

JULY 2009

COUNTY TOURISM IMPACT



**ECONOMIC IMPACT OF TRAVEL & TOURISM
IN CALHOUN COUNTY, MICHIGAN IN 2008**



**GLOBAL
INSIGHT**



**D.K. Shifflet
& Associates Ltd.**
Excellence in Travel Intelligence®

Prepared by:



In Partnership with:



PREPARED FOR:

Battle Creek/Calhoun County
Convention & Visitors Bureau
77 East Michigan Avenue, Suite 100
Battle Creek, MI 49017

CONTACT:

Christopher Pike
Principal
IHS Global Insight, Inc
Travel & Tourism
610.490.2658
christopher.pike@ihsglobalinsight.com

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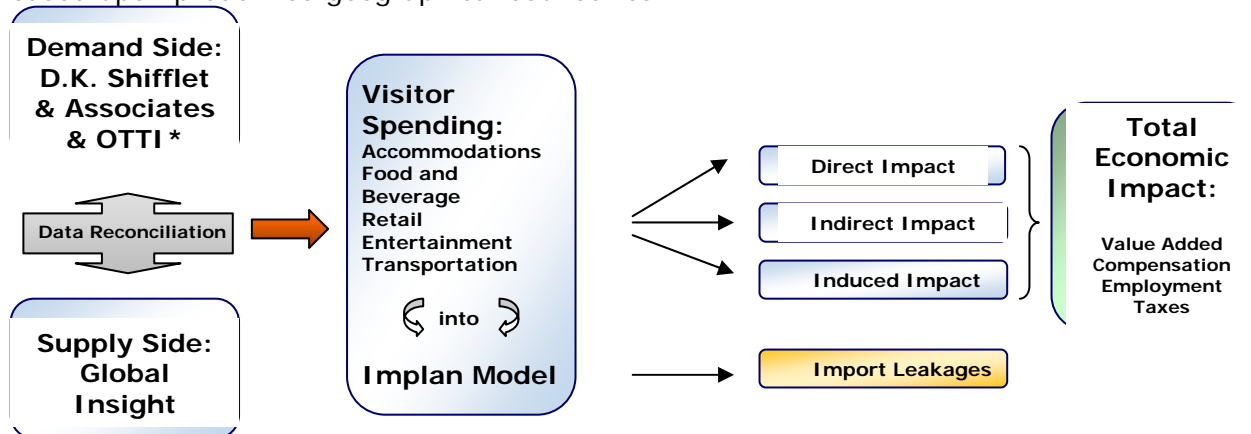
I. Methodology Overview

The purpose of this study is to estimate the economic benefits of travel & tourism to the Battle Creek Metropolitan Statistical Area (MSA), Michigan. Travelers are defined as those who made an overnight trip or traveled in excess of 50 miles for a day-trip. The spending of visitors from international markets has also been included. The total economic impact of travelers is separated into three distinct parts: direct, indirect, and induced. The *direct* impacts represent the value added¹ of those sectors that interact directly with the visitor. The *indirect* impact represents the benefit to suppliers to those direct sectors. This would include, for example, Battle Creek-based food suppliers to a restaurant. The *induced* impact adds the impact of tourism-generated wages as they are spent in the Calhoun County economy. The image of the iceberg represents the various impacts of tourism. Those industries that are part of the direct tourism sector represent the impact that is visible, i.e., above the surface of the water. But below the surface, traveler spending generates wages, employment, and taxes in a host of supporting industries. Although these are not seen, they are critical to understanding the full economic impact of tourism in Battle Creek.



The economic impacts reported in this study are based on traveler spending as reported in D.K. Shifflet & Associates' *PERFORMANCE/Monitor*SM travel survey and Office of Travel and Tourism Industries data on international visitation. IHS Global Insight cross-checked and augmented these data with its own database on sales and employment by sector. The IMPLAN Input-Output economic impact model for Battle Creek was used to estimate the direct, indirect, and induced impacts. Traveler spending exceeds the direct impact. This is because not all goods and services purchased by travelers are supplied by firms located in Battle Creek. The IMPLAN model accounts for import leakages to suppliers located outside of Battle Creek.

Battle Creek MSA is defined as Calhoun County, MI. All data for Battle Creek study area is based upon predefined geographical boundaries.



*OTTI: Office of Travel and Tourism Industries, U.S. Department of Commerce

¹ Value added of an industry is equal to the sum of wages, taxes, profits, and capital depreciation.

II. Executive Summary

A. Background and Purpose

This study provides a comprehensive and detailed account of the economic and tax impacts generated by visitors to the Battle Creek Metropolitan Statistical Area (MSA), Michigan in calendar year 2008 with comparisons to the 2005, the prior study year. In this study, the terms 'Battle Creek' and 'Calhoun County' are both used to describe the study area of the Battle Creek MSA and will be used interchangeably.

B. Key Findings

Figure II-1

Key Findings: Battle Creek MSA/Calhoun County				
2008	Direct	Indirect	Induced	Total
Total Spending	-	-	-	\$202.9 million
Economic Impact	\$84.19 million	\$21.02 million	\$19.29 million	\$124.5 million
Wages	\$56.33 million	\$12.20 million	\$10.73 million	\$79.26 million
Jobs	2,716	296	327	3,339
Tax Receipts	-	-	-	\$34.82 million
2005	Direct	Indirect	Induced	Total
Total Spending	-	-	-	\$199.6 million
Economic Impact	\$74.60 million	\$16.70 million	\$21.90 million	\$113.1 million
Wages	\$48.70 million	\$10.20 million	\$15.00 million	\$73.90 million
Jobs	2,793	274	433	3,500
Tax Receipts	-	-	-	\$33.10 million

Source: IHS Global Insight, D.K. Shifflet & Associates

Battle Creek Fun Fact

It takes 680 visitors to the Calhoun County/Battle Creek region to support one tourism related job within the county.

