

Public Records Request #2147

The following materials have been gathered in response to public records request #2147. These materials include:

- University of South Carolina – College of Hospitality, Retail, and Sport Management – Department of Sport & Entertainment Management – *A Market Assessment of the Carolina Panthers*

This information was provided as a response to a public records request on 3/13/19 and is current to that date. There is a possibility of more current information and/or documents related to the stated subject matter.

Further Information

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U N I V E R S I T Y O F
SOUTH CAROLINA

COLLEGE OF HOSPITALITY, RETAIL, AND SPORT MANAGEMENT
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A MARKET ASSESSMENT OF THE CAROLINA PANTHERS

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A MARKET ASSESSMENT
OF THE
CAROLINA PANTHERS
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I. Executive Summary

A Market Assessment of the Carolina Panthers on the Charlotte Metropolitan Area and the State of North Carolina.

The Carolina Panthers and Bank of America Stadium (BOA) are important components of North Carolina's sports, entertainment, tourism and business community. The Panthers make Charlotte a "major league city" as a member of the National Football League – bringing national exposure and conferring status that helps make the region attractive to newcomers and new business investment. BOA stadium not only hosts the NFL Carolina Panthers but hosts other major sport and entertainment events annually. It is not just a stadium that for nearly 20 years has sold out the 73,788 seats in the privately held venue for NFL football, it hosts college games, in addition to a variety of non-sport events and live entertainment.

To measure the economic benefits of these operations, we examined financial statements and ongoing expenditures by the Carolina Panthers and BOA stadium on football and other events occurring at the stadium and at the team's additional facilities. We also used three different survey methods to measure spending by fans attending the games. With these data, standard input-output modeling was used to calculate the recirculation of the direct expenditures by the Panthers, fans and the stadium in the Charlotte metropolitan economy to capture the resulting spending by other businesses and people who benefit from those initial expenditures. We did not include expenditures by organizers or attendees that occurred during other stadium events, nor did we include spending by Panthers players who live outside the Charlotte region. Also excluded was spending by fans attending 2012 Panthers games if those surveyed indicated they likely would have visited uptown Charlotte even if the game had not been an option. Spending during home games as reported by season ticket holders and single-game ticket holders, who were surveyed by email and also randomly by mail, was included as an economic benefit only if those respondents said their reason for visiting uptown Charlotte was to attend the NFL game. Overall, the three fan survey methods produced a statistically significant 1,324 valid surveys.

The economic analysis found the ongoing operations of the Carolina Panthers and BOA stadium generate significant and quantifiable economic impacts totaling \$636 million annually. These operations create jobs, generate salaries and wages, spark output and spending by other businesses and their employees, and boost taxes and other public revenues. The jobs and new economic opportunities occur in a variety of industries, with more than a quarter coming in high-wage occupations, important drivers in economic growth. These economic impacts are summarized in the table below.

Table 1: Summary of Annual Recurring Economic Impacts Generated by Carolina Panthers and BOA Stadium

Impact on:	Direct	Indirect & Induced	Total Impact
Employment (Jobs)	4,415	1,973	6,388
Labor Income (\$ Mil.)	\$147	\$72	\$219
Gross State Product (Value added \$ Mil.)	\$208	\$131	\$339
Federal, State & Local Tax Revenues (\$ Mil.)	—	—	\$92.9
Total Economic Impact (\$ Mil.)	\$361.5	\$274.5	\$636
Source: Department of Sport and Entertainment - USC			

A. Employment Impacts of Carolina Panthers and BOA Stadium

Over 6,388 permanent jobs for North Carolina and the Charlotte MSA residents result directly or indirectly from the operations of Carolina Panthers and BOA stadium. These results are summarized in Table 2 (page 12). The ongoing activities directly create 4,415 jobs in the Visitor Industry, Knowledge-Based Services, and in other sectors of the Charlotte MSA and North Carolina economy. However; its indirect and induced jobs creation process reaches deeply into all sectors of the economy. An additional 839 jobs are supported by indirect economic effects, and 1,134 jobs are generated from induced spending effects. Therefore, the total number of permanent jobs, directly, indirectly and induced, supported by the economic activity of Panthers football and BOA stadium is 6,388.

B. Generation of Labor Income

Carolina Panthers and BOA stadium generates from ongoing operations over \$219 million in Labor Income annually. The detail of the team's ongoing operations on Labor Income for workers is quantified in Table 3 (Page 13). It should be noted that labor is a significant component of the organization and impacts the economy significantly. In addition to the \$147 million of Labor Income directly generated by these operations, over \$72 million, or 32.8 percent, is created by indirect and induced economic activities.

C. Carolina Panthers and BOA Stadium Ongoing Value-Added Impacts

Carolina Panthers and BOA stadium's ongoing operations create a net contribution to the Charlotte Metropolitan Area and the North Carolina economy of close to \$339 million each year. Value Added is the portion of business revenues that is available to pay compensation to workers, capital income and indirect business taxes. Value added is the principal source of income to households and a key measure of Carolina Panthers and BOA stadium's contribution to the Charlotte MSA and the North Carolina economy. Page 15, Table 4 highlights the value-added impacts generated by the NLF franchise and stadium. Team and stadium operations support the drive to create a high value-added, high-wage economy in North Carolina. The Knowledge-Based Services sector produces the greatest value-added impact with over \$94 million, or 27.7 percent, of the total. The Visitor Industry generates more than \$82 million, or 24 percent, followed by other sectors such as Wholesale Trade, Retail Trade and Government & Other.

D. Total Economic Impact from the Ongoing Operation of Carolina Panthers and BOA Stadium

The total economic impact from the ongoing operations of Carolina Panthers and BOA stadium is slightly over \$636 million annually. Table 5 on page 17 illustrates the breakdown for the total economic impact of Carolina Panthers related business activities. A significant portion of the total economic impact occurs in the Knowledge-Based Services with 27.2 percent of the total, followed closely by the Visitor Industry representing 25.6 percent of the total. These sectors are followed by the Wholesale Trade sector at 17.9 percent. The remaining 29.3 percent is spread across other economic sectors. Sectors were aggregated to produce the final results.

E. Carolina Panthers and BOA Stadium's Ongoing Operations Generate Important Contributions to Public Revenues Each Year.

The NFL Panthers, all its related business activity and BOA Stadium's ongoing operations generate almost \$93 million in taxes and other public revenues each year. The Panthers' and all affiliated entities ongoing operations result in increases in government revenues for federal, state, and local governments in North Carolina (Table 6, page 18). Of the total of \$93 Million, \$53.3 Million, or 57 percent, flows to the federal government, with the remaining \$39.6 Million, or 43 percent, of tax revenues allocated to state and local governments.

In conclusion, the Carolina Panthers and BOA stadium operations are an indisputable economic benefit for the local, regional and state economies. They create additional jobs outside the Panthers organization and new economic opportunities in a variety of industries. The Panthers also create local pride and generate national exposure for the Charlotte region and the state of North Carolina, which helps make these areas attractive for new investment. The popularity of the NFL draws visitors to Charlotte who also shop and take advantage of other local amenities. The NFL and the Panthers also generate continual coverage in traditional and social media, helping to create better awareness of the Charlotte area. These recurring impacts are an important engine for the Charlotte regional and state economies.