

OXFORD ECONOMICS

The Economic Impact of Texas A&M University Home Football Games

September 2012

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Key Findings

The Impact of Texas A&M Home Games in 2011

Texas A&M home football games generate a massive economic impact in Brazos County. The incremental direct spending of fans, media, sponsors, and teams associated with home games tallied \$120 million in economic activity in 2011. The average incremental direct spending generated by a Texas A&M home game was \$17 million in 2011.

The vast majority of home game economic activity (\$107 million) comes from spectators. And of this amount, out-of-town visitors generated \$91 million in spending in Brazos County while visiting for home football games.

This direct spending generated the following economic impacts in Brazos County in 2011:

- Local tax receipts of \$5.8 million
- \$56 million in household income
- 2,400 jobs, representing nearly 3% of employment in the County

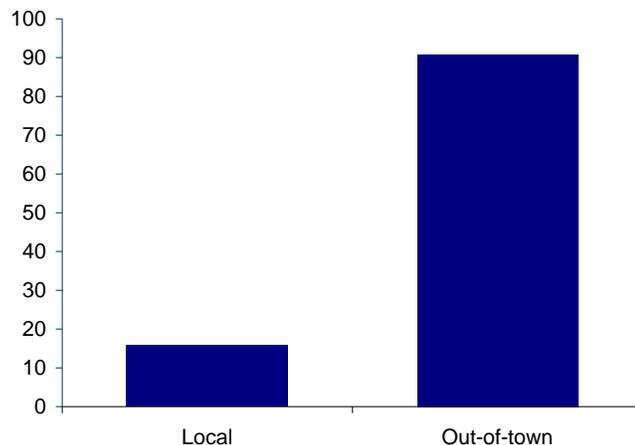
Most of these jobs are generated for students. An Oxford Economics survey of businesses in Brazos County found that part time student employment increased 60% while full time student employment increased 10% during last football season.

This same survey, covering businesses across the spectrum of hospitality, transportation, construction, retail, business service, and financial service companies, indicated that home games represented 10% of annual revenues and 32% of profits last year.

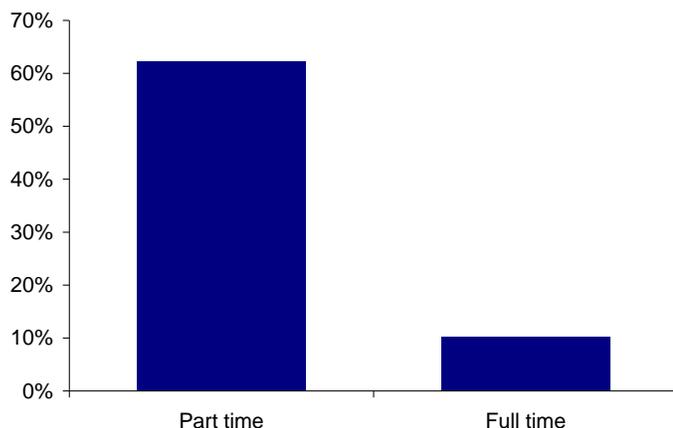
Texas A&M Home Football Game Expenditure Sources, Brazos County \$ Thousand, 2011 Season		
	Total	Per Game
Spectators	106,553	15,222
Media	1,169	167
Team travel and catering	386	55
Hospitality events	5,000	714
Sponsorship	6,000	857
Real Estate	571	82
Total	119,680	17,097

Spectator Spending by Origin

\$ millions



Increase in Student Employment During Football Season



What would be lost if Texas A&M home games left town?

If Texas A&M home games were played outside of Brazos County, the impacts would be severe. More than \$63 million in direct business activity would be lost in a single year, representing 53% of the economic impacts of home games.

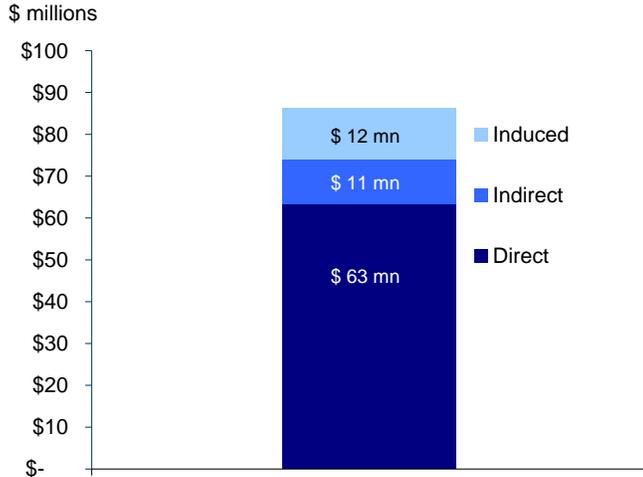
Including the local supply chain (indirect impacts) and effects of incomes spent in the local economy (induced impacts), the loss to Brazos County businesses would reach \$86 million in a single season and \$173 million over two seasons.