Spending by travelers in the Battle Creek MSA totaled \$202.9 million in 2008, growing at a compound annual growth rate (CAGR) of 0.6% over 2005.

- Travelers spent \$20.83 million on lodging, \$63.13 million at restaurants, \$39.71 million for entertainment, and \$79.22 million on a broad range of goods and services including transportation and shopping.
- The economic impact of these expenditures (after import leakages) totaled \$124.5 million. This includes \$84.19 million in direct economic impact, \$21.02 million in indirect economic impact (supplier effect), and \$19.29 million in induced economic impact (income effect).
- Of every tourism dollar spent in Calhoun County in 2008, 61.4 cents 'stayed' local and led directly to Battle Creek's gross metro product.
- In 2008, tourism spending per person in Battle Creek grew to \$95.94, which represents a CAGR of 1.9% from per person spending in 2005.

Traveler spending supported 3,339 Jobs and \$79.26 million in labor income.

- Traveler spending supported 3,339 jobs in Calhoun County in 2008, declining by a CAGR of 1.6% from 2005. Of these, 2,716 were directly employed by tourism sectors. Tourism generated an additional 296 indirect jobs and 327 induced jobs.
- \$79.26 million in labor income were generated for these employees in 2008, and therefore the average wage of a job created by tourism (directly, indirectly, and induced) was \$23,741, an increase of over \$2,000 from 2005.
- Total (including direct, indirect, and induced) tourism-generated employment comprises 4.6% of all jobs in Battle Creek, public and private, up from 4.4% in 2005.

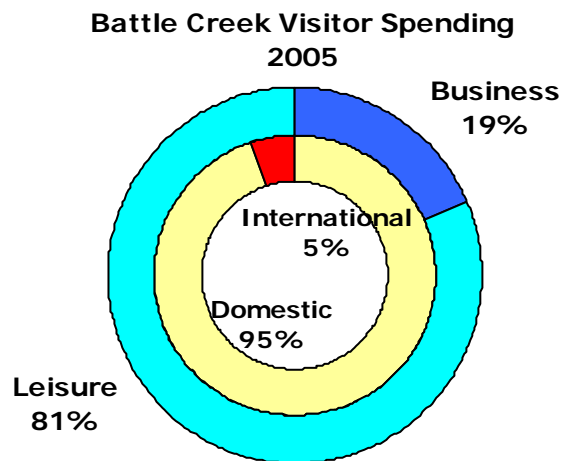
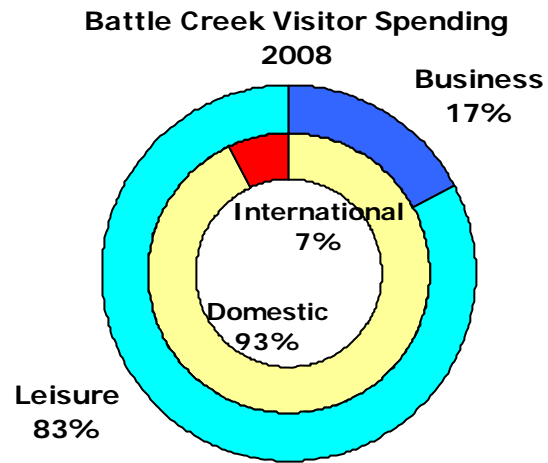
Travelers generated federal, state, and local tax revenue totaling \$34.8 million in 2008, increasing at a CAGR of 1.7% over 2005.

- In 2008, spending by travelers in the Battle Creek MSA generated \$18.5 million in state and local taxes, and \$16.3 million in federal taxes.
- The local governments in Calhoun County received \$6.3 million from tourism related taxes in 2008, up from the \$5.3 million collected in 2005.

Domestic markets represent 93% of total visitor spending in Calhoun County with international markets comprising the remaining 7%. Leisure travel dominates total travel to Battle Creek with 83% of total spending.

- Domestic and international spending totaled \$189.0 million and \$13.92 million, respectively, in 2008. Spending totals for domestic and international visitors in 2005 were \$189.9 million and \$9.73 million.
- International spending compound annual growth between 2005 and 2008 came in at 12.7%, while domestic spending dropped 0.2% over the same period as the number of domestic visitors continued to drop.
- Leisure and Business spending totaled \$168.2 million and \$34.71 million in 2008. Corresponding numbers for 2005 were \$162.6 million and \$37.00 million.

Figure II-2



Source: IHS Global Insight, D.K. Shifflet & Associates

III. Detailed Results

A1. Total Spending by Travelers

Travelers spent \$202.9 million in the Battle Creek Metropolitan Statistical Area (MSA) in 2008. These expenditures included \$30.41 million on all transportation, \$20.83 million on lodging, \$63.16 million on food and beverages, and \$88.52 million on shopping, entertainment, and other goods and services. Figure III-1 lists the total expenditures by travelers in Calhoun County in 2008 with comparisons to 2005.

Lodging costs showed the largest growth between 2005 and 2008, increasing at a compound annual growth rate (CAGR) of 2.9% mainly due to increasing accommodations prices. The decrease in domestic visitors caused total transportation spending to decline at a CAGR of 1.1% since 2005; however, the decline was moderated by the increase in international visitors spending on air transportation. Aside from non-air transportation, spending has increased since 2005 in all categories. Moreover, per person spending in these sectors has escalated, reflecting the value of the Battle Creek brand to visitors.

