

# UTAH'S Economy

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## THE BUSINESS OF SPORTS IN UTAH

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One upbeat sector in the Utah economy over the past few years has been the sports industry. In 2009 spending on sports activities, including attendance, participation and retail purchases, totaled \$2.5 billion.

### Some other highlights:

- Attendance for collegiate sports events is at an all-time high. In the most recent season the combined attendance for football, basketball and women's gymnastics totaled 1.6 million spectators.
- In 2009 attendance at professional sports events was 2.28 million, the third highest attendance year ever.
- With the completion of the \$110 million Rio Tinto Stadium the value of sports venues in Utah, including golf courses, collegiate facilities and professional sports team stadiums, hit \$3.2 billion in 2010.
- Sporting goods store reported nearly \$500 million in retail sales in 2009, recovering from a very weak 2008.
- The number of skier/snowboarder days in Utah was 4.0 million in 2010, near the record level of 2008, *Table 1*.

Utah's ski industry contributes more than any other sports activity to the economic growth of the state, *Table 2*. The most recent impact analysis shows that in 2007-2008 over a billion dollars was spent in Utah by skiers. What makes skiing particularly important to economic activity is spending by nonresidents. Nonresidents spend money on lodging, car rental and travel, all of which contributes to economic growth. Eighty percent of all skier/snowboarder spending is done by nonresidents. This \$858 million

**Table 1 Skier/Snowboarder Days in Utah**



| Season    | Number of Skier Days |
|-----------|----------------------|
| 1997-1998 | 3,101,735            |
| 1998-1999 | 3,095,347            |
| 1999-2000 | 2,959,778            |
| 2000-2001 | 3,278,291            |
| 2001-2002 | 2,984,574            |
| 2002-2003 | 3,141,212            |
| 2003-2004 | 3,429,141            |
| 2004-2005 | 3,895,578            |
| 2005-2006 | 4,062,188            |
| 2006-2007 | 4,082,094            |
| 2007-2008 | 4,249,190            |
| 2008-2009 | 3,972,984            |
| 2009-2010 | 4,048,153            |

Source: Utah Ski Association.

in nonresidents spending creates 18,000 jobs and \$441 million in income in Utah.

Ranked second to skiing, in terms of economic impact, is the manufacture of sports equipment. There are about

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**Table 2 Economic Impacts of Skiing and Snowboarding in Utah, 2007–2008** (Millions of Dollars)



| Impact           | Amount  |
|------------------|---------|
| Total Spending   | \$1,060 |
| Nonresident      | \$ 858  |
| Resident         | \$ 178  |
| On-Hill Spending | \$ 386  |
| Income Generated | \$ 441  |
| Jobs Generated   | 18,000  |

Source: Utah Ski Association.

50 companies in Utah manufacturing a wide range of sports equipment. These companies employ 5,000 people with wages of \$174 million. Applying the economic impact multiplier to these direct jobs and wages raises the total economic impact of sporting goods manufacturing to 15,800 jobs and \$432 million in wages. The largest sporting goods manufacturer in Utah is ICON Health and Fitness, a home grown company founded in 1977 that now employs 2,700 people at their manufacturing facilities in Cache Valley. ICON's principal products are treadmills, exercise bikes and ellipticals. Other sporting goods manufacturers with at least 100 employees include: Action Target (portable firearm target systems), Black Diamond

(ski and rock climbing gear), Easton Technical Products (tent products), Hoyt USA (archery equipment), Lifetime Products (outdoor basketball and playground systems), Smith Sports Optics (swim and protective goggles).

In terms of participation hunting, fishing and golfing are the most significant activities. Hunters and anglers spend over \$700 million on their sports. However, most of the participants are local residents therefore reducing the economic impact. U.S. Fish and Wildlife estimates there were 375,000 anglers in Utah in 2006 fishing some 3.5 million days, and 166,000 hunters racking up 1.7 million days of hunting. The number of rounds of golf played in Utah each year is around 3.5 million.

Attendance at professional sports games is near its all-time peak. In 2009 nearly 2.3 million spectators paid to attend professional sports events, *Table 3*. The Utah Jazz captured 40 percent of these spectators with a total attendance in 2009 of 898,941. The best attendance year ever for the Jazz was in 1998 when the team went to the NBA finals, which pushed total attendance numbers to 1.0 million. The Salt Lake Bees ranked second in total attendance in 2009 with 519,027 spectators followed by Real Salt Lake with 294,459.

