

# IRONMAN 2014 IMPACT REPORT

UTC Tourism Center  
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## Executive Summary

- The Chattanooga IRONMAN attracted roughly 21,780 spectators, including a minimum of 10,270 out of town visitors.
- 2612 participants competed in the triathlon; 18% were from TN.
- Participants travelled from across the country and 49 states to compete.
- Participants made an average of 1.3 trips to Chattanooga previous to the race for training. Nearly 70% of athletes competed in this triathlon because of the location, and 63% are likely to return to Chattanooga for leisure travel.
- This event attracted visitors and spectators primarily from Upper-Middle Class (\$60-100k) and Upper-Class (\$100K+) household income levels.
- Participants spent an average of \$1598 and visitors spent an average of \$1137 while in the area.
- Participants stayed an average of 3.7 nights and visitor spectators, 3.3 nights, for a total of 27,266 lodging nights.
- Participants generated an estimated \$2,378,646 and visitors an estimated \$7,940,451 for a total of \$10,319,097 direct impact on the local economy.
- When factoring indirect and induced impacts, the event contributed \$13,352,550.40 to the local economy

## Background and Purpose:

Sport tourism is a growing industry that can engender positive social and economic impacts on the host community. Hosting these events can enhance community infrastructure and local pride, motivate residents to become physically active, and boost the local economy. Events of every scale can provide these benefits, compelling tourism bureaus to welcome and solicit sport tourism. Large-scale events, such as the IRONMAN, can have a significant impact on small communities, but the true impact can be difficult to estimate. Reports from similar events across the country estimate anywhere from \$7- \$40 million of economic impact. Methods of estimation vary, rendering it difficult to make direct comparisons. This study was conducted using instruments, data collection methods, and analyses consistent with other regional studies to allow for direct comparison of impact on the local community. Part of an ongoing research agenda of the UTC Tourism Center, this report provides tourism data that, when compared to other regional reports (e.g. USA Cycling, RiverRocks), paints a picture of the true impact of events on Chattanooga region.

The IRONMAN is an elite triathlon that typically attracts participants and spectators of relatively high socio-economic status. Participants must dedicate months and years to intense training to prepare for this endurance event. These participants often bring a team of spectators, all of whom travel for several days. Hotel stays, restaurant tabs, attendance at other local attractions are all ways that Chattanooga generates revenue from these visitors. Registration for the Chattanooga IRONMAN filled in under an hour, indicating the popularity of this venue. Participants traveled from across the country and the globe to test their endurance here. Many of these tourists will likely make return visits, thereby perpetuating the tourism impact. As Chattanooga continues to grow in popularity as a tourism destination, event planners will require good information to vet potential opportunities. These data will provide information for future decision-making, and to communicate the benefits of these events to the public.

## Method

### Data Collection

Surveys were collected during the IRONMAN event in 3-hour stints, using the random intercept method. Participants were solicited during race registration, as all racers were required to be physically present to sign it at the event. Volunteers were stationed at the entrance and exit of the registration tent, and throughout the IRONMAN Village area. Participant surveys included: demographics, travel information, estimated expenditures, and performance inquiries. A total of 208 surveys were collected from participants with a response rate of 54%.

During the race, surveys were collected from spectators at the transition area using the same collection method. Spectators were identified as Hamilton County residents or tourists, then provided with the appropriate survey. Tourist surveys included inquiries regarding demographics, expenditures, travel information, attraction attendance, and tourism priorities. Resident surveys inquired about social and environmental impacts of the event on the local community, as well as event management issues that will aid in planning for future special events. This report only includes info regarding participants and tourists. In total, 284 surveys were collected from visitor spectators, with a response rate of 58%.

