

**IT'S NOT JUST ENTERTAINMENT:
THE ECONOMIC IMPACT OF LSU SPORTS
ON LOUISIANA AND THE BATON ROUGE METRO**

By

**Loren C. Scott & Associates, Inc.
743 Woodview Court
Baton Rouge, LA 70810
www.lorencscottassociates.com**

December 2013

EXECUTIVE SUMMARY

The LSU Athletic Department (LAD) has produced 33 national championship teams since 1990, including 20 in women's track & field, four in men's track & field, six in baseball, and two in football. The National Association of Collegiate Directors of Athletics (NACDA) ranked LSU 13th among 277 Division I colleges in FY12, and LSU has been ranked in NACDA's top 10 six times since FY94.

What is often not understood or appreciated is how important the LSU sports are to the Baton Rouge metro and state economies. (The metro is composed of East Baton Rouge, West Baton Rouge, Livingston and Ascension Parishes.) In this report we use input/output tables to estimate the impact of LSU sports (1) operations spending, (2) construction spending, and (3) football fan spending on the metro and state.

Our findings of the impact of LSU sports operations can be summarized as follows:

- In FY year 2012, the LAD generated about **\$98.7 million in direct revenues** from ticket sales, concessions, game guarantees, etc. The Tiger Athletic Foundation (TAF) generated another **\$56.1 million** and sports camps added another **\$2 million**.
- **Civic groups running concession sales at LSU sporting events pocketed over \$815,000 in FY12** to help run their organizations.
- Since the east and west side additions to Tiger Stadium opened, attendance has averaged over 92,000 per game. **On a typical night in Tiger Stadium in 2012 there were more people in attendance than the populations of 49 of the state's 64 parishes.** On a typical Saturday night, there are about as many people present in Tiger Stadium as people who live in Lafourche Parish.
- For a typical game in Tiger Stadium, the average fan from **outside of the Baton Rouge metro** spends \$160.59 in the state, with \$121.98 of that spent in the Baton Rouge metro. Over a 7-game home season, total spending by fans from outside the metro is \$62.8 million in Louisiana, with \$47.7 million of that spent within the metro.
- Our preferred estimate of the impacts of on-going LSU sports operations and fan spending on the Louisiana economy are as follows:
 - **\$331.6 million** in new sales at Louisiana firms;
 - **\$114.7 million** in new household earnings for Louisiana residents---an amount larger than earnings of all residents of St. Helena Parish;
 - **3,710** jobs for Louisiana residents---a figure larger than total employment in Catahoula Parish;
 - **\$8 million** in revenues for the state treasury.
- Our preferred estimate of the impacts of LSU sports operations and fan spending on the Baton Rouge metro economy are:

- **\$397.5 million** in new sales at Baton Rouge metro firms;
- **\$119.7 million** in new household earnings for Baton Rouge metro residents---a figure larger than the earnings of all workers in food and beverage stores in East Baton Rouge Parish;
- **3,948 jobs** for Baton Rouge metro residents---a figure equal to total employment in Madison or St. Helena Parishes;
- **\$2.8 million** in new sales taxes for local governments.

Over the 14-year period covering 2002-15, LAD and TAF have spent (or are planning to spend) over **one-third of a billion dollars (\$393.1 million) on construction projects**. We estimated the impact of this construction spending as follows:

- At the state level, over the 14-year period this construction spending created **\$851 million in new sales at firms** in the state, **\$289.5 million in new household earnings** for state residents, and an average of **487 jobs** a year. In the peak spending years---those involving stadium expansions---about **1,300 jobs** were supported in Louisiana. The Louisiana State Treasury added **\$20.3 million in taxes** due to this construction spending.
- At the Baton Rouge metro level, over the 14-year period this construction spending created **\$783 million in new sales at firms** in the metro, **\$250.3 million in new household earnings** for metro residents, and an average of **422 jobs** a year. In the peak spending years involving the stadium expansions, about **1,100 jobs** were supported in the Baton Rouge metro. The local governments in the metro added at least **\$5.8 million in sales taxes** due to this construction spending.

Obviously, what LSU sports generate is not just entertainment.

TABLE OF CONTENTS

Page

I. Introduction	1
Revenues Suggest a Big Business.....	2
Measuring the Economic Impact of the LSU Sports	2
The Input/Output Table.....	3
II. LSU Sports Operations in FY12	4
Concession Sales: Special Comment	4
Event Attendance: Football Games	6
Event Attendance: All Sporting Events	9
III. Impact of LSU Sports On-Going Operations.....	10
The “Diverted Spending” Issue	10
The conservation approach	11
The liberal approach	11
The Conservative Approach: Direct Revenues.....	12
The Liberal Approach: Direct Revenues	15
A Comparison of LSU Sports’ Impact under the Two Approaches	16
Impacts on the State	17
Impacts on the Baton Rouge Metro	18
IV. Construction Spending Impact	19
Amount of LSU Sports Construction Projects 2002-15	20
Impact of LSU Sports Construction Projects on the State.....	21
Impact of LSU Sports Construction Projects on the Baton Rouge Metro	22
V. Fan Spending Impacts	23
Measuring <u>Average</u> Fan Spending.....	24
Measuring <u>Total</u> Fan Spending.....	26
Direct & Indirect Effects of Football Fan Spending.....	27
Fan Spending & Operational Effects Combined	29
VI. Industry Level Impacts	32
Industry Distribution by Business Sales in the Metro	32
Industry Distribution by Household Earnings in the Metro.....	33
Industry Distribution by Jobs in the Metro	34
VII. Summary and Conclusions.....	35

**IT'S NOT JUST ENTERTAINMENT:
THE ECONOMIC IMPACT OF THE LSU SPORTS
ON LOUISIANA AND THE BATON ROUGE METRO**

I. Introduction

We think of it mainly as a source of sports entertainment--- a very **successful** source as it turns out. Since 1990 it has produced 33 national championship teams. Among the records held since 1990:

- Football:
 - SEC champs four times
 - National champions in 2003 and 2007 and played in the BCS Championship game in 2011
 - Appeared in post-season bowl games every year since 2000

- Men's baseball:
 - National champions six times
 - In NCAA tournament every year except three
 - SEC Conference champions ten times and SEC Tournament champions ten times.

- Women's track and field:
 - Indoor national champions nine times
 - Outdoor national champions 11 times
 - SEC indoor and outdoor champions nine times each

- Men's track and field
 - Outdoor national champions two times
 - Indoor national champions two times

- Men's basketball
 - SEC champions four times
 - Eight trips to NCAA tournament; Final four once

- Women's softball
 - SEC champions five times
 - Three appearances in the Women's College World Series

The National Association of Collegiate Directors of Athletics (NACDA) ranks programs on the basis of a school's performance in NCAA sponsored events. In the 2011-

12 academic year, LSU ranked 13th out of 277 Division I colleges and has been ranked in the top 10 six times since the NACDA Cup was instituted in 1993-94.

Revenues Suggest a Big Business

We know about the achievements of its athletic teams, but what is, more often than not, totally ignored is the tremendous **economic** impact LSU athletics has on the Baton Rouge metro area and state. Consider this simple fact: In the 2011-12 fiscal year, the total revenues of the LSU Athletic Department (henceforth, LAD) from ticket sales, concessions, pay-for-view TV sales, etc., was about **\$98.7 million**. Add to this another **\$56.1 million in Tiger Athletic Foundation (TAF)** revenues and over **\$2 million** in revenues from LSU sports camps in 2012, and you have **\$156.8 million in revenues generated by LSU athletics**---a real economic engine in both the Baton Rouge metro's and the state's economies.

