



Economic Impact of Sports Tourism in Delaware

November 2024



CONTENTS

Introduction	03
Methodology & data sources	

Key Findings	04
Summary economic & fiscal impacts	

Direct Impacts	06
Operational spending and off-site visitor spending	

Economic Impacts	09
Impact model framework and economic impacts	

INTRODUCTION

Research Overview

Sports tourism* is an integral part of the Delaware economy. Travelers attending sports tournaments, races, and other events – either as a participant or spectator – generate significant economic benefits to households, businesses, and governments alike and represent a critical driver of the overall economy.

The State of Delaware commissioned Tourism Economics to conduct a comprehensive economic impact analysis to quantify the significant contribution of sports tourism to Delaware in 2023.

To quantify the economic significance of the sports tourism sector in Delaware, Tourism Economics prepared a comprehensive model using multiple primary and secondary data sources.

Impact modeling was based on an IMPLAN Input-Output (I-O) model for the State of Delaware economy. The results of this study show the scope of sports tourism's impact in terms of direct visitor spending and operations, as well as total economic impacts, including employment, household income, and fiscal (tax) impacts.

*For purposes of this report, "sports tourism" includes adult and youth amateur events and collegiate tournaments. The economic impact analyses conducted within the report exclude professional sports and collegiate regular season games.





KEY FINDINGS

Economic Impact of Sports Tourism in Delaware: Key Findings

Direct Spending Impacts

The sports tourism sector generated significant economic impacts in Delaware as event organizers and sports venues spent money in the local economy to sustain operations, including spending on payroll, event operations, marketing, and general and administrative expenses.

In addition, sports travelers that attended a sports tournament, race, or other event – either as a participant or spectator – spent money while at the sporting event and at off-site establishments during their stay in Delaware, including local restaurants, hotels, retailers, and recreation/entertainment venues.

Total direct spending associated with the sports tourism sector amounted to \$257.9 million in 2023.



Total Economic Impact

The sports tourism sector’s direct spending impact of \$257.9 million generated \$403.2 million in total business sales in the local economy, which supported 3,075 part-time and full-time jobs and generated \$20.2 million in state and local taxes.



SUMMARY IMPACTS: SPORTS TOURISM (\$ millions and number of employees)

Total business sales	\$403.2
Direct business sales	\$257.9
Total personal income	\$122.1
Direct personal income	\$80.7
Total employment	3,075
Direct employment	2,294
Total taxes	\$47.4
Total state & local taxes	\$20.2
Total federal taxes	\$27.2
Direct taxes	\$31.2
Direct state & local taxes	\$13.9
Direct federal taxes	\$17.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

DIRECT IMPACTS



DIRECT IMPACTS

The sports tourism sector generated \$257.9 million in direct spending impacts in Delaware in 2023.

This section outlines the sports tourism sector's direct impacts for 2023, which ultimately serve as inputs for the economic impact model. The sports tourism sector's direct impacts are separated into two spending categories:

1. Spending at off-site establishments in the local economy by sports tourism participants and spectators
2. Tournament operations

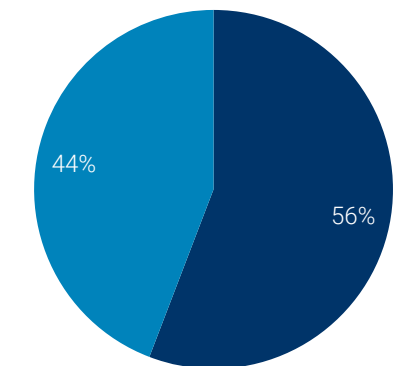
Details for each category are provided on the following pages.

Sports-Related Travel Volume

In 2023, 1.1 million sports travelers attended a sports tournament, race, or other event – either as a participant or spectator – in Delaware. These sports travelers originated from more than 50 miles from the sports facility, with 44% of the sports travelers staying overnight in the host destination and 56% visiting for the day.

New Castle County hosted 453,400 or 40% of the 1.1 million sports travelers, the most of any county. Sussex County hosted 381,200 sports travelers and Kent County hosted 312,600 sports travelers in 2023.