Figure III-1

Expenditure Category	2005 (million \$)	2008 (million \$)
Air Transportation	2.01	3.46
Other Transportation	29.42	26.95
Food & Beverage	61.82	63.16
Lodging	19.10	20.83
Shopping	48.58	48.81
Entertainment	38.67	39.71
Total	199.6	202.9

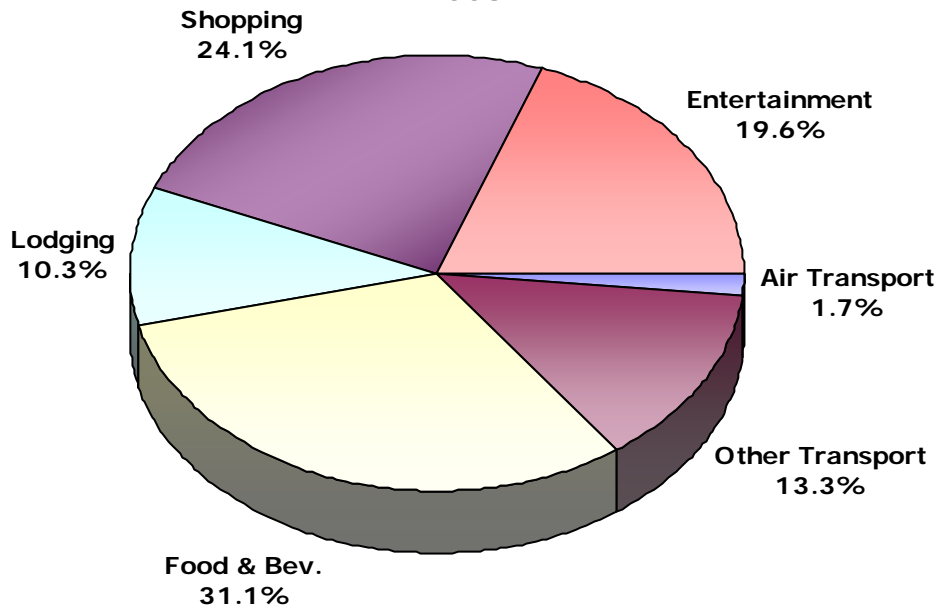
Source: IHS Global Insight, D.K. Shifflet & Associates

Food and beverage as well as shopping spending comprise the two largest spending categories for visitors to Battle Creek. Spending on dining options in Battle Creek represents 31.1% of all travel & tourism spending, while shopping consumes 24.1 cents of every tourist dollar spent in 2008. Ranking close behind is traveler spending on entertainment (including recreation); spending on entertainment occupied just under a fifth of tourism spending 2008.

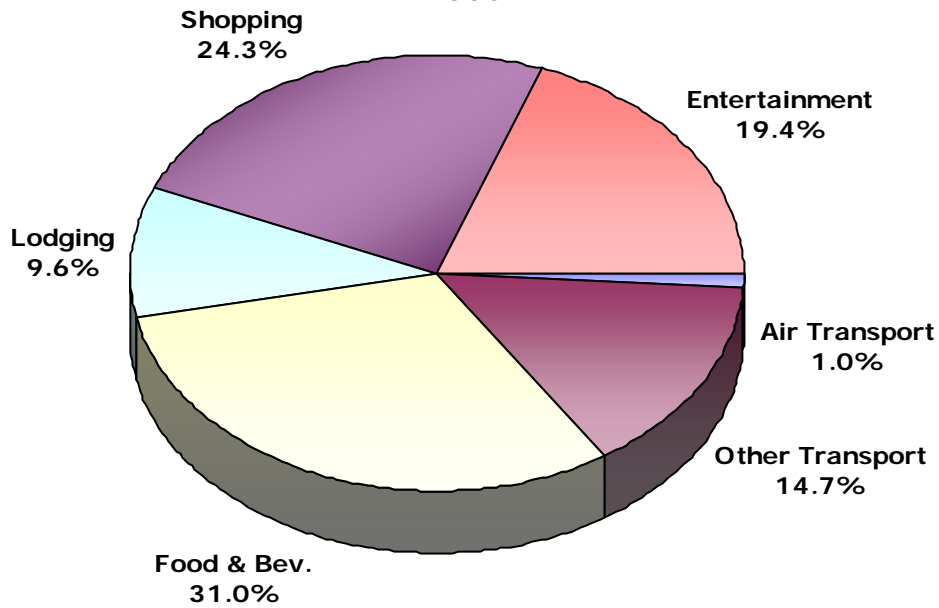
Spending shares have shifted a bit from their 2005 numbers. Less domestic visitors meant a decrease in non-air transportation spending. However, the increase in international visitors has caused air transportation spending to increase. Total spending on transportation has dropped relative to total tourism spending by 1.5 percentage points. Meanwhile, the share of the tourism dollar spent on lodging increased by 0.7 percentage points due to the acceleration in lodging prices. Slight increases were seen in the food and beverage and entertainment sectors (0.2%), while a the share of the tourism dollar occupied by shopping dropped off 0.3 percentage points since 2005. Figure III-2 shows the major spending categories and their percentage of all dollars spent from visitors to Calhoun County.

Figure III-2

**Travel & Tourism Spending: Battle Creek
2008**



**Travel & Tourism Spending: Battle Creek
2005**



A2. Per-Person Visitor Spending

The spending numbers in the previous section describe the total spending of all travelers to the Battle Creek metro area. Examining the per person spending numbers for all travelers as well as the business and leisure travelers will give the Battle Creek/Calhoun County Convention and Visitors Bureau a more detailed view of the value of different travelers to Calhoun County.