Measuring the Economic Impact of the LSU Sports

The purpose of this report is to estimate the economic impact of LSU athletics on the Baton Rouge metro area and the state of Louisiana. The Baton Rouge metro area is defined as East Baton Rouge, West Baton Rouge, Ascension, and Livingston Parishes.¹

The \$156.8 million revenue figure for LSU athletics provided above gives some indication of the importance of this unit to local and state economies. However, that figure only indicates the **direct** impact of LSU athletics' presence on the Baton Rouge and Louisiana economies. To determine the unit's full impact on the economy we need to add to this figure LSU athletics' **indirect or multiplier effect** as well.

¹ The "metro area" is different from the Baton Rouge "MSA" which is defined by the U.S. Census Department as comprising these four parishes plus five others.

To use an analogy, think of the Baton Rouge metro economy as a large pond. If a rock labeled "LSU athletics" is dropped into that pond, it will make a big splash all by itself (\$156.8 million in revenues). But the rock will also create ripples extending to the outer edges of the pond. For example, when LAD pays its employees, they spend their paychecks at local retail stores, service establishments, etc. This creates sales, income, and jobs in those stores, and when those employees spend their paychecks, that creates even more jobs, and so on until the ripple reaches the edge of the pond. This is the so called "multiplier effect".

The Input/Output Table

As it turns out, there is a handy tool for measuring these multiplier effects--- an input/output (I/O) table. We have secured both a Louisiana I/O table and the I/O table for the Baton Rouge metro area from the Bureau of Economic Analysis (BEA), an agency of the U.S. Department of Commerce. The BEA is the unit of the federal government responsible for collecting the data to derive real gross domestic product estimates for the country, personal income figures for each state, and several other important data series.

Our estimates of the impact of LSU athletics on the Baton Rouge metro area and the state's economies will proceed in the following way. In Section II below, we will describe LSU athletics' operations and in Section III we estimate the impact of those operations on the MSA economy. In Section IV, we will estimate the impact of LSU athletics' one-time construction spending. Section V contains an estimate of fan spending impacts, and Section VI describes the impacts by industry of both LAD operations and fan spending. Summary and conclusions are provided in Section VII.

II. LSU Sports Operations in FY12

Table 1 provides details on revenues associated with the LSU Athletics Department (LAD) for the 2011-12 fiscal year (FY12). Note that the LAD receives income from several different sources including ticket sales, guarantees for playing at other locations, sales of TV and radio rights, building rentals, and concessions, just to mention a few. Importantly, in addition to the LAD revenues in Table 1, the TAF generated another \$56 million in revenues and athletics camps generated over \$2 million in revenues during that year. In our study done in 2001, these revenues produced by TAF and the athletic camps were inadvertently not included.

Concession Sales: Special Comment

The mention of concession sales brings up a little known benefit to the community from the presence of LSU sports. Concession stands at LSU sporting events are run by various civic and religious groups in the area, such as the Boy Scouts, Girl Scouts, church-sponsored camps, etc. These groups receive 12% of gross sales at their concession stands. While Table 1 indicates the LAD received \$2,394,775 for its share of concession sales, gross sales (including subcontractor sales) were about \$7.6 million. LAD finance officials estimate **civic groups pocketed over \$815,000** to help them with running their various organizations just for working those sporting events.

Table 1
LAD Revenues: FY12

Description	FY 11-12
Baseball Ticket Sales	\$ 2,631,954
Basketball Ticket Sales	\$ 1,336,348
Football Ticket Sales	\$ 25,504,670
Track Ticket Sales	\$ 58,870
Women's Basketball Ticket Sales	\$ 326,178
Gymnastics Ticket Sales	\$ 34,641
Softball Ticket Sales	\$ 86,307
Basketball Guarantees	\$ 60,000
Football Guarantees	\$ 2,350,000
Football Parking	\$ 2,525,520
Basketball Parking	\$ 103,444
Baseball Parking	\$ 291,639
SEC/NCAA Distributions	\$ 20,472,172
Radio/TV	\$ 6,920,981
Program Sales	\$ 18,029
Concessions	\$ 2,394,775
Gift Center	\$ 3,537,843
Royalties	\$ 300,000
Logo Licensing	\$ 2,382,255
Tickets Postage & Convenience	\$ 1,454,324
Miscellaneous Athletic Revenue	\$ 1,415,457
Investment Income	\$ 1,129,417
Space Rental	\$ 69,320
PMAC Rental	\$ 138,483
Field House	\$ 1,515
Academic Center Book Sales	\$ 61,370
Tradition Fund	\$ 20,960,027
Post Season Revenue	\$ 2,116,112
Total Athletic Department	\$ 98,681,652

One indication of the sheer size of concession sales can be found by detailing sales of products at a typical football game. (Almost two-thirds of concession sales occur at the seven LSU home football games.) At a typical LSU football game in 2012, the following amounts were sold:

48,800 cups of soft drinks

23,500 liters of water

14,400 hot dogs

4,700 sausage Po'boys

5,400 hamburgers

10,900 nachos

3,300 bars of candy

6,800 bags of peanuts

7,500 bags of popcorn

Event Attendance: Football Games

Another indicator of the influence of the LSU athletics on the area and state economies is the number of people attending sporting events put on by the Athletic Department. Table 2 provides data, covering the 1990-2012 period, on attendance at LSU home football games, by far the largest source of fans attending departmental events.

There are several points of interest in this table. First, the reader will note some **unusual variations in total attendance** in each year. One source of that variation has been increases in the size of the stadium. In 2001, the east side addition was opened, and in 2006 the west side addition became available. There were step increases in both total attendance and per game attendance after each addition.

A second source of variation in total attendance has been the number of home games. Typically, there are seven home games. However, in 2005 and 2011 there were

only six home games so total attendance was well below average, and in 2006 and 2008 there were eight home games so attendance was well above average.

Table 2

Attendance at LSU Football Games: 1990-2012

Year	Total Attendance	Average Per Game	Won-Loss Record
1990	429,480	71,580	5-6
1991	412,476	68,746	5-6
1992	470,546	67,221	2-9
1993	361,632	60,272	5-6
1994	390,741	65,124	4-7
1995	446,148	74,358	7-4-1
1996	556,631	79,519	10-2
1997	561,629	80,233	9-3
1998	481,739	80,290	4-7
1999	551,780	78,826	3-8
2000	614,704	87,815	8-4
2001	633,439	90,491	10-3
2002	632,147	90,307	8-5
2003	636,817	90,974	13-1
2004	639,462	91,352	9-3
2005	549,498	91,583	11-2
2006	737,696	92,212	11-2
2007	648,334	92,619	12-2
2008	739,065	92,383	8-5
2009	647,410	92,487	9-4
2010	649,023	92,718	11-2
2011	557,210	92,868	11-2
2012	741,005	92,626	13-1

Source: LSU Athletic Department – Sports Information

A third source of variation in fan attendance at home football games in the team's won-loss record. This is especially apparent in the attendance figures in the 1990s when the stadium was the same size and the won-loss record varied substantially. For example

in the years of 1996-97 when the team won 9+ games per year, attendance averaged nearly 560,000 a year. By comparison, during the 5-year period from 1990-94 when the team won 5 or less games, total attendance averaged about 413,000 a year. Having 147,000 fewer fans visiting the campus due to a poor showing on the field clearly significantly impacts the LAD budget and the local and state economies. That is because LAD loses on ticket sales, parking revenues, football guarantees, SEC/NCAA distributions, monies from TV/radio, etc. Note that since the stadium was expanded in 2006, a consistently winning football team has packed over 92,000 people per game into Tiger Stadium.

