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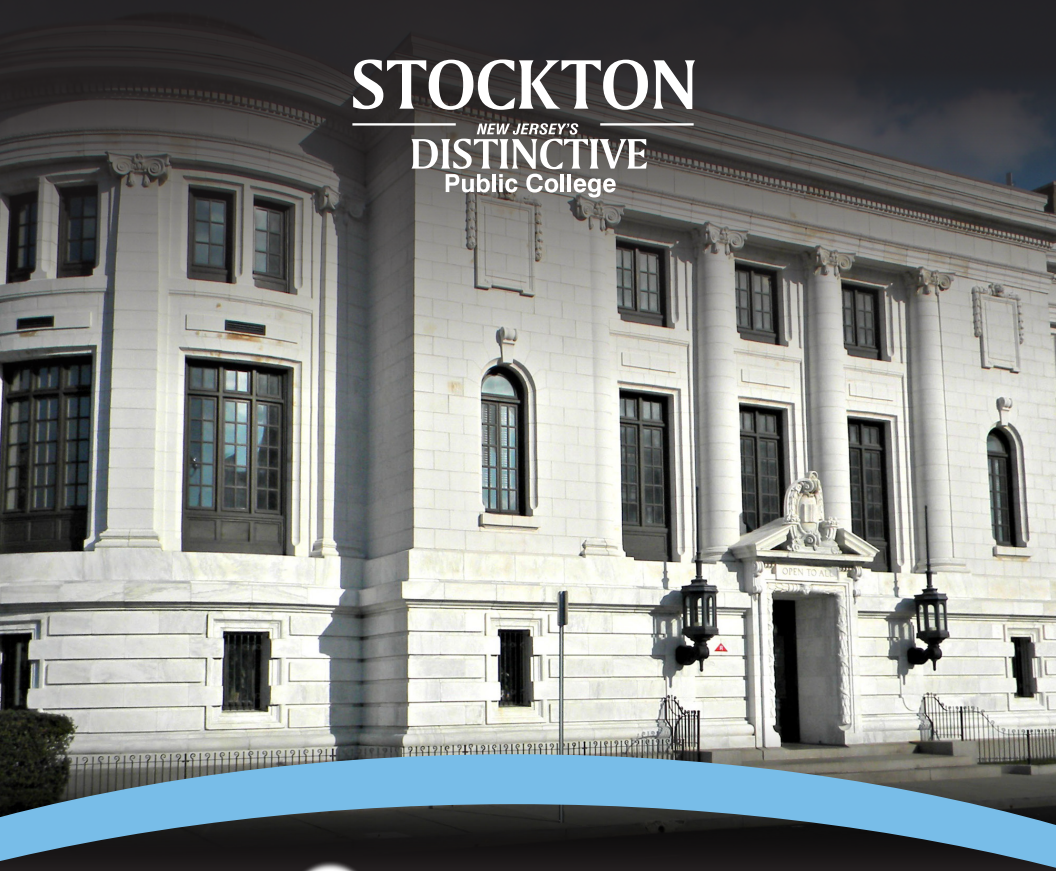

ShopRite LPGA Classic

"A Shore Tradition"

2013 ShopRite LPGA Classic Economic Impact Findings

LLOYD D. LEVENSON INSTITUTE
OF GAMING, HOSPITALITY & TOURISM
THE RICHARD STOCKTON COLLEGE OF NEW JERSEY

In partnership with:

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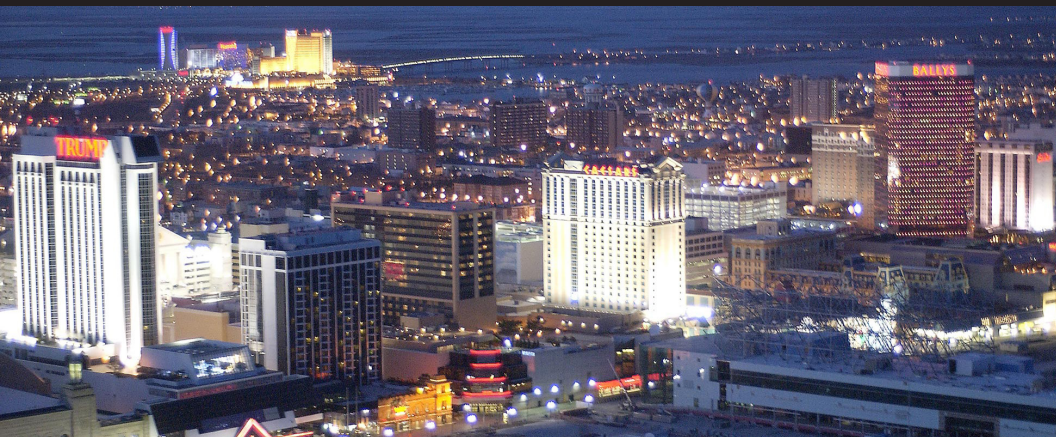
ShopRite LPGA Classic
"A Shore Tradition"

