



ECONOMIC IMPACT: WHAT WE KNOW AFTER THE SUPER BOWL

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Economic Impact: What We Know After The Super Bowl

The economic impact of Super Bowl LIII in Atlanta is difficult to estimate without a large-scale data collection effort. However, there is incidental hard data available that suggest that the event compares favorably to Super Bowls held in other cities in recent years which resulted in an estimated economic impact of \$350-\$400 million. Much of the data that would provide a more comprehensive assessment--like sales tax records--either is not detailed at the necessary levels or is not available for release due to current laws protecting taxpayer privacy.

The hard data we have covers lodging expenditures over the course of the event. Lodging expenditures are usually not the largest component of attendee spending associated with the event. The bulk of attendee spending typically involves food and beverage, retail shopping and transportation.

The data available used in this memo to determine Super Bowl LIII's economic impact comes from two independent sources. The first is an ongoing **nationwide lodging industry survey** that captures occupancy rates, room rates, and RevPAR for a large number of metro areas as well as some submarkets. The data is proprietary, so it cannot be cited, but it is commonly used throughout the industry. The second data source used is the result of the **excise tax on hotel and motel room** that is collected in the city of Atlanta.

The First Data Source—Nationwide Lodging Industry Survey

The industry survey data gathered responses from major hotels on a number of economic variables. We examined the data for the two-month period spanning Super Bowl LIII. While the game took place February 3rd, many of the pre-game events occurred in the last week of January. A comparison from the previous year's numbers show the responding hotels had a marginal increase in room rental revenue of \$101,001,110. This is not an extrapolated number, it is the actual number reported by the responding hotels. There are 847 hotel/motel properties in the metro Atlanta area, and the responses cover 77% of the properties and 84% of the rooms (the larger properties were more likely to report). Thus, the actual increase in revenue will be larger than was actually reported, although probably not 16% higher. This surge during an otherwise slow period for Atlanta hospitality was not seen by the industry anywhere else in the nation, where overall demand was off slightly from the year before. Key competitor cities saw a 6.4% decline in RevPAR for January and a 5.4% decline in February.

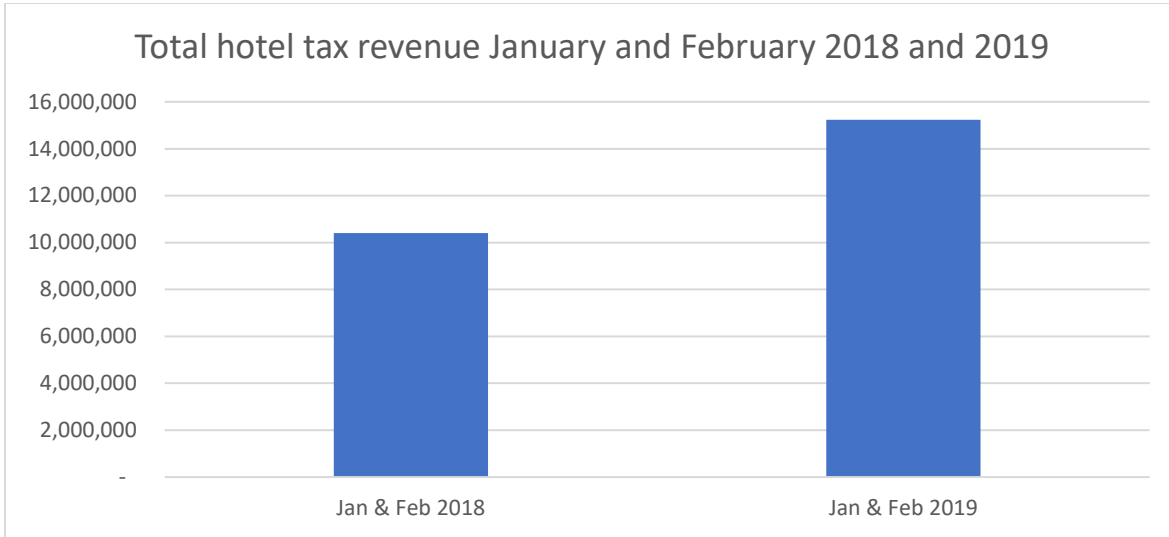
The Second Data Source—Hotel Room Excise Tax

For the city narrowly defined, the year-over-year increase in room tax revenue requires an increase of \$69,041,855.18 in overall room revenue for the two months for hotels and motels in the city.

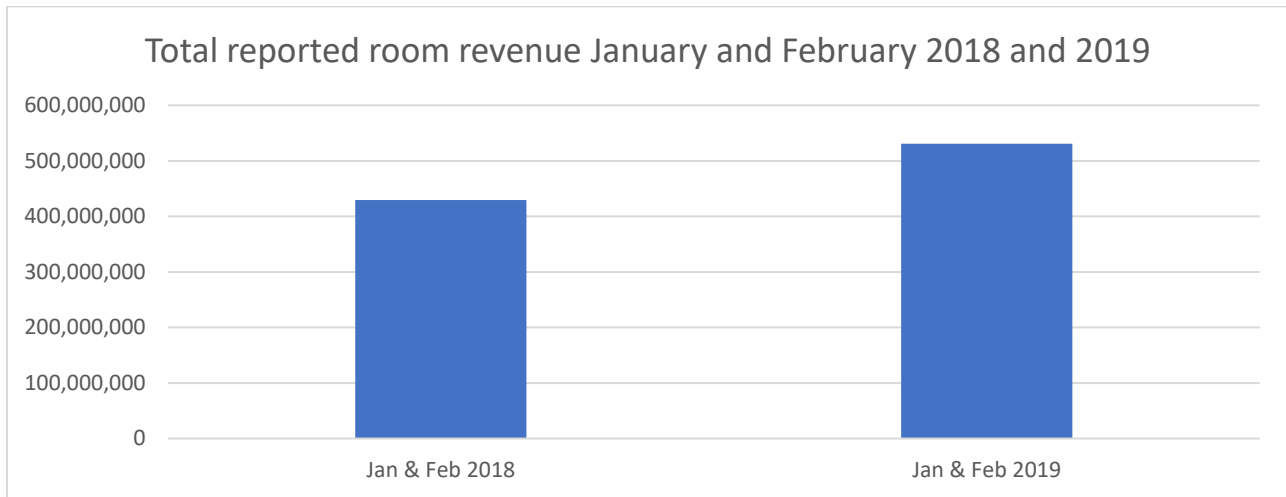
Conclusion

If the assumption is made that spending outside of lodging is at least equal to spending just on the room, which is still a conservative approach, the base of added expenditures is well over [PwC's pre-event estimate](#) of \$190 million in direct spending. An injection of over \$200 million with a multiplier of approximately two yields a \$400 million economic impact as a conservative estimate.

Of course, these estimates are contentious, due to uncertainty regarding multipliers and the potential for offsetting decreased expenditure elsewhere in the metro area. For example, we do not consider the concerts in Centennial Olympic park that took place the week before Super Bowl LIII. While these performances generated millions in spending, most of that was done by local residents that would have likely occurred somewhere else in the local economy anyway. The net contribution is far from zero, but short of a massive micro data collection effort, an estimate would be done with very large margins of error. The point here is that the hard data we have suggests that Super Bowl LIII generated about the same, if not a somewhat greater, economic impact that the other Super Bowls throughout the country, where estimates fell into the \$350-\$400 million range.



A bar graph of Atlanta City Hotel/Motel Tax collections, January + February 2018 and 2019 collection rate is 14% of room rate.



A bar graph showing total reported room revenue from responding properties, Jan + Feb 2018 and 2019

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