

An Economic Impact Analysis
of the



Prepared by:



2010

The economic impact analysis provided in this report was generated using an economic impact model calibrated for a specific study area using standard regional data sets. The results are to be interpreted as a best estimate of economic impact based on the assumptions and/or data provided by the client.

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Introduction

On April 24, 2010, the Roanoke Region welcomed 942 runners who participated in the National College Blue Ridge Marathon and Half Marathon. Organized by a consortium of public and private entities, including the Roanoke Regional Partnership and Congressman Bob Goodlatte and Odyssey Adventure Racing, the Blue Ridge Marathon was the first event of its kind for the Roanoke Region.

Efforts to organize the Blue Ridge Marathon began in February 2009, when representatives of the John Carlin Agency, the Roanoke Regional Partnership, Odyssey Racing, and Congressman Goodlatte's office met at an event held in the Taubman Museum of Art. The idea that a marathon might be held on the Blue Ridge Parkway in conjunction with the Blue Ridge Parkway's 75th Anniversary Celebration was conceived. Six Congressmen petitioned the National Park Service to approve a special use permit allowing the marathon organizers to utilize portions of the Parkway for the event. The permit was approved by August 2009 and marketing of the marathon began.

The event was sponsored by National College, Carilion Clinic, Valley Bank, Fink's Jewelers, RoanokeOutside.com, the Roanoke Regional Partnership, the Taubman Museum of Art, the John Carlin Agency, City of Roanoke Parks and Recreation, the Roanoke and Botetourt Athletic Clubs, Odyssey Adventure Racing, the Roanoker Magazine, GEM Car, and Dominion of Bedford. The race benefitted the Friends of the Blue Ridge Parkway, a nonprofit and volunteer organization dedicated to preserving and protecting the Blue Ridge Parkway.

Billed as America's Toughest Road Marathon, the race course started and ended at the Taubman Museum of Art and went from the low elevations of downtown Roanoke and the Roanoke River to the higher elevations at the top of Mill Mountain and Roanoke Mountain along sections of the Blue Ridge Parkway for a total elevation change of 6,140 feet.

Race organizers knew it would be of vital importance to gauge the economic impact of the race event. Such information would be instrumental in helping the community to understand the impacts such events bring to the community and to build support for future marathons in the Roanoke Valley region of Virginia. Organizers contacted the staff of the Roanoke Valley – Alleghany Regional Commission prior to the execution of the race event to design a study methodology.

Methodology

A survey was produced for the study committee by Events Response, a firm specializing in producing post event surveys for sporting events. The staff of the Roanoke Valley – Alleghany Regional Commission provided suggested questions for use in the economic impact analysis including questions pertaining to travel party size, and spending on gas, retail, lodging, and dining.

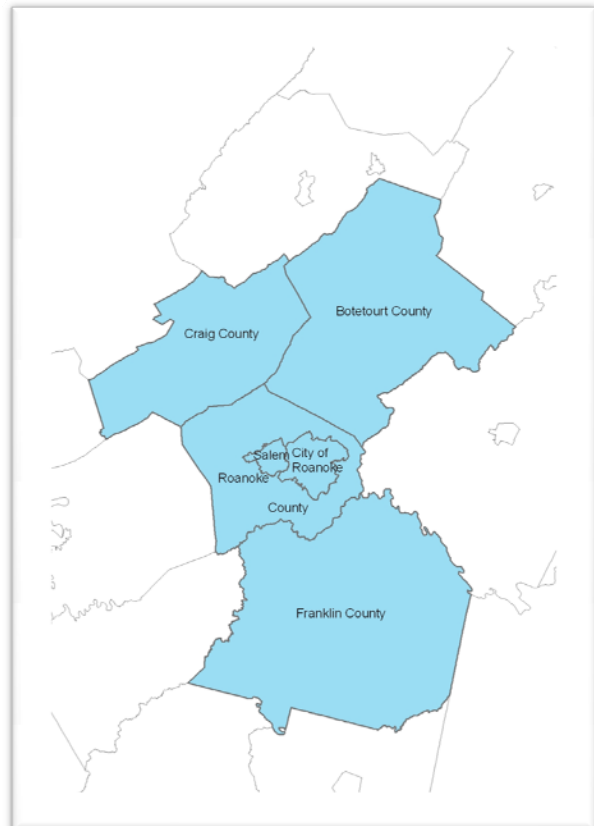
The survey was distributed to event participants in the week following the event. Participants were enticed to participate by being entered into a drawing for free entry into the 2011 Blue Ridge Marathon and Half Marathon event. In total, there were 439 respondents to the survey, representing a response rate of approximately 46.6% of actual participants.

