

2017 Economic Impact Study

of the Adirondack Coast Bass Fishing Tournaments



Photo by DW Reed II, FLW



Introduction

With its location on the shore of Lake Champlain, combined with a wide range of available lodging and dining options, Plattsburgh, New York has proven to be an ideal venue for professional bass fishing tournaments. Each summer, the Adirondack Coast Visitors Bureau and the City of Plattsburgh host several tournaments, which bring hundreds of visitors to the community. The purpose of this study is to measure the economic impact these tournaments have on our area.

The design of the present study mirrors that of studies conducted in 2012 by Dr. Colin Read, and repeated in 2015 by the present author, both of SUNY Plattsburgh. This is essentially an update of the earlier studies, and its results are directly comparable to those of the earlier works.

The Regional Economy

The table below presents updated information describing the Clinton County economy, as of 2016. Compared to the 2014 Implan data, there are signs of economic advancement. Although the population of the county declined marginally (by about 0.7%), the number of employed individuals increased by about 1.4% during the period. Income from employment increased from approximately \$1.866 billion to \$2.016 billion. Per employee, that translates to average annual wage growth of approximately 3.24% between 2014 and 2016.


Since the previous study, the gross regional product has increased from \$3.313 billion to \$3.499 billion, representing an average annual growth rate of 2.77%. While a bit slower than the 2009-2014 period, this compares favorably with the United States' average GDP growth rate of 2.6% over the same period.¹

The Clinton County Economy

	2009	2014	2016
Population	81618	81632	81073
Workforce	39418	41796	42362
Labor Income (\$ Billion)	1.693	1.866	2.016
Gross Regional Product (\$ Billion)	2.766	3.313	3.499
Growth Rate (annual)		3.67%	2.77%
USA GDP Growth (annual)		3.7%	2.6%

¹ All growth figures unadjusted for inflation

IMPLAN Model Information



www.IMPLAN.com

Model Information

Model Year: 2016

Gross Regional Product: \$3,498,631,174

Total Personal Income: \$3,427,649,000

Total Employment: 42,362

Number of Industries: 217

Land Area (Square Miles): 1,039

Area Count: 1

Population: 81,073

Total Households: 33,006

Average Household Income: \$103,850

Trade Flows Method: Trade Flows Model

Model Status: Multipliers

Multiplier Specification: Type SAM

Areas in the Model

New York Clinton County

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Gross Regional Product			
Value Added		Final Demand	
Employee Compensation:	\$2,016,323,950	Households:	\$3,255,874,101
Proprietor Income:	\$274,425,710	State/Local Government:	\$1,265,792,157
Other Property Type Income:	\$903,934,873	Federal Government:	\$219,264,460
Tax on Production and Import:	\$303,946,641	Capital:	\$663,827,454
		Exports:	\$2,372,831,398
		Imports:	(\$4,104,694,616)
		Institutional Sales:	(\$174,263,759)
Total Value Added:		Total Final Demand:	
\$3,498,631,174		\$3,498,631,194	

Economic Indicators

Shannon-Weaver Diversity Index: 0.71012

Top Ten Industries View By: Employment

Sector	Description	Employment	Labor Income	Output
534	* Employment and payroll of local govt, e...	2,811	\$257,635,600	\$294,957,400
482	Hospitals	2,252	\$194,334,300	\$374,241,100
531	* Employment and payroll of state govt, n...	1,911	\$237,726,800	\$271,770,000
395	Wholesale trade	1,573	\$119,152,500	\$329,357,500
533	* Employment and payroll of local govt, n...	1,364	\$97,010,380	\$111,081,700
501	Full-service restaurants	1,304	\$28,047,420	\$66,694,400
440	Real estate	1,051	\$15,424,120	\$141,354,400
502	Limited-service restaurants	998	\$19,001,450	\$92,425,040
405	Retail - General merchandise stores	969	\$24,772,040	\$69,068,590
503	All other food and drinking places	877	\$23,756,040	\$39,621,360

The 2017 Bass Tournament Season

During the summer of 2017, Plattsburgh played host to five professional bass fishing tournaments:

- June 10: RAM Open Series*
- June 22-24: FLW Costa Series*
- July 22: Northern Bass Open
- July 27-30: Bassmaster Elite Series*
- August 26: Bass Federation Collegiate Cup Challenge

Participants in three of the five tournaments (indicated with asterisks) were asked to complete a brief survey describing their travel and spending patterns while visiting the Adirondack Coast. Out of 754 anglers and co-anglers surveyed, 243 provided responses, translating to a response rate of 32.2%. The two tournaments not surveyed represent an additional 135 teams, bringing the total number of anglers and co-anglers participating in tournaments to 889. Survey responses did not materially differ between tournaments, so the responses from the three highlighted tournaments will henceforth be taken as representative of the entire population of participants.