The economic losses would also be felt by local government and households. If home games left Brazos County for just one year, the impacts would measure:

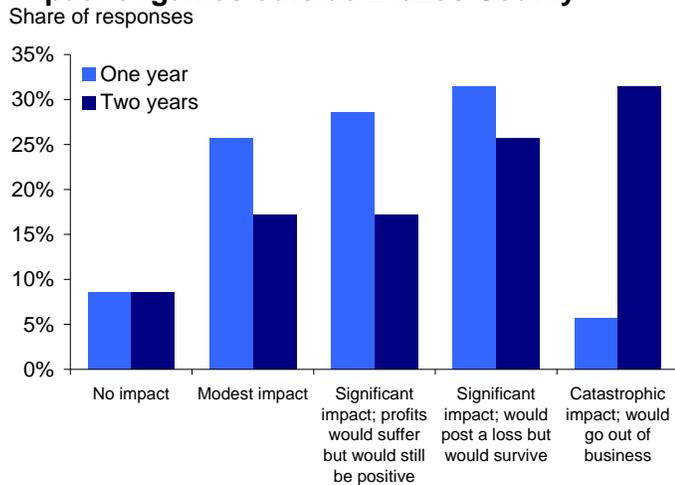
- Local tax losses of \$2.8 million
- \$21 million in household income forfeited
- 955 lost Brazos County jobs

Local businesses confirmed these statistical findings. In the event that home games left Brazos County for a year, 66% or two-thirds of respondents stated that the impact would be significant or catastrophic to their businesses. If home games were played outside of the area for two years, this share rises to 74%, with nearly one-third of respondents saying the impact would be catastrophic and their business would not survive.

Business Sales Losses Over One Season



Impact of games outside Brazos County



1 Overview

Texas A&M is the single largest driver of the Bryan-College Station economy. And Texas A&M football generates a significant portion of that impact, drawing more than 87,000 fans to each of its home games. These impacts only stand to increase with Texas A&M's move to the SEC which will draw greater numbers of out-of-town visitors who tend to spend more and stay longer.

However, this opportunity also presents a challenge. SEC affiliation will require substantial facility renovations that may require home games to be played outside of Brazos County for an entire season. The economic impacts of such a move would be dramatic, with potentially devastating effects on local businesses, households, and government. As stakeholders grapple with various options for making necessary capital improvements, a comprehensive and clear understanding of the economic implications of these options is essential.

Oxford Economics conducted this research impartially on behalf of the Bryan-College Station CVB and the Bryan-College Station Chamber of Commerce. Our analysis included a broad range of inputs, including ticket sales data, financial reports, tax data, hotel statistics, visitor survey data, and a survey of Brazos County businesses.

The analysis presented in this report has three core objectives:

- Quantify the historic economic impact of Texas A&M football games in terms of visits by type, spending, jobs, income, and taxes by type. These impacts are measured per game and for an entire season, focusing on the 2011 season.
- Assess the economic impact of a scenario in which Texas A&M home games are played outside of Brazos County. This would be analyzed in terms of initial economic impacts, unemployment, income losses, tax receipts, and the possibility that certain businesses would fail.
- Estimate the additional economic impacts that would be realized as Texas A&M football moves to the SEC.

2 The Economic Impact of Texas A&M Football

What do home games bring in?

Texas A&M football is an economic engine, generating substantial business sales, employment, personal income, and local taxes.

In 2011, A&M home games attracted over half a million (545,557) out-of-town spectators. Another 285,475 fans from the Brazos Valley either attended the game or participated in game festivities. For every home game, 118,719 fans participate in game-related activities. The majority (73%) are ticketed spectators while the remainder participates in tailgating and other local events.

Texas A&M Home Football Game Spectators 2011 Season				
	Brazos Valley	Out-of-town Spectators	Total	Per Game
Ticketholding spectators	163,129	447,154	610,283	87,183
Not-ticketed spectators	122,346	98,403	220,750	31,536
Total	285,475	545,557	831,033	118,719
Share	34%	66%	100%	

The economic activity generated by these spectators is substantial. Over the course of the 2011 season, spectators spent \$116 million related to Texas A&M home games. More than 90% of this spending was within Brazos County, tallying \$107 million over the course of the season with an average of \$15 million per game.

Texas A&M Home Football Game Spectator Spending \$ Thousand, 2011 Season							
	Brazos Valley	Out-of-town Day	Overnight	Total	Outside Brazos County	Spending In Brazos County	Per Game Brazos County
Tickets	7,109	2,637	17,126	26,872		26,872	3,839
Seat license /donations	4,630	1,717	11,153	17,500		17,500	2,500
Accommodations			8,099	8,099	2,311	5,789	827
Food & Beverage	2,826	2,362	22,787	27,976	3,250	24,725	3,532
Retail	1,484	1,241	11,969	14,694	1,707	12,987	1,855
Transportation		1,261	12,161	13,422	1,735	11,687	1,670
Entertainment	71	60	575	706	82	624	89
Other	728	608	5,869	7,206	837	6,369	910
Total	16,848	9,886	89,741	116,476	9,922	106,553	15,222

Additional economic activity is generated outside of spectator spending. Sponsorships of \$6 million flow into the local economy as do various hospitality events hosted by university groups, not-for-profits, and businesses in relation to home games which tallied \$5 million in 2011. Visiting media also spend considerable sums to cover Aggie home games, averaging \$167,000 per game.

The Economic Impact of Texas A&M University Home Football Games

September 2012

Our research also identified substantial real estate activity related to home games as a market for seasonal residences has emerged for alumni and other fans to participate in home game activities. We conservatively estimate that nearly \$600,000 in real estate activity was related to home games in 2011.

All told, the incremental Brazos County spending of spectators, media, sponsors, and teams associated with home games tallied \$120 million in economic activity in 2011. The average incremental direct spending generated by a Texas A&M home game was \$17 million.

The vast majority of home game economic activity (\$107 million) comes from spectators. And of this amount, out-of-town visitors generated \$91 million in spending in Brazos County while visiting for home football games.

The largest single category of spending is on tickets (\$27 million), while seat licenses and donations are the third largest category (\$17.5 million). Food & beverage purchases, including restaurant, bar, and grocery store purchases, are the second largest spending area with \$25 million in 2011, or \$3.5 million per game.