TOURNAMENT HISTORY

The LPGA professional golf tournament now known as the **ShopRite LPGA Classic** debuted in 1986 as the "Atlantic City LPGA Classic" and was won by World Golf Hall of Fame member Juli Inkster. Each year the tournament showcases the sport's top performers and boasts legendary winners such as Nancy Lopez, Betsy King and 3-time winner Annika Sorenstam. The 2013 event proved no different, as World Golf Hall of Fame member Karrie Webb entered the winner's circle by defeating a truly international field.

In 1992, the strong partnership with Wakefern Food Corp. began and the tournament was renamed the **ShopRite LPGA Classic**. The partnership continues to stand after 22 years and is one of the longest-tenured title sponsors on the LPGA Tour. In their 22 year association with the LPGA, Wakefern has donated more than $26 million to charity. In 2013, the event raised more than $1.2 million for local and national organizations.

Since 1998, the **ShopRite LPGA Classic** has been hosted by the Stockton Seaview Hotel and Golf Club in Galloway, New Jersey. In 2013, officials estimated that the Classic attracted an estimated 62,555 participants which included staff, spectators and business partners (vendors, media, sponsors, etc.) who patronized the local restaurants, lodging places and tourism attractions.



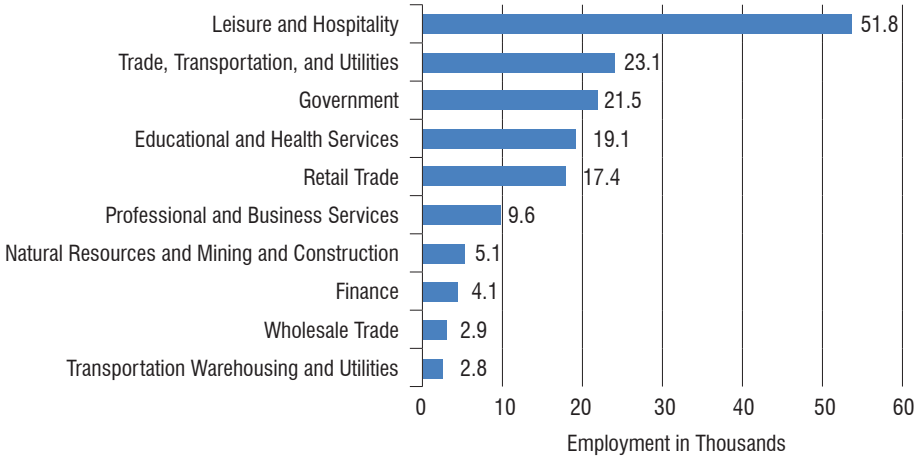
THE LOCAL ECONOMY

The Atlantic City Metropolitan Statistical Area (MSA) is defined as all of Atlantic County, New Jersey. The county has a population of approximately 275,000 people and attracts approximately 27 million visitors per year to its many leisure industries which include the casino hotels in Atlantic City. The population includes many retirees and second-home owners who, in addition to the many visitors, contribute to seasonal fluctuations which reach their peak in the summer months.

As the chart at the top of the next page illustrates, the Leisure and Hospitality industry dominates the metropolitan area's economy with almost 52,000 employees. Since leisure represents a very large portion of the economy, the regional economy's ups and downs are dictated by this industry's performance.

In addition, because spending on leisure activities is mostly discretionary, the region has been slow to recover from the 2007 recession. Local unemployment runs as high as 14% in the off-season, making any positive economic impact all the more important.

10 Largest Industries by Employment
Atlantic County, NJ - August, 2013



Therefore, it is vital to the local economy that the summer tourism season begins on a high note and that the shoulder months include events which attract visitors to enable businesses to successfully operate on a yearly basis.