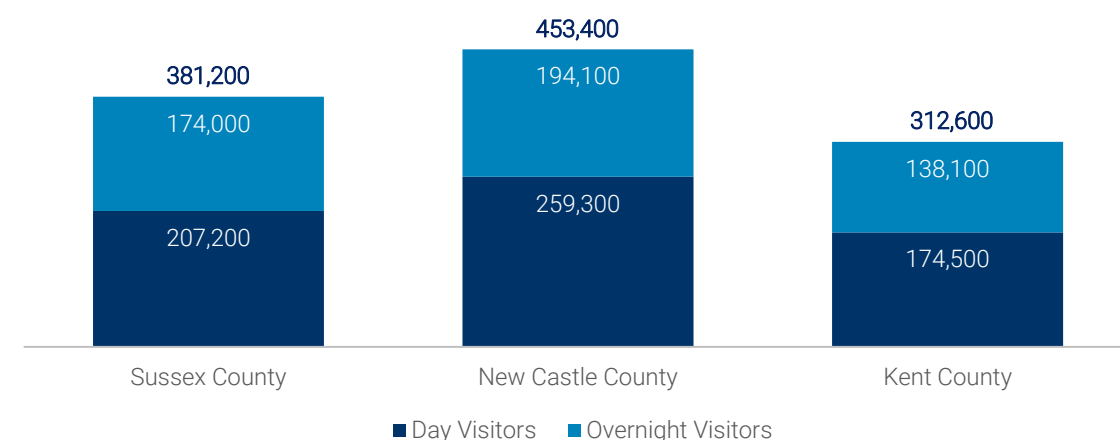
Sports traveler origin (%)



■ Day Visitors ■ Overnight Visitors

Sources: State of Delaware, Longwoods International, Delaware Hotels, Delaware Sports Venues

Sports traveler levels by county (number of travelers)



Sources: State of Delaware, Longwoods International, Delaware Hotels, Delaware Sports Venues

Sports-Related Travel Spending

The 1.1 million sports travelers spent \$231.4 million while at the sports venue and at off-site establishments in Delaware, including local restaurants, hotels, retailers, and recreation / entertainment venues.

Locals attending sporting events were excluded from the analysis due to the substitution effect, which assumes that locals will spend money in the local economy even if they did not attend the sporting event.

Sports-Related Travel Spending

Delaware sports travelers, event organizers, and venues spent \$73.2 million on food and beverages, \$44.3 million on lodging, and \$43.8 million on retail in 2023. Recreation, transportation, and tournament operations rounded out spending, registering \$41.5 million, \$28.6 million, and \$26.5 million, respectively.



Source: Tourism Economics

DIRECT SPENDING SUMMARY
(\$ millions)

	Delaware	Sussex County	New Castle County	Kent County
Total sports-related traveler spending	\$257.9	\$86.4	\$101.2	\$70.3
Food & beverage	\$73.2	\$24.4	\$28.9	\$20.0
Lodging	\$44.3	\$15.2	\$17.0	\$12.1
Retail	\$43.8	\$14.6	\$17.3	\$11.9
Recreation	\$41.5	\$13.8	\$16.3	\$11.3
Local transportation	\$28.6	\$9.5	\$11.3	\$7.8
Tournament operations	\$26.5	\$8.8	\$10.5	\$7.2

Source: Tourism Economics
Note: totals may not sum due to rounding.

ECONOMIC IMPACTS



Economic Impacts Methodology

Tourism Economics estimated the economic impacts of Delaware’s sports tourism sector’s direct spending using regional Input-Output (I-O) model based on a customized IMPLAN (www.implan.com) model for the State of Delaware economy. IMPLAN is recognized as an industry standard in local-level I-O models.

An I-O model represents a profile of an economy by measuring the relationships among industries and consumers to track the flow of industry revenue to wages, profits, capital, taxes and suppliers. The supply chain is traced as dollars flow through the economy, representing indirect impacts. The model also calculates the induced impacts of spending. Induced impacts represent benefits to the economy as incomes earned as a result of direct spending are spent in the local economy, generating additional sales, jobs, taxes, and income.