Some highlights that emerged from the survey responses include:

- 44% of respondents make 2 or more trips to the Adirondack Coast area each year. This may include multiple tournaments, scouting trips, or personal recreation. This number is quite a bit lower than the previous study, probably due to the large number of responses from participants in the Bassmaster Elite Series, a tournament which does not come to Lake Champlain every year.
- Respondents stayed an average of 4.93 nights during each stay, up from 4.27 in the previous study. This represents an increase of over 15% in the average length of stay.
- 75% of respondents made use of commercial lodging facilities (hotels/motels/campgrounds).
- Average daily spending per party:
 - Lodging: \$92.49 (2015: \$82.46)
 - Food: \$50.04 (2015: \$46.35)
 - Gas/oil: \$64.15 (2015: \$76.17)
 - Misc: \$43.80 (2015: \$49.79)

Although the amount spent per day decreased in some categories (food and fuel), this was offset by the notable increase in the average length of respondents' stays, resulting in increased total spending in every category. Interestingly, the total daily spend per participant remained virtually unchanged, from 254.77 per day in 2015 to 250.48 in 2017. The slight decrease is easily explained by the decrease in fuel prices since 2015, but otherwise, the overall spending patterns are remarkably stable between the two surveys.

The following table provides estimated spending totals for each tournament. The totals given are extrapolated to reflect the entire population of 889 participants, based on the results of the survey. Spending by tournament organizers and spectators is not included in these figures.

	Survey	Number of	Tournament Only				Including Scouting Trips				Totals
	Respondents	participants	Lodging	Food	Gas/oil	Misc	Lodging	Food	Gas/oil	Misc	
RAM Open Series.	52	138	64,525	35,321	47,595	28,233	173,997	94,726	129,814	80,346	478,883
FLW Costa Series	139	396	185,158	101,356	136,576	81,018	499,297	271,822	372,509	230,559	1,374,187
Northern Bass Open	0	123	57,511	31,482	42,421	25,165	155,085	84,430	115,704	71,613	426,831
Bassmaster Elite	52	220	102,865	56,309	75,876	45,010	277,387	151,012	206,950	128,088	763,437
Bass Federation Collegiate Cup	0	12	5,611	3,071	4,139	2,455	15,130	8,237	11,288	6,987	41,642
Total	243	889	415,670	227,540	306,607	181,881	1,120,896	610,227	836,265	517,594	3,084,981

The Input-Output analysis

The total amount of spending in a region related to an event does not accurately represent the economic impact of the event on the region. For example, in the present case I have estimated a spending total of \$610,227 for food and beverages. This would not reflect, for example, the impact of any purchases that those bars and restaurants might make from local suppliers; this would be known as the *indirect effect*. Furthermore, to the extent that the owners and

employees of these local establishments are more prosperous as a result of the tournaments, they may be inclined to spend more of their own money as well; this is referred to as the *induced effect*.

Input-output analysis is a statistical technique which aims to estimate the indirect and induced effects of spending in a regional economy. The software package *Implan 3.0* is the industry standard for conducting this type of analysis, and it relies on proprietary, local data provided by the software publisher.

By specifying the amounts and types of local spending that occur in relation to a particular event, we are able to use *Implan* to estimate the total effect (direct, indirect, and induced) of the event on the local economy. Based on the survey results presented above, I find the following effect of the 2017 bass fishing tournaments on the Clinton County economy:

Impact Summary				
ImpactType	Employment	Labor Income	Total Value Added	Output
Direct Effect	33.6	\$719,556	\$1,324,046	\$2,370,812
Indirect Effect	3.5	\$134,033	\$212,636	\$404,523
Induced Effect	4.1	\$168,685	\$309,268	\$516,375
Total Effect	41.3	\$1,022,274	\$1,845,949	\$3,291,710

I find that spending by tour participants supports a total of 41.3 full-time jobs in Clinton County, and contributes approximately \$3,291,710 to the regional economy. This represents a considerable increase in economic value added relative to the 2015 study (the 2015 total effect was \$2,168,655, and 29.2 jobs).

Some conclusions can be drawn regarding the source of this increase. As mentioned above, participants' average daily spend actually *decreased* marginally from 2015 to 2017, so it is not the case that participants were spending more lavishly in 2017 than in 2015. Rather, there were simply more participants in 2017 (889 vs 718), and they tended to stay in the area longer (4.93 vs. 4.27 nights) partially due to the high level Bassmaster Elite Series tournament that made a return to the Adirondack Coast after 7 years.