In this section, visits are defined as person-stays. Another way to describe the definition is that one person visiting Calhoun County one time equals one person-stay. A family of four visiting Calhoun County once would total four person-stays, one for each member of the family. And finally, one person making three different visits to Calhoun County in a calendar year would equal three person-stays, one for each visit. All per-person spending numbers are based on the person-stay measure.

The reader is reminded that the per-person spending numbers stated below is the spending of that person inside of the Battle Creek metro area. It will not count the gas fill-up made outside of Calhoun County, nor the price of the flight from a traveler's origin to Detroit on their way to Battle Creek – as none of that spending accrues to the study region.

In 2008, the average visitor to Calhoun County spent just under \$93 in Calhoun County. This is up from an average spend per-person of \$89 in 2005, a 4.5% increase.

Overall, leisure spending has increased between 2005 and 2008 from \$162.6 million to \$168.2 million. With a slight decline in visitors, the increase in total leisure spending has occurred because the increase in spending per leisure visitor. Average spend per leisure visitor has increased 6%, from \$83.68 to \$88.82 in 2008.

Business visitors nationally are higher spending travelers and this holds true for Calhoun County. Business visitors are more likely to spend the night in a hotel and spend, on average, more on food and transportation. Business visitors to Calhoun County spent, on average, \$119.56 per visit in 2008, down slightly from \$122.50 in 2005. However, the almost \$120 per business person-stay is a 35% premium compared to the average leisure visitor spending of \$88.82 per visitor.

B. Economic Impact (Value Added) of Tourism

As shown in Figure III-3, travel & tourism consists of many different standard industries as defined by the North American Industry Classification System (NAICS). A share of the retail, transportation, restaurant, lodging, and entertainment industries directly contributes to the travel sector.

In 2008, Battle Creek tourism directly generated \$84.19 million of economic value in sectors “touching” the visitor.

Additional sectors benefited as suppliers to direct tourism industries, with an indirect tourism-generated economic impact of \$21.02 million. The induced impact of tourism reached \$19.29 million as tourism wages were spent within Calhoun County.

In total, travelers to the Battle Creek MSA generated 124.5 million of economic value, increasing at a compound annual growth rate (CAGR) of 3.2% over 2005.

Figure III-3

Battle Creek Metro Area Travel & Tourism: 2008 Economic Impact (Value Added)				
Industry (NAICS)	Direct (million \$)	Indirect (million \$)	Induced (million \$)	Total (million \$)
Food & Beverage	28.36	0.68	0.98	30.01
Entertainment	15.61	0.16	0.19	15.96
Lodging	12.14	0.09	3.25	15.48
Retail Trade	11.14	0.29	3.02	14.45
Transportation	10.86	0.51	0.13	11.51
Finance, Insurance & Real Estate (FIRE)	0.00	6.83	2.93	9.75
Other Services	4.42	2.58	1.01	8.01
Prof. & Business Services	0.00	4.35	0.70	5.05
Education & Health Services	0.00	0.05	4.60	4.64
Other Transportation	1.66	0.28	0.31	2.25
Manufacturing	0.00	1.38	0.42	1.80
Wholesale Trade & Utilities	0.00	0.91	0.73	1.63
Information	0.00	1.00	0.39	1.39
Natural Resources & Mining	0.00	0.93	0.27	1.20
Public Administration	0.00	0.33	0.21	0.54
Construction	0.00	0.40	0.11	0.51
Agriculture, Forestry & Fishing	0.00	0.24	0.07	0.31
Total	84.19	21.02	19.29	124.50
Total – 2005	74.56	16.67	21.91	113.13
CAGR 2005-08	4.1%	8.0%	-4.2%	3.2%

Source: IHS Global Insight

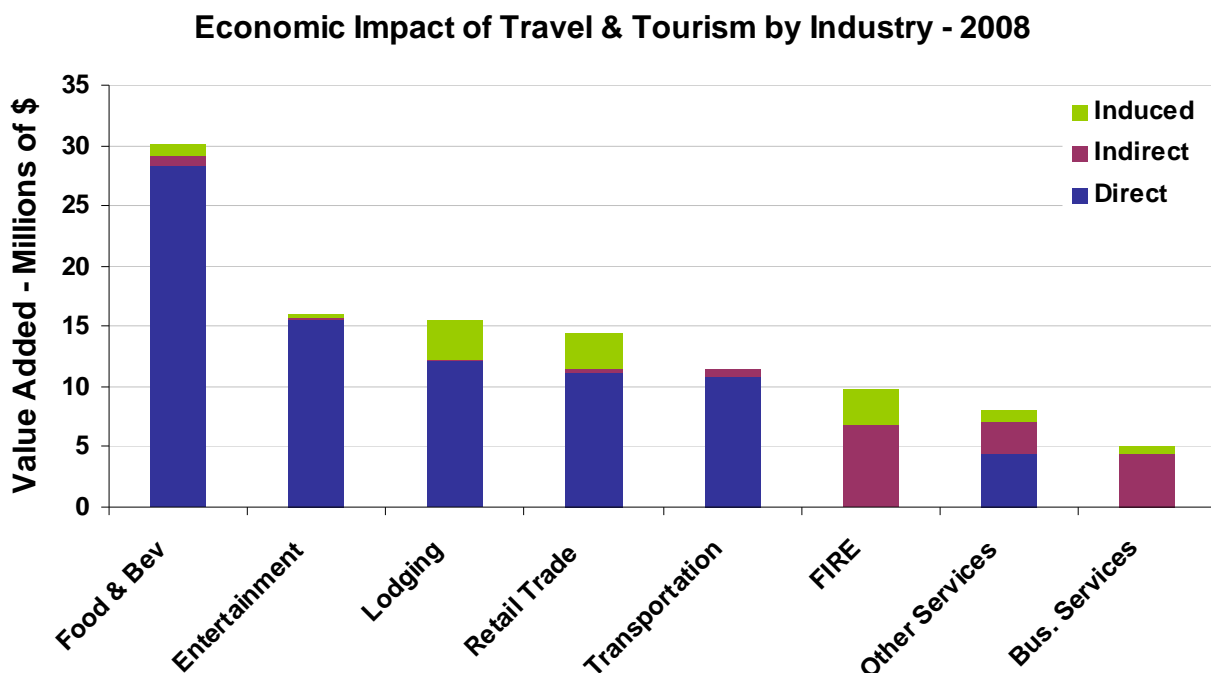
While the largest economic impacts will be to the core tourism businesses like restaurants and entertainment, Figure III-4 illustrates the fact that certain industries not directly involved in travel and tourism see significant economic benefits because of tourism in Battle Creek. As can be noticed by the plum colored sections (or the darker middle sections if viewing in black and white) of the bars in Figure III-4, the Professional and Business Services sector (denoted by Bus. Services in the table below) and the Finance, Insurance and Real Estate (FIRE) sectors receive significant economic benefits as suppliers to the tourism industry.