A fourth point of general interest from the data in Table 2 is the sheer size of the attendance numbers---especially post-stadium-expansions. On a typical night in Tiger Stadium in 2012, there were 92,626 people in attendance at a game. By way of reference:

- There are 64 parishes in Louisiana; only 15 have a population that exceeds this number.²
- In 2011 (latest data available), the population of Lafourche Parish was a comparable 96,666.³

Another indication of the sheer size of what happens on Saturday in Tiger Stadium is the workforce required to host a home game. It may surprise readers to learn that **about 2,765 people are typically hired to work game day**. It requires 1,800 people to work the concessions; there are 250 marshals, 185 ticket takers, 400 police, and 130 other types of security working the game.

² www.bea.gov

³ Ibid.

Event Attendance: All Sporting Events

Table 3 indicates attendance at all athletic events hosted by the LAD in FY 12. In that year, almost 1.5 million people attended LSU athletic events. Football attendance dominates the data in Table 3 with a nearly 50% share of total attendance. However, it is noteworthy that football's share (not attendance) has dropped noticeably from its 62% share in our 2001 study. This decline is primarily due to a huge spurt in regular season baseball attendance which has increased by 176% since the 2001 season.

Still, a quick glance back at the revenue figures in Table 1 will reveal that football really dominates as a revenue source for LSU athletics. Revenues from football ticket sales alone are nearly six times larger than ticket sales from all the other team sports combined. Adding in football guarantees, football parking, football SEC/NCAA distributions, football concessions, and football radio/TV rights boosts football's revenue importance even more.

Table 3
Attendance at LSU Athletic Events
FY 12

Events	Attendance
Football	741,005
Men's basketball	129,910
Women's Basketball	70,017
Gymnastics	18,405
Men's Baseball	392,967
Men's Regional Baseball	72,711
Men's Super-Regional Baseball	33,617
Women's Softball	32,167
Total	1,490,799

Source: LSU Athletic Department

III. Impact of LSU Sports On-Going Operations

It should be intuitively clear to the reader that an operation such as the one described above will have a significant economic impact in whichever economy it is located. It is to the measurement of that impact that we turn next.

The LSU athletic events impact the economy in two different ways. First, there are the revenues that are injected into the economy that these events **directly generate**. These include (1) LAD revenues which are enumerated back in Table 1, (2) TAF revenues, and (3) revenues from athletic camps. The second are the **other monies that fans spend** in other areas of the economy (hotels, restaurants, department stores, etc.) when they attend an LSU sporting event. The influence of fan spending will be addressed in Section V of this report.

The “Diverted Spending” Issue

How much do these injected operational monies impact the Baton Rouge metro area and the Louisiana economies? To answer that question we must first deal with the “diverted spending” issue. To estimate the impact of any entity on the area we must first estimate how much **new** money is injected into an economy because of the entity. If the entity is a new manufacturing plant, the question is easily resolved. All of the plant’s operating monies are newly injected monies.

But what if the entity is a new retail establishment or---as is the case of the LSU athletics---new amusement/entertainment company? In this case, at least some of the monies spent at LSU sporting events **may have been spent in the economy anyway** whether or not the events were in the metro area or state. In other words, if not spent at LSU sporting events, the monies may have been spent by consumers at restaurants, movie

theaters, etc., in the area anyway. That money is not new money injected into the area's economy; it has just been diverted from other businesses in the area.

The conservative approach. This is a tricky issue to resolve. We address this problem in two ways. First, we estimate the economic impact of LSU sports by using a very conservative approach. The **conservative approach** includes only direct revenues and fan spending that is done by fans **outside** of (1) the Baton Rouge metro or (2) the state. This approach assumes **all** monies spent by persons living within the metro area (in the first case) or the state (in the second case) is diverted monies and does not constitute new monies attracted to the metro area or state by the sporting events.

The liberal approach. The liberal approach assumes that the money spent by metro and state residents at LSU sporting events is totally "athletic event spending" and would have not been spent at all or would have been spent at other athletic events outside the metro area or state anyway if LSU sporting events did not exist. That is, because the LSU sporting events occur in Baton Rouge metro, monies that would have been spent elsewhere (at Saints games, Tulane events, etc.) remain in the area and thus should be counted as new monies injected into the Baton Rouge metro. From the state's standpoint, the liberal approach assumes monies spent at LSU sporting events would have been spent out-of-state.

We believe the truth lies somewhere in between these two extremes. That is, some of the metro (and state) resident spending at LSU sporting events is diverted and some is not. Unfortunately, there is no nice, precise way to measure the "diverted spending" phenomenon. What we do below is present a **sensitivity analysis**. We will present impact estimates using both approaches.

Our intuition is that the correct answer for the **Baton Rouge metro impacts is much more toward the liberal end**. That is, we believe it is more likely these are sports dollars that would have been spent out-of-metro if LSU had not been located in the metro. On the other hand, **our intuition is that for the state the conservative approach is closer to the mark**. Given the large geographic area of the state, Louisianans probably would have spent these dollars on some other activity within the state.

The Conservative Approach: Direct Revenues

Back in Table 1, data were presented on direct revenues received by the LAD in FY12. Our task in this section is to determine what proportion of those revenues represent diverted spending, i.e., spending by residents of the metro and state that would have been spent in the areas anyway.

Some of these revenues clearly come from outside the metro and state and should not be placed in the diverted category. Examples would be guarantees received from teams when LSU plays an “away” game, TV rights, SEC distributions, etc. The more difficult task is determining what proportion of ticket revenues came from metro and state residents. For the three major revenue sources---football, men’s basketball, and men’s baseball---a special procedure was developed. This procedure may be best illustrated with the largest revenue source---football. The data in Tables 4 and 5 on attendance at an average football game in 2012 show how the diverted spending estimate was made for this sport.

Table 4
Estimating Baton Rouge Metro “Diverted Spending”: Football Games

Group	Number Sold	Out-of -MSA	% Out-of-MSA
Season Tickets	68,500	40,415	51.0%
Visiting Team Tickets	7,000	7,000	100.0%
Student Tickets	14,200	0	0
General Public Tickets	2,926	1,492	51.0%
Total	92,626	48,907	52.8%

Baseball = 33.3% out-of-metro; basketball = 28.7% out-of-metro; other sports = 0%

Table 5
Estimating Louisiana “Diverted Spending”: Football Games

Group	Number Sold	Out-of-State	% out-of-State
Season Tickets	68,500	9,081	13.2%
Visiting Team Tickets	7,000	7,000	100.0%
Student Tickets	14,200	0	0
General Public Tickets	2,926	385	13.2%
Total	92,626	16,466	17.8%

Baseball = 10.4% out-of-state; basketball = 10.3% out-of-state; other sports = 0%

First, the LSU ticket office provided data on season ticket sales by zip code for each of these three sports. From the zip code information it was determined that 51% of football season ticket sales were to individuals living outside of the Baton Rouge metro area, and 13.2% of football season ticket sales were to individuals living outside of the state. Secondly, we made the very conservative assumption that all student ticket sales were within the metro and state. What makes this particularly conservative is that there are peer-reviewed economic studies showing that a winning football team attracts both more, and a better quality, student body. That is, it is very likely that students bring new spending to the area that would not be here absent a successful athletic program.

