



The Economic Impact of Super Bowl XLVI

Accounting the Full Economic Benefits to the Indianapolis Metropolitan Area

July 2012



Indianapolis hosted Super Bowl XLVI on February 5, 2012. This report assesses the economic and fiscal impact of hosting the big game, including the ten days prior, as visitors experienced the Indianapolis metropolitan area.



Rockport Analytics

1610 Herron Lane
West Chester, PA 19380
(610) 213-2558



The Economic Impact of Super Bowl XLVI

ACCOUNTING THE FULL ECONOMIC BENEFITS TO THE INDIANAPOLIS METROPOLITAN AREA

Table of Contents

Introduction.....	3
Research Challenge	3
About Rockport Analytics	3
Acknowledgements	4
Contact	4
Executive Summary.....	5
Super Bowl XLVI Expenditures in Indianapolis	8
Total Super Bowl XLVI Spending	8
The Key Is Non-Resident Expenditures	9
How Many People Did Super Bowl XLVI Bring to Indianapolis?	10
How Much Did They Spend in Indianapolis?	10
Super Bowl XLVI's Economic Contribution to Indianapolis.....	12
Gross Impact Summary: Indianapolis Value-Added, Jobs, Wages, and Tax Receipts.....	12
Contribution to Indianapolis Value-Added (GDP) by Sector.....	16
Contribution to Indianapolis Employment by Sector	17
Contribution to Indianapolis Payrolls by Sector	19
The Tax Benefits of Super Bowl XLVI	20
Other Benefits to Indianapolis	21
Tourism Displacement During Super Bowl XLVI	24
The Bottom Line: Super Bowl XLVI's Net Economic and Fiscal Impact to Indianapolis.....	26
Appendix A: Methodology and Data Sources.....	28
Appendix B: Terms and Definitions.....	30

INTRODUCTION

Research Challenge

With a game that came down to the last minutes in a city that embraced the heartbeat of the Super Bowl spirit for ten days, the reviews cheered the accomplishments of Indianapolis. Next, the deserved sense of pride shifts to the question of “how did we do?” This is a complicated question, one with many facets and nuances that include quantitative and qualitative elements. Perhaps the most obvious assessment is Super Bowl XLVI’s contribution to the economy of the Indianapolis metro area – its economic and fiscal impact.



Rockport Analytics, LLC was retained to execute an economic impact study of Super Bowl XLVI. The study included activities associated with planning the event, game execution, and other important post-event efforts such as disassembling temporary structures. This study isolated spending sources that were: (1) Super Bowl-initiated, (2) local to the Indianapolis metro area, and (3) net new. From this accounting, Rockport employed established methods and models to calculate the game’s impact on the gross domestic product (GDP), jobs, wages, and tax receipts in Indianapolis.

Economic impact studies of events are oft-criticized for their tendency to overstate. In an effort to paint the most favorable picture, they include activity that was not initiated by the event or fail to net gross results for spending that would have taken place anyway. To address this issue, Rockport has been purposely conservative with this study. Super Bowl spending by residents was eliminated wherever possible; arguably these expenditures would have taken place without Super Bowl XLVI. Spending streams that immediately left Indianapolis were also subtracted. Examples include game ticket purchases or operational expenditures that went to businesses outside the area. Where identified spending streams lacked sufficient data, they were not included. Rockport also refrained from monetizing “softer” benefits such as the value of media exposure or the halo effect on future event bookings in the city. While these benefits are very real, they could not be tied specifically (and incrementally) to the game or their quantification methods were simply too subjective so they are not included. Finally, great care was taken to include an offset for normal displaced Indianapolis tourism activity for that time of year.

About Rockport Analytics

Rockport Analytics, LLC is a research and analytical consulting firm providing high quality quantitative and qualitative research solutions to business, government, and non-profit organization clients across the globe. Headquartered in West Chester, PA, Rockport’s focus is on creative and actionable research in the travel & tourism market. We provide fast, nimble service in a transparent environment.

Rockport Analytics capabilities include:

- Market Analysis and Forecasting
- Economic Impact Assessment, Tourism Satellite Accounting, and Economic Development
- Market Modeling and Decision Support Tools



- Project Feasibility Assessment
- Primary Research and Secondary Research Synthesis
- Stakeholder Surveys – internal & external

Acknowledgements

Rockport Analytics would like to thank the many organizations and individuals that contributed information, time, expertise, and advice to the effort. Without their spirit of cooperation, enthusiasm, and perseverance, this study would not have been possible. First and foremost are the members of the core project team from the Indianapolis Host Committee, Matt Carter from the Indianapolis Convention & Visitors Association (ICVA), and Chris Watts from Central Indiana Corporate Partnership.

We would also like to recognize the assistance of a number of key contributors from the organizations that held the most important data elements for the project. Their cooperation and efforts were most appreciated. The Indianapolis Host Committee provided critical operational, infrastructure, media, and marketing data. Our thanks also to Frank Supovitz and Eric Kaden from the National Football League for key information and advice. Tim DeKime of NBC and Seth Markman of ESPN contributed much-needed broadcast information. Dan Hugel of the Capital Improvement Board and James Wallis of the ICVA provided critical data and an expert sounding board. Jeffrey Spalding of the City of Indianapolis helped itemize municipal spending on the game. Chris Snyder of Woolpert provided data and advice concerning Indianapolis airport activity. Special thanks to Michael Alley and his team at the Indiana Department of Revenue for their efforts in identifying tax revenues associated with Super Bowl XLVI.

Finally, we would also like to acknowledge Tara Green from the North Texas Super Bowl Host Committee and Winnie Stolper of the Arizona Super Bowl Host Committee. Their advice, information, and guidance were paramount.

Contact

For more information or specific questions, please contact:

John Dedman
Vice President, Communications
Indiana Sports Corporation
317-237-5016
John.dedman@indianasportscorp.com

Kenneth McGill
Managing Director
Rockport Analytics
610-213-2558
ken.mcgill@rockportanalytics.com

Dianna Boyce
Director of Communications
2012 Indianapolis Super Bowl Host Committee
317-937-0223
dboyce@our2012sb.com

EXECUTIVE SUMMARY

Super Bowl XLVI was held in Indianapolis on February 5th, 2012. Related events surrounding the game began as early as January 27th. The New York Giants (21) won the game over the New England Patriots (17), but the real winner was arguably the Indianapolis metro economy. Over 116,000 non-residents poured in to Indianapolis to enjoy the game and the ancillary events. They spent money on area hotels, restaurants, retail stores, public and private transportation, and Indianapolis' many entertainment, historical and cultural attractions. This does not include local operational, broadcast, event, and promotional spending required to bring the game to life.

This report summarizes the economic and fiscal impacts of Super Bowl XLVI on the Indianapolis metropolitan area. Metrics such as total expenditures and resulting value-added (GDP), jobs, payrolls, and tax receipts are used to compile the benefits Indianapolis received for hosting Super Bowl XLVI.

Highlights include:

- **Super Bowl XLVI gross expenditures reached \$384 million.** This represents spending that was net new to the Indianapolis MSA as a result of hosting the game and its ancillary events. Game attendees/visitors contributed 69% of that total, some \$264 million. Event expenses added another \$27 million (7%). Game and broadcast operations totaled \$68 million, or nearly 18%. The remaining \$25 million (7%) came from municipal, airport, and other infrastructure expenditures.
- **Total spending originating from outside of the Indianapolis metro area was estimated at \$342 million.** This was calculated by reducing total gross spending by most of the operational, event, and promotional expenditures of local organizations such as the Indianapolis Host Committee, the City of Indianapolis, the Indianapolis Convention & Visitors Association, and Indianapolis regional airports. This measure accounts spending that was net new to Indianapolis but originated from outside of the region.
- **An estimated 116,000 visitors came to Indianapolis because of Super Bowl XLVI.** This included 68,500 game attendees as well as visitors without tickets, non-resident credentialed support staff, media personnel, and team members and support staff from the NFL, Giants and Patriots.

