

## Economic Benefits Derived from the College Football Game Experience

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In addition to economic impacts of sport teams and facilities, Alexander et al. (2000) indicate sports teams produce other economic contributions in the form of consumption benefits. Two types of consumption benefits, public and private, can be derived by individuals. Zimmerman (1997, p. 121) suggests residents derive public consumption benefits from the satisfaction “from living in a ‘big league’ town, from having another topic of conversation that is common to most citizens, from reading about its [the team] successes and failures in the newspaper.” Public consumption benefits can be derived by all individuals in the locality whether they attend sport competitions or not. On the other hand, private consumption benefits are only derived by individuals who attend sporting events (Alexander et al., 2000). Private consumption benefits arise when the cost an individual is willing to pay to attend a sporting event is greater than the actual cost incurred by the individual. The amount of money the individual is willing to pay above actual expenditures is a benefit or welfare gain to the individual (i.e., consumer surplus or net willingness to pay).

Barget and Gougnet (2007) propose the total economic value of a sports team or sporting event includes an estimate of both use (i.e., private consumption benefits) and non-use values (i.e., public consumption benefits). Since previous research suggests sport teams and facilities fail to provide a significant economic impact on local regions, academic researchers purport the economic valuation of sport teams and facilities should shift away from economic impact assessment and shift towards a cost benefit framework (Barget & Gougnet, 2007; Mules & Dwyer, 2005; Siegfried & Zimbalist, 2002). In a cost benefit framework, the monetary value of both private (i.e., use) and public (i.e., non-use) consumption benefits of sporting events are necessary components (Barget & Gougnet, 2007; Alexander et al., 2000). A few published studies have estimated the value of these consumption benefits, but focused mainly on the public consumption benefits of professional sport teams. Far less attention has been given to the measurement of private consumption benefits which constitute a substantial portion of consumption benefits (Alexander et al., 2000; Irani, 1997).

To the authors’ knowledge, no research has been conducted to estimate the private consumption benefits derived by individuals attending college sporting events. Estimating the private consumption benefits generated by sports teams and facilities is a vital piece of information required in the evaluation process of competing programs (Irani, 1997). Barget and Gougnet (2007) imply an estimate of private consumption benefits is a necessary component in determining the total economic value of a sporting event. Similarly, Mules and Dwyer (2005) suggest researchers conducting a cost benefit analysis of a sports project should include an estimate of consumer surplus derived by local residents attending the sporting event (i.e., private consumption benefits).

Data collection for the study was conducted at five home football games at a southeastern university. An on-site sampling strategy was employed using a systematic sampling procedure with a random start. The procedure consisted of a research team member systematically collecting email addresses from individuals in parking areas throughout the university campus,

as well as outside the stadium. Each email address was sent a link to an online questionnaire the Monday following the game with two subsequent follow-up emails. The study's response rate was 56.9% with a sample size of n=769. A dichotomous choice contingent valuation question was utilized to discover the amount visitors were willing to pay per trip in excess of their actual trip costs. The truncated mean willingness to pay technique was utilized to compute the value of private consumption benefits.

Estimated net willingness to pay (i.e., private consumption benefits) over trip expenditures is \$168.80 per game. Confidence intervals for the willingness to pay estimate were calculated using the delta method. The 95% confidence intervals for private consumption benefit estimates were \$151.83 for the lower bound and \$185.78 for the upper bound.

Estimating the private consumption benefits derived by individuals participating in the college football game experience provides several implications. First, an estimate of private consumption benefits can be used to justify the utilization of public subsidies. Second, estimating the private consumption benefits derived by spectators provides sport team administrators with an estimate of spectators' willingness to pay for the college football game experience. Third, Coughlin and Erekson (1984) suggest private consumption benefits derived from attendance at sporting events is "a key source for athletic contributions" (p. 182). Fourth, this study provides an estimate of the value individuals place on the college football game experience. Fifth, this research introduces the use of the contingent valuation method to estimate the use value (i.e., private consumption benefits) of sport teams and facilities. Finally, this study adds to the limited research on the economic contributions of college athletics. As college athletics continues to expand, new research streams and new techniques will be required to properly evaluate the total economic value of college athletics.

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