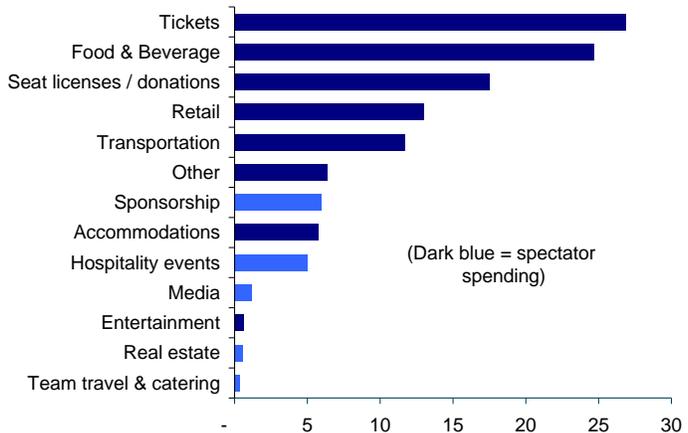
Another \$12 million in 2011 (\$1.7 million per game) was spent on transportation, including fuel, airport services, taxis, rental cars, and other transport services.

Texas A&M home games represent a substantial source of business to those organizations directly providing goods and services to spectators, media, sponsors, and teams.

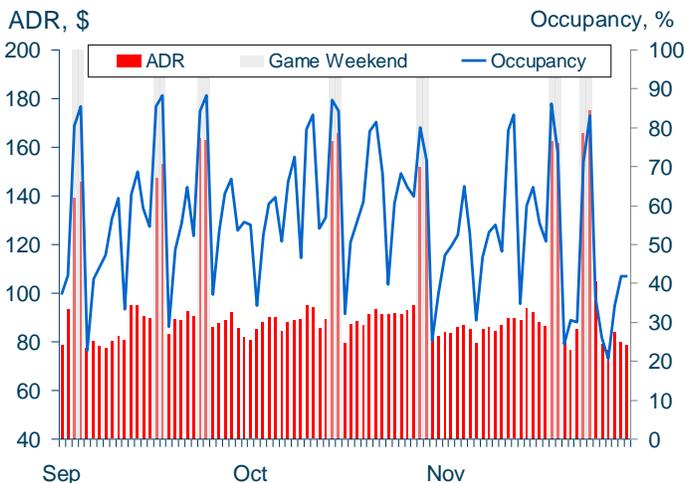
\$8 million was spent on hotel accommodation by home game visitors, \$6 million of which was in Brazos County. The sharp increase in demand is evident in examining daily hotel data. On game weekends, average daily rates (ADR) nearly double to \$160/night compared to an average of \$88/night on non-game weekends. Occupancy rates also spike on home game weekends so that a full 9% of Brazos County hotel annual revenue is driven by home football games.

Texas A&M Home Football Game Expenditure Sources, Brazos County		
\$ Thousand, 2011 Season		
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Texas A&M Home Game Direct Spending
\$ millions



Brazos County Hotel ADR & Occupancy, Fall 2011



How does this spending affect the Brazos County economy?

As impressive as these direct spending numbers are, a full understanding of the economic impact of Texas A&M home games must assess how these dollars flow through the local economy to generate household income, employment and taxes.

Using an input-output (I-O) model based on the Brazos County economy, we are able to track how companies purchase from each other and how household income translates into additional spending.

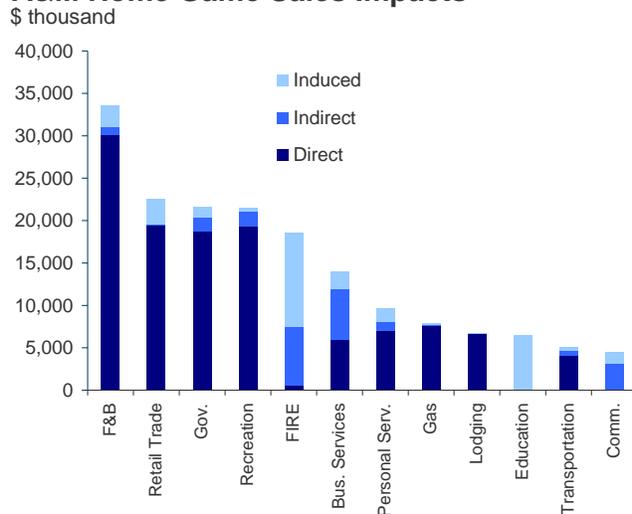
For example, an I-O model tracks the flow of a visitor's restaurant expenditures to personal income, profits, capital, taxes and suppliers. The supplier chain is then traced to food wholesalers, to farmers, and so on. In this way, the I-O model allows for the measurement of the direct and indirect sales generated by a restaurant meal. The model also calculates the induced impacts of Texas A&M football. These induced impacts represent benefits to the economy as those employees supported by home games spend their incomes in the local economy, generating additional economic activity.

The following section lays out the full economic impact of Texas A&M home games, including the local supply chain (indirect impacts) and the effect of incomes as they are spent in the Brazos Count economy (induced impacts).

Home Game Impacts on Business Sales

- Direct expenditures in Brazos County related to Texas A&M home football games totaled \$120 million in 2011, or \$17.1 million per game.
- This direct expenditure generated an additional \$25 million in indirect business sales and \$33 million dollars in induced sales. For every dollar of direct game-related spending, another 48 cents is generated in other sectors of the Brazos County economy.
- Linkages are particularly strong to the finance, insurance, and real estate (FIRE) sector through the supply chain (indirect impacts) and household spending (induced impacts). For every dollar of direct game-related spending, another 15 cents is generated in the FIRE sector.
- Including indirect and induced impacts, Texas A&M home football games generated a total of \$177 million dollars of business sales in the Brazos County economy in 2011.
- Based on sales & use tax data for Brazos County, total business sales generated by Texas A&M home games represented approximately 3% of total economy sales in 2011.

