

FOOT LEVELERS BLUE RIDGE
MARATHON
— america's toughest road marathon™ —

Roanoke, VA

2016

Economic Impact Analysis





**ROANOKE REGIONAL
PARTNERSHIP**



Roanoke Valley-Alleghany
**REGIONAL
commission**

This report was prepared by the Roanoke Valley – Alleghany Regional Commission and Roanoke Regional Partnership.

The economic impact analysis provided in this report was generated using an economic impact model calibrated for a specific study area using standard regional data sets. The results are to be interpreted as a best estimate of economic impact based on the assumptions and/or data provided.

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Introduction

On April 16, 2016, the Roanoke Region welcomed 1,844 runners who participated in the seventh annual Foot Levelers Blue Ridge Marathon event series, which included the full marathon, half marathon, Anthem Star 10K, and the Carilion Children's Family 1-Miler races.

Billed as America's toughest road marathon, the race course started in downtown Roanoke on Jefferson Street and ended at Elmwood Park and went from the low elevations of downtown and the Roanoke River to the higher elevations at the top of Mill Mountain and Roanoke Mountain along sections of the Blue Ridge Parkway for a total elevation change of 7,430 feet.

Race organizers know it is of vital importance to gauge the economic impact of the race event. Such information would be instrumental in helping the community to understand the impacts such events bring to the community and to build support for future marathons in the Roanoke Region of Virginia. The Roanoke Regional Partnership and Roanoke Valley – Alleghany Regional Commission worked to prepare a participant survey and to prepare this assessment of the economic impact of the event.

Methodology

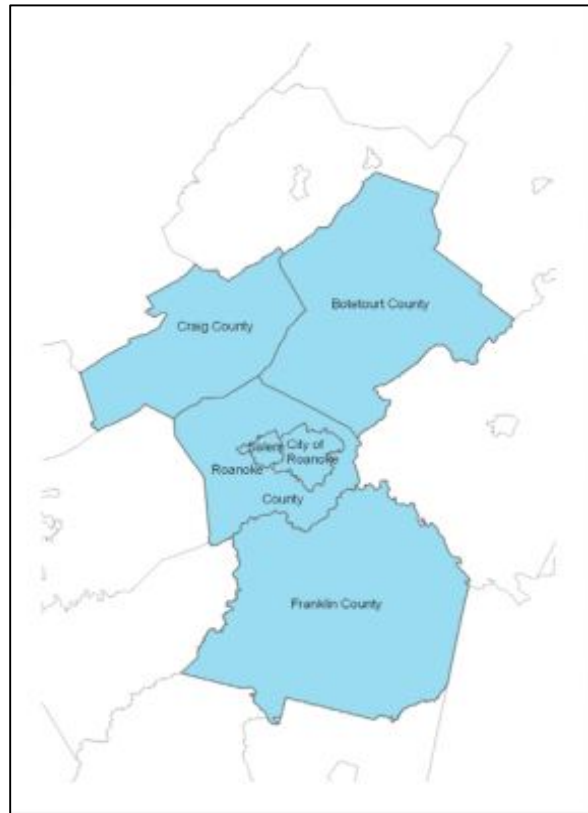
A survey was produced jointly by Roanoke Regional Partnership and the Roanoke Valley – Alleghany Regional Commission improving on the survey instrument from the previous year. The survey was distributed to event participants in the week following the event. Participation was incentivized with discounted entry into the 2017 marathon. In total, there were 1,006 respondents to the survey, representing a response rate of approximately 54.5 percent of actual participants.

The study area or area of impact for this analysis was defined as the Roanoke Metropolitan Statistical Area, which is composed of the Counties of Botetourt, Craig, Franklin, and Roanoke; and the Cities of Roanoke and Salem.

Survey responses were used to compute average expenditures for food, lodging, and retail purchases made in the region per person per day. The IMPLAN (**IM**portant Analysis for **PLAN**ning) economic impact model for the Roanoke Metropolitan Statistical Area (using 2014 IMPLAN data for the study region and utilizing social accounting multipliers) was employed to estimate the amount of regional activity originating from the marathon.

