



A brief summary of economic impacts  
and tourist profiles of runners  
participating in the 2018 Chattanooga  
Marathon.

# Chattanooga Marathon Economic Impact Report

**UTC Tourism Center**

**May 2018**



Eric Hungenberg, Ph.D.  
Andrew W. Bailey, Ph.D.

# Executive Summary

- **The Chattanooga Marathon attracted roughly 600 out-of-town visitors to compete in either the half or full marathon race. When including their respective group sizes, the event welcomed an estimated 1,500 non-local guests to Chattanooga.**
- **The mean age of participants competing in the race was 42 years old. Among the athletes, nearly 60% were female.**
- **Athletes accounted for roughly 1,060 room nights. Nearly 50% of overnight stays were captured by hotels/motels.**
- **Average per trip expenditures by overnight participant group was \$660.47. The average visiting group spent the most on food (\$204.97) and lodging (\$256.53)**
- **Accounting for group size, nights stayed, and previous visits, half and full marathon participants created an estimated economic impact of nearly \$650,000.**
- **The Chattanooga Marathon generates \$46,444 in local and state taxes, and \$51,314 in federal taxes.**



# Project Overview

The following report is intended to illustrate the economic impact of the 2018 Chattanooga Marathon on Hamilton County, TN. Data used for the impact analysis was limited to visitor spending only. To delineate local vs. non-local categorization, zip code data was retrieved from each participant. Participants residing outside of a 50-mile radius of Chattanooga were deemed non-local. Non-locals were also segmented based upon whether or not their party group elected to stay overnight. Those non-local participants who elected to not stay overnight were categorized as “daytrippers.” Consistent with economic impact methodology, daytripper expenditure data was analyzed separately from overnight groups and then aggregated with other visitor spending.

In addition to an analysis of “new” spending that occurred during the weekend of the marathon, non-local respondents were also asked whether they and their party had traveled to Chattanooga prior to the event to train or familiarize themselves with the course and city. This allowed for an analysis of impact based upon previous visits directly attributable to their participation in the 2018 marathon.

Included in the report is a race summary of both direct and indirect/induced impact on Hamilton County, TN. Direct spending reflects actual dollars spent by participants and their accompanied parties during the event or on previous visits. Expense categories captured in the survey instrument were local restaurants, lodging, gas stations, retail shopping establishments, other service entertainment businesses, and miscellaneous retail. Indirect spending reflects the residual effect of initial expenditures made by visitors as it circulates through the economy in the form of increased wages, taxes, and increased spending from inter-related industries.

Note that the analysis does not account for costs and/or revenues related to infrastructure, operations, or vendor agreements. Instead, the economic report focuses solely on the net impact of runners and their traveling groups on Hamilton County, TN.

## Participant Data

A sample of 628 respondents were captured from a race population of 2089. However, 17 responses were deemed incomplete and subsequently removed from further analysis. Survey participation was elicited through an online platform. Among the 611 respondents, 166 (27%) were classified as overnight travelers, while 32 (5%) runners were deemed daytrippers. The average night stay among the overnight travelers was 1.87. Additionally, the average group size for overnight participants was 2.63, and reported only .52 prior visits. Similarly, the daytrippers group size was 2.48, but their 1.28 prior visit average was larger than their overnight counterparts. This data was used to induce an estimated economic impact figure for the race population.

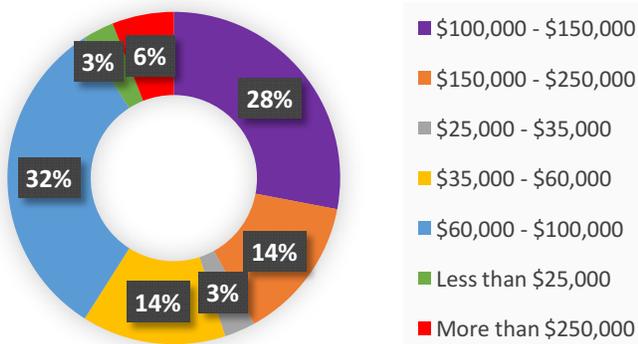
# Demographic Information



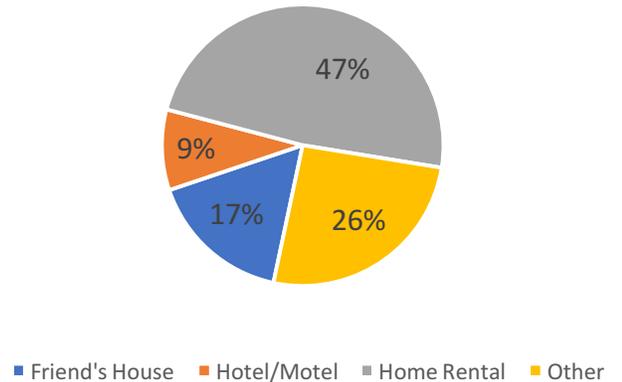
**Avg. Age of Participant**

**42**

## Household Income



## Lodging Type



## Group Size



## Ethnicity

**White** – 93%

**Black** – 3%

**Hispanic** – 2%

# Group Expenditure Data

Table 1. Group Average Expenditures per Discrete Category for Overnight Stay Participants

Spending Categories	Average Spending Per Group	Total Spending
Food	\$204.97	\$116,332.96
Lodging	\$256.53	\$145,593.88
Shopping	\$81.17	\$46,068.34
Transportation (i.e., Gasoline)	\$64.49	\$36,601.35
Entertainment	\$34.39	\$19,518.14
Misc.	\$18.92	\$10,738.20
<b>Total Direct Impact</b>	<b>\$660.47</b>	<b>\$374,852.88</b>

- Based upon an average nights stay of 2.63, Overnight Participant Groups spent on average \$97 per night on lodging
- Gasoline expenditures per group indicates most participant groups may have traveled within a 500-mile drive radius (based upon average fuel efficiency of 23.6 miles per gallon, 14 gallon size tank, and \$3.00 cost/gallon).