The study area for this analysis was defined as the Roanoke Metropolitan Statistical Area, which is composed of the Counties of Botetourt, Craig, Franklin, and Roanoke; and the Cities of Roanoke and Salem.

Survey responses were used to compute average expenditures for food, lodging, and retail purchases made in the region per person per day. The IMPLAN economic impact model for the Roanoke Metropolitan Statistical Area (using 2007 IMPLAN data for the study region and utilizing Social Accounting Multipliers) was employed to estimate the amount of regional economic activity originating from the Marathon event.

IMPLAN (**IMP**act Analysis for **PLAN**ning) is an economic impact modeling software first developed jointly by the University of Minnesota and the US Forest Service in the 1970's and later expanded upon by the Minnesota IMPLAN Group. The modeling software and IMPLAN proprietary data set is currently maintained by the Minnesota IMPLAN Group, a private company based in Stillwater, Minnesota. IMPLAN is widely used by a number of universities, economic consultants, economic development professionals, and others involved in estimating economic impact of programs and events. IMPLAN models the flow of expenditures through industries and institutions of a regional economy that result after an initial economic stimulus is made in a given economy. More information on the IMPLAN model and data set can be obtained at <http://www.implan.com>.

Figure 1: Study Area Location



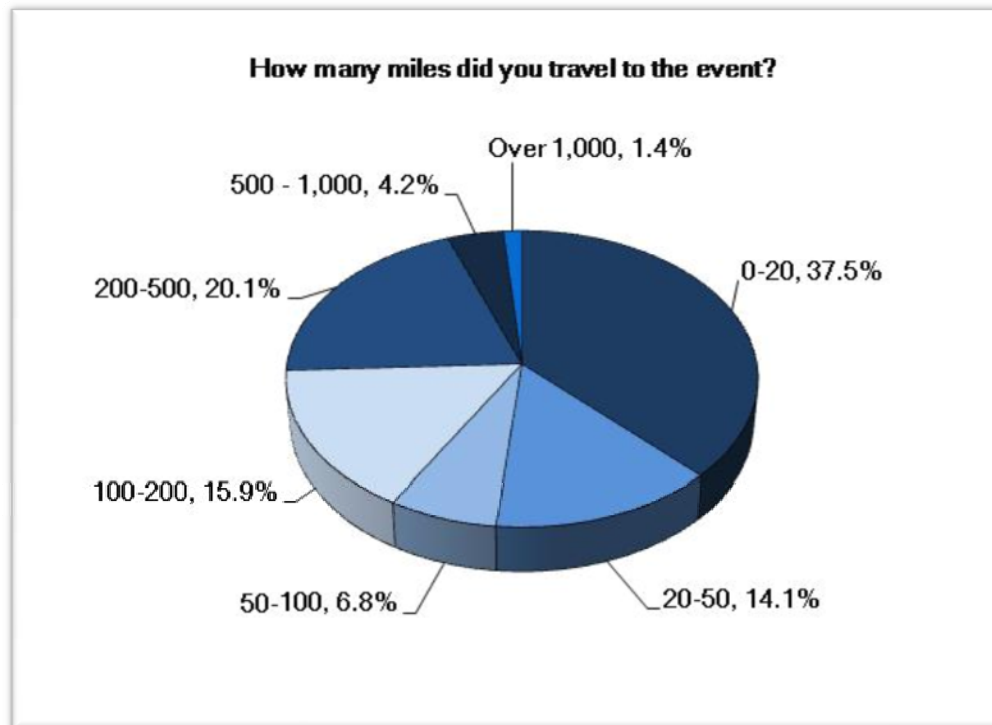
Survey Results