The combined attendance for Utah's five major football programs hit 818,469 in 2010, the highest on record. BYU and University of Utah sold out their stadiums and Utah State had the best attendance year since 2001, *Table 4*.

**Table 3 Attendance for Professional Sports Teams**

| Team                                  | 2005      | 2006      | 2007      | 2008      | 2009      |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Utah Jazz                             | 808,630   | 802,375   | 1,000,272 | 985,531   | 898,941   |
| Real Salt Lake                        | 306,737   | 314,326   | 251,616   | 300,069   | 294,459   |
| Salt Lake Bees                        | 437,686   | 470,398   | 478,143   | 513,326   | 519,027   |
| Utah Blaze                            | (1)       | 123,895   | 114,314   | 116,118   | (1)       |
| Utah Grizzlies                        | 192,024   | 138,394   | 152,029   | 165,390   | 143,141   |
| Ogden Raptors                         | 131,371   | 134,961   | 130,260   | 140,114   | 145,469   |
| Orem Owlz                             | 76,784    | 104,088   | 114,344   | 116,212   | 100,056   |
| St. George Roadrunners                | (1)       | (1)       | 25,120    | 37,632    | 45,703    |
| Utah Flash (first season was '07-'08) | (1)       | (1)       | (1)       | 92,415    | 77,248    |
| Miller Motorsports Park               | (1)       | 54,925    | 50,219    | 63,107    | 59,359    |
| Total                                 | 1,953,232 | 2,143,362 | 2,316,317 | 2,529,914 | 2,283,403 |

(1) Not operating. Source: Survey of teams.

**Table 4 Attendance at Collegiate Football Games in Utah**

| Year | Brigham Young University | Southern Utah University | University of Utah | Utah State University | Weber State University | Total   |
|------|--------------------------|--------------------------|--------------------|-----------------------|------------------------|---------|
| 1999 | 391,111                  | 23,657                   | 195,853            | 87,199                | 42,966                 | 740,786 |
| 2000 | 363,711                  | 20,362                   | 231,225            | 99,549                | 42,043                 | 756,890 |
| 2001 | 362,699                  | 31,811                   | 170,347            | 108,922               | 32,738                 | 706,517 |
| 2002 | 373,055                  | NA                       | 178,419            | 84,145                | NA                     | 635,619 |
| 2003 | 369,003                  | 27,946                   | 210,801            | 74,604                | 50,995                 | 733,349 |
| 2004 | 350,849                  | 19,195                   | 264,670            | 78,000                | NA                     | 712,714 |
| 2005 | 349,222                  | 13,056                   | 249,215            | 54,482                | 50,757                 | 716,732 |
| 2006 | 363,146                  | 26,110                   | 259,675            | 56,800                | 35,976                 | 741,707 |
| 2007 | 386,980                  | 20,706                   | 255,557            | 65,656                | 20,460                 | 749,359 |
| 2008 | 384,613                  | 24,427                   | 273,250            | 88,418                | 41,461                 | 812,169 |
| 2009 | 385,416                  | 24,609                   | 270,929            | 79,857                | 32,500                 | 793,311 |
| 2010 | 368,283                  | 35,603                   | 272,754            | 107,265               | 34,564                 | 818,469 |

Source: NCAA website.

The investment in sports infrastructure is significant. The value of venues is estimated at \$3.2 billion. Ski resorts ranked first in infrastructure value at \$975 million followed by golf courses at \$852 million, *Table 5*.

Utah’s sports industry is a thriving sector, providing jobs and wages for several thousand workers. In addition to these direct economic benefits, the leisure and recreation opportunities provided by the sports sector enhance the state’s quality of life, thereby making Utah a more attractive location for new and expanding businesses.

**Table 5 Replacement Value of Sports Venues in Utah**  
(Millions of Dollars)

| Type of Facility             | Replacement Value |
|------------------------------|-------------------|
| Collegiate Facilities        | \$ 263.7          |
| Olympic Venues               | \$ 225.2          |
| Spectator Sport Facilities   | \$ 308.5          |
| Ski Resort Infrastructure    | \$ 975.0          |
| Public Recreation Facilities | \$ 538.5          |
| Golf Courses                 | \$ 852.9          |
| Total                        | \$3,163.8         |



Source: Division of Facilities and Construction Management, Office of Planning and Budget, Cooperating Colleges and Universities.