Super Bowl XLVI Bottom Line			
<i>For the Indianapolis MSA:</i> <i>in millions of \$ unless otherwise noted</i>	Super Bowl XLVI Gross Contribution	Displaced Tourism Offset	Super Bowl XLVI Net Incremental Contribution
Total Gross Spending	\$384.1	(\$46.9)	\$337.2
Total Outside Spending	\$342.1	(\$46.9)	\$295.2
Total Economic Impact:			
Contribution to GDP	\$323.8	(\$45.8)	\$277.9
Direct Impact	\$175.9	(\$24.2)	\$151.7
Indirect Impact	\$67.3	(\$10.8)	\$56.5
Induced Impact	\$80.6	(\$10.8)	\$69.8
Jobs Supported (# FTEs)	5,536	(847)	4,689
Contribution to Area Payrolls	\$203.2	(\$26.9)	\$176.3
Total Tax Receipts	\$88.6	(\$11.9)	\$76.7
Federal	\$42.7	(\$5.9)	\$36.8
State	\$24.9	(\$3.2)	\$21.7
Local	\$21.0	(\$2.8)	\$18.2
Value of Earned and Unearned Media Exposure	\$8.4		
Source: Rockport Analytics, Vocus FTEs=Full Time Equivalents			

- Many Indianapolis residents also enjoyed the Super Bowl and its ancillary events and attractions.** Over one million people were estimated to have visited the Super Bowl Village, many of them residents of the eleven-county metro area. Likewise with the NFL Experience, an estimated 265,000 visitors included out-of-towners and Indianapolis residents. Because of uncertainty about the resident/non-resident balance, the spending associated with these events was not included in the economic impact results.
- Indianapolis non-residents generated over 472,000 visitor-days in metro area.** Overnight stays were estimated at 361,000, with an additional 111,000 day trips from origins outside of the region. With an average of approximately 1.61 visitors per room, Super Bowl XLVI produced over 224,000 room nights across the Indianapolis MSA.
- Indianapolis MSA hotel occupancy rates averaged about 93% for the four days leading up to and including the game, 99% for downtown hotels.** With strong demand near capacity, reported average daily room rates (ADR) were \$290 for that same period. Add in the days immediately leading up to this 4-day period and ADRs dropped only slightly, to average \$280 per night. Typical ADRs for this time of year would register just below \$100. Hotels had significantly increased revenue compared to the same time period in 2011.
- Game attendees and other non-resident visitors spent over \$264 million locally during Super Bowl XLVI. That averages to nearly \$571 per person, per day.** By contrast, typical spending per diems for Indianapolis group and convention meeting visitors average about \$221. Hotels and restaurants were the beneficiaries of about 43% of that total, registering \$63 million and \$51 million, respectively. Retail and shopping expenditures reached almost \$64 million and ground transportation accounted for almost \$44 million. Entertainment spending was also significant, totaling \$26 million during the Super Bowl.
- The gross spending total economic impact of Super Bowl XLVI reached an estimated \$324 million, measured in terms value-added or contribution to the Indianapolis Gross Domestic Product (GDP).** This amount is essentially the total increase in metro area income created by the Super Bowl. This is comprised of \$176 million in direct impact, \$67 million in indirect (or supply chain) impact, and an additional \$81 million in induced (or income) impact. With Indianapolis retaining \$324 million of the \$384 million in Super Bowl-initiated spending, **about 84% of every dollar spent was retained in Indianapolis.**
- The Super Bowl affected many sectors of the Indianapolis metro economy. **Those businesses that interfaced with game attendees and visitors, including hoteliers, restaurants, retail vendors, entertainment venues, rental car companies, etc., or those directly involved in game/event facilitation, comprised the direct economic impact. For Super Bowl XLVI, the direct economic impact totaled \$176 million.**
- Super Bowl XLVI supported thousands of jobs during the planning phase, game execution, and post-event activities.** The businesses that were directly involved in game/event operations or in serving game visitors supported an estimated 3,600 jobs. Supply chain businesses indirectly sustained another 850 full-



time equivalents (FTEs) and the many businesses involved in serving induced spending contributed 1,100 more jobs. **Super Bowl XLVI's total impact on Indianapolis employment was estimated at 5,500 FTEs.**

- **Total payrolls for these 5,500 workers were estimated at almost \$203 million.** This includes \$119 million for front-line businesses and another \$84 million for indirect and induced jobs. This equates to an average annual salary of just over \$36,900.
- **The New York Giants won the game. From a fiscal perspective, Indianapolis was also a winner.** Super Bowl XLVI-initiated tax receipts were substantial. Including federal, state, and local levies collected, Super Bowl XLVI generated nearly \$89 million. About \$43 million of that total was comprised of federal taxes. Federal taxes are comprised of income, social security, and other excises and fees. Indiana state and Indianapolis local receipts totaled \$25 million and \$21 million, respectively. These revenues were dominated by sales taxes, hotel, rental car, and food and beverage excises, and imputed property taxes.
- **The Super Bowl displaced other tourism and events that would typically have occurred during that same time.** For the ten-day period (January 27th-February 5th), the metro area's four-year average (2007-2011) was nearly **\$47 million in tourism spending.** This would normally be associated with about \$6 million in state and local taxes. **The bottom line is that the decision to host Super Bowl XLVI brought an additional \$40 million in taxes to Indiana and the local governments of the Indianapolis metro area.**
- **As mentioned previously, gross Super Bowl XLVI value-added reached \$324 million. Subtracting a displaced tourism offset of \$46 million yields a net incremental contribution to the Indianapolis metro GDP of \$278 million.** This compares favorably to past Super Bowl studies and an independent pre-game estimate performed in 2008.
- **A separate impact analysis was performed on outside expenditures only (\$342 million).** Total contribution to Indianapolis GDP reached \$294 million, of which \$161 million was direct. Outside monies supported a total of 5,100 FTEs, with 67% (3,400 FTEs) of those going to industries that directly touched Super Bowl visitors. Tax receipts initiated by external spending-only measured \$39 million for federal and \$44 million for Indiana state and Indianapolis local levies.



SUPER BOWL XLVI EXPENDITURES IN INDIANAPOLIS

Total Super Bowl XLVI Spending

An event as large as the Super Bowl virtually absorbs the available capacity of hotels, restaurants, rental cars, parking, and other tourism-oriented facilities, particularly in the downtown area. Moreover, many other businesses throughout the Indianapolis metropolitan area saw sharp increases in activity during the Super Bowl. The job of assessing the ultimate impact of Super Bowl XLVI begins with measuring all event-initiated spending with a focus on spending that took place locally within the Indianapolis metro area. This includes expenditures by those who attended the game, as well as other spending streams of interest. For example, broadcast and game operations, event, municipal, and promotional spending are all part of impact accounting.

Total Super Bowl XLVI expenditures reached \$384 million. Game attendees/visitors contributed over 69% of that total, some \$264 million. Events operations added another \$27 million (7%). Game and broadcast operations totaled \$68 million or nearly 18%. The remaining \$25 million (7%) came from municipal, airport, and other infrastructure expenditures.

Super Bowl XLVI's Spending Contribution to Indianapolis Metro Economy

	in millions of \$	%
Game Attendee/Visitor	\$264.0	69%
Events	\$ 26.9	7%
Game and Broadcast Operations and Promotion	\$ 67.8	18%
Other	\$ 25.3	7%
Total Super Bowl XLVI-Initiated Spending	\$ 384.0	100%



It should be noted that the spending measures above do not include certain items whose proceeds entirely accrued to entities outside of the Indianapolis MSA. The largest example is game ticket revenue. Operational, promotional, or event expenses that were paid to known businesses outside of the metro area were also eliminated. Finally, admissions and operational expenses associated with Super Bowl XLVI events such as the NFL Experience and Super Bowl Village were also eliminated from the numbers above due to their heavy attendance by Indianapolis residents. These forms of spending leakage were removed prior to considering Super Bowl XLVI's economic contribution to Indianapolis.

Another important spending calculation was estimated to answer the question of just how much of total Super Bowl XLVI-initiated expenditures (\$384 million) came from outside of Indianapolis. Essentially, all of the game attendee/visitor spending came from points beyond the city. The origin of operations, promotional, and event spending was mixed, however. Some originated with local entities such as the Indianapolis Host Committee, the City of Indianapolis, the Indianapolis Convention & Visitors Association, and Indianapolis regional airports. Still other execution expenditures came from outside the region from organizations such as NBC, ESPN, many of the corporate event sponsors, and the NFL itself. Rockport eliminated operations spending from Indianapolis' local partners to

arrive at an estimate of *Total Outside Spending* at \$342 million. While the \$32 million difference from Total Spending (\$384 million) can be attributed to Super Bowl XLVI and is net new to the local economy, it originated from within Indianapolis. Total Outside Spending describes the amount of Super Bowl-initiated spending in Indianapolis that came from origins other than the metro area itself.

The Key Is Non-Resident Expenditures

While both visitors and residents enjoyed the game and its many related events and attractions, the task of assessing the economic and fiscal impact requires a focus on the visitor side. Indianapolis residents no doubt attended many of the related events, some also going to the game, but a conservative approach to impact assessment dictates discounting that spending under the assumption that it would have taken place in the local economy anyway.

The definition of “visitors” includes anyone that either stayed overnight or traveled at least 50 miles one way. That covers game attendees, visitors who did not have game tickets but came to enjoy the events and attractions, team personnel, corporate employees, media, out-of-town workers, and other non-residents. Their Super Bowl-initiated commerce is truly incremental, or net new, to the Indianapolis economy.

