resident fan and media expenditures. (Direct spending is converted to final demand changes via of the marginalization process).

The expenditure multiplier for each IMPLAN category captures direct, indirect and induced expenditures (sales transactions) generated across all industries in the Spartanburg County economy as a result of direct expenditures made in that particular industry. The income multiplier relates direct, indirect and induced effects of visitor spending to income generation in the County economy.

**Table 5.6**

**Economic Impact of Carolina Panther 1996 Training Camp Expenditures**

<b>IMPLAN Sector</b>	<b>Change Final Demand from Camp Exp\$</b>	<b>Expenditure Multiplier</b>	<b>Income Multiplier</b>	<b>Expenditure Impact</b>	<b>Income Impact</b>
Lodging	\$60,000.00	1.9915	1.7799	\$119,490.00	\$106,794.00
Food Stores	\$70,048.00	2.1714	1.7291	\$152,102.23	\$121,120.00
Agg. Manu.	\$6,429.00	1.5105	1.6452	\$9,711.00	\$10,576.99
Agg. Trans/ Com/Util	\$7,372.48	1.6058	1.5863	\$11,838.73	\$11,694.97
Misc. Retail	\$3,857.00	2.0585	1.8667	\$7,939.63	\$7,199.86
Laundry/Cleaning	\$40,211.00	2.7283	2.3995	\$109,707.67	\$96,486.29
Vehicle Rental/Leasing	\$10,241.00	1.6059	4.2929	\$16,446.02	\$43,963.59
Agg. Other Services	\$119,806.00	1.8148	1.6352	\$217,423.93	\$195,906.77
Agg. Other Trade	\$1,800.12	1.6617	1.4251	\$2,991.26	\$2,565.35
<b>TOTAL</b>	<b>\$319,764.60</b>			<b>\$647,650.48</b>	<b>\$596,307.82</b>

Total direct expenditures made by the Panthers to Spartanburg County firms is \$319,764. The total expenditure impact (direct, indirect and induced) across all sectors of the Spartanburg County economy is \$647,650. The total income generated in Spartanburg County was \$596,308. The Aggregated Service sector was the greatest beneficiary generating \$217,424 (34% of the total) in expenditures and \$195,907 (33%) in income. Food Stores - \$152,102 (23%), Lodging - \$119,490 (19%) and Laundry/Cleaning - \$109,708 (17%) were next in terms of expenditure impacts.

**Table 5.7**

**Economic Impact of Fan and Media Direct Expenditures**

<b>IMPLAN Sector</b>	<b>Change Final Demand Fans/Media Exp \$</b>	<b>Expenditure Multiplier</b>	<b>Income Multiplier</b>	<b>Expenditure Impact\$</b>	<b>Income Impact\$</b>
Lodging	\$23,046.98	1.9915	1.7799	\$45,898.06	\$41,021.32
Eat/Drink	50,410.98	1.7985	1.6216	\$90,664.15	\$81,746.45
Food Stores	5,572.59	2.1714	1.7291	\$12,100.32	\$9,635.57
Misc Retail	9,515.49	2.0585	1.8667	\$19,649.39	\$17,818.57
Agg. Manu.	13,171.36	1.5105	1.6452	\$19,895.34	\$21,669.52
Transport.	1,406.89	1.6058	1.5863	\$2,259.18	\$2,231.75
Rec/Mot Pic.	5,016.11	2.1783	2.5551	\$10,926.59	\$12,816.66
Auto Rent/Park	218.95	1.6059	4.2929	\$351.61	\$939.93
Other Trade	2,578.81	1.6617	1.4251	\$4,285.21	\$3,675.06
Agg. Other Ser.	<u>910.68</u>	1.8148	1.6352	<u>\$1,652.70</u>	<u>\$1,489.14</u>
<b>Total</b>	<b>\$111,848.84</b>			<b>\$207,682.56</b>	<b>\$193,043.97</b>

Direct expenditures (sales) made by non-resident fans and media while attending the Carolina Panther Training Camp was \$111,848. The total expenditure impact of these direct sales on the Spartanburg economy is \$207,682, with a total income effect of \$193,044. The Eating/Drinking sector generated the greatest expenditure and income impacts (across all industries) with \$90,664 and \$81,746 respectively. The Lodging industry was next with an expenditure impact of \$45,898 and an income impact of \$41,021. Table 5.7 gives the final demand changes, the total expenditure and the total income effects for all industries delineated in the model.

**Total Economic Impact of Panther, Non - resident Fans and Media Expenditures**

Direct spending during the Training Camp made by The Panthers, non- resident fans and media totaled \$431,613. The total (direct, indirect and induced) impact on expenditures in Spartanburg County was \$855,271. The total income effect is \$789,296. A breakdown of the expenditure and income impacts calculated via the IMPLAN model is shown in Table 5.8.