Thirdly, we assumed that all visiting tickets were from outside of the metro and state. Finally, the experience of the ticket office has been that general public ticket sales mirror those of season ticket sales. Thus, we allocated 51% of general public ticket sales to out-of-metro purchasers and 13.2% to out-of-state purchasers.

As seen in Table 4, this process leads to an estimate **that 52.8% of attendees at a typical LSU home football game are from outside the metro and 17.8% are from outside the State.** Their spending represents new monies injected into the metro and state economies that would not be here absent the LSU sporting events. We then took 52.8% those items in Table 1 related to football revenues that are associated with game attendance, such as ticket revenue, parking, and concession sales. For example, of the \$25.5 million in football ticket revenues shown in Table 1, 52.8% or \$13.5 million represented new monies injected into the metro economy. A similar approach was used for estimating new state monies, except the ratio used was 17.8% rather than 52.8%.

A similar procedure was used on the other two major revenue generators---men's basketball and baseball. Our analysis of season ticket sales by zip code indicated that season ticket holders attending these two sports were heavily dominated by persons residing **within** the metro and state. Indeed, we estimated that only about 33.3% of men's baseball and 28.7% of men's basketball ticket revenues originated from residents outside the metro. In terms of out-of-state revenues, these revenues accounted for only 10.4% of baseball revenues and 10.3% of basketball ticket sales. These percentages were multiplied times the attendance-related revenues in each of those two sports to derive the new monies brought to the metro and state. We made the conservative assumption that attendees to all the other sporting events put on by LSU were from within the metro and state.

Using these procedures, we estimated that of the \$98.7 million in LSU athletic revenues listed in Table 1, **\$83.4.4 million represented new monies injected into the Baton Rouge metro economy and \$73.7 million represented an injection into the state economy.** We emphasize that this is a very conservative estimate, based on the assumption

that all spending by metro residents on LSU sporting events would have remained in the Baton Rouge metro or State in the absence of LSU sports.

The Liberal Approach: Direct Revenues

What if we took a more liberal view to estimate LSU sports' impact? What if LSU sports did not exist in the Baton Rouge metro? It is not totally unreasonable to assume that metro residents would spend the money they are now spending at LSU sporting events at athletic events **outside the metro (or outside the state when determining state-level impacts)**. That is, in the case of the metro region, residents could take this money and spend it at Saints games or events at Tulane, UNO, ULL, etc. If LSU was located in another metro area---say, Lafayette---would not Baton Rouge metro residents be spending this money there? Could one reasonably argue that having LSU sports in the Baton Rouge metro keeps money in the metro that would otherwise flow out to these other areas? This is why we would argue that the liberal estimates are more appropriate for estimating LAD's impact on the metro economy.

The case for the liberal approach in estimating the statewide impact of LSU sports is a bit more difficult to make. It would assume that absent LSU sporting events in the state, Louisiana citizens would have traveled out-of-state to view sporting events of this high a caliber. The fact that Louisiana citizens *do* travel out-of-state to follow the Tiger teams lends some credence to this argument, but it is not nearly as strong a case as one can make for the metro area. (This is a more difficult argument to support, which is why our intuition is that the conservative approach is likely better in estimating state-level impacts.)

The liberal approach to estimating LSU sports' impact on the economy assumes these are reasonable arguments. Under this approach there are two modifications to the

estimates made under the conservative approach shown above. First, **all** of the direct revenues received by the LAD and TAF are included in our impact estimates. No provision for any diverted spending is taken into account. For example, we assume that money spent by metro residents on tickets to LSU sporting events would have been spent outside the metro on other sporting events. That means that all of the \$98.7 million in direct revenues shown back in Table 1 plus TAF and sports camps revenues would be entered into the I/O tables.

Secondly, in the surveys that are taken of fan expenditures at the LSU football games (see Section V), data that collected from metro and state **residents** are excluded for impact purposes using the conservative approach. However, under the liberal approach, we assume that these monies would have been spent at sporting events outside of the metro and state if the LSU sporting events were not located here; that is all fan spending is included in the estimates.

A Comparison of LSU Sports' Impact under the Two Approaches

In the paragraphs above we have estimated that the presence of LSU sports results in money being injected into the metro area and the state economies through direct spending by the LSU Athletics Department, TAF, and LSU Sports Camps. We also discussed two methods of determining the relevant size of the injection into the economy: (1) a liberal approach assuming all funds are new to the area and (2) a conservative one that allows for crowding out of other local spending. By plugging these figures into the I/O tables, we can estimate the total impact of this spending on (1) sales at firms located in the Baton Rouge metro and the State; (2) household earnings of residents of the Baton Rouge metro and the State; and (3) jobs in Baton Rouge metro and the State.

Impacts on the State. Table 6 presents the impact of LSU Athletics spending on the Louisiana Economy during the year 2012 in millions of dollars. The liberal and conservative approaches provide a range for the estimated total impact on the State economy. **Even the most conservative estimates---which we believe is more appropriate--- indicate LSU sports generates (1) 3,063 full-time equivalent jobs in the state, (2) almost \$100 million in earnings for state residents, and (3) \$273 million in sales at Louisiana firms.** The liberal estimates boosts these impacts of LSU sports to 3,393 full-time equivalent jobs in the state, \$106.2 million in earnings for state residents, and \$302.5 million in sales at Louisiana firms.

Table 6
Total Impact of LSU Sports Operations Spending
On the Louisiana Economy in 2012

Category	Liberal Approach	Conservative Approach*
Sales	\$302.50	\$273.00
Earnings	\$106.20	\$95.80
Jobs	3,393	3,063
Taxes	\$7.4	\$6.7

Sales, earnings & taxes are in millions of dollars. * Most likely scenario

Officials with the State Legislative Fiscal Office have estimated that for every new dollar that is generated in the state, the Louisiana State Treasury collects seven cents in revenues from its various revenue sources like sales taxes, income taxes, gasoline taxes, etc. If LSU sports operational spending generated \$95.8 million in new earnings in 2012 (under the conservative approach), this means the state treasury collected **\$6.7 million in state taxes** that it would not have collected absent this spending.

Impacts on the Baton Rouge Metro. Table 7 contains similar results on the impact of LSU sports on the Baton Rouge metro economy. Because the area is smaller,

the total impact is slightly smaller --- even in the case of the conservative approach where the initial injection into the I/O table is larger due to a higher percentage of ticket sales outside the area. Intuitively, this reflects the fact that some spending both initially and in later rounds benefits Louisiana vendors and workers outside the Baton Rouge metro.