Non-resident spending was categorized into groups, each segment being measured separately and then evaluated for potential double counting:

- ❖ *Game attendees, visitors without tickets, team personnel, visiting employees, and other non-residents*
- ❖ *Corporate sponsors and event organizers*
- ❖ *Game and related event operations and promotion*
- ❖ *Other infrastructure and miscellaneous spending*

Rockport Analytics employed an approach to accounting non-resident and game/event operations spending that used a variety of sources:

- **Historical visitor intercept data** helped to uncover spending by game attendees, other visitors, media, employees, and team personnel. While an intercept survey was not completed during Super Bowl XLVI, previous surveys from North Texas, Phoenix, and San Diego, making necessary adjustments for general inflation and regional differences, were utilized.
- This was supplemented by **surveys of individual employers such as the NFL, ESPN, NBC, corporate event sponsors, and many others**. Data on both the travel and entertainment expenditures of employees and operational spending on the game and its ancillary events was collected.
- **Other sources of spending activity included the supply side of the Super Bowl** – those that provided the facilities and services required to host the game and its events. Examples include hoteliers, rental car companies, the Indianapolis International Airport, other regional airports, the Indianapolis Host Committee, the Capital Improvement Board (responsible for Lucas Oil Stadium and the Indiana Convention Center) and city government.
- Finally, the **Indiana Department of Revenue and the Capital Improvement Board** provided actual tax collections for January and February of 2012 by individual tax type. They also performed critical comparisons with previous years to identify the lift provided by Super Bowl XLVI.

How Many People Did Super Bowl XLVI Bring to Indianapolis?

An estimated 116,000 visitors came to Indianapolis on behalf of Super Bowl XLVI. This included 68,500 game attendees, as well as visitors without tickets, non-resident credentialed support staff, media personnel, and team members and support staff from the Giants and Patriots. Tens of thousands of Indianapolis residents enjoyed the NFL Experience, Super Bowl Village, concerts, and other events all over the region. This study focused on non-residents, however.

Given an average length of stay slightly over four days, these non-residents generated over 472,000 visitor-days in Indianapolis. Approximately 361,000 were overnight stays, while 111,000 day tripped from origins outside the area.

Many of those visitors stayed in area hotels. Indianapolis MSA hotels produced just over 224,000 room nights during the ten-day period January 27-February 5th, 2012. Indianapolis MSA hotel occupancy rates averaged about 93% for the four days leading up to and including the game, 99% for downtown hotels¹. With heightened levels of demand and hotels near full capacity, the reported average daily room rates (ADR) were \$290 for that same period. Add in the remainder of the ten-day period and ADRs dropped only slightly, to \$280 per night. Typical ADRs for this time of year would register just below \$100. Hotels had significantly increased revenue compared to the same time period in 2011.



How Much Did They Spend in Indianapolis?

Game attendees and other non-resident visitors spent over \$264 million locally during the Super Bowl timeframe. That averages to about \$571 per person, per day over the ten-day period. Typical spending per diems for Indianapolis meeting and event visitors average about \$221². Hotels and restaurants were the beneficiaries of about 43% of that total, registering \$63 million and \$52 million, respectively. Retail and shopping expenditures reached almost \$64 million. This number included Super Bowl and team merchandise, as well as general merchandise, clothing, pharmacy, grocery stores, and other retail. It also included about \$7 million in gasoline purchases around Indianapolis.



Ground transportation accounted for almost \$44 million in spending, about 17% of total. This includes rental cars, commercial vehicle rentals, taxis, limousine service, and public transit. Rental cars and commercial vehicles registered \$28 million in expenditures. Taxis, limos, and public transportation, including IndyGo, added another \$15 million.

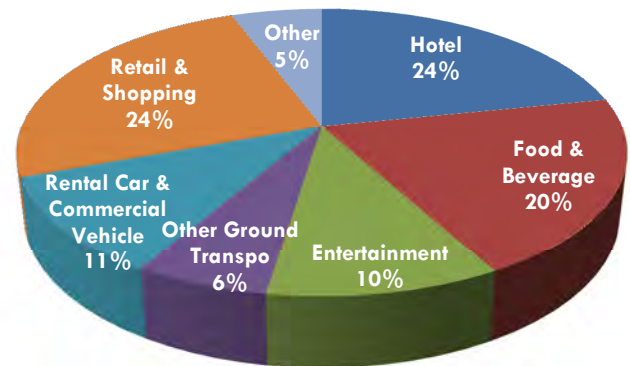
¹ Smith Travel Research, February 2012.

² D.K. Shifflet & Associates, ICVA, Rockport Analytics

Entertainment spending was also significant, totaling \$27 million. This includes everything from casinos and gaming to movie theaters, historical sites, museums, and bowling centers. It does not, however, include spending on ticketed events associated with Super Bowl XLVI. This spending was accounted through the operations numbers submitted by corporate event sponsors, the NFL, the ICVA, and other event promoters.

Category	Super Bowl XLVI Spending (in thousands)
Retail & Shopping	\$ 63,854
Hotel	\$ 63,084
Food & Beverage	\$ 51,769
Rental Car & Commercial Vehicle	\$ 28,130
Entertainment	\$ 26,908
Other Ground Transportation	\$ 15,470
Other –e.g. travel arrangement, laundry, other personal services	\$ 14,787
Total Attendee/Visitor Spending	\$ 264,003

**Super Bowl XLVI
Game Attendee /
Non-Resident Visitor Spending**



Source: Rockport Analytics

SUPER BOWL XLVI'S ECONOMIC CONTRIBUTION TO INDIANAPOLIS

Gross Impact Summary: Indianapolis Value-Added, Jobs, Wages, and Tax Receipts

Economic and Fiscal Impacts of All Net New Super Bowl XLVI-Initiated Spending

Typically, the economic contribution of any industry, event, facility, or policy is estimated by measuring its impact on local value-added (or GDP), employment, payrolls, and tax receipts. These universal measures describe how the event contributes to local living standards. For Super Bowl XLVI, spending resulted in a total gross contribution of over \$324 million to Indianapolis Gross Domestic Product (GDP), sometimes referred to as gross metro product. This amount is essentially the total increase in metro area income created by the Super Bowl.

The Super Bowl affected many sectors of the Indianapolis metro economy. Those businesses that interfaced with game attendees and visitors, including hoteliers, restaurants, retail vendors, entertainment venues, rental car companies, etc., or those directly involved in game/event facilitation, comprised the *direct* economic impact. For Super Bowl XLVI, the direct impact totaled \$176 million. Indianapolis businesses that supplied material, supplies, labor, and services to those front-line organizations were also beneficiaries of Super Bowl XLVI. These supply chain businesses comprised the *indirect* economic impact. The indirect impact of Super Bowl XLVI reached \$67 million. Finally, both direct and indirect businesses hire labor and pay wages. These workers, in turn, spend part of their wages on an array of consumer goods and services. This describes the *induced* economic impact. For Super Bowl XLVI, the induced component added another \$81 million to the total contribution.

Super Bowl XLVI Gross Spending Economic Impact Summary	Direct	Indirect (Supply Chain)	Induced (Income)	Total
Total Spending (in thousands)	\$ 384,112	-	-	\$ 384,112
Value-Added (GDP) (in thousands)	\$ 175,937	\$ 67,262	\$ 80,576	\$ 323,775
Wages (in thousands)	\$ 118,992	\$ 40,902	\$ 43,325	\$ 203,219
Jobs (# Full Time Equivalents)	3,632	\$ 851	\$ 1,053	\$ 5,536
Tax Receipts (in thousands)	-	-	-	\$ 88,619
Federal Taxes				\$ 42,716
State Taxes				\$ 24,873
Local Taxes				\$ 21,030

Super Bowl XLVI supported thousands of jobs during the planning phase, game execution, and post-event activities. Some of these jobs were full-time, some part-time. All of these jobs were aggregated into a full-time equivalency (FTE) measure to provide an all-event total. The businesses that were directly involved in game/event operations or in serving game visitors supported an estimated 3,600 jobs. Supply chain businesses indirectly sustained another 850

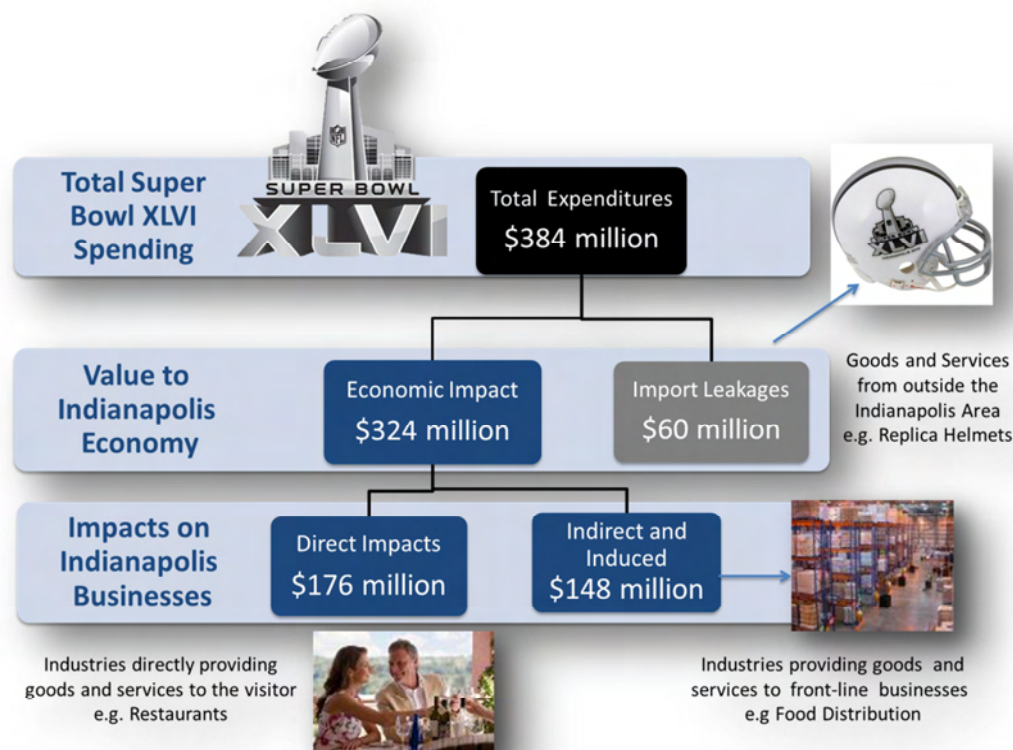
FTEs and the many firms involved in serving induced spending contributed 1,100 more jobs. Super Bowl XLVI's total impact on Indianapolis employment was estimated at 5,500 FTEs³.