The FIRE sector gains \$6.83 million in indirect economic impact as a supplier to the tourism industries hotels and restaurants. Similarly, the professional and business services sector gains \$4.35 million in indirect economic impact. Note that the indirect economic impact of these two sectors together is larger than the *direct* impact of Retail Trade.

This example illustrates not only the linkages between the tourism industry and the rest of the economy in Battle Creek but the importance of tourism to businesses not directly impacted by tourism spending.

Tourism's impact is significant to the suppliers of goods and services to businesses that directly touch the visitor.

Figure III-4



C. Labor Income Supported by Tourism

Wages, salaries and proprietor income generated by visitors to Calhoun County are shown in Figure III-5. In 2008, directly paid wages, salary and income to tourism sectors was \$56.33 million; indirect production generates \$12.20 million in compensation; and induced wages tally over \$10.73 million. In total, workers received nearly \$79.26 million in wages and benefits as a result of Battle Creek tourism activity.

Income is an important tourism barometer because more income paid out results in either higher wages or more workers. Overall, salaries and benefits paid to employees supported by tourists accelerated by a compound annual growth rates (CAGR) of 2.4% over 2005. Moreover, the average salary and benefits paid to each employee supported by tourism rose by a CAGR of almost 4.0% from 2005 to 2008.

Figure III-5

Battle Creek Metro Area Travel & Tourism: 2008 Wages				
Industry (NAICS)	Direct (million \$)	Indirect (million \$)	Induced (million \$)	Total (million \$)
Food & Beverage	20.00	0.48	0.69	21.16
Entertainment	11.57	0.12	0.14	11.83
Transportation	8.76	0.41	0.10	9.27
Retail Trade	6.88	0.19	1.95	9.02
Lodging	6.92	0.05	0.05	7.03
Other Services	1.35	2.13	0.86	4.34
Prof. & Business Services	0.00	3.71	0.60	4.30
Education & Health Services	0.00	0.04	3.99	4.03
Finance, Insurance & Real Estate (FIRE)	0.00	1.78	0.90	2.68
Manufacturing	0.00	1.01	0.29	1.31
Other Transportation	0.86	0.19	0.18	1.24
Wholesale Trade & Utilities	0.00	0.54	0.43	0.97
Information	0.00	0.62	0.17	0.78
Public Administration	0.00	0.26	0.19	0.45
Construction	0.00	0.35	0.09	0.44
Natural Resources & Mining	0.00	0.27	0.08	0.34
Agriculture, Forestry & Fishing	0.00	0.06	0.03	0.09
Total	56.33	12.20	10.73	79.26
Total – 2005	48.70	10.19	15.00	73.90
CAGR 2005-08	5.0%	6.2%	-10.6%	2.4%