Intuitively, we believe the more liberal approach is more likely in the case of the metro-level impacts. Under this scenario, LAD operational spending in 2010 created (1) \$281.5 million in new sales for metro-area firms, (2) \$84.4 million in new household earnings for metro residents, and (3) 2,697 jobs in the metro.

Table 7
Total Impact of LSU Sports Operations Spending
On the Baton Rouge Metro Economy in 2012

Category	Liberal Approach*	Conservative Approach
Sales	\$281.50	\$254.10
Earnings	\$84.40	\$76.20
Jobs	2,697	2,434
Taxes	\$2.0	\$1.8

Sales & earnings are in millions of dollars. * Most likely scenario

Perhaps some reference points would put these numbers in perspective:

- In 2011, there were 2,438 civilians employed in all the federal agencies in East Baton Rouge Parish;⁴
- In 2011, the combined earnings of workers in wood products manufacturing, nonmetallic mineral product manufacturing, computer and electronic product manufacturing, electrical equipment & appliance manufacturing, and machinery manufacturing in East Baton Rouge Parish was \$83.5 million.⁵

We estimate that for every new dollar in income generated in this 4-parish region local governments collect about 2.4 cents in new sales tax revenues. Thus, the new

⁴ www.bea.gov.

⁵ Ibid.

earnings generated by LAD operational spending in 2012 pumped an estimated **\$2.0 million in new sales taxes** into local government coffers under the liberal scenario.

Finally, we should be quick to point out that the numbers in Table 6 and 7 **do not count the impact of fan spending** at LSU sporting events. The impact of fan spending will be added in Section V.

IV. Construction Spending Impact

Spending on enhancements to LSU athletic facilities by both LAD and the TAF has provided a steady source of construction projects in the Baton Rouge area and the state for a decade and a half. Table 11 documents this spending from 2002 to the current year along with some projections extending into 2015.

Table 8
Construction Spending
(Millions of Dollars)

Year	TAF	LAD	Total
2002	\$11.7	\$3.6	\$15.3
2003	\$2.5	\$0.3	\$2.8
2004	\$31.2	\$1.9	\$33.0
2005	\$73.4	\$5.3	\$78.7
2006	\$5.9	\$0.0	\$5.9

2007	\$6.3	\$7.5	\$13.8
2008	\$3.0	\$44.3	\$47.3
2009	\$14.6	\$12.2	\$26.8
2010	\$7.4	\$3.7	\$11.1
2011	\$3.4	\$2.4	\$5.7
2012	\$19.9	\$5.0	\$24.9
2013	\$69.1	\$4.5	\$73.5
2014*	\$40.0	\$4.2	\$44.2
2015*	\$10.0	\$0.0	\$10.0
Total	\$298.4	\$94.7	\$393.1

*Denotes projected spending on current projects planned for the years 2014 and 2015.

Amount of LSU Sports Construction Projects 2002-15

Over this 14-year period, the LAD and TAF have pumped over **one third of a billion dollars (\$393.1 million) in construction spending** into the economy. While this spending was scattered across all sports at the university, it is not surprising that the preponderance of the spending went to the #1 revenue sport---football. Of the total of \$298.4 million spent by the TAF, 63% went to three football-related projects: (1) the \$84.9 million on the west side addition over 2004-05, (2) the \$87 million on the south end zone addition during 2013-14, and (3) the \$17.3 million on the football operations center over 2004-05. Readers will notice the bulge in spending in Table 8 during those periods. The bulge in LAD spending in 2008-09 involved the construction of the new Alex Box stadium for the baseball team, on which LAD spent \$25.8 million.

Impact of LSU Sports Construction Projects on the State: 2002-15

Clearly, these expenditures had (and will have) a substantial impact on the metro and state economies. Table 9 presents the impact of construction spending on the State's economy in terms of jobs, earnings, sales and state tax revenues.

Table 9

**Economic Impact of Construction Spending on Louisiana
(All Dollars are in Millions)**

Year	Jobs	Earnings	Sales	LA Tax Revenues
2002	265	\$13.3	\$39.2	\$0.9
2003	49	\$2.4	\$7.0	\$0.2
2004	573	\$27.5	\$80.7	\$1.9
2005	1,364	\$63.6	\$186.9	\$4.5
2006	102	\$4.6	\$13.4	\$0.3
2007	240	\$10.5	\$31.0	\$0.7
2008	820	\$34.5	\$101.4	\$2.4
2009	466	\$19.6	\$57.6	\$1.4
2010	192	\$7.9	\$23.2	\$0.6
2011	100	\$4.0	\$11.8	\$0.3
2012	432	\$16.9	\$49.7	\$1.2
2013	1,276	\$49.3	\$144.8	\$3.4
2014*	767	\$29.0	\$85.3	\$2.0
2015*	173	\$6.4	\$18.9	\$0.5
Total	487¹	\$289.5	\$851.0	\$20.3

¹The total figure for jobs is the average number of jobs over the entire period. * Planned

Over the entire 14-year period, LSU sports construction projects have supported an average of **almost 500 jobs per year**, and during those periods when the Tiger Stadium additions were being constructed, employment numbers were in the 1,300 range.

Over this same 14-year period, these construction projects generated **almost \$290 million in earnings** for state residents, or an average of \$20.7 million a year. Because these are higher-wage construction jobs, the average annual wage was nearly \$42,500 a year. The I/O table results also suggest that these construction projects **generated \$851 million in new sales** for firms in Louisiana or about \$60.8 million a year.

Again, officials with the State Legislative Fiscal Office have estimated that for every new dollar that is generated in the state, the Louisiana State Treasury collects seven cents in revenues from its various revenue sources like sales taxes, income taxes, gasoline taxes, etc. If LSU sports construction projects generated \$289.5 million in new earnings

over this 14-year period, this means the state treasury collected **\$20.3 million in state taxes** that it would not have collected absent these construction projects.

Impact of LSU Sports Construction Projects on the Baton Rouge Metro

Table 10 presents similar construction impact results for the Baton Rouge metro (East Baton Rouge, West Baton Rouge, Ascension, and Livingston Parishes). The impacts shown in this table will follow the same pattern as the state-wide impacts back in Table 9, except that all the numbers will be smaller because the impacts are occurring over a smaller geographic area.

Note that over this 14-year period, LSU sports construction projects have generated over **three-quarters of a billion dollars (\$783.3 million) in new sales** for firms in this 4-parish region. These new sales have resulted in a **quarter of a billion dollars (\$250.3 million) in new earnings** for residents of the Baton Rouge metro. On the average, these construction projects have supported **422 jobs a year** for region citizens. In the peak years of stadium additions, the projects supported over 1,100 jobs in the region.