The 2013 ShopRite LPGA Classic was held from May 27th through June 2nd, a perfect time to help the region kick-off the summer season. With an estimated 62,555 participants, the Classic provided regional businesses with over $13.6 million in direct spending.

THE ECONOMIC IMPACT OF THE 2013 SHOPRITE LPGA CLASSIC

The economic impact of any event, business or development on a region is calculated by determining the new spending that this particular economic stimulus brings into the region. For a golf tournament, this "new" spending is determined by the dollars spent by attendees, staff, or business partners from outside the region. In this case, the region is defined as Atlantic County, NJ. In order to determine this level of spending, it is necessary to determine whether or not the spender is from the area.

To determine the place of origin of those involved as well as the average spending per person, a survey was conducted with 336 being sampled. Of these, more than 90% of respondents were from outside of Atlantic County. This is extremely high for an event, mostly due to the number of LPGA fans that follow tournaments in their region. The most common counties of residence included Monmouth, Middlesex, Essex, Sussex, Camden and Ocean in New Jersey, and Montgomery County in Pennsylvania. This added substantially to the economic impact as many of the tournament participants sought lodging in the region, most frequently in Absecon, Atlantic City and Galloway Township. Some of the characteristics of the attendees are shown in the table on the top of the next page:

Economic Impacts: ShopRite LPGA Classic All Non-Local Attendees: 56,425 Impact Input Data, All Non-Local Attendees CRBR, October 2013	
Total Participants	62,555
% Non-Local	90.2
Non-Local Participants	56,425
Non-Local Surveys	258
Avg. People Per Party	3.15
Average Days Attending	2.465

The impacts of this spending are calculated in three distinct categories, for this study using the RIMS (Regional Industrial Multiplier) II multipliers from the U.S. Department of Commerce, Bureau of Economic Analysis:

1. **Direct spending** by the participants. In this case, each person spent an average of $241.09 over a 2.46 day period. This level of spending reflects the relatively high incomes and educational levels of the participants. It reflects a high level of discretionary income.
2. **Indirect spending** by supporting businesses to purchase food, material and services to support the tournament.
3. **Induced spending** by workers. The earnings of those paid by the tournament and supporting businesses is spent as household income, thus induced by the tournament activity itself.

The table on the next page summarizes direct spending patterns of participants as well as the economic impacts from this spending. The economic impacts are the consequences of three types of spending defined above.

Economic Impacts: ShopRite LPGA Classic
All Non-Local Attendees: 56,425
RIMS II Type II Multipliers, 2010 Benchmark, Bureau of Economic Research, U.S. Dept. of Commerce
CRBR, October 2013

RIMS II Industry	Direct Spending/ Attendee	Total Direct Spending	Economic Impacts: Economic Activity	Earnings	Employment
Food Services and Drinking Places	$63.00	$3,554,750	$4,961,365.18	$1,200,083.75	51.8
Amusements and Recreation, Other	$18.21	$1,027,492	$1,449,174.93	$381,096.84	18.0
Retail Trade	$16.60	$936,649	$1,285,643.77	$306,658.73	9.8
Gambling	$58.78	$3,316,639	$4,677,787.05	$1,230,141.25	58.2
Performing Arts, Spectator Sports, etc.	$6.73	$379,738	$557,834.57	$147,262.25	4.8
Transit and Ground Passenger Transportation	$11.66	$657,911	$883,574.41	$286,914.97	8.3
Accommodations	$66.11	$3,730,231	$5,433,454.43	$1,197,404.14	32.3
Total Spending Per Attendee	**$241.09**	**$13,603,409**	**$19,248,834.32**	**$4,749,561.92**	**183.3**

Overall, as the table reports, the total direct spending of those from outside the region amounted to an estimated $13.6 million. Adding the economic activity due to indirect and induced spending, the Classic:

- Created an estimated $19.2 million in new economic activity in Atlantic County.
- Generated over $4.7 million in wages and salaries.
- Is responsible for supporting 183 annual jobs in the County.

It is **CLEAR** from these results that the **ShopRite LPGA Classic** provided a **SUBSTANTIAL ECONOMIC IMPACT** to the region as a kick-off to the 2013 summer tourism season.

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