



Los Angeles Area
Chamber of Commerce



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SPORTS STILL A MAJOR CONTRIBUTOR TO THE L.A. ECONOMY, DESPITE DECLINE

L.A. Sports Council, L.A. Area Chamber release study showing a decline in the L.A. sporting events industry's economic impact for the first time since the study's inception

LOS ANGELES -- Today, the Los Angeles Sports Council and the Los Angeles Area Chamber of Commerce announced that the sporting events industry in Southern California contributed more than \$4.2 billion in total economic impact to the Los Angeles/Orange County area last year. As part of the release of the 2009 Economic Impact of Sports study, this announcement signals an 18 percent drop in revenue generated by sports as compared to the previous study two years ago. In addition, the study shows that sporting events in the area had a combined attendance of 20.8 million people in 2009.

"Like most other industries, sports has seen its revenue and attendance impacted by the economy. However, this study shows that even as people are making tough decisions about where to spend their money, they're still invested in the sports industry," said Alan Rothenberg, chairman of the Sports Council.

The extensive three-month study, sponsored by both the L.A. Sports Council and the L.A. Area Chamber, was conducted by a five-person team of MBA graduate students from the UCLA Anderson School of Management and measured the total economic impact of the sporting events industry in Los Angeles, Orange, Riverside, and San Bernardino counties.

Using data obtained confidentially from 55 local sports organizations (excluding high school sports and certain special one-time events), the study compiled and evaluated aggregate annual revenue, employment, and attendance figures for the calendar year 2009. The survey included professional franchises, sports venues, horse racing tracks, major colleges and universities, as well as annual recurring events such as the L.A. Marathon, the Long Beach Grand Prix, and the Rose Bowl Game.

The study is the seventh in a series dating back to 1993 and is the only report of its kind for the L.A. region.

Due to its conservative nature, the study examined only the sporting events industry and does not attempt to capture sports-driven revenues from visitors' travel expenditures (i.e. hotel, restaurant, car rental), retail merchandising, secondary ticket sales, and merchandise manufacturing.

"Once again we have evidence of the sporting industry's significance to the region's economy. Despite the declines we see in this year's study, we know that the 18 professional teams, 11 college teams and more than a dozen large-scale annual sporting events will continue to be not only a great source of pride, but also a significant economic engine for our economy," said Gary Toebben, president & CEO, L.A. Area Chamber. "As our region continues on the path to economic recovery, sports will certainly play a key role in ensuring our long-term prosperity."

The report shows that the sports industry continues to be a source of economic growth for the region.

Significant findings in the study include:

- Sports pumped \$1.7 billion directly into the local economy last year, which, after factoring in the customary economic multiplier provided by a federal government agency, translates into an overall gross economic impact of \$4.2 billion. The weighted multiplier of 2.43 was derived from data from the Bureau of Economic Analysis (BEA) and was used to quantify the ripple effect that consumer spending within the sporting events industry has on the overall regional economy.
- The majority of the decline in direct revenue from the previous study in 2007 -- \$1.7 billion from \$2.1 billion -- can be attributed to several factors, most notably: 1) significant declines in part-time employment numbers (a decrease of 39%); 2) a 16 percent decline in annual attendance numbers; 3) a drop in the average ticket price.
- Consistent with previous studies, L.A. County accounted for roughly 73% of the total revenue generated. Orange County saw an increase in its share of sports generated revenue -- increasing from 16% in 2007 to nearly 26% in 2009.
- Total combined attendance fell by 16% to 20.8 million people in 2009 compared to a reported 24.9 million in 2007. The Dodgers led all pro teams in total regular season attendance with a 2009 figure of nearly 3.8 million attendees.

- The sports industry was responsible for 3,103 full-time and 6,433 part-time jobs for Los Angeles area residents. The combined total is 9,536.
- The \$4.2 billion total economic impact of sporting events in 2009, while a decline from 2007, is comparable to the total economic impact from 2005 (\$4.1 billion).
- Based on media reports, the three highest paid attendances at single-day sporting events in 2009 were the Rose Bowl Game (93,293), the L.A. Galaxy vs. Barcelona soccer match, also at the Rose Bowl (93,137), and the USC vs. Stanford football game at the Coliseum (90,071). Other top events were Chelsea vs. Inter Milan soccer at the Rose Bowl (81,224) and the Auto Club 500 stock car race (est. 78,000) at the Auto Club Speedway.

“Even in these tough economic times, sports have continued to be a major contributor to the economy of the Los Angeles/Orange County area. And, while we can quantify the economic impact of this industry, we cannot quantify the psychological impact of sports on the people of Los Angeles,” said L.A. Sports Council President David Simon. “Sports goes beyond dollars and cents because of its ability to be a rallying point for the community.”

A list of the 55 local sports organizations and events participating in the study is attached below. A Power Point presentation of the report is available upon request.

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The Los Angeles Sports Council is a non-profit civic organization whose primary purpose is to promote economic development through sports in the Los Angeles/Orange County area. For more information, visit www.lasports.org.

The Los Angeles Area Chamber of Commerce represents the interests of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit www.lachamber.com.

Organizations Included in 2009 Study

<i>Pro/Venue (26)</i>	<i>Horse Racing (4)</i>	<i>College/Amateur (11)</i>	<i>Annual (14)</i>
<p><u>VENUES</u> Angel Stadium Auto Club Speedway Dodger Stadium Home Depot Center Honda Center LA Coliseum Rose Bowl Staples Center</p> <p><u>TEAMS</u> Anaheim Ducks Chivas USA Fullerton Flyers High Desert Mavericks Inland Empire 66ers LA Angels of Anaheim LA Clippers LA Dodgers LA Galaxy LA Kings LA Lakers LA Sparks Lake Elsinore Storm Lancaster Jethawks Long Beach Armada Newport Beach Breakers Orange County Flyers Rancho Cucamonga Quakes</p>	<p>Fairplex Park Hollywood Park LA Turf Club Los Alamitos</p>	<p>Cal State Dominguez Cal State Fullerton Cal State LA Cal State Northridge Long Beach State Loyola Marymount Pepperdine Univ. UC Irvine UC Riverside UCLA USC</p>	<p>Chevron World Challenge LA Tennis Open LA Marathon LA Sports Council LA Triathlon LA84 Foundation Long Beach Grand Prix Long Beach Marathon Mt. SAC Relays Northern Trust Open Orange County Marathon Pomona Winternationals Toshiba Classic Tournament of Roses</p>