Table 10
Economic Impact of Construction Spending on the Baton Rouge Metro
(All Dollars are in Millions)

Year	Jobs	Earnings	Sales	Local Sales Tax Revenues
2002	230	\$11.5	\$36.1	\$0.3
2003	42	\$2.1	\$6.4	\$0.0
2004	497	\$23.8	\$74.3	\$0.5
2005	1,183	\$55.0	\$172.0	\$1.3
2006	88	\$3.9	\$12.3	\$0.1
2007	208	\$9.1	\$28.5	\$0.2
2008	711	\$29.8	\$93.4	\$0.7
2009	404	\$17.0	\$53.1	\$0.4
2010	167	\$6.8	\$21.3	\$0.2
2011	86	\$3.5	\$10.9	\$0.1
2012	374	\$14.6	\$45.8	\$0.3
2013	1,106	\$42.6	\$133.3	\$1.0
2014*	665	\$25.1	\$78.5	\$0.6
2015*	150	\$5.6	\$17.4	\$0.1
Total	422¹	\$250.3	\$783.3	\$5.8

¹The total figure for jobs is the average number of jobs over the entire period. *Planned

Recall that we have estimated that for every new dollar in income generated in this 4-parish region local governments collect about 2.4 cents in new sales tax revenues. Thus, the new earnings generated by these LSU sports construction projects pumped at least **\$5.8 million in new sales taxes** into local government coffers. We use the phrase “at least” in that last sentence, because we do not have data on the direct sales taxes the construction companies paid on supplies purchased for the projects.

V. Fan Spending Impacts

It is clear that there is another very important factor by which the presence of LSU sports impacted the Baton Rouge metro and the state economies. That important factor is

spending by fans when they attend an LSU sporting event. The data back in Table 3 clearly show that the most heavily attend sporting venue at LSU is football, and it was determined that football was also the venue that attracted the most fans from out-of-metro. Restaurants, hotels, and other local businesses obviously benefit from an injection of new spending into the economy when an LSU game attracts over 90,000 fans to Tiger Stadium.

By the time this contract was awarded in early spring 2013 it was obviously too late to survey fans during the 2012 season, so it was necessary to postpone interviews of fans on their spending until the fall 2013 football season. **Intercept surveys** of visitors were conducted at the Florida and Texas A&M games in 2013. Overall, 634 fan surveys were conducted. Because spending often covers a group (for example a family), interviewers focused on the most informed person about spending and asked questions on the amount of spending in Louisiana and the four-parish area around Baton Rouge.

To obtain both conservative and liberal estimates consistent with the approach used throughout this study, we also asked the respondent's zip code to determine whether they were local, outside the metro area, or out-of-state. Note that out-of-state visitors are by definition a subset of those outside the metro area. There were 192 out-of-state fans interviewed and 362 from outside the metro area.

Measuring Average Fan Spending

Tables 11 and 12 contain the average spending by fans in Louisiana and the Baton Rouge Metro. Because the spending numbers in Table 11 include spending in New Orleans, Lafayette, and other areas they must be larger than the numbers in Table 12. Fan spending is divided by fan type to account for the different spending patterns of (1) local

fans, (2) those outside the metro area (but in Louisiana), and (3) out-of-state fans in later computations.

Table 11
Average Fan Spending In Louisiana
While Attending LSU Football Games

LA Spend	Fans from Outside LA	Fans from Outside the BR Areas	Local Fans
Food	\$71.66	\$52.38	\$44.41
Travel	\$79.43	\$50.87	\$20.85
Lodging	\$67.63	\$44.96	\$9.52
Other	\$17.83	\$12.38	\$4.55
Total	\$236.55	\$160.59	\$79.33

Source: Intercept interviews at the Florida and Texas A&M games.

Table 12
Average Fan Spending In Baton Rouge Metro
While Attending LSU Football Games

LA Spend	Fans from Outside LA	Fans from Outside the BR Areas	Local Fans
Food	\$51.67	\$40.64	\$27.98
Travel	\$56.34	\$36.35	\$10.13
Lodging	\$48.09	\$35.08	\$9.24
Other	\$13.31	\$9.91	\$4.33
Total	\$169.41	\$121.98	\$51.68

Source: Intercept interviews at the Florida and Texas A&M games.

Not surprisingly, the results show that fans that travel from further away spend more on their trip. On average, fans from outside Louisiana spent (1) \$169 in Baton Rouge (Table 12) and (2) \$237 in Louisiana (Table 11) during their trip to the game. Across all fans from outside the Baton Rouge area (include those from outside the state), spending

tops \$121 in Baton Rouge and \$160 in Louisiana. Both groups spent significantly more than local fans, as anticipated.

Food and beverages, travel costs, and lodging all proved to be relatively large expenditures from fans outside Baton Rouge. The majority of local spending is devoted to food and beverages.

Measuring Total Fan Spending

The next step consists of converting the average expenditures per visitor data in Tables 11 and 12 into total visitor spending. Data were provided back in Tables 3-5 on total attendance and the percentage of total attendance by residence. Data in these tables were used to calculate the total fan spending numbers shown in Table 13 and 14.⁶

Table 13
Estimated Total Fan Spending at LSU Football Games
In Louisiana (\$Millions)

LA Spend	Fans from Outside LA	Fans from Outside the BR Area	Local Fans	Total Spending
Food	\$9.5	\$20.5	\$15.5	\$36.0
Travel	\$10.5	\$19.9	\$7.3	\$27.2
Lodging	\$8.9	\$17.6	\$3.3	\$20.9
Other	\$2.4	\$4.8	\$1.6	\$6.4
Total	\$31.2	\$62.8	\$27.7	\$90.5

Source: Intercept interviews at the Florida and Texas A&M games and attendance data reported in Tables 1-3.

Table 13 illustrates total fan spending in Louisiana, Out-of-state fans spent \$31.2 million in Louisiana, while a combination of out-of-state and out-of metro residents spent

⁶ For example, note the first number in Table 13---\$9.5 million. This is found by taking total attendance for table 3 (741,005) and multiplying it by the percentage of fans from out of state (17.8% in Table 5) and multiplying that by average food spending per out-of-state fan in Table 11 (\$71.66). Thus, 741,005 X .178 X \$71.66 = \$9.5 million.

\$62.8 million in Louisiana. Fans who live in the 4-parish metro spent \$27.7 million associated with attending football games. **In total, all fans spent \$90.5 million (the sum of the middle two columns in Table 13) in Louisiana while attending LSU football games.**

Table 14
Estimated Total Fan Spending at LSU Football Games
In the Baton Rouge Metro (\$Millions)

LA Spend	Fans from Outside LA	Fans from Outside the BR Areas	Local Fans	Total Spending
Food	\$6.8	\$15.9	\$9.8	\$25.7
Travel	\$7.4	\$14.2	\$3.5	\$17.7
Lodging	\$6.3	\$13.7	\$3.2	\$16.9
Other	\$1.8	\$3.9	\$1.5	\$5.4
Total	\$22.3	\$47.7	\$18.1	\$65.7

Source: Intercept interviews at the Florida and Texas A&M games and attendance data reported in Tables 1-3.

Table 14 shows the amount these fans spent in the Baton Rouge metro while attending LSU football games. All fans from outside of the metro spent an estimated \$47.7 million in the metro and local fans added another \$18.1 million. **In total, football fans spent \$65.7 million in the Baton Rouge metro while attending the games.**

The Direct & Indirect Effects of Football Fan Spending

The U.S. Bureau of Economic Analysis RIMS II tables again provide a method of accounting for the both the direct and indirect impact of this injection of fan spending into the economy. As in the main body of the text, results are computed using a conservative approach assuming that only spending by fans coming to the game from outside the geographic area of interest is counted. The liberal approach counts all spending based on

the assumption that the spending might have occurred outside the area if the LSU game were not an alternative.