IMPLAN is an economic impact modeling software first developed jointly by the University of Minnesota and the US Forest Service in the 1970's and later expanded upon by the Minnesota IMPLAN Group. The modeling software and IMPLAN proprietary data set is currently maintained by IMPLAN Group, LLC, a private company based in Huntersville, North Carolina. IMPLAN is widely used by universities, economic consultants, economic development professionals, and others involved in estimating economic impact of

Figure 1: Study Area Location



programs and events. IMPLAN models the flow of expenditures through industries and institutions of a regional economy that result after an initial economic stimulus is made in a given economy. More information on the IMPLAN model and data set can be obtained at <http://www.implan.com>.

Survey Results

The survey was conducted by Roanoke Regional Partnership. The survey yielded 1,006 responses for a response rate of 54.5 percent.

Geographic Dispersion

Approximately 78 percent of runners were from the state of Virginia and 85 percent were from the southeastern United States. In all, there were 38 states represented in addition to the District of Columbia. Afghanistan, Brazil, Haiti, Ireland, Germany, Canada, the United Kingdom and Puerto Rico were also represented.

Figure 2: Marathon Series Participation by Year



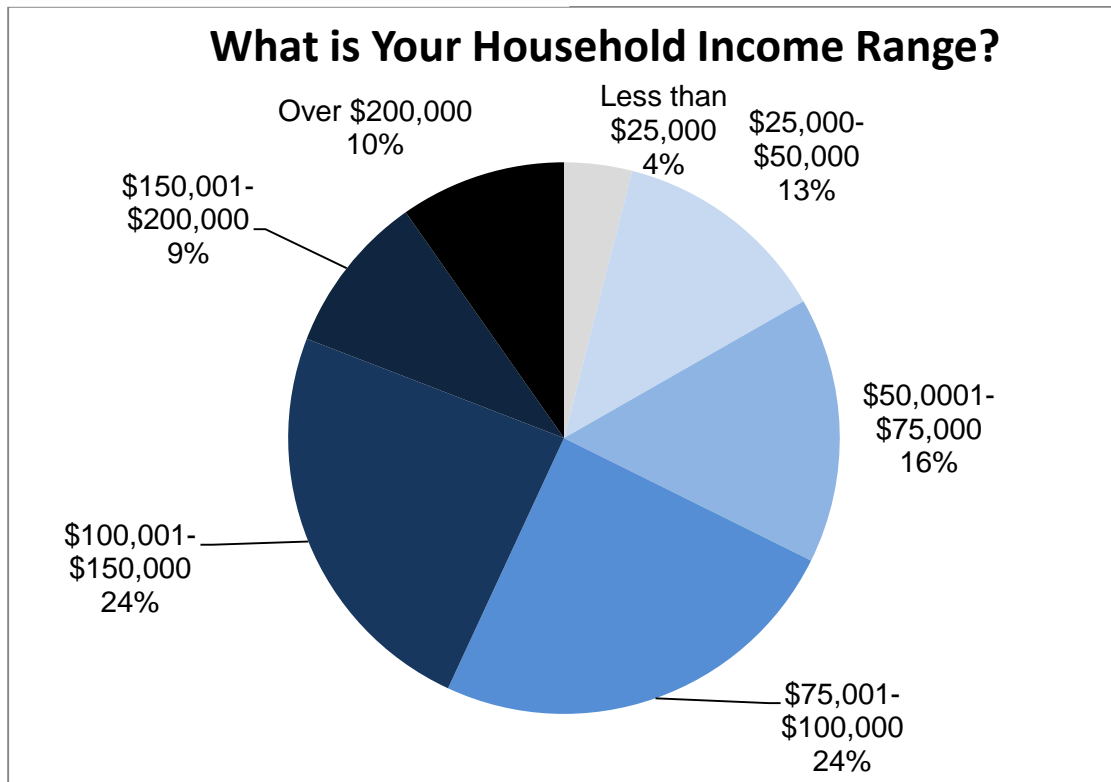
Overall participation was comparable to last year with roughly 9.96 percent more runners overall. Extra-regional runners which introduce new money into our region by spending on goods and services surrounding the day of the event increased by 5.4 percent over last year. Utilizing the runner registration list, it was determined that 52.5 percent of participants originated from outside the study area and were therefore counted as visitors in the analysis. Those originating from outside of the MSA were divided into those who were likely to have made a day-trip out of running in the marathon and those who were likely to have spent the night based upon the distance traveled to attend. Generally, those traveling one and a half hours or more were classified as having spent the night. Generally, survey results supported this classification with the majority of runners from one and a half hours or more indicating some hotel