A&M Home Game Sales Impacts

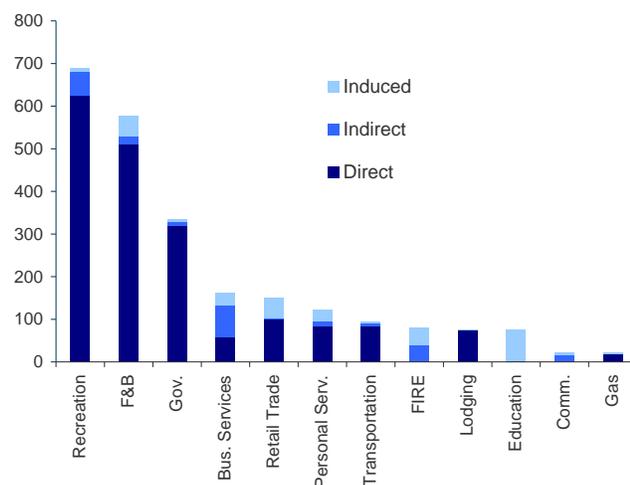


Texas A&M Home Game Business Sales Impacts				
2011 Season, \$ Thousand				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	34	42	75
Construction and Utilities	-	832	515	1,346
Manufacturing	-	857	541	1,398
Wholesale Trade	-	715	1,198	1,912
Transportation	4,124	610	373	5,108
Retail Trade	19,470	118	2,969	22,557
Gasoline Stations	7,640	11	199	7,850
Communications	-	3,188	1,357	4,546
Finance, Insurance and Real Estate	571	6,961	11,034	18,567
Business Services	6,000	5,879	2,092	13,971
Education and Health Care	-	109	6,415	6,524
Recreation and Entertainment	19,347	1,790	389	21,526
Lodging	6,718	21	18	6,757
Food & Beverage	30,123	957	2,501	33,581
Personal Services	7,000	1,096	1,624	9,720
Government	18,686	1,716	1,261	21,663
TOTAL	119,680	24,896	32,526	177,101

Home Game Impacts on Employment

- The spending associated with 2011 Texas A&M home football games directly supported 1,874 jobs (on an average annual employment basis) in Brazos County. These are only the jobs in those organizations conducting direct business with participants, teams, the media, and sponsors.
- Direct leisure & hospitality (including hotels and restaurants) jobs generated by home games in 2011 comprised 7% of the sector's annual employment.
- When including indirect and induced effects, Aggie home football games in the 2011 season supported over 2,400 jobs in Brazos County, representing nearly 3% of all employment in the county.
- Supply chain (indirect) linkages are particularly strong with the business services sector where a job is generated for every 20 direct jobs generated by Texas A&M home games.
- For every three annualized jobs directly generated by home game spending, another job is generated in other sectors of the Brazos County economy.

2011 A&M Home Game Employment Impacts

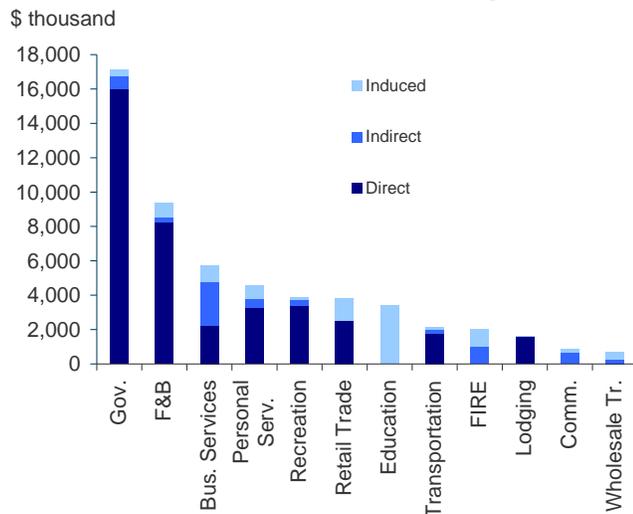


Texas A&M Home Game Employment Impacts				
2011 Season				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	1	1	2
Construction and Utilities	-	5	3	8
Manufacturing	-	4	2	5
Wholesale Trade	-	4	8	12
Transportation	84	6	3	93
Retail Trade	100	2	48	150
Gasoline Stations	18	0	3	21
Communications	-	17	5	22
Finance, Insurance and Real Estate	-	40	41	81
Business Services	59	75	28	162
Education and Health Care	-	2	73	75
Recreation and Entertainment	625	57	8	689
Lodging	76	0	0	76
Food & Beverage	511	18	48	578
Personal Services	83	12	27	122
Government	319	9	6	334
TOTAL	1,874	252	305	2,432

Home Game Impacts on Personal Income

- The Brazos County employees *directly* supported by Aggie home football games in 2011 earned income, including wages and benefits, of \$39 million.
- Texas A&M home football games generated *total* labor income, including indirect impacts, of \$56 million in 2011.
- For every dollar of direct game-related income, another 43 cents of income is generated in other sectors of the Brazos County economy through the supply chain and household spending.
- Linkages are particularly strong to the education & healthcare sector through the supply chain (indirect impacts) and household spending (induced impacts). For every dollar of direct game-related income, another nine cents is generated in the education & healthcare sector.