Table 15 contains the total impact on the Louisiana economy, while Table 16 contains the total impact on the Baton Rouge metro economy. Two impacts influence these results. First, because there is more spending in Louisiana than just Baton Rouge, the impact of fan spending is always going to be greater for the state using the liberal approach. That is, the Louisiana economy is larger than the Baton Rouge metro, so the impacts will be greater when all spending is counted.

Secondly, when using the conservative approach only spending from outside a region is included in measuring the benefits. When measuring benefits to the state, only fan spending by the 131,899 out-of-state fans is considered. Spending by out-of-state fans and the 391,251 out-of-metro fans are included when measuring benefits to the Baton Rouge metro. It then comes as no surprise that the conservative approach results in larger impacts for the Baton Rouge metro economy than for the Louisiana economy.

Table 15
Estimated Total Impact of LSU Football Fan Spending
On the Louisiana Economy in 2012

Category	Liberal Approach	Conservative Approach*
Sales	\$186.9	\$58.6
Earnings	\$61.0	\$18.9
Jobs	2,130	647
Taxes	\$4.3	\$1.3

Source: Survey data, U.S. BEA data and author's computations. Dollar amounts in millions. Jobs are measured as annual equivalent jobs. *Most preferred

Note in Table 15 that using the most preferred conservative approach, **fan spending at LSU football games created (1) \$58.6 million in new spending at firms in the state, (2) \$18.9 million in new household earnings for Louisianans, and (3) 647 jobs** (on an annualized basis). Using the 7% ratio to estimate the impact on the state budget results in **\$1.3 million added to the state treasury** as a result of this spending.

Table 16
Total Impact of LSU Football Fan Spending
On the Baton Rouge Economy in 2012

Category	Liberal Approach*	Conservative Approach
Sales	\$116.0	\$84.2
Earnings	\$35.3	\$25.7
Jobs	1,251	895
Taxes	\$0.8	\$0.6

Source: Survey data, U.S. BEA data and author's computations. Dollars are in millions. Jobs are measured as annual equivalent jobs. *Most preferred

Table 16 illustrates fan spending impacts on the Baton Rouge metro economy. Using the preferred liberal approach, **fan spending at LSU football games created (1) \$116 million in new spending at firms in the metro, (2) \$35.3 million in new household earnings for metro residents, (3) 1,251 jobs (on an annualized basis), and almost \$0.8 million in new sales taxes for local governments.**

Fan Spending & Operations Effects Combined

It is now possible to estimate the total impact of LAD's ongoing presence (exclusive of construction activity) by adding together the fan spending and operational impacts. This estimate is secured by adding the operational impacts provided back in Tables 6 and 7 to the fan spending impacts in Tables 15 and 16. These sums are documented in Tables 17 and 18 below.

Table 17
Total Impact of LAD Operations & Football Fan Spending
On the Louisiana Economy

Category	Liberal Approach	Conservative Approach*
Sales	\$489.4	\$331.6
Earnings	\$167.2	\$114.7
Jobs	5,523	3,710
Taxes	\$11.7	\$8.0

Source: Survey data, U.S. BEA data and author's computations. All dollars in Millions. Jobs are measured as annual equivalent jobs. *Most preferred.

Table 18
Total Impact of LAD Operations & Football Fan Spending
On the Baton Rouge Economy

Category	Liberal Approach*	Conservative Approach
Sales	\$397.5	\$338.3
Earnings	\$119.7	\$101.9
Jobs	3,948	3,329
Taxes	\$2.8	\$2.4

Source: Survey data, U.S. BEA data and author's computations. All dollars in millions. Jobs are measured as annual equivalent. *Most preferred. .

Whether using the conservative or liberal approaches, these benefits are quite impressive. Again, in our judgment, the conservative approach---counting only out-of-state generated spending---is closer to the true mark when estimating the state impacts. Even using the conservative approach, the impacts on the state are as follows:

- Sales at businesses in the state are boosted by right at a third of a billion dollars---\$331.6 million;

- Household earnings of state residents are up by \$114.7 million. As a reference point total earnings of all workers in St. Helena Parish in 2012 were \$112.7 million;⁷
- 3,710 jobs in the state can be traced back to LAD operations spending and fan spending at football games. As a reference point there were 3,707 people employed in Catahoula Parish in October 2013.⁸
- The state treasury gains \$8 million from LAD on-going operations.

In the case of the impact on the Baton Rouge metro, we believe the liberal scenario (including all spending) is likely closer to the mark because people could reasonably go out-of-metro to spend these sports dollars. Note in Table 18 how impressive these impact numbers are:

- Sales at firms in the metro are up by over one-third of a billion dollars---\$397.5 million;
- Household earnings in the metro are boosted by \$119.7 million due to LAD activities. As a reference point total earnings of all people working in food and beverage stores in East Baton Parish in 2011 was \$108.2 million;⁹
- Nearly 4,000 jobs---3,948---can be traced back to LAD operations spending and fan spending at football games. That is equivalent to total employment in the entire parish of St. Helena.¹⁰
- Local governments pick up an estimated \$2.8 million in sales tax collections due to LAD's on-going operations.

⁷ www.bea.gov.

⁸ Louisiana Workforce at a Glance, November 27, 2013, p. 16.

⁹ www.bea.gov.

¹⁰ Louisiana Workforce at a Glance, November 27, 2013, p. 16

The estimates in Tables 17 and 18 can be considered lower-bound estimates of LAD's impact on these regions. The reason is that we account for no impact of fan spending at the other athletic events (e.g., baseball, basketball, track, etc.). Including these impacts would have made the numbers in these tables even larger.

VI. Industry Level Impacts

If LSU sports operations and fan spending have such a large impact on these economies, we should be able to point to specific sectors where this impact is especially large. This section focuses on the industry level impacts of operations spending combined with estimated fan spending in 2012.¹¹ We confine breakout of these industry level impacts to the case of the preferred Baton Rouge metro using the liberal scenario. (The distributional impacts for the state under the preferred conservative scenario would be similar, but the numbers would be different.)

Industry Distribution by Business Sales in the Metro

In Table 19, data are provided on the impact of LSU sports operations and fan spending on **sales** at firms in the Baton Rouge metro broken down by industry. These impacts are broken out for the top nine industries in the metro that benefit the most from this operational and fan spending.

According to the I/O table, **firms in the metro experienced a \$397.5 million boost in sales** due to this spending (see this total back in the first column of Table 18). The amusements sector (arts/entertainment/recreation) was the largest beneficiary with \$159.9 million in sales, followed by firms in food services and drinking places (+\$31.9 million)

¹¹ We recognize that we are estimating fan spending in 2012 using interviews conducted in 2013. While this is a slight mixing of apples and oranges we do not believe it leads to any significant distortion.

and real estate/leasing (\$29.7 million). Nine other sectors in the metro had their earnings boosted by over \$10 million due to the presence of LSU sports and fan spending.

Table 19
The Impact of LSU Sports and Fan Spending on
Business Sales in the Baton Rouge Metro: Industry Breakdowns
(\$millions)

Category:	Sales Created
Arts, entertainment, and recreation	\$159.9
Food services and drinking places	\$31.9
Real estate and rental and leasing	\$29.7
Transportation and warehousing*	\$24.0
Finance and insurance	\$20.5
Retail trade	\$18.7
Accommodation	\$18.0
Health care and social assistance	\$16.3
Manufacturing	\$14.2
Professional, scientific, and technical services	\$13.6
Administrative and waste management services	\$10.5
Information	\$10.5
Total	\$397.5

Note: This table is based on the Bureau of Economic Analysis' RIMS II tables, which provide impact multipliers for 20 industries. The table presents all industries with over \$10 million in new sales created, while the total indirect impact is the sum over all industries.