The modeling process begins with aligning the direct expenditure measurements with the related sectors in the model (e.g. hotels, restaurants, retail, and recreation). The model is then run to trace the flow of these expenditures through the economy. In this process, the inter-relationships between consumers and industries generate each level of impact. IMPLAN calculates three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

- Business sales (also called gross output)
- Household income (including wages and benefits)
- Employment
- Federal taxes
- State and local taxes

ECONOMIC IMPACTS FRAMEWORK



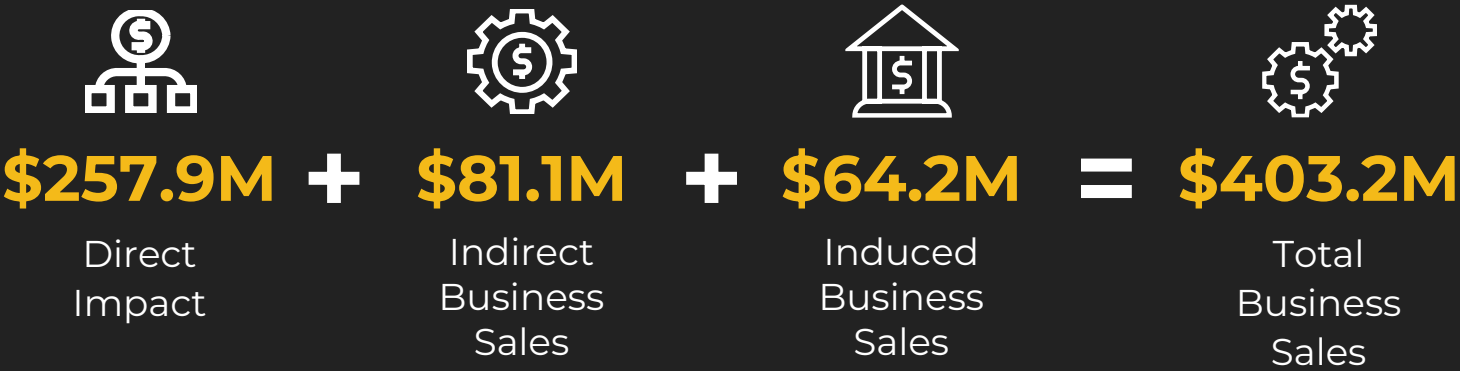
Economic Impacts

Business Sales by Industry

The sports tourism sector generated \$403.2 million in total business sales in the local economy in 2023.

The \$257.9 million in tournament operational spending and off-site spending by non-local spectators and participants generated \$81.1 million in indirect expenditures (purchases of inputs from suppliers) and \$64.2 million in induced expenditures (new consumption generated by household income impacts), resulting in \$403.2 million in total business sales in Delaware in 2023.

Business Sales Impacts



Note: totals may not sum due to rounding.

ECONOMIC IMPACTS

BUSINESS SALES BY INDUSTRY (\$ MILLIONS)

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	\$257.9	\$81.1	\$64.2	\$403.2
By industry				
Food & Beverage	\$73.2	\$3.1	\$5.2	\$81.6
Recreation and Entertainment	\$56.0	\$3.8	\$0.8	\$60.7
Finance, Insurance and Real Estate	\$9.6	\$25.2	\$21.7	\$56.5
Retail Trade	\$43.8	\$1.1	\$5.4	\$50.3
Lodging	\$44.3	\$0.0	\$0.1	\$44.4
Business Services	\$11.9	\$25.5	\$6.1	\$43.5
Gasoline Stations	\$14.4	\$0.0	\$0.4	\$14.9
Education and Health Care		\$0.4	\$12.2	\$12.6
Other Transport	\$4.5	\$4.3	\$1.6	\$10.4
Construction and Utilities		\$5.5	\$1.7	\$7.3
Wholesale Trade		\$3.0	\$2.7	\$5.8
Communications		\$4.1	\$1.6	\$5.7
Personal Services		\$2.0	\$2.8	\$4.8
Manufacturing		\$1.7	\$1.2	\$2.9
Government		\$0.8	\$0.2	\$1.0
Agriculture, Fishing, Mining		\$0.2	\$0.2	\$0.4
Air Transport		\$0.1	\$0.2	\$0.3

Source: Tourism Economics
Note: totals may not sum due to rounding.

Economic Impacts

Employment Impacts by Industry

The sports tourism sector supported 3,075 total part-time and full-time jobs in the local economy in 2023.

The tournament operational spending and off-site spending by non-local spectators and participants directly supported 2,294 full-time and part-time jobs. Indirect and induced impacts generated 435 indirect jobs and 346 induced jobs in the local economy in 2023.