Source: IHS Global Insight

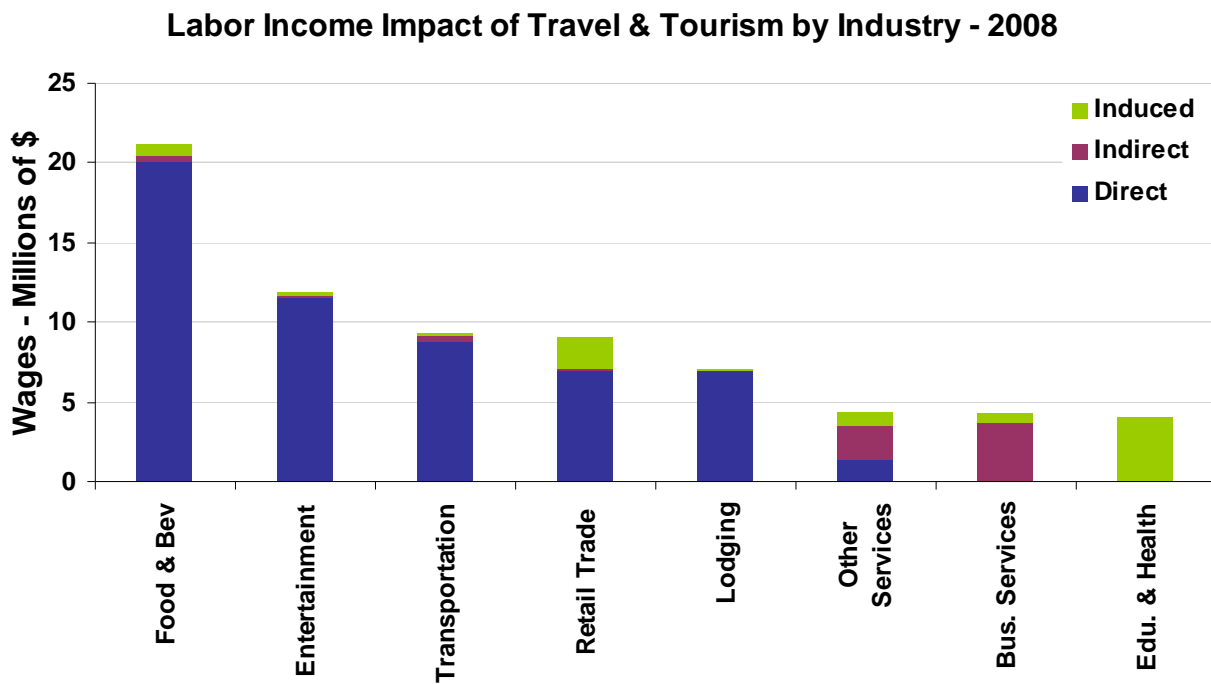
In addition, income is a large portion of the economic impact of tourism to Battle Creek – the more wages and benefits that accrue to employees of tourism, the higher the economic impact.

Certain industries have a high proportion of their economic impact in wages and are more likely going to bring a broader impact to the region than industries with more of their economic impact going to profits. Take education and health services for instance. Workers are paid \$4.03 million in wages and the economic impact in 2008 was \$4.64 million. Wages were 86.9% of the economic impact in the education and health services sector. Correspondingly, wages made up only 27.4% of the economic impact in the FIRE sector.

Notice the benefit to the professional services sector, as denoted by 'Bus. Services' in Figure III-6 below. Even though this sector does not benefit directly from tourism spending and has less total employment impact than those same sectors, wages and benefits paid to its employees are higher than in the Retail Trade or Lodging industries. The higher compensation numbers in the professional services sector mean \$4.3 million was paid to employees in that industry as a result of tourism spending in Battle Creek, a number about half that of Retail Trade and Lodging, yet with only about a third of the employees of Retail Trade or Lodging.

Visitor spending creates jobs that cover all wage levels, not just the lower wage level that can be associated with the tourism industry.

Figure III-6



D. Employment Supported by Tourism

Figure III-7 shows the total employment by industry supported by Battle Creek traveler spending. Tourism directly supported 2,716 full-time and part-time jobs throughout Battle Creek—primarily in lodging, restaurants, entertainment and recreation, and transportation. The indirect impact of travelers’ dollars supports another 296 jobs. An additional 327 jobs are generated by the spent wages of direct and indirect tourism employees.

Figure III-7

Battle Creek Metro Area Travel & Tourism: 2008 Employment					
Industry (NAICS)	Direct	Indirect	Induced	Total	% of Total
Food & Beverage	1,229	29	42	1,301	39.0%
Entertainment	660	10	8	678	20.3%
Retail Trade	297	7	76	380	11.4%
Lodging	276	2	2	281	8.4%
Other Services	84	42	36	162	4.8%
Transportation	138	7	2	147	4.4%
Prof. & Business Services	0	85	14	99	3.0%
Education & Health Services	0	1	97	98	2.9%
Finance, Insurance & Real Estate (FIRE)	0	50	22	72	2.2%
Other Transportation	31	4	5	40	1.2%
Manufacturing	0	17	5	21	0.6%
Information	0	14	4	17	0.5%
Wholesale Trade & Utilities	0	8	7	15	0.5%
Agriculture, Forestry & Fishing	0	7	2	9	0.3%
Construction	0	7	2	8	0.2%
Public Administration	0	4	3	7	0.2%
Natural Resources & Mining	0	3	1	4	0.1%
Total	2,716	296	327	3,339	100.0%
Total – 2005	2,793	274	433	3,500	
CAGR 2005-08	-0.9%	2.7%	-9.0%	-1.6%	