Payrolls for these 5,500 workers were estimated at almost \$203 million. This includes \$119 million for the front-line businesses and another \$84 million for indirect and induced jobs. This equates to an average annual salary of just over \$36,900.

The fiscal impact of Super Bowl XLVI was substantial. Federal, state, and local taxes generated by the Super Bowl reached nearly \$89 million. Indiana state government realized an estimated \$25 million, primarily from sales taxes, while Indianapolis local governments shared an additional \$21 million. The hotel tax alone was estimated to yield \$4.8 million for Marion County and surrounding counties. Taxes will be covered in detail in a separate section of the report.

Not All Spending Was Retained in Indianapolis

Virtually all of the \$384 million in Super Bowl-initiated spending went towards the purchase of materials, services, food supplies, payrolls, taxes, and margin – all of the things required to serve visitors and host the game and ancillary activities. The key to measuring what Indianapolis truly gained by hosting Super Bowl XLVI begins with estimating how much of that spending was retained in the metro economy and account for the portion that “leaks” away to areas outside of the region.



For example, when a visitor purchased a miniature Super Bowl XLVI replica helmet during their trip, much of the value leaked to areas outside of Indianapolis. The total price of the collectable novelty included portions for the value of the materials, assembly, distribution, marketing, and logo. Most of these value components were paid to organizations outside of Indianapolis. In fact, for most retail transactions, only the labor, store facility (if applicable), and margin are retained in the local area. Beyond retail, other sectors also see part of their revenue leak away when supply chain sources either do not exist or

lack sufficient scale to satisfy all of the demand.

³ Job counts are derived using the IMPLAN model of the Indianapolis MSA economy. Historical relationships between local spending, employment, and wages by Indianapolis sector are utilized to derive the jobs required to support estimated industry expenditures.

The economic model employed in the analysis, IMPLAN, provides a comprehensive estimation of what was retained in the Indianapolis MSA. It considers retail (and wholesale) margins, as well as established inter-industry buying/selling relationships and the current scale of each impacted sector in the local economy. In short, it estimates the value-added or full economic impact of the original Super Bowl-initiated spending injection. The results suggest that Indianapolis retained about \$324 million of the \$384 million in Super Bowl-initiated spending. With only \$60 million in leakages, about 84% of every dollar spent was retained in Indianapolis.

Economic and Fiscal Impacts of Outside Origin Super Bowl XLVI-Initiated Spending

A second view of Super Bowl XLVI-initiated spending subtracts the operational, promotional, and event spending that originated from within Indianapolis. The purpose is to focus on only those monies that have come from origins outside the metropolitan area. Super Bowl XLVI-initiated outside expenditures were then run through the same IMPLAN model of the Indianapolis MSA economy to translate their contribution to local GDP, jobs, wages, and tax receipts.

The table below summarizes the outside spending impacts, totaling \$342 million, on the Indianapolis MSA economy. The direct contribution to value-added, wages, and jobs are bolded in the second column. Direct value-added totals \$161 million considering only outside spending, while all net new Super Bowl XLVI-initiated spending made a \$176 million contribution to Indianapolis GDP. Total direct jobs supported from outside monies totaled nearly 3,400, with corresponding wages reaching \$107 million. Tax receipts from outside expenditures totaled \$83 million, with \$39 million going to federal authorities and \$44 million accruing to state of Indiana and local Indianapolis government entities.

Super Bowl XLVI Outside Spending Economic Impact Summary	Direct	Indirect (Supply Chain)	Induced (Income)	Total
Total Spending (in thous \$)	\$ 342,080	-	-	\$ 342,080
Value-Added (GDP) (in thous \$)	\$ 161,396	\$ 60,394	\$ 72,545	\$ 294,335
Wages (in thous \$)	\$ 107,480	\$ 36,497	\$ 39,007	\$ 182,984
Jobs (# Full Time Equivalents)	3,382	765	948	5,095
Tax Receipts (in thous \$)	-	-	-	\$ 83,082
Federal Taxes				\$ 38,720
State Taxes				\$ 24,164
Local Taxes				\$ 20,198

Final Iteration: Economic Impact of Super Bowl XLVI Game Attendee/Visitor-Only Spending

One final economic impact iteration has been performed to answer the tourism-oriented question of what Super Bowl XLVI non-resident game attendee and other visitors contributed to the Indianapolis economy. This essentially takes the Total Outside Spending view above and eliminates the expenditures associated with game, broadcast, and event operations. It is a specific view of what Super Bowl XLVI-initiated tourists contributed to Indianapolis.

The game attendee/visitor economic and fiscal impact iteration begins with the \$264 million in spending referenced on page 14. It includes those who attended the game, visitors without tickets who came to enjoy the ancillary events, team personnel, and other non-residents. Their spending on hotel, food and beverage, shopping, transportation, and

other categories were passed through the same economic impact process to arrive at the full economic and fiscal impact calculation.

Game Attendee/Visitor-initiated Super Bowl XLVI spending resulted in a \$218 million total contribution to Indianapolis GDP, \$122 million of which was direct. Non-resident visitation spending supported over 4,000 jobs (FTEs) which earned an estimated \$129 million in wages. Taxes initiated by game attendees and other visitors totaled \$69 million, of which \$22 million accrued to Indiana and \$18 million was split among the local government entities within the Indianapolis MSA.

Game Attendee/Visitor Only Super Bowl XLVI Economic Impact Summary	Direct	Indirect (Supply Chain)	Induced (Income)	Total
Total Spending (in thous \$)	\$ 264,003	-	-	\$ 264,003
Value-Added (GDP) (in thous \$)	\$ 121,540	\$ 45,178	\$ 51,266	\$ 217,984
Wages (in thous \$)	\$ 75,220	\$ 26,573	\$ 27,567	\$ 129,360
Jobs (# Full Time Equivalents)	2,811	557	670	4,038
Tax Receipts (in thous \$)	-	-	-	\$ 68,713
Federal Taxes				\$ 28,230
State Taxes				\$ 22,339
Local Taxes				\$ 18,144

Contribution to Indianapolis Value-Added (GDP) by Sector

The table below itemizes the specific benefits of the many sectors that participated in hosting and execution of the game and its ancillary activities. Those businesses that belong to sectors with large *Direct* column benefits are well aware of the February lift provided by Super Bowl XLVI. Hotels, restaurants, entertainment venues, and firms directly involved in game/event execution felt an immediate boost – in total, over \$176 million. Hotels and restaurants alone received Super Bowl-initiated expenditures of almost \$114 million. After leakages are removed, an estimated \$61.8 million was retained in Indianapolis.

Those whose benefits largely accrue in the *Indirect* and *Induced* columns may not fully recognize what the Super Bowl meant to their top lines. These businesses were at least one step removed from direct participation, downstream from visitor services or game/event execution. A good example is found in the Professional and Business Services Sector. Member legal, accounting, and other business service firm's direct participation in Super Bowl XLVI was relatively small, an estimated \$4.6 million. Together, however, they realized nearly \$11 million in indirect business and another \$3 million in induced business.