2011 A&M Home Game Income Impacts



Texas A&M Home Game Income Impacts				
2011 Season, \$ Thousand				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	9	12	20
Construction and Utilities	-	231	120	351
Manufacturing	-	158	76	234
Wholesale Trade	-	255	427	682
Transportation	1,738	268	151	2,158
Retail Trade	2,490	54	1,296	3,840
Gasoline Stations	439	4	76	520
Communications	-	635	214	849
Finance, Insurance and Real Estate	-	1,023	1,000	2,023
Business Services	2,226	2,534	940	5,699
Education and Health Care	-	42	3,392	3,434
Recreation and Entertainment	3,396	335	122	3,852
Lodging	1,596	5	4	1,605
Food & Beverage	8,253	292	864	9,409
Personal Services	3,284	495	801	4,581
Government	16,010	756	403	17,170
TOTAL	39,433	7,094	9,899	56,426

Home Game Impacts on Local Taxes

- The expenditures associated with Texas A&M home football games generates a substantial amount of revenue for local governments in Brazos County. Nearly \$6 million in local government revenue was generated by home football games in 2011.
- Over \$1 million in local sales and use taxes was generated during the 2011 season.
- \$518,000 was raised through hotel occupancy taxes.
- Home game economic activity supported \$4 million in local property taxes.
- Brazos County households would need to pay an additional \$87 per year in taxes to replace this revenue.

Brazos County & Municipalities Tax Impact	
\$ Thousands, 2011	
Sales & Use Tax	1,077
Hotel Tax	518
Property Taxes	4,029
Other Taxes and Fees	137
Total	5,761

3 Economic losses if home games were played outside Brazos County

The need for Kyle Field renovations and an expansion of seating capacity has raised the possibility of relocating A&M home football games outside of the Brazos Valley for one or two seasons during construction.

Given the substantial economic impacts of Texas A&M home football games, it is of critical importance to understand what is at stake. As shown in the previous chapter, home football games mean a tremendous amount to the local economy, providing a \$120 million annual injection of spending, 2,400 jobs, and \$6 million in taxes.

In this chapter we present the losses that would be incurred over a one and two-year period if home games were to be relocated. These impacts are described in both quantitative terms, based on statistical analysis, and qualitative terms, based on a survey of local businesses.

Not all of game-related business would be lost. The Athletic Department and the 12th Man Foundation would still collect ticket, seat license, and donation revenue. And some events and festivities would still be held in Bryan-College station in relation to the game. However, most out-of-town visitor spending would be lost and most of the spending of residents on game-related events would leak out of the local economy. In addition, Athletic Department game day expenditures would take place outside of Bryan-College Station. Some ticket revenue would go towards the rental of another facility, as well as increased travel expenditures associated with all games becoming road games.

3.1 The Potential Loss: Quantitative Findings

- Moving Texas A&M home games out of Brazos County would result in a loss of \$63 million in direct business sales and \$86 million in total sales over a seven game season.
- Over a two year period, \$173 million in Brazos County business activity would be lost.
- Brazos County employment would decline 1% as a result, shedding the average annual equivalent of 955 jobs.
- Personal income would decline \$21 million.
- Local governments in Brazos County would experience a reduction of nearly \$3 million in tax revenue.
- Brazos County households would need to pay an additional \$42 per year in order to make up the local tax revenue lost from moving games out of the area.

Brazos County & Municipalities Potential Tax Loss Impact	
\$ Thousands, 7 Game Season	
Sales & Use Tax	478
Hotel Tax	456
Property Taxes	1,786
Other Taxes and Fees	59
Total	2,778

Summary of Losses if Home Games Leave Brazos County				
Single Season				
	Direct	Indirect	Induced	Total
Business sales (\$ thousand)	63,209	10,837	12,337	86,384
Personal income (\$ thousand)	14,383	3,235	3,755	21,373
Employment (annual)	744	95	116	955

3.2 The Potential Loss: Qualitative Findings

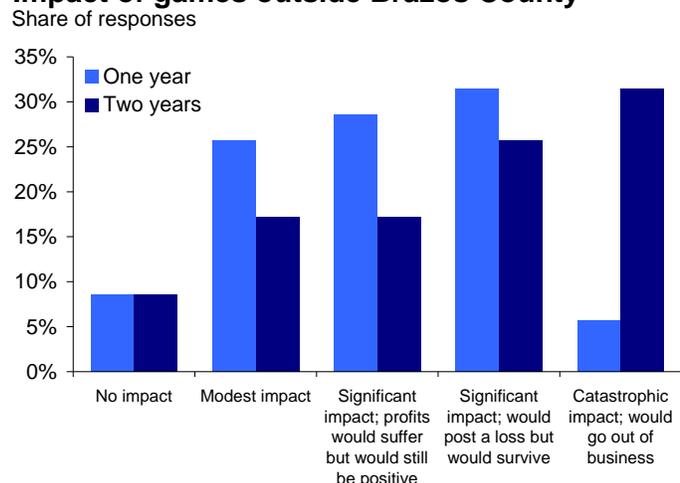
Oxford Economics conducted two separate stakeholder input sessions to gather view points on the economic dynamics of Texas A&M home football games. These sessions attracted 120 business people and community leaders. In addition, we conducted an online survey of local businesses to ask specific questions about the role of home games on their revenue, profits, and employment.

These sessions and survey provided the perspectives of dozens of businesses—both small and large. In this section, we have compiled some of the most relevant feedback into a narrative with selected quotes.