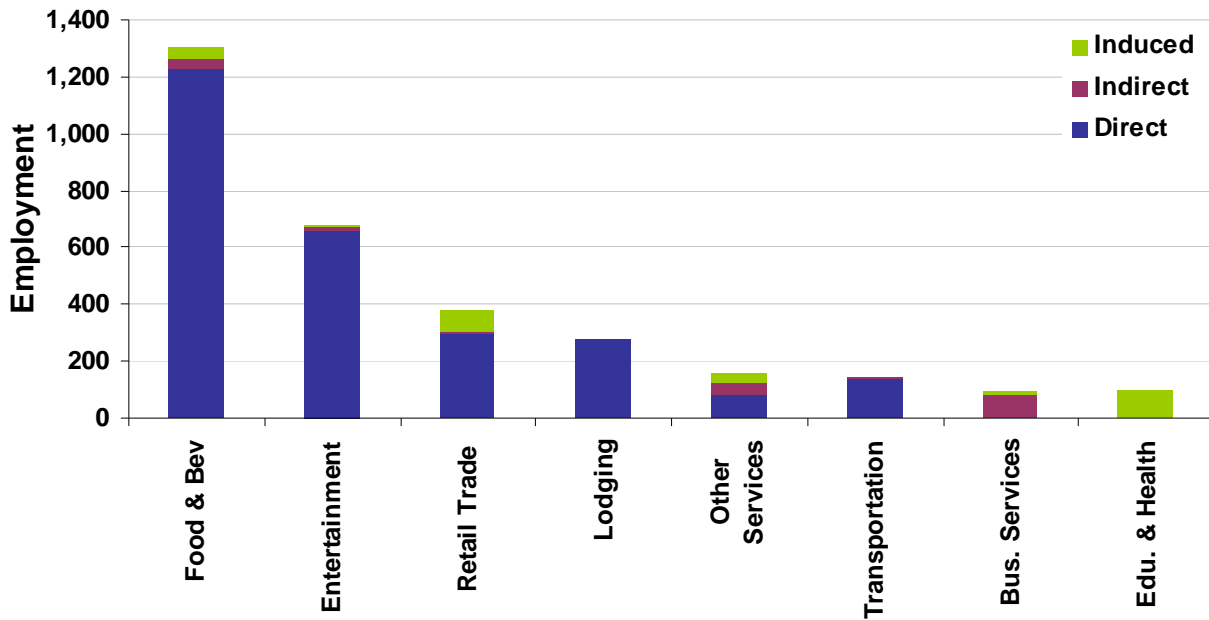
Source: IHS Global Insight

Industries directly linked to tourism have the highest percentage of tourism supported jobs. The Food & Beverage industry, mainly restaurants, has 39% of all tourism related jobs. The Professional & Business Services industry realizes the highest number of tourism-generated jobs that are not directly related to travelers— about 3.0% of all tourism supported jobs.

As is shown in the following graph, the majority of the employment from visitor spending is highest in industries that directly touch the visitor. This is a bit different from our other graphs, where we saw certain industries not directly involved in the visitor experience benefited more than industries directly related to tourism.

Figure III-8

Employment Impact of Travel & Tourism by Industry - 2008



After seeing how much tourism spending impacts other industries, it is also important to look at tourism employment against other industries in Calhoun County. Direct tourism employment is the correct employment number to use to create this comparison. As shown in the following table, employment from travel and tourism comprises 4.6% of jobs in the Battle Creek Metropolitan Statistical Area (MSA).

Overall employment decreased in the Battle Creek MSA by a compound annual growth rate (CAGR) of 1.7%, while direct tourism employment fell at a CAGR of just 0.9% between 2005 and 2008. Consequently, direct tourism jobs as a percent of all Battle Creek MSA private employment increase by 0.2 percentage points over 2005.

Note that, in figure III-9, tourism generated 2,716 full-time and part-time jobs in 2008. These jobs are not netted out of the other categories, and these other categories are full-time equivalent jobs as well. The leisure and hospitality industry employs 5,292 people in 2008 and many of those people are also in the travel and tourism industry. One way of reading this table is to say that "Tourism as an industry employs 2,716 people. The leisure and hospitality industry, in total, including tourism related jobs, employs 5,292 people."

Figure III-9

Primary Industries in Battle Creek Metro Area/Calhoun County 2008 and 2005				
2008				
Rank	NAICS	Industry	Employment	% of total
1	31-33	Manufacturing	12,753	21.6%
2	61-62	Education & Health Services	9,099	15.4%
3	22, 44-45, 48-49	Trade, Transportation & Utilities	8,600	14.5%
4	StL Gov	State & Local Government	6,412	10.8%
5	71-72	Leisure & Hospitality	5,292	8.9%
6	54-56	Professional & Business Services	4,923	8.3%
7	Fed Gov	Federal Government	3,091	5.2%
8	T	Tourism	2,716	4.6%
9	81	Other Services	2,155	3.6%
10	21,23	Construction, Natural Resources, & Mining	1,957	3.3%
		Other Sectors	4,856	8.2%
		Total Employment	59,138	100%
2005				
Rank	NAICS	Industry	Employment	% of total
1	31-33	Manufacturing	14,003	22.4%
2	22, 44-45, 48-49	Trade, Transportation & Utilities	10,021	16.1%
3	61-62	Education & Health Services	9,892	15.8%
4	StL Gov	State & Local Government	7,238	11.6%
5	71-72	Leisure & Hospitality	5,681	9.1%
6	54-56	Professional & Business Services	5,516	8.8%
7	Fed Gov	Federal Government	3,291	5.3%
8	T	Tourism	2,793	4.5%
9	81	Other Services	2,290	3.7%
10	21,23	Construction, Natural Resources, & Mining	2,211	3.5%
		Other Sectors	2,283	3.7%
		Total Employment	62,426	100%

E. Federal, State and Local Taxes Paid

The federal government, as well as the state and local governments, derive significant taxes from companies, households, and the travelers themselves. Businesses and households pay income, sales, and excise taxes. Travelers pay tourism-specific taxes along with general sales taxes.

Tourism in Battle Creek generated \$34.8 million in federal, state, and local taxes in 2008. State tax receipts related to Battle Creek tourism were \$12.2 million with local authorities in Calhoun County collecting almost \$6.3 million in revenues because of tourism in 2008. Hotel tax receipts have increased an average of 3.3% annually since 2005.

Figure III-10 lists 2008 and 2005 Federal and State and Local taxes.

