

Angel Barajas

Ekaterinburg, 14th November 2019

**ALL THAT GLITTERS IS NOT GOLD,
SHORTCOMINGS IN ECONOMIC
IMPACT OF SPORT EVENTS STUDIES**

- **General idea**
- **Basic ideas on Impact Analysis**
- **Relevant elements in sport events**
- **Problems in studies of Economic Impact Analysis**

- **Sport events can have positive or negative impact.**
- **Decisions about organizing an event should consider:**
 - the features of the event and
 - the features of the host city/region/country.
- **Critical points:**
 - Investments
 - Canon
 - Limiting factors
- **Intangibles matter but how to measure them? Ex-post studies**

- **Positive NPV – is this the reason to organize an event?**
- **What if any other alternative investment provide a higher NPV?**
- **Tax payers could decide (referenda)**
- **Low level of taxes ... State own companies...**

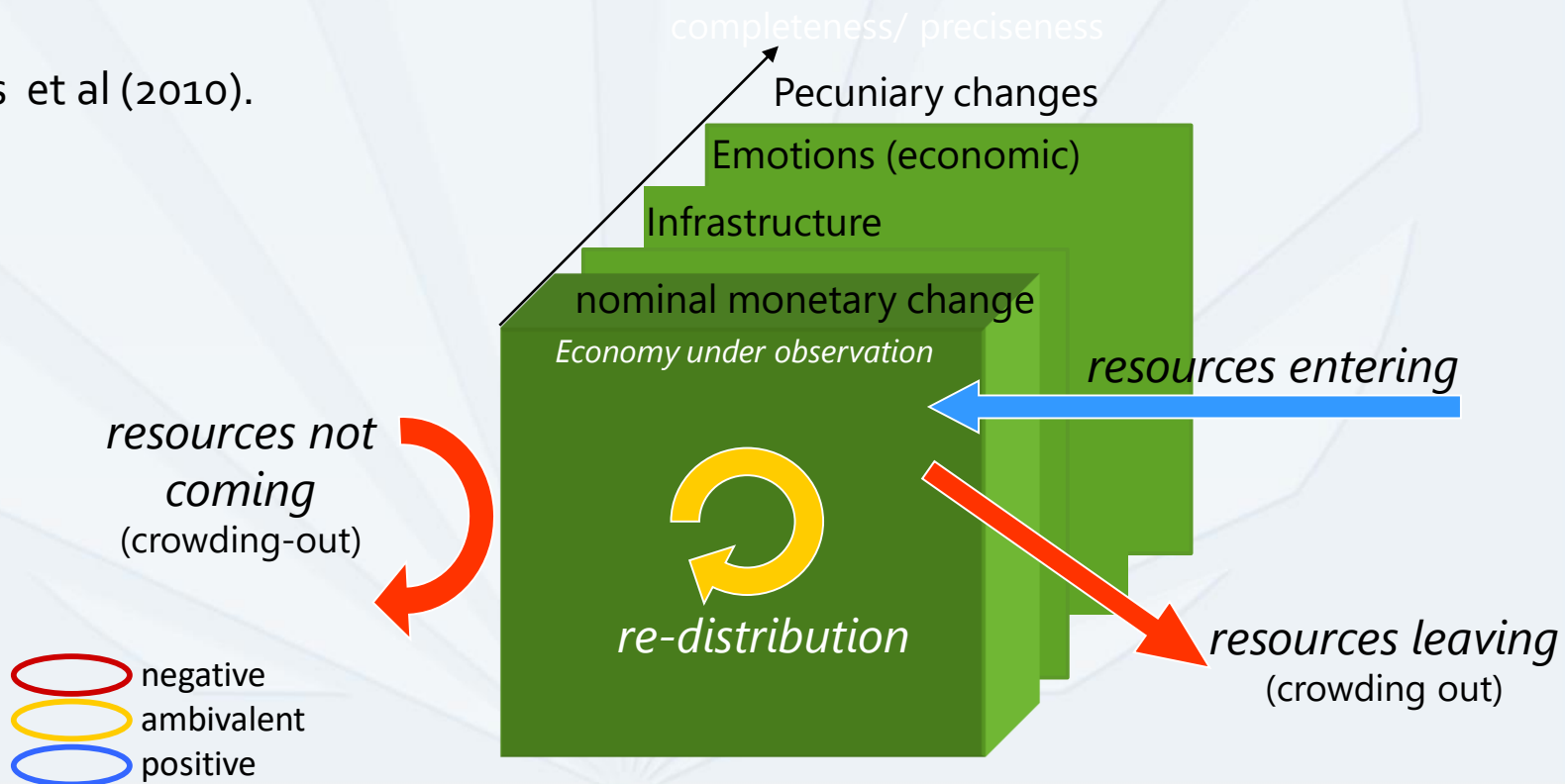
Basic requirement:

Measurement of the total change of the (city) structure due to the staging of an event.

What is ...

- entering | new
- leaving | disappearing
- rejected | not coming
- (ex)changed

Source: Preuss et al (2010).



Sport elements:

- Direct influence on tourism.
- Encourage the attendance of spectators and participants non-residents/foreign.

Determining factors	Characteristics
Type of competition	League
	Championship
	Event
Geographic field	Local
	Regional
	National
	International
Duration and regularity of the event	Irregular
	Regular
	Regular with change of venue
Participants	Age
	Sex
	Category
	Number of participants
Spectators	Spectators
	No spectators
Space	Open
	Enclosed
Infrastructure	Infrastructure is built
	Infrastructure is being built
	Alteration

Source: Salgado Barandela, J., et al. (2017).

Tourism elements:

- Increase economic impact.
- Increase tourist attraction.
- Long-terms effects

Determining factors	Characteristics
Hotel capacity	Sufficient
	Insufficient
Leisure and complementary activities	Varied/Full
	Limited
Tourism seasonality	High
	Low
Transport	Efficient
	Inefficient
Institutional and social support	Unlimited
	Limited/Insufficient

Source: Salgado Barandela, J., et al. (2017).

- **Two papers to know:**
 - Crompton JL (1995) Economic Impact Analysis of Sports Facilities and Events: Eleven Sources of Misapplication. *Journal of sport Management* 9: 15-35.
 - Crompton JL (2006) Economic Impact Studies: Instruments for Political Shenanigans?. *Journal of Travel Research* 45: 67-82.
- **Uncertainty in Economic Impact:**
 - Most of the studies do not consider the uncertainty.
 - Surveys used to obtain information about expenditure, days of stay... finally the average is considered in a deterministic way.

- **All that glitters is not gold.**
- **Economic impact analysis could help to improve the impact.**
- **Economic impact analysis should not be used to justify the organization of an event.**

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