ABOUT THE ECONOMICS CENTER

The Economics Center, founded in 1977, is a leading provider of economic resources for educators, students, businesses, and public agencies. The Research and Consulting Division of the Economics Center provides the knowledge building blocks that help clients make better finance, policy and economic development decisions. Its dynamic approach and critical data analysis empower business and civic leaders to respond to changing economic conditions, strengthen local economies and improve the quality of life for their communities.

ECONOMIC IMPACT OF THE 2011 WESTERN & SOUTHERN OPEN

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INTRODUCTION

The internationally acclaimed Western & Southern Open is a valuable sporting event to the region. The tournament’s 10-day calendar includes qualifying sessions, tennis matches and special events, all of which contribute to the cultural vitality and international exposure for the Cincinnati metropolitan area. In 2011, the tennis tournament produced a $62.5 million impact for the economy of Greater Cincinnati through its capital expansion, tournament operations, and the spending by visitors from outside the area.

Tournament participants and visitors introduce new money into the local economy through additional spending on purchases such as hotel rooms, restaurant meals, shopping and entertainment. Often these visits extend beyond the duration of the tournament. Additionally, local residents and companies use the marquee event as an opportunity to “show off” Cincinnati to personal and professional networks. Two-thirds of the Open’s corporate sponsors are non-local firms vying for national and international media awareness.

The expansion of the Lindner Family Tennis Center provides an appropriate occasion for examining the 2011 Western & Southern Open’s economic impact. The following analysis, conducted by the University of Cincinnati’s Economics Center, focuses on the economic contributions of the tournament to the Cincinnati region.

FINDINGS

Tennis Center Capital Expansion

- The $22.1 million project includes a $7.9 million phase in 2011
- The 2011 expansion work produces a $17.8 million impact

<table>
<thead>
<tr>
<th>Economic Impact of Tennis Center Expansion</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>$10,000,000</td>
<td>$7,884,000</td>
<td>$4,258,500</td>
<td>$22,142,500</td>
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<tr>
<td>Indirect Impact</td>
<td>$12,572,000</td>
<td>$9,911,800</td>
<td>$5,353,800</td>
<td>$27,837,600</td>
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<tr>
<td>Total Impact of Capital Expansion</td>
<td>$22,572,000</td>
<td>$17,795,800</td>
<td>$9,612,300</td>
<td>$49,980,100</td>
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</tbody>
</table>

Tournament Operations

- Of $13.4 million spent, half leaves the region, mostly in the form of prize earnings
- The remaining local expenditures produce an $18.2 million impact

<table>
<thead>
<tr>
<th>Economic Impact of Tournament Operations</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Operating Expenditures</td>
<td>$6,686,100</td>
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<tr>
<td>Additional On-site Concessions Spending</td>
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<tr>
<td>Total Operating Output</td>
<td>$8,590,900</td>
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<tr>
<td>Indirect Impact of Operations</td>
<td>$9,609,500</td>
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<tr>
<td>Total Impact of Tournament Operations</td>
<td>$18,200,400</td>
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</tbody>
</table>

Tournament Visitors, Participants and Media

- Visitors account for 61.5 percent of attendance. Three-fourths of visitors come from more than 2 hours away and stay for an average of more than 5 days.
- Ticket sales totaled 175,000. Average session attendance was up 35 percent compared to 2010. Attendees’ incomes are well above average.

Attendance by Income Levels

- Under $50,000: 11%
- $50,000 - $99,999: 34%
- $100,000 - $149,999: 35%
- $150,000 - $199,999: 28%
- Over $200,000: 15%
Visitor and Participant Spending Produces $26.5 Million Impact

Most visitors spend $100-$300 per person per day: 48% on hotels, 23% on dining, 21% on shopping, and 8% on other attractions and entertainment.

Players and other tournament participants, along with non-local sponsors, exhibitors, vendors, and media spend nearly $1 million locally.

Impact of Visitor, Participant & Media Spending

<table>
<thead>
<tr>
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<th>Visitor Spending</th>
<th>Participant &amp; Media Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor Spending</td>
<td>$12,099,500</td>
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<tr>
<td>Participant &amp; Media Spending</td>
<td>$998,200</td>
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<tr>
<td>Direct Spending</td>
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<tr>
<td>Indirect Impact Spending</td>
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<tr>
<td>Total Impact of Visitor &amp; Participant Spending</td>
<td>$26,454,700</td>
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</tbody>
</table>

10 Day Tournament = $62.5 Million Impact

$20.9 million in new money enters into the local economy in the form of sponsorships (6%), participant & media spending (5%), and visitor spending (89%).

$6.7 million of this new money helps to fund tournament operations, while the remainder goes directly to local businesses such as hotels, restaurants, and shops.

Most visitors spend $100-$300 per person per day: 48% on hotels, 23% on dining, 21% on shopping, and 8% on other attractions and entertainment.

Players and other tournament participants, along with non-local sponsors, exhibitors, vendors, and media spend nearly $1 million locally.
$62.5 Million Impact Comes From Four Sources

The 2011 Western & Southern Open generates over $1.3 million in tax revenue for local governments, in the form of:

- $377,700 in earnings and property taxes mostly to the Cities of Mason and Cincinnati
- $955,500 in hotel and sales taxes mostly to Warren, Butler, and Hamilton Counties

Eyes on Cincinnati

- 59.0 million TV viewers around the world (including 8.65 million in the US) tuned in to the 2011 tournament, an increase of 55 percent when compared to 2010.
- Although the tournament is hosted in Mason, the abundance of signage, advertising, and panoramic video promotes Cincinnati as the host locale.
- Cincinnati received over 2,100 hours of television brand exposure, as a part of the various “Western & Southern, Cincinnati” logos.

Local Jobs and Income

- The impact of the tournament includes over $18.4 million in household income for 593 local workers.
- Five industry sectors account for over 70 percent of these jobs: Arts, Entertainment, and Recreation; Food services and drinking places; Accommodation; Retail trade; Construction.

Data and Methodology

This study employs data from the Western & Southern Open on revenues and expenditures, and survey research of tournament attendees to assess the impacts on the local economy. For the purposes of this study a visitor is defined as one who resides outside the Cincinnati Metropolitan Statistical Area (MSA). The information on direct spending by the tournament and visitors to the region is combined with input-output multipliers calculated by the Bureau for Economic Analysis for the Cincinnati MSA. This model of the local economy is used to estimate total economic impacts.

Photos Credits

Thanks to the following photographers for pictures of the Western & Southern Open:

Bob Payne
Rita Payne-Fish