### Crowd Estimations

Total crowd estimates for event attendance was 21,780, using the Jacob's method of crowd estimation. Assessments of attendance based on surveys alone (conducted only at the finish line/transition area) were 14,378. This would exclude volunteers, vendors, and spectators at other locations (Walnut Bridge, Northshree, Saint Elmo, GA). Given the propensity for overestimation with the Jacob's method and the likelihood that many spectators outside of the main viewing area would be residents, this report utilized the more conservative estimate for economic impact calculations.

Participant numbers were provided by Ironman to the general public via their website ( $n = 2612$ ). 18% of Ironman participants were from TN, and our random survey collection garnered a 16% rate for Hamilton County residents. Thus, 16% of participant numbers were removed from the impact data, as residents don't "add" to economic impact. In addition, many participants (43%) indicated that their visit for the race replaced another visit that they would have made during the year. These numbers were also removed from the analysis.

Visitor spectator numbers were estimated based on the average group size provided by the participants. This number resulted in a total of 7658. Visitor spectators included any non-residents of Hamilton County who travelled here primarily for the Ironman triathlon. Visitors who just happened upon the race or indicated that they were here for other reasons were removed from the data. In addition, 32% of visitor spectators indicated that their trip here for the Ironman did replace another trip they would normally make to the area. These visitors were removed from the analysis resulting in a final number of 6983 visitor spectators.

## Results

### Demographics

Table 1 illustrates the demographic characteristics of participants, visitor spectators, and resident spectators. Participants reported a higher household income and higher education level than spectators. Household income was higher than the national average for all respondents and Caucasians are dominant across all categories.

**Table 1. Demographics of Participants, and Spectators attending the IRONMAN**

	Participant	Visitor Spectator	Resident Spectator
Age	41	41	38
Gender	35% Female	59% Female	56% Female
Income	\$100-\$150k	\$60-\$100k	\$60-\$100k
Education			
<High School	0.5%	2.1%	1.7%
High School	4.6%	6.8%	5.6%
<Bachelor	17.8%	23.9%	13.0%
Bachelor	46.7%	42.5%	42.9%
Masters	21.3%	15.7%	13.0%
Ph.D.	11.2%	5.4%	7.3%
Ethnicity			
White	87%	83%	84%
Black	3%	5%	7%
Hispanic	5%	3%	4%
Asian	3%	4%	2%
Other/Multi-Racial	2%	4%	2%

### Travel Information

Additional travel information was collected from visiting participants and spectators. As seen in Table 2, participants stayed an average of 4 days and 4 nights, while spectators averaged about 4 days and 3 nights. A vast majority of participants competed in this IRONMAN specifically because it was located in Chattanooga, and 60% intend to return for another visit. Additionally, participants reported making at least one visit to the area before the race to train. This implies additional economic impacts that were not accounted for in this study.

**Table 2. Travel Information for Visiting Participants and Spectators**

	Participant	Visitor Spectator
Days	4.3	3.7
Nights	3.7	3.3
Group Size	3.3	3.1
Chose this race because of location	69.0%	
Likely Return Visit	60.0%	
# Training Visits	1.3	
How Travelled?	68% Car, 12% Airplane, 1% Bus, 1%Train, 2%Other	

## Expenditures

Itemized expenditures and total direct impact for IRONMAN participants and spectators can be seen in Table 3. It should be noted that this report does not include spending by event planners in the local area, nor does it account for the cost of hosting the Ironman for the local community (e.g. bidding process, infrastructure upgrades, etc.). Efforts were made to produce a conservative estimate of economic impact, as research indicates that impact reports are often inflated.