Figure III-10

Battle Creek Metro Area Tourism: Tax Revenue Generation		
Tax	2005 (\$)	2008 (\$)
Federal: US		
Corporate Income	1,798,134	2,670,719
Personal Income	4,659,127	3,913,039
Excise & Fees	1,481,547	1,347,839
Social Security & Other Taxes	8,049,850	8,390,549
Federal Total	15,988,658	16,322,145
State: Michigan		
Corporate Income	1,010,018	1,412,642
Personal Income	1,186,067	958,295
Property Taxes	855,185	1,006,946
Other Business Taxes	431,773	406,776
Sales Taxes	7,751,004	7,864,514
Excise & Fees	431,773	406,776
Social Security & Other Taxes	175,273	173,621
Michigan Total	11,841,092	12,229,601
Local: Battle Creek		
Hotel Tax	673,243	83,330
Property Taxes	4,274,055	5,035,947
Excise & Fees	228,160	403,953
Personal Income	103,136	83,330
Sales Taxes	0	0
Battle Creek Total	5,278,595	6,264,986
Grand Total	33,108,344	34,816,731

Source: IHS Global Insight

Battle Creek Household Savings

If tourism did not exist in the Battle Creek MSA, taxing authorities around Calhoun County would need to generate an average of \$345 in State & Local taxes from each of the 55,645 households in Calhoun County, in order to maintain the current level of tax receipts.

F. Sports Promotion Program Economic Impact

Battle Creek has openly communicated its intention to focus on amateur sports as an important component of its ongoing tourism strategy. With many events already hosted and more on the way, the Battle Creek/Calhoun County Convention & Visitors Bureau has asked IHS Global Insight, Inc. to analyze the economic impact of their amateur sports promotion efforts in Calhoun County. The numbers clearly show the success of these promotional efforts. IHS Global Insight estimates that \$18.1 million was spent by visitors traveling to Calhoun County for amateur sports events in 2008, up from \$13 million in 2005.

Much of the increase can be traced to the increase in participants. Using data provided by the Battle Creek/Calhoun County Convention & Visitors Bureau, amateur sporting events attracted 147,200 participants and attendees, up from 113,650 in 2005, an annual increase of 9%. Of the almost 150,000 participants, almost 118,000 came from outside Calhoun County.

D.K. Shifflet and Associates, Ltd provided average spending data for both leisure visitors as a group, and leisure visitors who traveled to participate in selected activities. The data provided selected geography and activities that most accurately represented the spending of amateur sporting event participants and attendees in Calhoun County. The spending and impacts that follow represent only those of visitors from outside of Calhoun County. The figures do not include the participation of county residents.

This spending data shows that participants and attendees to amateur sporting events spend almost 5% more than the average leisure visitor, spending more on entertainment expenses, food and transportation. They spend less than the average leisure visitor on shopping and accommodations but are more likely to need hotel rooms than the average leisure visitor.

The 118,000 visitors spent over 250,000 person days in Calhoun County resulting in about 65,000 hotel nights, using data on the duration of each individual sporting event. In total, this subset of leisure visitors represented 8.6% of all leisure visitors to Calhoun County in 2008, up from 7.7% in 2005. The amateur sports subset of leisure spending reached over 10% of all leisure spending in 2008, up from 8% of leisure spending in 2005 as the increased participation and length of stay increased amateur sports spending compared to the average leisure visitor.

Broken out, the \$18.1 million spent by the amateur sporting visitor included \$4.7 million in expenditures on lodging, \$3.56 million on food and beverages, and \$3.4 million on entertainment expenses. Spending numbers increased over 11% annually to reach the \$18 million figure with lodging costs increasing the most. Figure III-11 lists the total expenditures by amateur sports travelers in Battle Creek in 2008 and 2005.

Figure III-11

Expenditure Category	2005 (million \$)	2008 (million \$)
Transportation	2.70	3.94
Lodging	2.68	4.72
Food & Beverage	2.80	3.56
Shopping	2.26	2.46
Entertainment	2.67	3.37
Total	13.10	18.09

Source: Global Insight

The impact of the \$18.10 million in spending directly leads to over \$7.25 million in economic impact to Calhoun County, \$4.56 million in wages and 223 jobs. Overall, amateur sports visitation creates 274 total jobs making \$6.43 million in benefits and wages. The economic impact of the amateur sport visitors totals \$10.52 million in 2008. In total, the economic impact of amateur sports visitation grew 11% annually with employment growth averaging just under 7% annually growth.

Figure III-12 shows the economic impact, wage impact and jobs created by amateur sports visitation in 2008 with comparisons to 2005.

Figure III-12

Key Findings: Battle Creek Sports Promotion Impact				
2008	Direct	Indirect	Induced	Total
Total Spending	-	-	-	\$18.09 million
Economic Impact	\$7.25 million	\$1.68 million	\$1.58 million	\$10.52 million
Wages	\$4.56 million	\$0.99 million	\$0.88 million	\$6.43 million
Jobs	223	25	27	274
Tax Receipts				\$2.82 million
2005	Direct	Indirect	Induced	Total
Total Spending	-	-	-	\$13.10 million
Economic Impact	\$5.06 million	\$1.13 million	\$1.44 million	\$7.63 million
Wages	\$3.17 million	\$0.70 million	\$0.99 million	\$4.86 million
Jobs	176	19	29	225
Tax Receipts				\$2.29 million

Source: Global Insight

Amateur sports tourism in Battle Creek generated \$2.82 million in federal, state, and local taxes in 2008. Locally, Michigan state tax receipts related to amateur sports tourism reached over \$1 million – hitting \$1.06 million in 2008. Local governments in the Battle Creek MSA gained over \$650,000 in tax receipts in 2008. The \$650,000 represents a gain of 17% annually, driven by the increase participation numbers and the increasing price of accommodations over the study period.

State taxes grew an average of 10% annually, driven mainly by increases in the visitation numbers. Federal tax receipts grew around 8% annually, driven mainly by employment increases as much of the federal tax base is employee based (social security and personal income taxes).