The Big Picture

- The local businesses we surveyed confirmed many of statistical findings of this research. In the event that home games left Brazos County for a year, 66% or two-thirds of respondents stated that the impact would be significant or catastrophic to their businesses. If home games were played outside of the area for two years, this share rises to 74%, with nearly one-third of respondents saying the impact would be catastrophic and their business would not survive.
- This same survey, covering businesses across the spectrum of hospitality, transportation, construction, retail, business service, and financial service companies, indicated that home games represented 10% of annual revenues and 32% of profits last year.
- “The loss of sales during football season would be a “Double Whammy”. Visitors wouldn’t come and residents would leave.”
- “Texas A&M should never consider taking away its main attraction for the B/CS area—A&M football. It is the greatest tradition of any university in the country. 90,000 fans, hotel rooms, dinners, lunches, clothes, night life, cars, and yes even mobile homes and RVs. The total commerce is unbelievable. Don't give it to another city for any amount of time.”
- Approximately 300 people attempt to start a new business each year in Bryan-College Station. Without home games, business loans will be more difficult to get.

Impact of games outside Brazos County

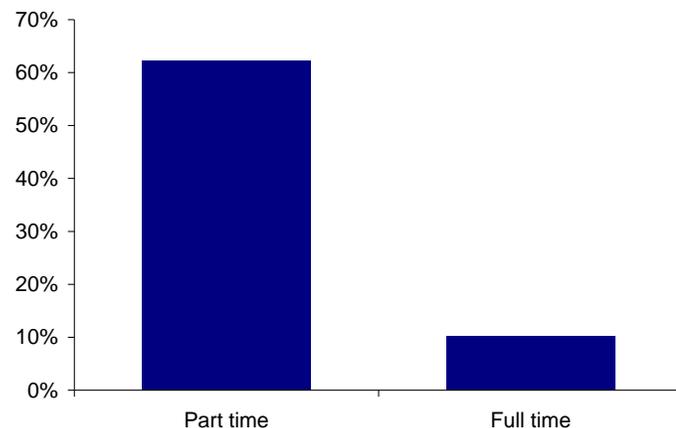


- Alumni events, class reunions, and practically every university organization host events on game weekends. Many of these would be either cancelled or have more limited participation.
- “Football season is our holiday season.”
- “The impact on our community would be devastating.”
- “80% of our profits are in the last 3-4 months of the year.”
- “Moving A&M home games would be a ‘self-induced recession’”
- “This would be our Hurricane Katrina and Oil Spill all in one.”
- Even after football returns, the impact will continue because some businesses will fail.

Impact on Students

- Students would be extremely affected. Many kids are working their way through college and depend on the jobs/gratuities generated by home games. The effect on student employment would place an additional burden on University financial aid.
- Moving games to Houston would pose a safety risk to students who would be driving on highways in large numbers.
- Home games are one of the best opportunities to recruit new students and players.
- One major grocery store sees a 30% increase in business on home game weekends. This store hires 140-160 students each year.
- The Oxford Economics survey of businesses in Brazos County found that part time student employment increased 60% while full time student employment increased 10% during last football season.

Increase in Student Employment During Football Season



Impact on Finance and Real Estate

- The Exposition Complex could face default issues as its debt service is financed through 20% of the HOT tax. Moving games would put its debt service at risk.
- “Our student housing business would be impacted due to a more limited exposure to parents visiting for the games. “
- “Bank deposits are up significantly the Monday after home games.”
- Most of our banking activity right now is related to game day real estate.
- One condominium project is being developed with a \$300,000 price point. Without home games, the units are not expected to sell. This would impact both property taxes and the construction industry.
- One business is planning a warehouse project that will be tabled if home games are moved.
- Independent School District (ISD) property taxes would suffer as assessments are based on income. If incomes fall due to an absence of home games, many properties would need to be reassessed. This would negatively affect schools, police, fire, and other public services.

Impact on Non-Profits

- Non-profits would be especially hurt by the loss of home games which represent their best opportunities for fund raising. Churches also see an increase in giving on home game weekends.
- The hotel occupancy tax (HOT) supports a variety of local non-profits. A significant reduction, caused by the loss of home football games, would reduce contributions to local non-profits, many of which are on the verge of going out of business. In addition, many Brazos Valley non-profits fund their operations largely via ticketed performances. If locals are out of town for 7-8 weekends per season for two football seasons, this would be catastrophic to these groups. If non-profits close their doors, the service that they once provided the community will go away as well.

Specific Business Impacts

- One Brazos County automobile dealer sells twice the number of cars on game day weekends given the large number of out-of-town customers.
- “As an advertising agency the impact would be multiplied. If the market saw a 30% impact to net revenue, we could expect 50% impact. If the market saw a 50% impact we could expect 75% or more. Marketers advertising budgets are

a function of positive net revenue. If net revenue is negative for the quarter or season, there will be no advertising planned. Businesses will wait until the games and revenue come back to continue investing.”

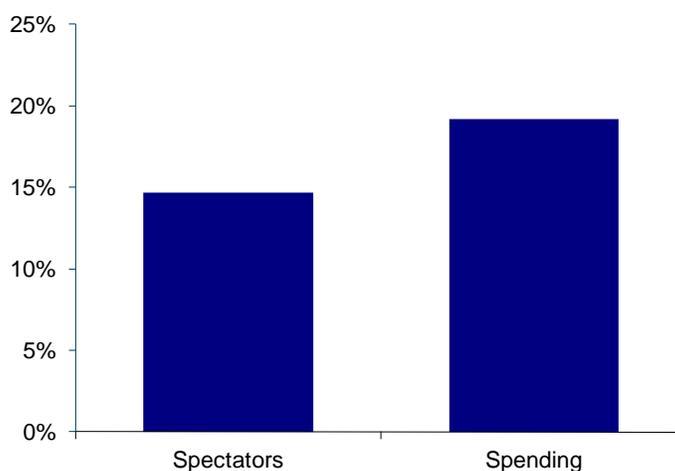
- Smaller and independent restaurants are most at risk.
- Our hotel sees an 80-100% increase in revenue during conference home game weekends.
- One B&B is certain to go out of business without home game demand.