expenditure associated with the event. There were 712 participants classified as 'overnighters' and 256 participants classified as 'day-trip' visitors.

It is important to note that expenditures of visitors to the area are of chief concern to this analysis, since such expenditures represent new money entering the region. An argument can be made that certain local expenditures were induced by this event, but these are typically of concern to an analysis such as this when a demonstrated case of import substitution can be shown.

Income and Education

Figure 3: Household Income of Participants



Most runners, approximately 74 percent, held at least a four-year degree and 36 percent held advanced degrees. Approximately 43 percent made over \$100,000 last year.

Length of Stay

A significant proportion (39 percent) of survey respondents reported staying in town for the 2014 Blue Ridge Marathon for at least one night. Approximately 35 percent stayed between one and two nights in the region. The average length of stay among respondents at least one and a half hours from the race start location was 1.7 nights.

Size of Travel Party

Approximately 46 percent of respondents reported traveling with family or friends. Respondents were asked to report the number of non-participants that traveled with them. The average size of the travel party among respondents more than one and a half hours from the race was 1.9. Other respondents living outside the study area traveled with an average of 0.5 others per participant.

Visitation to Local Attractions

Participants were asked if they visited any local attractions such as the Down by Downtown Music Festival, Taubman Museum of Art, Virginia Transportation Museum, Mill Mountain Star, etc. Approximately 60 percent of respondents more than one and a half hours from the race reported visiting a local attraction.

Average Expenditures

Respondents were asked to report the amount spent by their entire travel party on fuel, meals, lodging, miscellaneous retail purchases, and admissions while in the study area. The following were the average values for those respondents who were from outside of the study area.

Figure 4: Average Travel Party Expenditures

| Category | Overnight Visitors | Day-trip Visitors |
|-----------------|---------------------------|--------------------------|
| Lodging | \$110.56 | -- |
| Meals | \$75.91 | \$44.95 |
| Gas | \$29.94 | \$20.38 |
| Misc. Retail | \$38.94 | \$31.34 |
| Admissions | \$6.23 | \$2.97 |

These average per travel party per day expenditures were used to identify an initial direct impact figure input into the IMPLAN model¹. The number of visitor days² associated with the Blue Ridge Marathon was multiplied by each category to determine the direct impact in the restaurant, hotel/motel, general merchandise retail, gasoline, and museum/historical site industries. These direct impacts were entered into the IMPLAN model. The software was instructed to consider only the retail margin of retail purchases (the wholesale cost of each product likely leaves the region as in most cases the product is manufactured elsewhere and the margin also does not include the costs of transporting the product to the store).

Purchases made by the race organizers for goods and services in the study area were also added since the majority of funds used in organizing the marathon were race entry fees. Donations to local charitable organizations having their headquarters in the region were also considered since those organizations operate within the study area. The fees paid by the participants from outside the study region far surpassed these local expenditure and donation amounts.

The IMPLAN model calculates a direct, indirect, and induced impact after adjusting the initial direct impact for leakage by using estimated retail margins.

¹ As a general rule, only those expenditures made by visitors are used in any estimate of economic impact since local spending represents recirculation of wealth within a local economy. While there were 805 local runners, 600 local volunteers, and at least 8,000 local spectators that likely spent local funds on lunch and snacks during the day of the event and likely made other expenditures that they might not have spent otherwise, there is no method short of a volunteer/spectator survey to determine the proportion of local participants that would have travelled outside the region as opposed to participating in the marathon activity. A case for import substitution simply cannot be made without this data.

² Visitor days are computed by multiplying the number of participants who are from outside the region by the average travel party size and by the average length of stay.