Super Bowl XLVI Valued Added (GDP) by Indianapolis Sector Top Ten Direct Beneficiaries				
in thousands of \$\$				
Industry Category (NAICS)	Direct	Indirect	Induced	Total
Total	\$175,937	\$67,262	\$80,576	\$323,775
Hotel, Restaurant, and Catering	\$61,818	\$2,090	\$3,425	\$67,333
Administrative Services	\$22,581	\$7,509	\$2,231	\$32,321
Arts, Entertainment and Recreation	\$19,697	\$2,306	\$1,354	\$23,357
Retail Trade	\$14,884	\$803	\$11,039	\$26,726
Real Estate and Rental	\$12,718	\$12,165	\$20,428	\$45,311
Management of Companies	\$10,473	\$2,196	\$423	\$13,092
Transportation & Warehousing	\$10,263	\$2,994	\$1,845	\$15,103
Other Services	\$6,058	\$2,875	\$3,245	\$12,178
Information	\$6,015	\$5,718	\$2,434	\$14,167
Professional and Business Svcs	\$4,646	\$10,665	\$3,469	\$18,780
Other Indianapolis Sectors	\$6,785	\$17,857	\$17,331	\$41,973

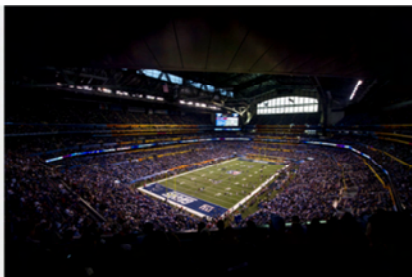
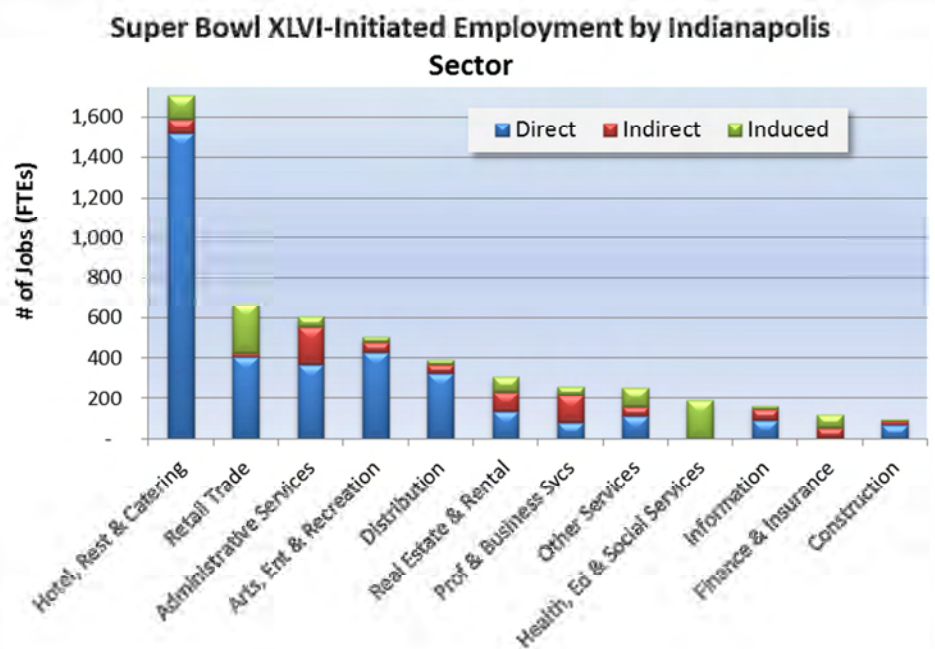
Contribution to Indianapolis Employment by Sector

The analysis suggests that Super Bowl XLVI directly supported 3,600 full time equivalent jobs in the metro area. Indirect and induced impacts supported an additional 2,000 jobs⁴. The adjacent bar chart and table below itemizes the sectors most favorably impacted by Super Bowl XLVI.

Once again, jobs are defined in terms of full time equivalency (FTEs) and can be broken into direct, indirect, and induced employment.

Businesses involved in directly serving visitors or in-game execution supported the most jobs. Hotels and restaurants led the way with over 1,500 FTEs. Retail and entertainment businesses required 830 more FTEs. Administrative and Other Services firms benefited from Super Bowl and event operations, supporting another 480 direct jobs. The many security and safety service employees hired during Super Bowl XLVI's duration are part of the "Administration Services" category on the bar chart.

Virtually all businesses benefited from indirect or supply chain activity as well. This required the addition of another 850 jobs in total. Supply chain firms in the Administrative (+185) and Professional Services (+132), Real Estate and Rental (+95), and Information (+53) sectors led the way.



⁴ Job counts are derived using the IMPLAN model of the Indianapolis MSA economy. Historical relationships between local spending, employment, and wages by Indianapolis sector are utilized to derive required jobs from industry expenditures.

Super Bowl XLVI-Initiated Employment by Indianapolis Sector <i>Top Ten Direct Beneficiaries</i>				
<i>In Full Time Equivalents</i>				
Industry Category (NAICS)	Direct	Indirect	Induced	Total
Total	3,632	851	1,053	5,536
Hotel, Rest & Catering	1,518	72	119	1,709
Arts, Ent & Recreation	427	50	26	503
Retail Trade	406	18	240	665
Administrative Services	366	185	54	605
Distribution	325	42	25	392
Real Estate & Rental	136	95	76	308
Other Services	110	47	97	254
Information	92	53	17	163
Prof & Business Svcs	81	132	43	257
Management of Companies	75	15	3	93
Other Indianapolis Sectors	95	134	129	358

Contribution to Indianapolis Payrolls by Sector

The 5,500 jobs supported by Super Bowl XLVI paid wages at prevailing Indianapolis rates by industry. The payroll contribution also had a direct, indirect, and induced element. Super Bowl XLVI's total wage contribution was just over \$203 million. The direct portion was nearly 59% of that total and, with 3,632 direct jobs supported; this implied an average annual wage of \$32,800. Indirect jobs often concentrate in higher paid industries such as Professional and Business Services or Finance and Insurance. Their Super Bowl XLVI wage bill totaled \$41 million. With an estimated 851 jobs supported, average annual wage was significantly higher at \$48,100.



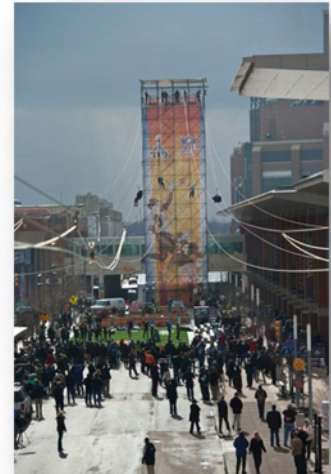
Super Bowl XLVI-Initiated Payrolls by Indianapolis Sector
Top Ten Direct Industry Beneficiaries

<i>In thousands of \$</i>	Direct	Indirect	Induced	Total
Total	\$ 118,992	\$ 40,902	\$ 43,325	\$ 203,219
Hotel, Rest & Catering	\$ 36,977	\$ 1,404	\$ 2,304	\$ 40,685
Administrative Services	\$ 16,048	\$ 5,868	\$ 1,735	\$ 23,651
Arts, Ent & Recreation	\$ 15,709	\$ 1,910	\$ 758	\$ 18,378
Retail Trade	\$ 8,952	\$ 493	\$ 6,771	\$ 16,216
Management of Companies	\$ 7,823	\$ 1,640	\$ 316	\$ 9,779
Information	\$ 7,494	\$ 3,328	\$ 1,107	\$ 11,929
Distribution	\$ 7,298	\$ 2,110	\$ 1,319	\$ 10,727
Real Estate & Rental	\$ 6,140	\$ 2,793	\$ 2,038	\$ 10,971
Construction	\$ 3,885	\$ 1,043	\$ 490	\$ 5,418
Prof & Business Svcs	\$ 3,771	\$ 8,853	\$ 2,833	\$ 15,458
Other Indianapolis Sectors	\$ 4,900	\$ 11,403	\$ 22,736	\$ 39,030

The Tax Benefits of Super Bowl XLVI

Super Bowl XLVI-initiated tax receipts were substantial for Indiana and the Indianapolis metro area. Including federal, state, and local levies collected, Super Bowl XLVI generated nearly \$89 million during the ten-day period January 27th-February 5th, 2012. About \$43 million of that total was comprised of federal taxes, including corporate and personal income, social security, and federal excises and fees. Indiana state taxes initiated by Super Bowl XLVI totaled \$24.9 million. This included transactional taxes such as state sales and rental car excises, as well as corporate and personal income taxes, and other licenses and fees.

Local tax receipts initiated by Super Bowl XLVI were also extensive, totaling nearly \$21 million. Marion County was a particular beneficiary, but all eleven counties in the Indianapolis metropolitan area experienced a significant lift in February tax collections. Local receipts include transactional levies such as hotel, food & beverage and rental car excises – these totaled \$6.8 million. The remaining \$14 million is comprised of an imputed value for property taxes, as well as personal income tax and other licenses & fees.