4 The Economic Benefits of Joining the SEC

- Texas A&M is expected to expand seating capacity by 10,000 to 20,000 per game.
- The proclivity of SEC fans to (literally) follow their teams as well as a strong alumni presence in Texas will have a positive impact on the Brazos County economy.
- SEC membership and stadium expansion could lead to 17,000 – 18,000 additional spectators per home game, or 120,000 spectators per season, a 14.7% increase above 2011 estimates.
- Spending in the Brazos County economy would increase more than 19%, an additional \$23 million in expenditures per season, over \$3 million per game.

Like Aggie fans, SEC fans are known for their fanatical and loyal support of their teams and will travel great lengths to see their teams in action. SEC fans are also well renowned for their love of tailgating. The Baton Rouge Chamber of Commerce estimated that 60,000 fans without tickets showed up for the November 2011 Alabama vs. LSU game, two-thirds the number of spectators in the stadium. These anecdotal facts along with a proposed expansion of seating at Kyle Field will positively influence attendance and spending at Texas A&M home games.

Impact of SEC Membership % above 2011



Of the SEC schools, only LSU lies within a 500 mile radius of College Station, and is approximately a 6 hour drive. South Carolina is furthest away at 18 hours, and the median drive time from SEC schools is approximately 12 hours. As many as 20,000 to 25,000 LSU fans have been reported to travel to away games while only 7,500 tickets are typically available to visiting fans. These greater distances of travel will encourage longer stays in College Station and thus a higher average spending per trip. One question which arises is whether or not these greater distances will discourage fan attendance.

This does not appear to be the case. RV parking at all 2012 home games has already reportedly been sold out. In addition, SEC fans travelling by RV are more likely spend the

entire week of the game. College football fans as a percentage of the population is reportedly higher in the south than in any other part of the country.

The fan base of SEC schools (prior to Texas A&M and Missouri joining the conference) was estimated at 15.5 million fans which provides a large potential pool of attendees. Adding just the Aggie fan base of 2 million or more, puts the SEC fan base on par with the Big 10 fan base of 17.5 million. Adding the Missouri fan base puts the SEC fan base over the top. Additionally, the pool of potential SEC spectators is buoyed by over 100,000 SEC alumni living in Texas, with over 17,000 LSU alums alone. As further evidence of SEC representation in Texas, 4 of the top 6 schools outside of Texas represented on “vanity” license plates issued by the Texas DMV are SEC schools. Also, a sizeable number of Texans currently attend SEC schools – over 8% of the LSU student body are Texans, for example.

Kyle Field's current capacity is just over 83,000. Proposed expansions place seating from 93,000 to 103,000. Based on an assumption of 15,000 additional seats at Kyle Field and our previous analysis, we estimate that College Station could host an additional 122,000 fans in a season, or between 17,000 and 18,000 additional fans per game on average above 2011 levels. Spectator spending (including additional ticket revenue) and associated spending could bring an additional \$23 million dollars into the local economy of the course of a season, or \$3.3 million per home game.

5 Methodology and Data Sources

Oxford Economics conducted this research impartially on behalf of the Bryan-College Station CVB and the Bryan-College Station Chamber of Commerce. Our analysis included a broad range of inputs, including ticket sales data, financial reports, tax data, hotel statistics, visitor survey data, and a survey of Brazos County businesses.

5.1 Data sources

The analysis presented leverages several data sources.

- The Texas A&M Athletics Department provided information and data on all revenue streams generated by home football games, including ticket sales, concessions, merchandise, and other services.
- The Twelfth Man Foundation provided detailed data on historic ticket sales which included geographic detail of ticket sales (which allows for the segmentation between local and out of town spectators).
- Visitor survey data provided spending estimates per attendee by type of attendee. This data is based on a survey of visitors to Brazos Valley conducted by DK Shifflet and Associates on behalf of the Office of the Governor, Economic Development and Tourism.
- Smith Travel Research data and bed tax collections were used to identify spikes in room demand and room rates surrounding games. This provides a useful metric on paid accommodation within the county as a result of the games.
- Additional data was collected through a survey of local business (n=35) fielded through the Bryan College Station Convention and Visitors Bureau and the Bryan College Station Chamber of Commerce. In addition to the survey, 120 local businesses and stakeholders participated in a series of discussions which aided in identifying impacts unique to the community.

5.2 Economic impact modeling

These data and information sets were used to develop comprehensive “demand side” measurements for each game and for the entire season. These measurements included segmenting spectators into three distinct groupings:

- Local (Brazos Valley)

- Out-of-town day spectators
- Out-of-town overnight spectators.

These segmentations were derived from zip code analysis of ticket sales. While a typical visitor spending analysis would only account for the out-of-town segments, our analysis required the inclusion of local spending as this is a real source of economic activity that would be at risk (through spending leakages) if home games were played outside of the local area.