Industry Distribution by Household Earnings in the Metro

Table 20 reveals the I/O table estimates of LSU sports and fan spending on **household earnings** in the metro---perhaps an issue of greater concern to the populace than firm sales. Little wonder. According to I/O table estimates, LSU sports operations and fan spending combined to create **\$119.9 million in household earnings for metro residents**. (See this total figure back in column one of Table 18).

Is this a large figure? Perhaps some reference points would be helpful.

- Total earnings of all workers in real estate in East Baton Rouge Parish in 2011 was \$121.1 million;¹²

¹² Ibid.

- Total earning of workers in the fabricated metals and plastics/rubber manufacturing sectors in East Baton Rouge Parish in 2011 was \$118.3 million.¹³

Table 20
The Impact of LSU Sports Operations & Fan Spending
On Household Earnings in the Baton Rouge Metro: Industry Breakdowns
(\$1000s)

Category	Earnings
Arts, entertainment, and recreation	\$49.2
Transportation and warehousing*	\$9.7
Food services and drinking places	\$9.7
Health care and social assistance	\$7.3
Retail trade	\$6.1
Professional, scientific, and technical services	\$6.1
Finance and insurance	\$4.9
Administrative and waste management services	\$4.5
Accommodation	\$4.4
Total	\$119.7

Note: This table is based on the Bureau of Economic Analysis' RIMS II tables, which provide impact multipliers for 20 industries. This table presents earnings for all industries with \$4 million or more in earnings, while the total impact is the sum over all industries.

Table 20 also reveals where the people work who were the largest beneficiaries of this \$119.9 million in new earnings. It is not surprising that individuals working in arts, entertainment and recreation were the biggest winners (\$49.2 million in earnings). The next three largest beneficiary sectors in terms of worker earnings from LAD's sports operations and fan spending were: (1) transportation and warehousing (+\$9.7 million), (2) food services and drinking places (+\$9.7 million), and (3) health care (+\$7.3 million).

Industry Distribution by Jobs in the Metro

Finally, Table 21 shows the I/O table estimates of the impact of LSU sports operations and fan spending on **jobs** in the metro. According to the I/O table, **LSU sports**

¹³ Ibid.

and fan spending supported 3,948 full-time equivalent jobs in the metro (see the next to last row back in Table 18, column one). The largest beneficiaries are workers in the broadly defined “amusements” sector---which is where LSU sports are located---where 1,661 jobs are supported by LSU sports operations and fan spending. There were also 533 jobs supported in food services/drinking places, and 3,285 in transportation and warehousing.

Table 21
The Impact of LSU Sports Operations & Fan Spending
On Jobs in the Baton Rouge Metro: Industry Breakdowns

Category	Jobs Created
Arts, entertainment, and recreation	1,661
Food services and drinking places	533
Transportation and warehousing*	328
Retail trade	234
Administrative and waste management services	181
Health care and social assistance	172
Real estate and rental and leasing	166
Accommodation	140
Finance and insurance	115
Professional, scientific, and technical services	105
Total	3,948

Note: This table is based on the Bureau of Economic Analysis' RIMS II tables, which provide impact multipliers for 20 industries. This table presents earnings for all industries with 100 jobs supported, while the total impact is the sum over all industries.

VII. Summary & Conclusions

The LSU Athletic Department (LAD) has produced 33 national championship teams since 1990, including 20 in women's track & field, four in men's track & field, six in baseball, and two in football. The National Association of Collegiate Directors of Athletics (NACDA) ranked LSU 13th among 277 Division I colleges in FY12, and LSU has been ranked in NACDA's top 10 six times since FY94.

What is often not understood or appreciated is how important the LSU sports are to the Baton Rouge metro and state economies. (The metro is composed of East Baton Rouge, West Baton Rouge, Livingston and Ascension Parishes.) In this report we use input/output tables to estimate the impact of LSU sports (1) operations spending, (2) construction spending, and (3) football fan spending on the metro and state.

Our findings of the impact of LSU sports operations can be summarized as follows:

- In FY year 2012, the LAD generated about **\$98.7 million in direct revenues** from ticket sales, concessions, game guarantees, etc. The Tiger Athletic Foundation (TAF) generated another **\$56.1 million** and sports camps added another **\$2 million**.
- **Civic groups running concession sales at LSU sporting events pocketed over \$815,000 in FY12** to help run their organizations.
- Since the east and west side additions to Tiger Stadium opened, attendance has averaged over 92,000 per game. **On a typical night in Tiger Stadium in 2012 there were more people in attendance than the populations of 49 of the state's 64 parishes.** On a typical Saturday night, there are about as many people present in Tiger Stadium as people who live in Lafourche Parish.
- For a typical game in Tiger Stadium, the average fan from **outside of the Baton Rouge metro** spends \$160.59 in the state, with \$121.98 of that is spent in the Baton Rouge metro. Over a 7-game home season, total spending by fans from outside the metro is \$62.8 million in Louisiana, with \$47.7 million of that spent within the metro.
- Our preferred estimate of the impacts of on-going LSU sports operations and fan spending on the Louisiana economy are as follows:
 - **\$331.6 million** in new sales at Louisiana firms;
 - **\$114.7 million** in new household earnings for Louisiana residents---an amount larger than earnings of all residents of St. Helena Parish;
 - **3,710** jobs for Louisiana residents---a figure larger than total employment in Catahoula Parish;
 - **\$8 million** in revenues for the state treasury.
- Our preferred estimate of the impacts of LSU sports operations and fan spending on the Baton Rouge metro economy are:
 - **\$397.5 million** in new sales at Baton Rouge metro firms;

- **\$119.7 million** in new household earnings for Baton Rouge metro residents---a figure larger than the earnings of all workers in food and beverage stores in East Baton Rouge Parish;
- **3,948 jobs** for Baton Rouge metro residents---a figure equal to total employment in Madison or St. Helena Parishes;
- **\$2.8 million** in new sales taxes for local governments.

Over the 14-year period covering 2002-15, LAD and TAF have spent (or are planning to spend) over **one-third of a billion dollars (\$393.1 million) on construction projects.**

We estimated the impact of this construction spending as follows:

- At the state level, over the 14-year period this construction spending created **\$851 million in new sales at firms** in the state, **\$289.5 million in new household earnings** for state residents, and an average of **487 jobs** a year. In the peak spending years---those involving stadium expansions---about **1,300 jobs** were supported in Louisiana. The Louisiana State Treasury added **\$20.3 million in taxes** due to this construction spending.
- At the Baton Rouge metro level, over the 14-year period this construction spending created **\$783 million in new sales at firms** in the metro, **\$250.3 million in new household earnings** for metro residents, and an average of **422 jobs** a year. In the peak spending years involving the stadium expansions, about **1,100 jobs** were supported in the Baton Rouge metro. The local governments in the metro added at least **\$5.8 million in sales taxes** due to this construction spending.

Obviously, what LSU sports generate is not just entertainment.