Table 2. Group Average Expenditures per Discrete Category for DayTrippers

Spending Categories	Average Spending	Total Spending
Food	\$35.81	\$3,917.84
Lodging		\$0.00
Shopping	\$29.11	\$3,184.44
Transportation (i.e., Gasoline)	\$7.77	\$850.64
Entertainment	\$2.06	\$225.15
Misc.	\$6.17	\$675.45
<b>Total Direct Impact</b>	<b>\$80.92</b>	<b>\$8,853.51</b>

- It becomes apparent from gasoline expenditures that “daytrippers” were traveling from within a 50-70 mile drive radius of Chattanooga.

Table 3. Direct, Indirect and Induced Impact

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	5.6	\$142,44	\$219,348	\$388,015
Indirect Effect	0.8	\$46,365	\$75,193	\$130,540
Induced Effect	1.0	\$46,078	\$76,958	\$130,223
<b>Total Effect</b>	<b>7.4</b>	<b>\$234,887</b>	<b>\$371,500</b>	<b>\$648,778</b>

- The economic impact of Chattanooga marathon participation is \$648,778.
- Added wages accrued by Hamilton County employees as a result of the Chattanooga Marathon total \$234,887
- Realized profits for Hamilton County that come from the Chattanooga Marathon are \$371,500.
- The economic impact of the marathon supports over 7 full time employees in Hamilton County

Total Economic Impact is the result of a non-linear ripple effect generated from the direct spending of visitors in Hamilton County. In the table above, the **Direct Effect** represents the marginal (non-leaked) money remaining in the region. **Indirect Effects** are the result of local businesses spending more on employment and materials, as a result of added business. **Induced Effects** include additional spending by local employees as a result of increased hours/income due to the activity. Further, these effects impact the region in various ways: 1) **Employment**: the number of full-year, full-time jobs supported by participants, 2) **Labor Income**: added income for current employees, 3) **Total Value**: true profits after accounting for employment, taxes, and other everyday business expenses, and 4) **Output**: total overall sales and revenue from marathon participants.



Table 4. Top 10 County Industries Impacted

Description	Employment	Labor Income	Total Value Added	Output
<b>Full-service restaurants</b>	2.8	64,141.2	71,440.8	139,326.8
<b>Hotels and motels, including casino hotels</b>	1.6	40,937.9	92,233.5	161,086.7
<b>Retail - Gasoline stores</b>	0.5	21,009.5	25,478.8	38,301.9
<b>Retail - Clothing and clothing accessories stores</b>	0.3	7,913.6	16,304.9	27,647.2
<b>Other amusement and recreation industries</b>	0.3	7,765.1	13,771.7	22,604.2
<b>Retail - Miscellaneous store retailers</b>	0.2	4,227.3	4,798.3	7,223.0
<b>Real estate</b>	0.1	10,784.2	28,676.1	36,272.1
<b>All other food and drinking places</b>	0.1	2,055.8	1,775.2	3,177.2
<b>Employment services</b>	0.1	2,327.8	3,592.0	5,041.8
<b>Limited-service restaurants</b>	0.1	1,312.3	2,971.1	5,419.3

Note: The table above reflects spending categories generated from industry data produced from the IMPLAN software. The analysis reveals which particular industries are most impacted by the existence of the Chattanooga Marathon.



# Tax Implications

Table 5. Annual Induced State and Local Impacts

Description	Tax on Production and Imports	Households	Corporations
Dividends			\$41.00
Social Ins Tax- Employee Contribution			
Social Ins Tax- Employer Contribution			
TOPI: Sales Tax	\$24,348.00		
TOPI: Property Tax	\$15,593.00		
TOPI: Motor Vehicle Lic	\$288.00		
TOPI: Severance Tax	\$3.00		
TOPI: Other Taxes	\$3,865.00		
TOPI: S/L NonTaxes			
Corporate Profits Tax			\$1,441.00
Personal Tax: Income Tax		\$198.00	
Personal Tax: NonTaxes (Fines-Fees)		\$320.00	
Personal Tax: Motor Vehicle License		\$149.00	
Personal Tax: Property Taxes		\$75.00	
Personal Tax: Other Tax (Fish/Hunt)		\$121.00	
<b>Total State and Local Tax</b>	<b>\$44,098.00</b>	<b>\$863.00</b>	<b>\$1,483.00</b>

- The Chattanooga Marathon generates \$46,444 in state and local taxes annually.

Table 6. Annual Induced Federal Impacts

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
<b>Social Ins Tax- Employee Contribution</b>	\$11,328	\$1,817			
<b>Social Ins Tax- Employer Contribution</b>	\$10,892				
<b>Tax on Production and Imports: Excise Taxes</b>			\$5,236		
<b>Tax on Production and Imports: Custom Duty</b>			\$1,976		
<b>Tax on Production and Imports: Fed NonTaxes</b>			\$249		
<b>Corporate Profits Tax</b>					\$5,615
<b>Personal Tax: Income Tax</b>				\$14,200	
<b>Total Federal Tax</b>	<b>\$22,221</b>	<b>\$1,817</b>	<b>\$7,461</b>	<b>\$14,200</b>	<b>\$5,615</b>

- The Chattanooga Marathon generates \$51,314 in federal taxes annually