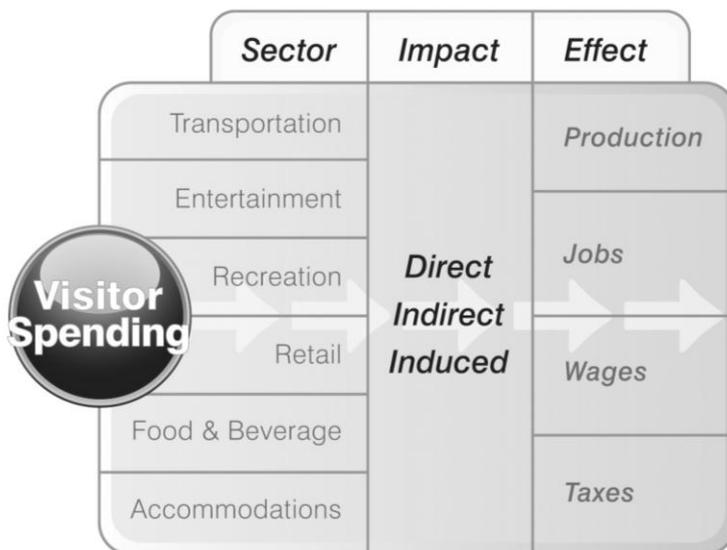
Each spectator segment was further divided into ticketed and non-ticketed spectators to account for tailgating activity. The number of non-ticketed spectators was estimated based on anecdotal reports and was assumed to be weighted toward day spectators (both local and out-of-town).

Spending patterns from the College Station – Bryan, TX MSA visitor profile were applied to each of the visitor segments. The visitor profile was also used to estimate the length of stay and accommodation usage of out-of-town visitors. Hotel industry data and local tax data was used to further refine the spending assumptions of the visitor profile.

These spending estimates are then translated into jobs, wages, and taxes using an input-output (I-O) model specifically tailored for the Brazos County economy produced by the Minnesota IMPLAN Group (www.implan.com), a nationally recognized source for local-level impact models. Input-output models represent the intra- and inter-industry flows of goods and services between regional industries and are a common and accepted method of estimating economic impacts.

For example, an I-O model tracks the flow of a visitor’s restaurant expenditures to wages, profits, capital, taxes and suppliers. The supplier chain is also traced to food wholesalers, to farmers, and so on. In this way, the I-O model allows for the measurement of the direct and indirect sales generated by a restaurant meal. The model also calculates the induced impacts of Texas A&M Football. These induced impacts represent benefits to the economy as those employees supported by home games spend their wages in the local economy, generating additional output, jobs, taxes, and wages.

The modeling process begins with aligning the Texas A&M Football expenditure measurements with the related sectors in the model (e.g. restaurants, retail, and recreation). The model is then run to simulate the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact for each economic indicator (sales, wages,



employment, etc.).

The I-O model also produces tax impacts at the Federal and State/Local level. The tax impact presented in the report leverages the US Census Survey of State and Local Government Finances as well as local tax rates to further refine the model output and calculate the local tax impacts.

5.3 SURVEY OF LOCAL BUSINESSES

Introduction and Purpose

This survey is being conducted by Oxford Economics on behalf of the Bryan-College Station Convention and Visitors Bureau and the Chamber of Commerce. The survey is a follow-up to the working group sessions held on Thursday July 12, 2012 at the Hilton Hotel to assess the potential impact of a change of venue for Texas A&M home football games on local businesses.

The intent of the study is to describe and quantify the impact of the home games, and their potential absence from the regional economy. Credibility is important, so please be as honest and as accurate as possible. This study would not be possible without your input, so thank you for participating!

All responses and any data provided will be kept strictly confidential and no one will have access to the raw responses except analysts from Oxford Economics. The information provided will be used to inform our analysis and all results will be reported as industry aggregates. No company specific information will be reported.

The survey is intended to be concise. There are 8 questions that should take about 10 minutes to answer if you have all relevant information available. If there is additional information you would like to provide, or if you have any questions or concerns, please feel free to contact us directly. Thanks again!

Target Markets

How important are the following target markets for your business (some categories may overlap)?

	Not at all important	Slightly important	Moderately important	Very important	Extremely important
The university in general					
Students					
Out of Town visitors					
Athletic events					
Football fans					
Other					

(ask if "other" is selected)

You selected "other" in the previous question, please specify here: _____

How much of your advertising budget do you use to target the following groups (some categories may overlap)? Please answer in percentage terms.

	%
The university in general	
Students	
Out of Town visitors	
Athletic events	
Football fans	
Other	
Don't advertise	
Total (does not need to sum to 100%)	

(ask if "other" is selected)

You selected "other" in the previous question, please specify here:

Employees

On average, how many employees do you have?

	During football season	Rest of the year
Students		
Non Students		

Financials

What were your total annual sales in dollars in 2011 (you can provide an estimate if you prefer)?

\$ _____

What was your total net income (after expenses and taxes) in 2011, as a % of total sales?

_____ %

Please provide the shares of total sales over a typical year by month in %. The total for the year should sum to 100%.

Jan _____ %

Feb _____ %

Mar _____ %

Apr _____ %

May _____ %

Jun _____ %

Jul _____ %

Aug _____ %

Sep _____ %

Oct _____ %

Nov _____ %

Dec _____ %

Total

Please provide the share (%) of annual sales generated as a result of home football games. Response should be between 1-100%.

_____ %

What do you think would be the impact on your business if home football games were to take place outside of Brazos County? Please choose one for each, the one and two season scenarios.

One season: _____

Two seasons: _____

Answer options:

No impact

Modest impact

Significant impact; company profits would suffer but would still be positive

Significant impact; company would post a loss but would survive

Catastrophic impact; company would go out of business

Other Comments

This survey format may not capture all relevant information you have to share.
Please provide any additional thoughts in the space below.

Contact Info

Name:

Company:

Location of business (city and county):

Industry (primary business description, example hotel):

May we contact you to follow up?

- Yes (go to next question)
- No (go to end of survey)

Would you be willing to share additional details?

- Yes (go to next question)
- No (go to end of survey)

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