Indianapolis Super Bowl XLVI Tax Collection Overview	
<i>in thousands of dollars</i>	
Federal Taxes Collected	\$ 42,716
State Taxes Collected -Total	\$ 24,873
Sales	\$ 16,418
Rental Car	\$ 1,013
Local Taxes Collected -Total	\$21,030
Innkeepers	\$ 4,834
Food and Beverage	\$ 863
Rental Car	\$ 1,058
Total Gross Super Bowl XLVI-Initiated Taxes	\$88,619
State and Local Taxes Analysis	
Gross Super Bowl XLVI-Initiated State and Local Taxes	\$45,903
State and Local Super Bowl Displaced Tourism Taxes	\$ (5,991)
Net Incremental Super Bowl XLVI-Initiated State and Local Taxes	\$39,912

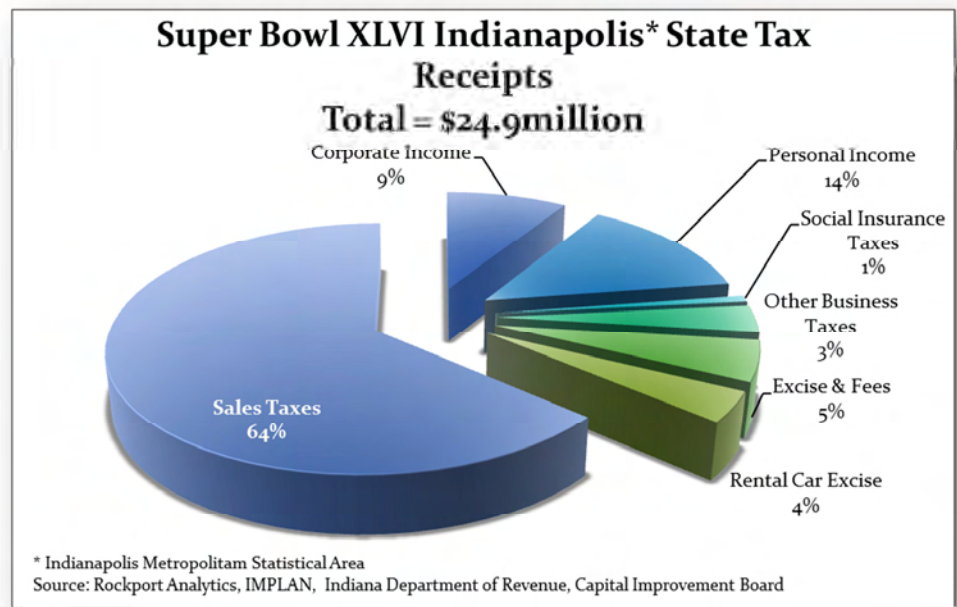
Hotel tax receipts benefited from 99% downtown occupancy (93% elsewhere in the MSA) and elevated room rates during the Super Bowl to total \$4.8 million. Rental car and food and beverage excises were also up substantially tallying \$1.1 million and \$863,000, respectively. In contrast, average weekly tourism spending in the Indianapolis MSA would bring in about \$780,000, \$311,000, and \$68,000 for hotel, food and beverage, and rental car taxes, respectively.

The New York Giants may have won the game, but from a fiscal perspective, Indianapolis and Indiana were also winners. The bottom section of the table at left derives a net *incremental* state and local tax amount initiated by Super Bowl XLVI.

The Super Bowl displaced other tourism and events that would typically have occurred during that same period. This is discussed in detail in a later section of this report. An estimate of this displaced tourism was generated by looking back at the average level of tourism activity in the Indianapolis MSA from 2007-2011 for the same ten-day period. The metro area averaged about \$47 million in tourism spending over that five-year period. This would normally be associated with about \$6 million in state and local taxes. Subtracting that amount from the gross calculations at the top of the table provides

the net incremental state and local taxes. The bottom line reflects that the decision to host Super Bowl XLVI brought an additional \$40 million in taxes to Indiana and the local governments of the Indianapolis metro area.

To add perspective, consider that local taxes for *all* tourism activity in the Indianapolis MSA during 2010 totaled \$271 million⁵. Super Bowl XLVI's local tax contribution equated to almost 8% of that entire year. For the County Innkeepers' levy alone, Super Bowl XLVI's contribution amounted to more than 12% of total 2010 hotel tax collections. Moreover, Super Bowl XLVI's state tax contribution was equal to about 8% of all tourism-initiated state collections in 2010.



Other Benefits to Indianapolis

Capital Expenditures, Volunteer and Community Programs

Capital spending and community outreach is also part of the Super Bowl XLVI story. Community outreach programs have a lasting impact on local residents and businesses. Capital projects provide benefit streams that last far beyond the Super Bowl. Some capital projects can be uniquely attributed to hosting the game, while others may have been investments that were accelerated or enhanced because of Super Bowl XLVI. Some noteworthy examples include:

- The City of Indianapolis' investment in the rehabilitation of Georgia Street
- Paving and refurbishment of curbs and sidewalks
- Security cameras installed by the City of Indianapolis
- Human impact of Indy's Super Cure
- Community programs that touched 200,000 students across Indiana
- The impact of the Chase Near Eastside Legacy Center
- More than 400 new and refurbished homes on the Near Eastside
- Indianapolis International Airport (IND) and other regional airport improvements

While tangible and significant, because these benefits can be difficult to (a) uniquely attribute to the Super Bowl and/or (b) monetize, they have been removed from the economic impact accounting.

Media Exposure

Super Bowl XLVI was watched by a record U.S. audience of 166.8 million viewers, making it the most watched television event in history. Seventy one percent of all U.S. televisions that were turned on were tuned in to the game.

⁵ 2010 Economic Impact of Tourism in Indianapolis, ICVA & Vantage Strategy, September 2011.

Positive exposure also included paid advertising, newspaper and magazine articles, as well as other print, broadcast, and online media.

While the game was the centerpiece of this coverage, Indianapolis received its share of exposure. Economic impact studies of large events often include monetized estimates of the value of this earned and unearned media. The principal beneficiaries of this secondary exposure include future tourism business and general economic development, though the value of all of the direct and indirect media coverage is difficult to quantify.

Value of Super Bowl XLVI Media Exposure to Indianapolis

Media Type	Advertising Equivalency Value (in thousands of \$)
Broadcast	\$256.3
Online	\$2,281.6
Print	\$5,904.9
Total	\$8,442.8

Source: Vocus

The theoretical benefit would be comprised of measure of the return on investment of the advertising, a variable that is difficult to capture. Instead, analysts use a more conservative approach based upon *advertising equivalency* – estimating the value of each placement on what it would have cost in paid advertising to purchase that exposure. This estimation process is easier for some media versus others. Actual examples of paid print or online advertisements are the easiest. Newspaper articles or editorials are more of a challenge.

Rockport chose to bypass this challenge by including its value below-the-line. That is, the value of media exposure is monetized and reported but not included in the assessment of economic impact. Moreover, the estimates used were from a third party subject matter expert, Vocus, who has a respected

track record in this area. Total advertising equivalency of captured media mentions totaled \$8.4 million, of which \$5.9 million was print, \$2.3 million online, and the remainder estimated as broadcast.

Perhaps just as critical as the size and value of the Indianapolis media exposure is the direction of the coverage. Articles covering Super Bowl XLVI and its ancillary events, as well as the visitor experience in Indianapolis are only helpful if they are positive. Once again, a third-party expert was used. Vocus uses an established methodology to score each media item as positive, negative, or neutral. Vocus found that of nearly 2,100 Indianapolis media exposures, 99.9% were positive. In fact, only three were scored as neutral. There were no negative mentions.

Future Meeting and Event Halo Effect

Yet another non-quantified benefit of Super Bowl XLVI is its halo effect on future Indianapolis meeting and convention bookings. Hosting the Super Bowl provides a boost in the awareness and cachet of Indianapolis as a destination for all kinds of meetings and events. Moreover, with overwhelmingly positive media exposure, meeting planners in corporate, associations, and government will see Indianapolis as a more desirable destination for their next meeting.

The ICVA, Indianapolis' official marketing arm for meetings and conventions, reports a remarkable lift in the number of qualified leads as far out as 2015. ICVA measures leads based upon the expected number of future room nights that would be brought to Indianapolis by the prospect meeting or event. This provides a basis for forward planning, as well as benchmark for their incentive program for ICVA sales professionals.

The ICVA has reported a 156% increase in lead room-nights in the first quarter of 2012 versus year-earlier levels. Most of this increase is attributable to the halo effect that Super Bowl XLVI has had on Indianapolis meeting and convention sales efforts. The table below contains two scenarios, a low and high, that seek to monetize and put into perspective what this lift could mean to the city.

In the low scenario, only 75% of the increased lead room-nights are assumed to be attributed to the Super Bowl. Arguing also that the rise in leads includes some of lower quality, a 20% lead conversion rate is assumed. Note that the industry wide average is 25% and the ICVA has achieved a 38% conversion rate in 2012. In the high scenario, 90% of the new leads are attributed to Super Bowl XLVI and a lead conversion rate just below current performance was assumed. The ICVA/CIB economic impact calculator was then used on all 2011 meetings to determine that the average economic impact per actual room-night was \$881.

Super Bowl XLVI-Initiated Meeting and Convention Booking and Economic Impact Lift		
Super Bowl XLVI Meeting and Convention Impact Lift Estimates		
	Low	High
2012Q1 Increased Lead Room-nights @ +156%	75%	90%
Assumed Lead Conversion Percentage	20%	35%
Average Economic Impact per Room-Night	\$881	\$881
Super Bowl XLVI-Initiated Economic Impact Lift (in millions\$)	\$ 81.8	\$ \$169.5

The resulting range of future Super Bowl XLVI meeting and convention impact lift is from \$82 million to \$170 million. Super Bowl XLVI will go beyond simply enhancing the awareness of Indianapolis and its meeting and convention product offering. Many of these new leads will be converted into future business for Indianapolis. Moreover, this analysis is based upon only one quarter's worth of leads. Super Bowl XLVI's positive halo effect will likely continue.

Tourism Displacement During Super Bowl XLVI

An Offset to Super Bowl XLVI's Economic Contribution

An event as far-reaching as the Super Bowl consumes virtually every area hotel room, packs restaurants, and pushes airports, ground transportation, and parking lots to near capacity. Dramatic increases in business traffic occur almost everywhere. This is great news for most everyone, although normal Indianapolis tourism activity was almost entirely displaced by Super Bowl XLVI. Unrelated leisure and business trips that would typically occur during the Super Bowl had to be rescheduled, some perhaps canceled. Likewise, other scheduled events and meetings were either moved to another date or another city.