The survey was conducted by Events Response, a private event surveying company using questions that were designed with input from the Blue Ridge Marathon Committee and expenditure questions provided by staff of the Roanoke Valley – Alleghany Regional Commission. The survey yielded 439 responses for a response rate of 46.6%.

Geographic Dispersion

The majority of respondents (66%) were from the Commonwealth of Virginia. A substantial proportion (approximately 34%) were from out of state. Runners came from as far away as London. In terms of national regions, the largest proportion (88%) was from the Southeastern United States. Approximately 6% of runners were from the Northeastern United States. Approximately 4% of runners were from the Midwest. Roughly 2% of participants were from the American Southwest or the West Coast.

Figure 2: Distance Traveled by Participants



It is worth noting that 51.6% of respondents live within 50 miles of the marathon starting location. Roughly a quarter of respondents live more than 200 miles away from the marathon starting location.

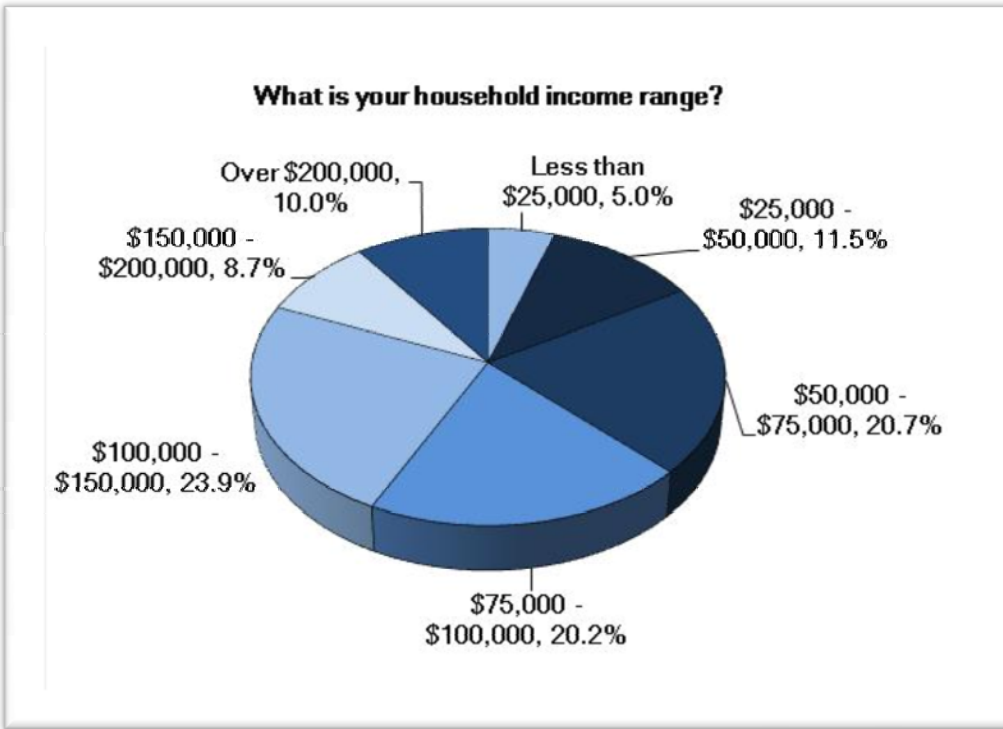
It was found using the runner registration list that 68% of all participants originated from outside of the study area for the analysis and were therefore counted as visitors in the analysis. It is important to note that expenditures of visitors to the area are of chief concern to this analysis, since such expenditures represent new monies entering the study area. An argument can be made that certain local

expenditures were induced by the event, but these are typically of concern to an analysis such as this one only when a demonstrated case of import substitution can be shown.