Economic Impacts
Employment Impacts by Industry (number of jobs)

	Direct Employment	Indirect Employment	Induced Employment	Total Employment
Total, all industries	2,294	435	346	3,075
By industry				
Recreation and Entertainment	900	44	11	955
Food & Beverage	690	35	56	781
Lodging	374	0	1	375
Business Services	129	140	34	303
Retail Trade	155	9	47	211
Finance, Insurance and Real Estate	2	96	38	136
Other Transport	33	52	17	102
Education and Health Care		4	91	96
Personal Services		19	30	49
Wholesale Trade		9	7	16
Gasoline Stations	11	0	3	15
Construction and Utilities		8	3	11
Communications		7	3	11
Government		8	2	9
Manufacturing		2	1	3
Agriculture, Fishing, Mining		1	1	2
Air Transport		0	0	1

Source: Tourism Economics
Note: totals may not sum due to rounding.

Economic Impacts

Labor Income Impacts by Industry

The sports tourism sector generated \$122.1 million in total labor income in the local economy in 2023.

The tournament operational spending and off-site spending by non-local spectators and participants generated \$80.7 million in direct personal income, \$21.4 million in indirect labor income, and \$20.0 million in induced personal income, resulting in \$122.1 million in total labor in the local economy in 2023.

Economic Impacts
Labor Income Impacts by Industry (\$ millions)

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	\$80.7	\$21.4	\$20.0	\$122.1
By industry				
Food & Beverage	\$22.9	\$1.3	\$1.9	\$26.2
Recreation and Entertainment	\$20.8	\$0.6	\$0.3	\$21.7
Lodging	\$18.7	\$0.0	\$0.1	\$18.8
Business Services	\$8.2	\$8.1	\$2.4	\$18.7
Retail Trade	\$5.6	\$0.4	\$1.9	\$8.0
Finance, Insurance and Real Estate	\$1.8	\$3.7	\$2.1	\$7.6
Education and Health Care		\$0.2	\$7.2	\$7.4
Other Transport	\$2.3	\$2.1	\$0.7	\$5.0
Personal Services		\$1.2	\$1.5	\$2.7
Wholesale Trade		\$0.9	\$0.7	\$1.7
Construction and Utilities		\$0.9	\$0.3	\$1.2
Communications		\$0.8	\$0.3	\$1.1
Government		\$0.8	\$0.2	\$1.0
Gasoline Stations	\$0.5	\$0.0	\$0.1	\$0.6
Manufacturing		\$0.2	\$0.1	\$0.3
Agriculture, Fishing, Mining		\$0.0	\$0.0	\$0.1
Air Transport		\$0.0	\$0.0	\$0.1

Source: Tourism Economics
Note: totals may not sum due to rounding.

Fiscal Impacts

Tax Generation

The sports tourism sector generated \$47.4 million in federal, state, and local government revenue in 2023.

The tournament operational spending and off-site spending by non-local spectators and participants generated a total fiscal (tax) impact of \$47.4 million.

The state governments collected \$15.1 million and the local governments collected \$5.1 million as a result of the sports tourism sector in Delaware.

Fiscal Impacts

State and Local Tax Revenue (\$ millions)

	State	Local	Total
Total taxes	\$15.1	\$5.1	\$20.2
Bed Tax	\$3.5	\$1.1	\$4.7
Personal Income	\$3.5	\$0.0	\$3.5
Corporate	\$1.0	\$0.0	\$1.0
Excise and Fees	\$7.2	\$0.7	\$7.9
Property	\$0.0	\$3.3	\$3.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

FISCAL IMPACTS

TOTAL TAX REVENUES (\$ MILLIONS)

	Direct	Indirect / Induced	Total
Total Tax Revenues	\$31.2	\$16.2	\$47.4
Federal	\$17.3	\$9.9	\$27.2
Personal Income	\$6.4	\$3.1	\$9.5
Corporate	\$1.4	\$1.5	\$2.9
Indirect Business	\$0.3	\$0.2	\$0.5
Social Insurance	\$9.2	\$5.0	\$14.2
State and Local	\$13.9	\$6.3	\$20.2
Bed Tax	\$4.7	\$0.0	\$4.7
Personal Income	\$2.3	\$1.1	\$3.5
Corporate	\$0.5	\$0.5	\$1.0
Excise and Fees	\$4.6	\$3.3	\$7.9
Property	\$1.9	\$1.4	\$3.3

Source: Tourism Economics

Note: totals may not sum due to rounding.

About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 400 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.

For more information:

admin@tourismeconomics.com