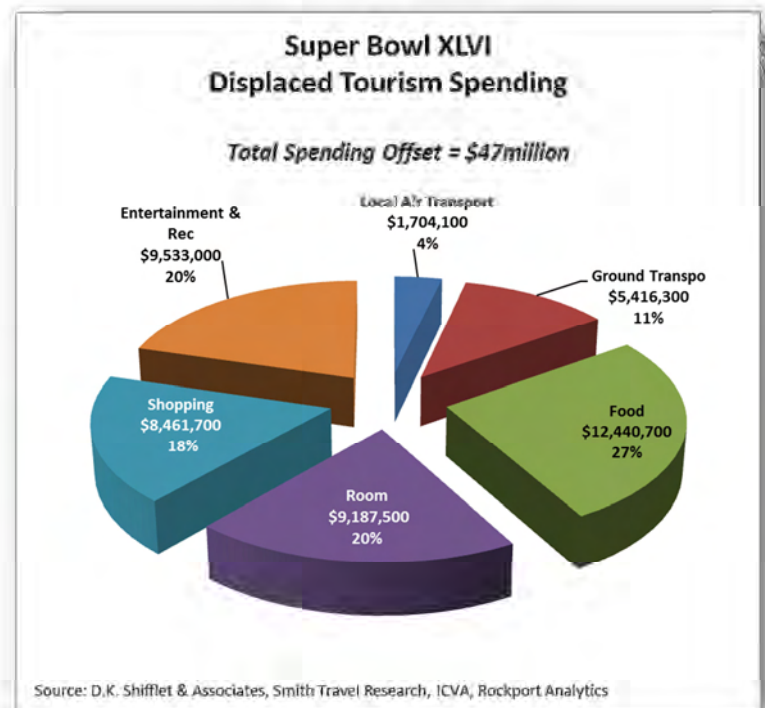


Proper calculation of the economic contribution of an event to a city, particularly one as far-reaching as the Super Bowl, must include an offset for the tourism activity that was displaced. Total non-resident Super Bowl XLVI spending in the Indianapolis MSA was estimated at \$384 million. To isolate the Super Bowl's *incremental* contribution, this value must be net of tourism that would have routinely taken place during that time of year.

All tourism expenditures in the Indianapolis MSA totaled about \$3.6 billion during 2010⁶, an average of about \$68 million per

week. This spending was the product of over 20 million leisure, business transient, and group visits⁷ to the area. Super Bowl XLVI was held during what would normally be in the middle of the slower winter season for tourism. Consider:

- For 2007-2011 average room nights totaled almost 74,000 for the comparable period of Super Bowl XLVI.
- At an average daily room rate of \$99.50 over the same period, this equated to nearly \$7.4 million in room revenue⁸. Moreover, this number includes only about 80-85% of all Indianapolis MSA hotels.
- Other ancillary trip spending for an array of categories including food and beverage, ground transportation, entertainment, and shopping would add another approximately \$38 million during a typical mid-winter tourism week.



⁶ 2010 *Economic Impact of Tourism in Indianapolis*, ICVA & Vantage Strategy, September 2011.

⁷ D.K. Shifflet & Associates *Person-Trips*: a visitor is someone who either stays overnight or travels at least 50 miles one-way

⁸ Smith Travel Research, March 2012.

Based upon past tourism research in the Indianapolis market and the hotel revenue figures mentioned above, Rockport Analytics estimates a tourism displacement of almost \$47 million in spending during Super Bowl XLVI. This is comprised of the categories shown in the pie chart above. Against typical tourism activity for that period, Super Bowl XLVI represented an eight-fold increase in spending.

Calculating the Economic Impact Offset

The economic impact of displaced tourism in Indianapolis during the Super Bowl was calculated in a manner similar to Super Bowl XLVI itself. That is, the average (2007-2011) expenditure estimates for the comparable period were entered into the IMPLAN model of the Indianapolis MSA economy. This model considers the inter-industry linkages within the Indianapolis metro area economy and the trade relationships with regions outside the metro area. The resulting solution provides estimates of the level of value-added (GDP), wages, jobs, and tax receipts that would typically have accrued during the last week of January/first week of February. The results are summarized below.

Super Bowl XLVI Displaced Tourism Spending and Economic Impact				
Concept	Direct	Indirect	Induced	Total
Total Spending	\$ 46,891,000	-	-	\$ 46,891,000
Value-Added (GDP)	\$ 24,226,000	\$ 10,781,000	\$ 10,836,000	\$ 5,844,000
Wages	\$ 14,395,000	\$ 6,436,000	\$ 6,046,000	\$ 6,877,000
Jobs (FTEs)	576	125	146	847
Tax Receipts	-	-	-	\$11,927,000

The *direct* column represents the displaced benefits to Indianapolis businesses that typically impact visitors (i.e. hotels, restaurants, entertainment venues, etc.). The *indirect* and *induced* columns itemize the impacts of those displaced visitor purchases, where indirect represents the supply chain impact and induced addresses the impact of lost wages. These values are subtracted from their corresponding gross Super Bowl XLVI economic impact category to arrive at a net incremental contribution estimate for the Indianapolis MSA.

THE BOTTOM LINE: SUPER BOWL XLVI'S NET ECONOMIC AND FISCAL IMPACT TO INDIANAPOLIS

In a ten-day period, Super Bowl XLVI was able to generate about 10% of an entire year's worth of tourism activity for the Indianapolis MSA. The wave of game attendees, media representatives, corporate event planners, team personnel, officials, and other visitors boosted travel-related infrastructure around the metro area to near capacity. The Super Bowl also brought an accompanying set of events and activities. The resulting expenditures of non-residents, and the events they enjoyed, created a huge economic and fiscal windfall for the region. The objective of this research has been to measure and describe that windfall.

The study detailed the extent to which Super Bowl XLVI contributed to spending, value-added (GDP), jobs, and taxes around the metro area. In an effort to provide defensible estimates of all impact metrics, the approach has been purposely conservative. Where identified spending streams lacked sufficient data, they were not included. Moreover, softer benefits such as the value of media exposure, capital expenditures, or the halo effect on future event bookings in the city were not monetized. While arguably very real, connecting them specifically (and incrementally) to the game or the quantification methods were too controversial.

To arrive at a bottom line for Super Bowl XLVI, the gross economic and fiscal impacts were netted for typical Indianapolis tourism activity displaced by the signature event. The table below provides a summary of spending, impacts, and tax receipts. Gross Super Bowl XLVI spending of \$384 million was netted for an estimated offset of \$47 million to arrive at total net incremental spending of \$326 million.

Super Bowl XLVI Bottom Line			
<i>For the Indianapolis MSA:</i> <i>in millions of \$ unless otherwise noted</i>	Super Bowl XLVI Gross Contribution	Displaced Tourism Offset	Super Bowl XLVI Net Incremental Contribution
Total Gross Spending	\$384.1	(\$46.9)	\$337.2
Total Outside Spending	\$342.1	(\$46.9)	\$295.2
Total Economic Impact:			
Contribution to GDP	\$323.8	(\$45.8)	\$277.9
Direct Impact	\$175.9	(\$24.2)	\$151.7
Indirect Impact	\$67.3	(\$10.8)	\$56.5
Induced Impact	\$80.6	(\$10.8)	\$69.8
Jobs Supported (# FTEs)	5,536	(847)	4,689
Contribution to Area Payrolls	\$203.2	(\$26.9)	\$176.3
Total Tax Receipts	\$88.6	(\$11.9)	\$76.7
Federal	\$42.7	(\$5.9)	\$36.8
State	\$24.9	(\$3.2)	\$21.7
Local	\$21.0	(\$2.8)	\$18.2
Value of Earned & Unearned Media	\$8.4		\$8.4

Source: Rockport Analytics, Vocus FTEs=Full Time Equivalents

The line-item *Total Outside Spending* refers to an aggregation of detailed spending that eliminates those items that were clearly funded by local Indianapolis businesses or governments. For example, most of the operational, event, and promotional expenditures from local organizations such as the Indianapolis Host Committee, the City of Indianapolis, the Indianapolis Convention & Visitors Association, and the Indianapolis regional airports were funded locally. Reducing total Super Bowl XLVI-initiated spending by locally funded spending, the outside expenditure totals \$342 million. This

represents new monies that came to the Indianapolis economy as a result of hosting the game.

Gross Super Bowl XLVI value-added reached \$324 million. Subtracting a displaced tourism offset of \$46 million yields a net incremental contribution to Indianapolis metro GDP of \$278 million.

This particular metric is often generalized as “economic impact.” This \$278 million compares favorably to past Super Bowl studies and an independent pre-game estimate performed in 2008⁹.

Super Bowl XLVI-supported jobs must also be offset for displaced tourism. The gross total of 5,500 jobs was reduced by 850 to register a net total of 4,700. Finally, gross Super Bowl-initiated payrolls were reduced by almost \$27 million to arrive at a net increment of \$176 million. This results in an average annual wage of \$37,600.