Economic Impact

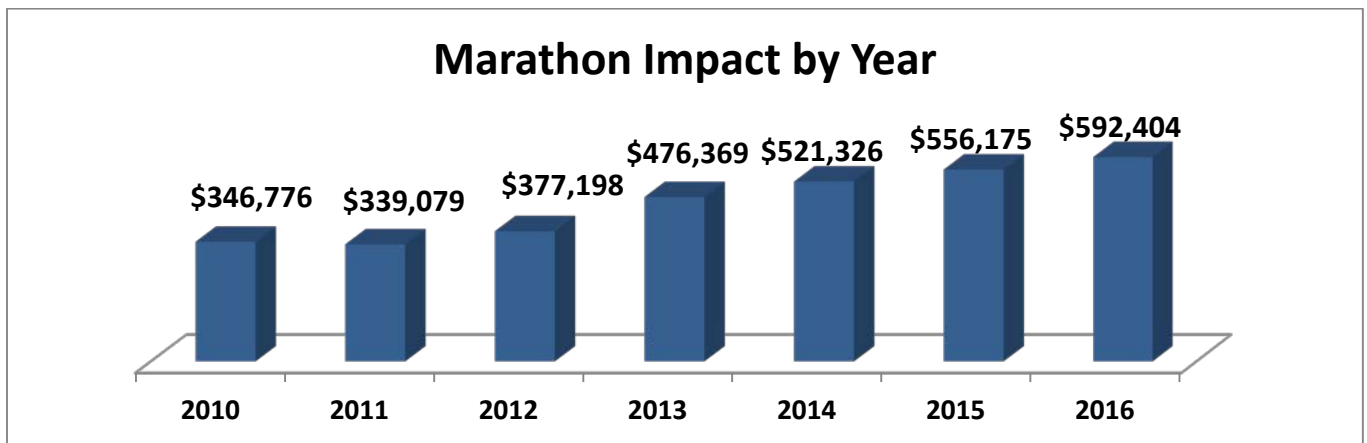
It is estimated that the sixth annual Blue Ridge Marathon attracted \$339,911 in direct new sales activity to the region, which led to an additional \$252,493 in indirect³ and induced⁴ spending for a total impact on output⁵ of \$592,404. This corresponds to an increase of \$306,332 in value added⁶ to the regional economy. Activity surrounding the event will support the equivalent of 7.3 jobs in the region for the period of a year⁷.

Figure 5: Summary Economic Impact Table

| | Output | Employment | Labor Income | Value Added |
|------------------------|---------------|-------------------|---------------------|--------------------|
| Direct Effect | \$339,911 | 5.2 | \$113,795 | \$172,386 |
| Indirect Effect | \$129,796 | 1.1 | \$39,653 | \$65,542 |
| Induced Effect | \$122,697 | 1.0 | \$38,530 | \$68,405 |
| Total Effect | \$592,404 | 7.3 | \$191,978 | \$306,333 |

The impact of the marathon increased 6.5 percent over 2015. This increase is consistent with the increase in extra-regional runners as well as the impact of inflation. The chart below summarizes the impacts of the previous marathon events. In all, the event has supported more than \$3.2 million in regional economic activity since its inception.

Figure 6: Marathon Impact by Year



³ Indirect impacts are those represented by local industries purchasing from other local industries as a result of a direct economic event. Indirect impacts represent a cumulative total of several cycles of spending that work its way through the local economic supply chain until all remaining money from the initial stimulus leaks from the study area economy. For instance, a series of restaurants making purchases of goods from local suppliers as a result of participant spending on meals would be an example.

⁴ Induced impacts are those impacts that result from household spending by those impacted in the direct and indirect phases of economic impact.

⁵ Output can generally be understood as regional sales activity. Output is more precisely defined as the value of industry production. In the case of service industries, which are primarily involved in the tourism and visitation industry, the value of production equals sales.

⁶ Value added is defined as the difference between an industry's total output and the cost of any intermediate inputs. Value added includes employee compensation, taxes, and operating surplus. Value added is best understood as the contribution made to gross domestic product or, more simply, as new wealth in the region.