Income and Education

Most runners in this event held a four-year degree (84%) and a significant proportion held advanced degrees (43%). Approximately 43% made over \$100,000 annually. Events Response noted that typically the average incomes in running events surveyed by the company are typically higher.

Figure 3: Household Income



Length of Stay

Over half of the respondents (51.7%) reported staying in a local motel or hotel for at least one night. Undoubtedly, this is a reflection of the large number of in-state competitors in the event. Respondents were asked to report the number of nights that they stayed in the study area for the event. The average length of stay among out of town respondents was 1.84 nights.

Size of Travel Party

Roughly 54% of respondents reported traveling with family or friends to the race event. Respondents were also asked to report the number of non-participants that traveled with them to the event. The average travel party size reported was 1.5, or, in other words, every other runner traveled with a non-participant to the event.

Visitation to Local Attractions

Participants were asked if they visited any local attractions such as the Taubman Museum of Art, the Virginia Transportation Museum, the Center in the Square, the Mill Mountain Star, etc. Approximately, 34% of respondents stated that they visited local attractions in the Roanoke Region. It is estimated that 40% of these visits were to attractions that charge admission. The average price of admission of museums and attractions in the Roanoke Valley is \$8.66.

Average Expenditures

Respondents were asked to report the amount spent on fuel, meals, lodging, and miscellaneous retail purchases while in the Roanoke region. The following were the average values computed from the responses collected by the survey.

Fuel - \$30.55

Meals - \$57.55

Lodging - \$60.68

Retail - \$34.65

These average per person per day expenditures were used to identify an initial direct impact figure input into the IMPLAN model. The number of visitor days¹ associated with the Blue Ridge Marathon was multiplied by each category to determine the direct impact in the restaurant, hotel/motel, general merchandise retail, and gasoline retail industries. These direct impacts were entered into the IMPLAN Professional model. The software was instructed to consider only the retail margin of the purchases made (the wholesale cost of each product likely leaves the region as in most cases the product is manufactured elsewhere and the margin also does not include costs of transporting the product to the store).

The IMPLAN model calculates a direct, indirect, and induced impact after adjusting the initial direct impact for leakage by using estimated retail margins.

Local Spending

As a general rule, only those expenditures made by visitors are used in any estimate of economic impact since local spending represents recirculation of wealth within a local economy. While there were 318 local runners, 325 known local volunteers, and at least 1,000 local spectators that likely spent local funds on lunch and snacks during the day of the event and likely made other expenditures that they might not have spent otherwise, there is no method short of a volunteer/spectator survey to determine the proportion of local participants that would have travelled outside the region as opposed to

¹ Visitor days are computed by multiplying the number of participants who are from outside the region by the average travel party size and by the average length of stay.

participating in the Marathon activity. A case for import substitution simply cannot be made without this data.

Economic Impact

It is estimated that the first inaugural Blue Ridge Marathon attracted \$230,112 in direct new sales activity to the region, which lead to an additional \$116,665 in indirect² and induced³ spending for a total **impact on output of \$346,776⁴**. This corresponds to an **increase of \$190,304 in value added⁵** to the regional economy. Activity surrounding the event will **support 4.5 jobs in the regional economy** for the period of a year⁶.

The summary impact table below is a useful illustration of the event’s impacts.

Figure 4: Economic Impact Summary Table

	Output	Employment	Labor Income	Value Added
Direct Effect	230,111.9	3.5	78,294.4	124,473.3
Indirect Effect	68,251.7	0.5	23,631.2	37,414.3
Induced Effect	48,412.8	0.4	15,265.9	28,415.8
Total Effect	346,776.3	4.5	117,191.5	190,303.5

² Indirect impacts are those represented by local industries purchasing from other local industries as a result of a direct economic event. Indirect impacts represent a cumulative total of several cycles of spending that work their way through the local economic supply chain until all remaining money from the initial stimulus leaks from the study area economy. For instance, a series of restaurants making purchases of goods from local suppliers as a result of participant spending on meals would be an example of a portion of indirect impacts as defined in this analysis.