Finally, the gross fiscal impacts of Super Bowl XLVI were likewise reduced by an amount that represents displaced tourism taxes to arrive at a net incremental value. For total taxes, the offset amounted to \$12 million. This reduced total gross Super Bowl XLVI-initiated tax receipts from \$89 million to \$77 million. The state and local tax offset totaled about \$6 million. The resulting net incremental state and local tax contribution of Super Bowl XLVI reached almost \$40 million.

The Bottom Line table also includes the value of earned and unearned media surrounding Super Bowl XLVI, primarily as an informational, below-the-line item. Advertising and editorial coverage in print, broadcast, and online media is most certainly a benefit to businesses, citizens, and government institutions in the area. Putting a dollar value on that amount can be difficult, even controversial. Rockport Analytics has included the media value summary provided by Vocus in the impact summary, but it was not folded in to the calculations listed above. This \$8.4 million advertising equivalency is a very real benefit to Indianapolis, one that can pay huge dividends in future tourism and economic development.

From an economic and fiscal standpoint, hosting Super Bowl XLVI was a huge success for Indianapolis. Having executed many studies of this kind over the years, rarely has Rockport Analytics see an event generate \$384 million in spending, \$324 million in GDP, and \$46 million in state and local taxes in the span of ten days. Only the Olympic Games come to mind. These figures represent a conservative estimate that was corrected for double counting, resident contribution, and spending leakages. Moreover, many of the softer benefits to the community, though very real, were not considered at all. Super Bowl XLVI-initiated expenditures and tax receipts amounted to about eight times the normal ten-day level of Indianapolis tourism business for that same time of year. Indianapolis had the right combination of infrastructure, logistics, hospitality expertise, organizational skills, and implementation talent to make these outsized benefits possible.

⁹ *The Economic Impact of the Super Bowl in Indianapolis*, Michael J. Hicks, Bureau of Business Research, Ball State University, March 2008. The range of estimated Super Bowl economic impacts from 1989-2008, adjusted for inflation, was \$176 to \$463 million. The mean was \$322 million.

APPENDIX A: METHODOLOGY AND DATA SOURCES

Rockport was quite fortunate to have a robust set of data from which to estimate the economic and fiscal impacts of Super Bowl XLVI. It came from a variety of sources and the level of cooperation by the many participants providing Super Bowl metrics was optimal - a testimony to the bridges built by the 2012 Indianapolis Super Bowl Host Committee (hereinafter referred to as Indianapolis Host Committee). Moreover, the critical input and guidance provided by past Super Bowl Host Committees and their impact study authors was paramount.

The study utilized data from five main entities: (1) estimates of spending by the many visitors brought to town by the game and its ancillary events, (2) organizations engaged in game and broadcast operations, (3) corporate event sponsors, (4) municipal government agencies, and (5) Indiana and local tax authorities.

Specific data contributors included (in alphabetical order):

- **2012 Indianapolis Super Bowl Host Committee** – hosted events, operational budget line items, construction activity, staffing levels, etc.
- **Capital Improvement Board** – Lucas Oil Stadium and Indiana Convention Center expenses, specific tax analysis of key local tourism-oriented levies
- **City of Indianapolis, Office of Finance and Management** – municipal expenditures on game and event operations
- **D.K. Shifflet & Associates¹⁰** – historical Indianapolis MSA tourism expenditures and visitor per diem spending
- **ESPN, NBC, DirectTV** – hosted events, broadcast operations expenditures, travel and entertainment (T&E)
- **Indiana Department of Revenue** – special analysis of taxes collected during the Super Bowl
- **Indianapolis Airport Authority** – airport arrivals, fuel spending, hosted events, capital improvements
- **Indianapolis Convention & Visitors Association** – hosted events, general tourism activity measures, and displaced tourism offset development
- **Minnesota Implan Group¹¹** – the IMPLAN economic model of the Indianapolis Metropolitan Statistical Area (MSA)
- **NFL** – hosted events, game operations, broadcast and promotional expenditures, T&E expenditures
- **North Texas Super Bowl (XLV) Host Committee** – previous Super Bowl expenditures, visitor intercept survey results, critical advice
- **Smith Travel Research (STR) Global Hotel Performance¹²** – critical measures of Indianapolis hotel demand, room rates, occupancy, and capacity
- **U.S. Bureau of Labor Statistics** – Indianapolis MSA and Indiana employment and payroll data
- **U.S. Department of Commerce** – Consumer Price Index and its components
- **Vocus¹³** – earned and unearned media accounting, advertising equivalency calculations

Once all sources of new Super Bowl XLVI-initiated spending were collected, vetted, and reconciled, our first task was

¹⁰ www.dksa.com

¹¹ www.implan.com

¹² Smith Travel Research, www.str.com

¹³ www.vocus.com

to eliminate any double counting and carefully clear the data of resident spending. Secondly, all of the spending categories were mapped to the North American Industry Classification (NAICS) codes to facilitate entry into the IMPLAN economic model of the Indianapolis MSA. Finally, the model was simulated to estimate the contribution of Super Bowl XLVI to the Indianapolis economy.

The last step was to calculate tax receipts using a combination of IMPLAN-estimated income, excise, and property taxes with transaction-based taxes for sales, hotel, rental car, food and beverage, and amusement levies.

To assist in a full understanding of the concepts and terms used in this study, please refer to the glossary of terms and definitions in Appendix B.

APPENDIX B: TERMS AND DEFINITIONS

This glossary is intended to help clarify some of the key terms and definitions used with this and most economic impact studies.

Glossary of Key Terms

- **Contribution to GDP or Value-Added** – Total Spending net of any leakages outside the Indianapolis MSA. Concept is comparable to Gross Domestic Product
- **Day Trips** – visitors who did not stay overnight and traveled more than 50 miles one-way on behalf of Super Bowl XLVI
- **Direct Impact** – the impact of Super Bowl XLVI expenditures on businesses that either directly serve visitors or are involved in game and event execution. Examples would include hotels and restaurants, as well as stadium operational expenditures or ancillary event catering expenses.
- **Employment or Jobs** – the number of jobs supported by Super Bowl XLVI in the Indianapolis MSA. Jobs are expressed in full-time equivalency (FTE) terms. Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs. FTE is a job measure that combines full- and part-time jobs and facilitates comparisons with other events or with total tourism activity.
- **Income and Property Tax Receipts** –these are taxes that are collected against the income generated by Super Bowl XLVI-initiated wages and the use of public and private structures to accommodate the game, the events, and its many visitors. Both taxes are estimated by the IMPLAN model. Income taxes are applied against calculated payrolls at current rates. Property taxes are prorated from annual assessments and vary by industry.
- **Indirect Impact** – the downstream impact of Super Bowl XLVI-initiated expenditures in the Indianapolis MSA on the supply chain businesses. Examples would include cleaning supply distributors for hotels or legal service providers for other Direct businesses.
- **Induced Impact** – the downstream spending that results from wage income paid to Direct and Indirect businesses' labor. An example would be the consumer expenditures resulting from the wages paid to a hotel worker.
- **Overnight Visitors** – those visitors who stayed overnight in a hotel or other lodging alternative, including the homes of resident friends or family
- **Payrolls or Wages** – the total value of paid wages and proprietors' income initiated by Super Bowl XLVI in the Indianapolis MSA.
- **Room Night** – one hotel room occupied by any size travel party for one night
- **Total Spending** – the accumulation of all net new spending in the Indianapolis-Carmel Metropolitan Statistical Area (MSA) that was initiated by Super Bowl XLVI. Total Spending is net of any resident expenditures at the game or its ancillary events on the assumption that these monies would have been spent locally anyway.
- **Total Outside Spending** – Total Spending net of any identified operating, promotion, or event expenditures that have been ultimately funded by local Indianapolis area businesses, residents, or governments.
- **Transaction-based Tax Receipts** –tax receipts that are derived from the purchase of goods and services. These include sales taxes, as well as the County Innkeepers, rental car, admissions, and supplemental food and beverage taxes. Transaction taxes have been derived in this study by applying appropriate tax rates to measured purchases.
- **Visitor** – anyone who came to Indianapolis on behalf of Super Bowl XLVI that either stayed overnight or traveled more than 50 miles one-way. Also referred to as a non-resident.

- **Visitor-Days** – equals the number of Indianapolis visitors times their length-of-stay.

Key Study Definitions

- **Indianapolis** - the geographic focus of this study is the Indianapolis Metropolitan Statistical Area (MSA). The U.S. Office of Management and Budget defines this as a eleven-county area that includes Boone, Brown, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Putnam, and Shelby counties. Unless otherwise noted, references to “Indianapolis” or the “Indianapolis metro area” in this report refer to this definition.
- **Gross Spending and Economic Impacts** – this refers to Super Bowl XLVI-initiated expenditures and resulting economic impacts on the Indianapolis MSA *before* consideration of any tourism that was displaced by the event.
- **Net Spending and Economic Impacts** – Gross spending and impacts adjusted for estimates of displaced tourism activity that would normally have taken place during the period of Super Bowl XLVI.