Total tournament related spending per participant					
	2012	2015	% change	2017	% change
Lodging	934.34	923.54	-1.2%	1,260.85	36.5%
Food	611.47	600.88	-1.7%	686.42	14.2%
Gas/oil	1,132.54	782.92	-30.9%	940.68	20.2%
Miscellaneous	561.45	519.35	-7.5%	582.22	12.1%
Total	3,239.80	2,826.69	-12.8%	3,470.17	22.8%
U.S. Average August gasoline price (source: http://www.eia.gov)	3.78	2.726	-27.9%	2.38	-12.7%

With regard to employment: the jobs supported by the bass fishing tournaments are, unsurprisingly, concentrated in the lodging, food service, and recreation sectors. The following table provides a detailed breakdown of the employment effects:

Top Ten for Employment					
Sector	Description	Total Employment	Total Labor Income	Total Value Added	Total Output
501	Full-service restaurants	12.2	\$264,175	\$340,553	\$628,907
499	Hotels and motels, including casino hotels	11.6	\$206,705	\$624,454	\$1,121,750
496	Other amusement and recreation industries	8.6	\$199,369	\$293,378	\$520,375
402	Retail - Gasoline stores	1.8	\$60,790	\$81,035	\$127,140
440	Real estate	0.5	\$8,047	\$42,181	\$73,905
503	All other food and drinking places	0.5	\$13,198	\$13,408	\$22,037
482	Hospitals	0.3	\$30,134	\$34,614	\$57,784
464	Employment services	0.3	\$9,169	\$13,357	\$19,525
395	Wholesale trade	0.3	\$21,068	\$35,800	\$58,108
502	Limited-service restaurants	0.2	\$4,779	\$14,211	\$23,270

The tournament-related spending also generates additional tax revenue at the federal, state, and local levels. The estimated tax effects are as follows:

State and Local Tax Impact by Total					
Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Dividends					\$260.00
Social Ins Tax- Employee Contribution	\$1,027.00				
Social Ins Tax- Employer Contribution	\$2,151.00				
TOPI: Sales Tax			\$223,570.00		
TOPI: Property Tax			\$191,167.00		
TOPI: Motor Vehicle Lic			\$2,371.00		
TOPI: Severance Tax					
TOPI: Other Taxes			\$17,526.00		
TOPI: S/L NonTaxes			\$501.00		
Corporate Profits Tax					\$3,178.00
Personal Tax: Income Tax				\$32,790.00	
Personal Tax: NonTaxes (Fines- Fees				\$2,553.00	
Personal Tax: Motor Vehicle License				\$787.00	
Personal Tax: Property Taxes				\$640.00	
Personal Tax: Other Tax (Fish/Hunt)				\$167.00	
Total State and Local Tax	\$3,178.00		\$435,135.00	\$36,937.00	\$3,438.00

Federal Tax Impact by Total					
Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations
Social Ins Tax- Employee Contribution	\$58,705	\$1,774			
Social Ins Tax- Employer Contribution	\$56,445				
TOPI: Excise Taxes			\$31,348		
TOPI: Custom Duty			\$11,827		
TOPI: Fed NonTaxes			\$1,492		
Corporate Profits Tax					\$22,701
Personal Tax: Income Tax				\$92,454	
Total Federal Tax	\$115,149	\$1,774	\$44,667	\$92,454	\$22,701

Conclusion

The summer bass fishing tournaments held on the Adirondack Coast continue to play an important role in driving the local economy. The 2017 season saw a notable increase (relative to 2015) in both the number of anglers, and the reported average length of their stays. As a result, the five tournaments represented a positive impact worth well over three million dollars to the local economy.

In 2017, the Adirondack Coast Visitors Bureau spent only \$71,500 on hosting fees for the six tournaments. The state and local tax revenue alone more than offsets these costs. When one considers the value added to the local economy, it is clear that the bass fishing tournaments represent a remarkable return on investment for the Adirondack Coast. Promotion of this activity is certainly a sound investment, and should be continued in the future.



About the Author

Stephen C. Henry is an Associate Professor of Finance at SUNY Plattsburgh. He holds a Ph.D. in Finance from the University of Georgia (1999), and has published numerous articles in journals such as *The Journal of Applied Finance*, *The Journal of Employee Ownership Law & Finance*, *The Journal of Finance Case Research*, and *The Journal of wealth Management*, among others. Dr. Henry's areas of interest include corporate financial decision making, corporate ownership structure, and financial markets. He can be reached by email at shenr001@plattsburgh.edu.



About the Adirondack Coast Visitors Bureau

The Adirondack Coast Visitors Bureau, a division of the North Country Chamber of Commerce, was established in 1994 as the official tourism promotion agency for the travel and tourism industry in Clinton County, NY. Based in Plattsburgh, NY, the Adirondack Coast Visitors Bureau contributes to the county's economic development and quality of life by promoting the region as a destination for leisure and group travel with a particular focus on history, agriculture and outdoor recreation including cycling, paddling, fishing, boating and skiing. For more information about Clinton County tourism, please contact the Adirondack Coast Visitors Bureau at 518.563.1000, visit goadirondack.com or log onto Facebook.com/AdkCoast.

For more information regarding the Adirondack Coast pro bass fishing tournaments, please contact Alyssa Senecal at 518.563.1000 or