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NCAA sees at least \$30 million for area

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Hotels and restaurants in metro Detroit say the NCAA Final Four is a slam-dunk event.

At the Westin Book Cadillac Hotel, Scott Stinebaugh, director of sales and marketing, says the fully booked hotel should take in more than \$1 million for room stays and parties.

That's just one slice of the economic impact for metro Detroit, estimated by the National Collegiate Athletic Association at \$30 million to \$50 million.

Frank Taylor, owner of Seldom Blues and other downtown restaurants, says businesses like his are ready to host the up-to-80,000 fans expected for the Final Four.

"I'm looking forward to a fantastic weekend," he said. "All of a sudden you have employees working full-time and double shifts, which none of them are complaining about."

Certainly, hotels and bars expect a huge draw this weekend as fans converge on downtown for the NCAA men's championship basketball finals -- with hometown favorite Michigan State University Spartans adding even more excitement.

Small firms benefit, too. The Final Four host committee gave Detroit-based Royal Transportation an \$8,000 contract to shuttle fans.

Yet economists who study sporting events say estimates of economic benefit to a community often are exaggerated.

National Football League hosts, for example, estimated that Super Bowl XL in Detroit in 2006 would deliver an economic impact of \$300 million. Anderson Economic Group, an East Lansing-based consulting firm, did an independent review that pegged the impact at closer to \$49 million.

Rodney Fort, professor of sport management at the University of Michigan, said the difference lies in what gets counted.

"A lot of things are counted that are not new," Fort said last week. "A lot of things are counted that don't take into account the displacement of other activities that might have happened anyway."

Nor do such estimates usually consider that money spent in a host city often vanishes into coffers far away. At Super Bowl XL, for example, many of the vendors selling souvenirs were out-of-towners who took their profits home with them.

To its credit, the NCAA uses conservative measures to come up with its \$30-million-to-\$50-million estimate for Detroit.

Among other steps, the NCAA doesn't count spending by local fans, figuring that money would have

been spent anyway in metro Detroit. The NCAA also excludes a portion of money spent on souvenirs because much of that money goes out of town.

Perhaps most important, the NCAA does not include any spin-off benefits, which economists say are open to inflation.

If economists love to quibble, nobody disputes that events like the Final Four can help a city shine, said Scott Watkins, a consultant with Anderson.

"Economic impacts really can't measure the long-term goodwill that an event like this can bring to a community," he said. "This gives us a chance to show the country that Detroit is alive and well."

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