³ Induced impacts are those impacts that result from household spending by those impacted in the direct and indirect phases of economic impact. The respending of wages earned by employees working for industries impacted into the local economy represents the largest portion of induced impacts.

⁴ Output can generally be understood as regional sales activity. Output is more precisely defined as the value of industry production. In the case of service industries, which are primarily involved in the tourism and visitation industry, the value of production equals sales.

⁵ Value added is defined as the difference between an industry’s total output and the cost of any intermediate inputs. Value added includes employee compensation, taxes, and operating surplus. Value added is best understood as the contribution made to gross domestic product or, more simply, as new wealth in the region.

⁶ The IMPLAN model considers employment to represent annual average full-time/part-time jobs, which may manifest themselves as overtime and/or retention of a job in the service industry that might otherwise have been lost without the economic stimulus.

Improving Data Collection

The inaugural Blue Ridge Marathon event proved to be a positive event for the region. Not only did the event provide a useful economic boost to the region it undoubtedly enhanced the region's image and raised the level of its brand as an area ripe with outdoor recreational opportunities.

It is known that the event left an overall positive impression on the vast majority of participants. The participant survey yielded a 99% positive response to the question of whether the participants would recommend the event to others.

The Blue Ridge Marathon Committee is already beginning to plan the 2011 event and is considering a number of improvements as a result of feedback offered after the race. One key aspect of improving the event's execution in the future will be improvement of overall data collection efforts.

Notably, in performing the analysis, staff discovered some oversights in terms of how specific questions were worded or presented in the survey. In a future survey, participants should be asked to report admission prices paid when visiting local attractions instead of simply inquiring whether attractions were visited. The word attraction might include paid and unpaid cultural amenities, outdoor amenities, etc. Simply asking for a total per person or per travel party expenditure on admission prices to attractions would alleviate this issue.

It was noted that the length of stay question might be changed to ensure that local respondents understand how to answer the question. The consideration of 'length of stay' really only applies to visitors and, therefore, the question might more appropriately ask how many nights were spent in the Roanoke Region but not in one's own home.

Outdoor Event Economic Impact Survey Design

With these potential improvements in mind, the Roanoke Regional Partnership asked that the Roanoke Valley – Alleghany Regional Commission assist with the design of a post-event survey that could be utilized after a host of future outdoor events. The Regional Commission designed an improved survey that could be sent electronically to registrants of a future event. The improved outdoor event survey instrument has been included in the appendix of this report. Also included in the appendix is an example of the media coverage from the initial economic impact results released prior to the completion of the full technical report.

APPENDIX

2010-2011 Roanoke Regional Outdoor Event Survey

1.

Please answer the following questions as completely and accurately as possible. This survey instrument will assist the Roanoke region's leaders in understanding the economic importance of outdoor activities and events in the Roanoke region. All responses will remain confidential.

1. Please enter the name of the event that you recently attended in the Roanoke Region.

2. Please enter your zip code (or if you are an international visitor, please enter your home country).

3. What is your gender?

Male

Female

4. What is your age?

Under 18

18 to 24

25 to 35

36 to 45

46 to 55

56 to 64

65 and Over

5. What is the highest level of education you have completed?

High School

Some College

Two Year Degree

Four Year Degree

Graduate or Professional Degree

Doctorate

2010-2011 Roanoke Regional Outdoor Event Survey

6. What is your ethnic origin?

- Caucasian/White
- African-American/Black
- Latino/Hispanic
- Asian
- American Indian or Alaska Native
- Other

7. How did you hear about this event? (Select all that apply.)

- Friend or family member
- Event website
- Roanokeoutside.com
- Facebook
- Twitter
- Virginia Tourism Corporation (website or publication)
- Internet search
- Flyer or poster
- Magazine ad
- Newspaper/Radio/TV Coverage or Ads

Other (please specify)

8. What attracted you to this event?

- Event location
- Registration price
- Event date
- Chance to compete
- Something fun to do
- Training opportunity

Other (please specify)

2010-2011 Roanoke Regional Outdoor Event Survey

9. What is your household income range?

- Less than \$25,000
- \$25,000 to \$50,000
- \$50,001 to \$75,000
- \$75,001 to \$100,000
- \$100,001 to \$150,000
- \$150,001 to \$200,000
- Over \$200,000

10. How many nights did you stay in the Roanoke Region (but not in your own home) for the event in which you participated?