⁷ The IMPLAN model considers employment to represent annual average full-time/part-time jobs, which may manifest themselves as overtime and/or retention of a job in the service industry that might otherwise have been lost without the economic stimulus.

APPENDIX

1.

Everyone who completes the survey and provides your name and email will receive a 50% discount off next year's race (April 22). Just leave your name and email and we'll send you a discount code when the survey is closed and 2017 registration is open. The code will not be available before registration opens and will only be valid for two weeks.

Please answer the following questions as completely and accurately as possible. All responses will remain confidential. Your answers not only help us improve the event, but they also help us attract the right corporate sponsors, which translates into a better experience for you. Thank you for participating and for taking the time to help us improve our efforts for next year.

Sincerely,

Pete Eshelman
Chair, Blue Ridge Marathon
Roanoke Outside Foundation

1. For purposes of determining local economic impact, please enter your zip/mail code below. If you are from a country other than the United States, please enter your home country.

2. Which event did you participate in this year?

- Full Marathon
- Half Marathon
- Star K
- Family 1 miler

3. If you did not run the full marathon this year, what factor(s) might motivate you to run a longer distance race in the future?

4. How did you hear about this event? Select all that apply.

- | | | |
|---|---|--|
| <input type="checkbox"/> Friend or Family Member | <input type="checkbox"/> #RunChat | <input type="checkbox"/> Women's Running Mag. |
| <input type="checkbox"/> Facebook | <input type="checkbox"/> MarathonGuide.com | <input type="checkbox"/> RunningWashington.com |
| <input type="checkbox"/> Twitter | <input type="checkbox"/> Active.com | <input type="checkbox"/> RunningintheUSA.com |
| <input type="checkbox"/> From an Official BRM Blogger | <input type="checkbox"/> Competitor Mag or Emails | <input type="checkbox"/> Race Expo |
| <input type="checkbox"/> Map My Run App | <input type="checkbox"/> Baltimore Marathon Guide | |
| <input type="checkbox"/> Blue Ridge Outdoors | <input type="checkbox"/> Fleet Feet Sports | |
| <input type="checkbox"/> Other (please specify website or other source) | | |

5. Did you participate in any previous Blue Ridge Marathons, Half Marathons, or Star 10K events?

- Yes, I participated in the 2010 event
- Yes, I participated in the 2011 event
- Yes, I participated in the 2012 event
- Yes, I participated in the 2013 event
- Yes, I participated in the 2014 event
- Yes, I participated in the 2015 event
- No, this was my first time!

6. Where did you stay during the event?

- | | |
|--|---|
| <input type="radio"/> I didn't stay overnight | <input type="radio"/> Cambria Suites |
| <input type="radio"/> I live locally | <input type="radio"/> Hotel Roanoke |
| <input type="radio"/> A family or friend's house | <input type="radio"/> Other Hotel/Motel |
| <input type="radio"/> Hilton Garden Inn | |

If other hotel/motel, please specify.

7. How many miles did you travel to the event?

- | | |
|----------------------------------|---------------------------------------|
| <input type="radio"/> 0 to 50 | <input type="radio"/> 201 to 500 |
| <input type="radio"/> 51 to 100 | <input type="radio"/> 501 to 1,000 |
| <input type="radio"/> 101 to 200 | <input type="radio"/> More than 1,000 |

13. We are donating \$500 to the company with the best aid station. Please tell us which aid station was the best. These are listed in order, from start to finish.