**Table 5.8**

**Total Economic Impact of Expenditures Made by The Carolina Panthers, Non-Residents Fans and Media During The 1996 Training Camp**

<b>IMPLAN Sector</b>	<b>Final Demand Change from Team Exp\$</b>	<b>Final Demand Change From Fan/Media Exp\$</b>	<b>Total Team /Fan/Media Exp\$</b>	<b>Expend Multiplier</b>	<b>Income Multiplier</b>	<b>Expend Impact\$</b>	<b>Income Impact\$</b>
Lodging	\$60,000.00	\$23,046.98	\$83,046.98	1.9915	1.7799	\$165,388.06	\$147,815.32
Eat/Drink	\$0.00	50,410.98	\$50,410.98	1.7985	1.6216	\$90,664.15	\$81,746.45
Food Stores	\$70,048.00	5,572.59	\$75,620.59	2.1714	1.7291	\$164,202.55	\$130,755.56
Agg. Manu..	\$6,429.00	13,171.36	\$19,600.36	1.5105	1.6452	\$29,606.34	\$32,246.51
Tran/Com/Util	\$7,372.48	1,406.89	\$8,779.37	1.6058	1.5863	\$14,097.91	\$13,926.71
Misc. Retail	\$3,857.00	9,515.49	\$13,372.49	2.0585	1.8667	\$27,527.27	\$24,962.43
Laundry/Clean	\$40,211.00	0.00	\$40,211.00	2.7283	2.3995	\$109,707.67	\$96,486.29
Vehicle Rental/Leas.	\$10,241.00	218.95	\$10,459.95	1.6059	4.2929	\$16,797.63	\$44,903.52
Rec/Mot Pic.	0.00	5,016.11	\$5,016.11	2.1783	2.5551	\$10,926.59	\$12,816.66
Agg. Other Services	\$119,806.00	910.68	\$120,716.68	1.8148	1.6352	\$219,076.63	\$197,395.92
Other Trade	<u>\$1,800.12</u>	<u>2578.81</u>	<u>\$4,378.93</u>	1.6617	1.4251	<u>\$7,276.47</u>	<u>\$6,240.41</u>
<b>TOTAL</b>	<b>\$319,764.60</b>	<b>\$111,848.84</b>	<b>\$431,613.44</b>			<b>\$855,271.28</b>	<b>\$789,295.79</b>

## **Section 6 Summary**

The following reviews the key findings of this study of the 1996 Carolina Panther Training Camp held in Spartanburg South Carolina between July 20 and August 15, 1996. The summary relates to: 1) attendance numbers and characteristics of the fans who attended the Camp, and 2) the economic impact of The Training Camp on the economy of Spartanburg County, South Carolina.

### **Training Camp Attendance**

A total of 10,309 fans attended the 22 workout sessions. Average weekday attendance session attendance was 362, average weekend attendance was 1145. Weekday sessions had an average attendance of 256 for mornings, 225 for afternoons and 657 for evenings. The Saturday morning session drew 542, the Saturday evening session (Panther Party) 2291 and the Sunday afternoon session 602.

### **Economic Impact of Panther Training Camp**

The Carolina Panthers made direct expenditures of \$320 thousand to Spartanburg County firms (including Wofford College) while holding the 1996 Training Camp. The total multiplied effects of these expenditures was calculated using the IMPLAN computerized input/output model. Panther spending on the Training Camp produced a total of \$650 thousand worth of expenditures and generated \$600 thousand in income for Spartanburg County. These impacts were greatest in the Service Sector with \$217 thousand (the largest expenditures going to Wofford College for facility use, and related costs, as well as food preparation and delivery), followed by Food Supply Sector - \$152 thousand, Lodging - \$120 thousand and Laundry/Cleaning - \$110 thousand.

Non-Spartanburg residents whose primary purpose was to visit the Training Camp and stayed overnight in Spartanburg County spent an average of \$46 per person/per night and a total of \$43 thousand. Non-residents whose primary purpose was to visit the camp but did not require accommodations spent an average of \$15 per trip and a total \$45 thousand. Together these visitor types generated direct spending of \$88 thousand. Non-Spartanburg media representatives had direct spending of \$24 thousand. Total direct spending by non-resident fans and media in Spartanburg County was \$112 thousand.

The Eating and Drinking sector reaped the greatest total expenditure impact from fans and media expenditures, followed by Lodging , Manufacturing and Retail Sales. The expenditures impact (direct, indirect and induced) for Spartanburg County generated by non-resident visitors to the Panther Training Camp was \$207 thousand, with an income impact of \$193 thousand.

In total, The 1996 Carolina Panther Training Camp generated \$855 thousand in expenditures and \$789 thousand in income for Spartanburg County, South Carolina.