- 0
- 1
- 2
- 3
- 4
- 5
- 6
- More than 6

11. Did you travel with family and friends?

- Yes
- No

If yes, please specify the size of travel party not including yourself.

12. Did you visit any local attractions (Taubman Museum of Art, Virginia Transportation Museum, Center in the Square, etc.)?

- Yes
- No

2010-2011 Roanoke Regional Outdoor Event Survey

13. Please enter the amount to the nearest whole dollar spent per day on the following commodities/services by your entire travel party while in the Roanoke Region?

Lodging	<input type="text"/>
Dining	<input type="text"/>
Gasoline	<input type="text"/>
Retail Purchases	<input type="text"/>
Admissions (Local Attractions)	<input type="text"/>

14. What did you like about our region and/or the event in which you participated?

<input type="text"/>	<input type="text" value="5"/>
<input type="text"/>	<input type="text" value="6"/>

15. Please provide your contact information in the boxes below if you would like to receive information about future events and to enter a drawing for a prize.

Name	<input type="text"/>
Address (Line 1)	<input type="text"/>
Address (Line 2)	<input type="text"/>
City	<input type="text"/>
State	<input type="text"/>
Zip Code	<input type="text"/>
Country	<input type="text"/>
Email Address	<input type="text"/>

Wednesday, May 26, 2010

Blue Ridge Marathon gave new legs to local economy

An economic study of the event shows runners brought in about \$350,000 to area businesses.

By [Jorge Valencia](#)

981-3349

The endurance athletes who ran up two mountains in Roanoke's first marathon in 24 years brought with them \$350,000 in economic activity, event organizers said.

The Blue Ridge Marathon on the Parkway helped generate revenue for hotels, restaurants and retailers when it was held over the last weekend in April, organizers said.

The economic study was the first glimpse of the event's financial and marketing impact on the region. Event organizers said Tuesday that the 942 participating runners traveled from 34 states and England and in a post-race survey reported a high satisfaction rate of 99 percent. They cited the attractive course, amenities and community support.

"This is really good for Roanoke's self-esteem," said Pete Eshelmen, the race's co-chairman and director of outdoor branding for the Roanoke Regional Partnership. "It's a really fun event for everyone to get behind and be a part of."

The race raised about \$150,000 and cost about \$120,000 to organize, Eshelmen said. Perhaps a more tangible outcome of the event was a \$20,000 donation that was presented at a news conference Tuesday to the Friends of the Blue Ridge Parkway, a nonprofit group.

The group plans to use the money to fund outdoor activities such as junior rangers, children's fishing and music programs in five areas on the parkway: Humpback Rocks, Peaks of Otter, Roanoke Campground, Mabry Mill and the Blue Ridge Music Center.

The marathon is "drawing attention to the world about our valley having this great outdoors, with the backdrop being the Blue Ridge Parkway," said Susan Mills, executive director of Friends.

Next year, the marathon's 26.2-mile course will include a longer stretch in the Roanoke Valley Greenway system and may include one more significant hill in an already difficult race that features more than 3,000 feet in elevation gain.

Organizers said they expect twice as many participants to register for next year's event, which has been slated for April 16.

"Of course, this helps the local business folks," said Wayne Strickland, executive director of the Roanoke Valley-Alleghany Regional Commission, which prepared the economic study. "But another thing is it exposes us to other people outside of the region who will come back to visit or -- even better -- come live here or open a business here."