**Table 3. Itemized and Total Expenditures for Visiting Participants and Spectators**

	Participants (n= 1489)*	Spectators (n= 6593)*
Food	286	211
Lodging	692	477
Entertainment	150	114
Shopping	292	144
Transportation	120	111
Other	58	80
Total	1598	1137
Direct Impact	\$2,378,646	\$7,940,451

Total Direct impact	\$10,319,097
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Direct impact is clearly interpreted from visitor expenditures. However, this economic boost will also have indirect impacts as hotels, restaurants, and other facilities purchase additional supplies to support these visitors. In addition, the extra income generated from this event will induce spending from companies and employees who have a little extra expendable income. These impacts were estimated via an input-output model using only marginal effects to account for “leakages” that occur from purchases of non-local goods. The IMPLAN model provides total effect estimates based on multipliers specific to the industrialization and import-export balances of Hamilton County, TN. The marginal effects on local employment (e.g. jobs supported), increased labor income, and total value added to the local economy can be seen in Table 4.

**Table 4. Estimated Marginal Effects on the Local Economy (IMPLAN Model).**

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	123.75	\$2,997,804.12	\$5,408,612.89	\$8,941,442.42
Indirect Effect	17.96	\$872,083.68	\$1,398,584.07	\$2,342,023.82
Induced Effect	17.70	\$777,200.00	\$1,301,362.72	\$2,069,084.16
Total Effect	159.41	\$4,647,087.79	\$8,108,559.68	\$13,352,550.40

These impacts were also estimated in regards to the ripple effects the IRONMAN event had on specific industries in the county. This method translates overall impact to demonstrate how visitor expenditures impact local business sectors. Table 5 illustrates the top 10 industries impacted by the event, along with estimates for employment, wages, and total industry impact from tourism revenue.

**Table 5. Top 10 Estimated Industry Effects for Hamilton County.**

Sector	Description	Employment	Labor Income	Value Added	Output
411	Hotels and motels	44.4	\$1,118,421	\$2,807,204	\$4,653,873
413	Food/ drinking places	39	\$876,779	\$1,209,566	\$2,291,982
410	Other amusement and recreation	21.1	\$503,269	\$651,699	\$1,084,235
330	Retail Stores - Miscellaneous	15.3	\$351,179	\$512,419	\$671,421
329	Retail Stores - General merchandise	8.6	\$227,369	\$345,690	\$480,497
388	Services to buildings and dwellings	2.2	\$68,697	\$81,342	\$139,832
382	Employment services	2	\$65,091	\$70,060	\$85,099
326	Retail Stores - Gasoline stations	1.5	\$70,027	\$91,539	\$125,496
377	Advertising and related services	1.1	\$60,656	\$92,969	\$162,843
394	Medical offices	1.1	\$100,464	\$101,823	\$150,287

Visitor dollars also benefit the local community through local sales tax receipts and property taxes. Table 6 estimates the overall revenue generated for the local government through taxes. It should be noted that state revenues are likely overestimated, as spectators may be TN residents, even though they don't reside in Hamilton County.

**Table 6. Estimated Effects on Tax Income for Hamilton County.**

<b>Description</b>	<b>Employee Compensation</b>	<b>Indirect Business Tax</b>	<b>Households</b>	<b>Corporations</b>
Dividends				\$550
Social Ins Tax- Employee Contribution	\$1,813			
Social Ins Tax- Employer Contribution	\$3,565			
Indirect Bus Tax- Sales Tax		\$616,000		
Indirect Bus Tax- Property Tax		\$268,355		
Indirect Bus Tax- Motor Vehicle Lic		\$9,217		
Indirect Bus Tax- Severance Tax		\$507		
Indirect Bus Tax- Other Taxes		\$65,231		
Indirect Bus Tax- S/L NonTaxes		\$6,512		
Corporate Profits Tax				\$18,213
Personal Tax- Income Tax			\$2,806	
Personal Tax- NonTaxes (Fines-Fees)			\$16,723	
Personal Tax- Motor Vehicle License			\$4,086	
Personal Tax- Property Taxes			\$1,122	
Personal Tax- Other Tax (Fish/Hunt)			\$1,749	
<b>Total State and Local Tax</b>	<b>\$5,379</b>	<b>\$965,822</b>	<b>\$26,486</b>	<b>\$18,763</b>

## About the Author

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