- #1 - Walnut & Sylvan (mile 1 all races and mile 5 for half and 10K, and mile 14 for full) - Rotary Club Aid Station
- #2 - Fishburn Parkway & Prospect (Spur) Road (mile 2.5 all races, repeat mile 12 for full) Run For God Aid Station
- #3 - Roanoke Mtn. Campground (full course only; miles 4 and 10.5) -- Friends of the Blue Ridge Parkway
- #4 - Gum Springs Overlook (full course only; mile 5 and 9.5) - Across the Way Productions
- #5 - Mill Mtn. Overlook Halfway Up Roanoke Mountain (full course only, mile 6) - Friends of the Blue Ridge Parkway
- #6 - Top of Roanoke Mountain (full course only, mile 7) - Friends of the Blue Ridge Parkway
- #7 - Bottom of Roanoke Mountain (full course only, mile 8.75) - Friends of the Blue Ridge Parkway
- #8 - Mill Mountain Star Overlook (mile 3.5 for half and 10K, mile 13.5 for full) - Foot Levelers
- #9 - River's Edge Park (mile 6.5 for half and mile 15.5 for full) - Fleet Feet Sports (80's Theme)
- #10 - Peakwood & Somerset Intersection (mile 7.75 for half and mile 16.75 for full) - IMPACT Youth (Hawaiian Theme)
- #11 - Top of Peakwood (mile 8.5 for half and mile 17.5 for full) - Miss Virginia & IMPACT Youth
- #12 - Very Top of West Ridge Circle - champagne stop (mile 9.5 for half and mile 18.5 for full) - Fink's Jewelers and South Roanoke Neighborhood Association (Champagne Stop)
- #13 - 27th & Crystal Spring Intersection (mile 10.5 for half and mile 19.5 for full) - Tinnell's (cold towels)
- #14 - Jefferson & Riverside Circle Intersection (mile 12 for half and mile 21 for full) - Carilion Clinic
- #15 - End of Ferdinand Ave (mile 22.75 for full) -Old Southwest Neighborhood Association
- #16 - Wasena Ave. & Brighton St, top of Jesus Saves hill (mile 24.25 for full) - Ghent Church of the Brethren,
- #17 - Elm & 6th Avenue (mile 25.25 for full) - FCA & Girls on the Run

14. Please rate the following from 10 (best) to 1 (worst).

| | 10 Excellent | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 Worst |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Overall Experience | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Registration (online) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Registration at event | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quality of Participant Shirt | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Artwork on Participant Shirt | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Race Staff/Volunteers | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Communications with Event Staff | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Course | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Awards Ceremony | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Finish Line Food and Beverage | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Hydration/Fuel Stations | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Event Website | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Timing | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Expo | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Music and Festivities Following the Event | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Race Photographs | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

15. How would you rate the Blue Ridge Marathon Race app for either iPhone or DROID? If you did not download, please skip.

| Highly satisfied | Satisfied | Neutral | Dissatisfied | Highly Dissatisfied |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Any comments?

16. How would you rate the pasta dinner at Elmwood Park? Skip question if you did not attend.

| | Worst | Bad | Good | Excellent |
|-----------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Price | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Timing | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Speaker | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Quality of Food | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

Other Pasta Dinner comments?

17. Gender

- Male
 Female

18. Age

- Under 18 36 to 40 56 to 60
 18 to 25 41 to 45 61 to 65
 26 to 30 46 to 50 66 to 70
 31 to 35 51 to 55 Over 70

19. What is your ethnic origin?

- Caucasian
 Black or African-American
 Hispanic/Latino
 Asian
 I prefer not to answer
 Other

20. What is your household income range?. This is anonymous and not seen by anyone. This information helps us get the right corporate sponsors which translates to a better event for you.

- Less than \$25,000 \$100,001 to \$150,000
 \$25,000 to \$50,000 \$150,001 to \$200,000
 \$50,001 to \$75,000 Over \$200,000
 \$75,001 to \$100,000

21. What is the highest level of education you have completed?

- Less than High School Diploma
- High School Diploma
- Associate's Degree
- Bachelor's Degree
- Master's Degree
- Doctoral/Professional Degree

22. Would you recommend participating in the Blue Ridge Marathon, Half Marathon, or 10K to others?

- Yes
- No

23. What did you like about this event?

24. What could we do better?

25. Would you like to leave a testimonial for use in marketing future events? If so, please enter it below.

26. Get a 50% discount off next year's race. Just leave your name, email, and bib number and we'll send you a discount code once registration opens. Code will not be available before registration opens and will only be valid for two weeks. The 2017 date is April 22. Bib numbers are required for the discount. Those who did not run the 2016 race series are ineligible for the discount.

Name

Email

Bib Number