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# Economic Impact of the Grand Rapids Griffins Calder Cup Championship

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Michigan residents are enthusiastic about their regional sports teams, which include such familiar names as the Red Wings, Pistons, Tigers, Wolverines, and Spartans. Closer to West Michigan, Grand Rapids boasts its own local teams; the West Michigan White Caps, and the Grand Rapids Griffins. Recent headlines lauded the 2012–2013 Grand Rapids Griffins team for making history by winning the Calder Cup Championship. Reaching this milestone is not only an accomplishment of skill, but it is likely to have an economic impact on the Kent County community. What potential economic changes could occur in Kent County as a result of this achievement?



The Grand Rapids Griffins, founded in 1996, began playing in the International Hockey League, (IHL) which merged into the American Hockey League (AHL) in 2001. Currently the Griffins organization is affiliated with the Detroit Red Wings. According to the official website of the Grand Rapids Griffins, the organization’s vision is: *Teaming up to enhance our community and deliver memorable experiences through sports.* Although the Griffins achieve their vision every year, the team delivered incremental memorable

experiences and community enhancement in May and June of 2013, participating in the playoffs and winning the AHL’s championship, the Calder Cup.

In general, a community will experience both quantifiable and non-quantifiable effects when hosting an athletic franchise. When economists analyze the immeasurable impact of an athletic franchise, they refer to the team as a “public good”. A public good is defined as a good that is non-excludable and non-divisible. In other words, the Grand Rapids Griffins’ successes enhance pride in the region of West Michigan and benefit the Grand Rapids city’s self-image or identity. This was demonstrated in numerous ways such as increased media attention at the time of the playoffs including regional television coverage, electronic and print news. Although the Calder Cup Championship banner was raised in front of a sell-out crowd opening night of the 2013–2014 season, fans did not have to attend this event or the opening games to experience the growing excitement expressed in all the tweets, Facebook posts, and talk around the water cooler. The Grand Rapids community buzzed with an excitement for the Grand Rapids Griffins that was palpable.

**Table 1: Attendance, Food & Beverage, and Retail Sales in Van Andel Arena, 2013 Playoff Games**

Home Games				Food & Beverage	Van Andel
Date	Opponent	Attendance	% Capacity	Sales	Retail Sales
Wed. May 1, 2013	Houston Aeros	4,683	43.23%	\$30,053.56	\$3,181.42
Fri. May 3, 2013	Houston Aeros	4,190	38.67%	\$29,336.24	\$2,989.55
Sat. May 4, 2013	Houston Aeros	2,290	21.14%	\$12,383.91	\$1,893.70
Wed. May 15, 2013	Toronto Marlies	2,738	25.27%	\$16,740.66	\$2,083.40
Fri. May 17, 2013	Toronto Marlies	3,774	34.83%	\$28,901.99	\$2,470.86
Sat. May 18, 2013	Toronto Marlies	3,428	31.64%	\$24,476.87	\$2,719.65
Fri. May 24, 2013	Oklahoma City Barons	5,014	46.28%	\$36,721.91	\$2,493.07
Sat. May 25, 2013	Oklahoma City Barons	5,353	49.41%	\$34,067.50	\$3,193.56
Tue. June 4, 2013	Oklahoma City Barons	4,926	45.47%	\$36,549.49	\$1,712.51
Wed. June 5, 2013	Oklahoma City Barons	4,112	37.95%	\$32,840.17	\$1,486.56
Wed. June 12, 2013	Syracuse Crunch	10,102	93.24%	\$77,045.82	\$9,217.50
Fri. June 14, 2013	Syracuse Crunch	11,280	104.12%	\$97,328.57	\$12,876.80
Sat. June 15, 2013	Syracuse Crunch	11,031	101.82%	\$83,306.66	\$12,846.12
	<b>Total</b>	<b>72,921</b>		<b>\$539,753.35</b>	<b>\$59,164.70</b>

**Table 2: Quantifiable Economic Impact of the Grand Rapids Griffins Calder Cup Championship**

<b>Total Attendance</b>	72921					
Kent County Residents	53%	38648				
Non-Kent County Residents	47%	34273				
<b>Van Andel Food and Beverage Sales</b>						
<b>Van Andel Food and Beverage Sales</b>						<b>\$539,753</b>
<b>New Spending By Attendees Outside Venue</b>						
	Estimated Food & Beverage Spending per person	Total Estimated Food & Beverage Spending	Portion of Resident Spending New to Kent County	Total Estimated Ne Spending on Food & Beverage		
Kent County Residents	\$ 25	\$966,203	10%	\$96,620		
Non-Kent County Residents	\$ 25	\$856,822		\$856,822	<b>\$953,442</b>	
	Estimated Incidental Spending per person	Total Estimated Incidental Spending				
Kent County Residents	\$3	\$115,944				
Non-Kent County Residents	\$5	\$171,364			<b>\$287,309</b>	
	Estimated Hotel Expenditure per night	Portion of Non-Kent County Residents Staying in Hotel	Total Non-Kent County Hotel Spending			
Non-Kent County Residents	\$88	10%	\$301,910		<b>\$301,910</b>	
<b>New Spending By Attendees Outside Venue</b>						<b>\$1,542,661</b>
<b>Spending by Visiting Teams</b>						
	Estimated Hotel Expenditure per night	Estimated Number of Rooms	Estimated Number of Nights	Total Estimated Hotel Expenditures		
	\$100	25	5	\$12,500	\$12,500	
	Estimated Food & Beverage Spending	Number of Game Days	Total Estimate Food & Beverage Spending			
	\$900	13	\$11,700		\$11,700	
<b>Spending by Visiting Teams</b>						<b>\$24,200</b>
<b>Total New Spending</b>						<b>\$2,106,614</b>

As for the quantifiable economic impact, ticket sales indicate how many people were in the downtown area to attend the home games at Van Andel Arena. The 2012–2013 Grand Rapids Griffins participated in thirteen additional home games with an average attendance of 5609 fans or 51.78% capacity per game. The Griffins had not reached the playoffs since the 2008–2009 season when they lost in the second round after 5 post season home games. The long awaited and successful 2012–2013 play-off run brought 72,921 fans to the downtown area.

As Table 1 shows, while at Van Andel Arena, hockey fans spent \$539,753.35 on food and beverages and \$59,164.70 on retail items at concession stands inside the facility. According to Tim Gortsema, Senior Vice President of Business Operations, virtually all concessions are provided by area restaurants such as Peppinos, Tim Hortons, Gordon Food Service, Sysco, Pepsi Bottling Group and West Side Beer (personal communication, November 1, 2013). Although retail items are not sourced locally, all of the full and part time employees of the retail and concession stands in Van Andel are area residents.

**Table 3: Total Economic Impact of the Grand Rapids Griffins Calder Cup Championship**

	Spending	Multiplier	Total Economic Impact
<b>New Spending Inside Venue</b>			
Van Andel Food and Beverage Sales	\$539,753.35		
<b>Total New Spending Inside Venue</b>	<b>\$539,753.35</b>	<b>1.7706</b>	<b>\$955,687.28</b>
<b>New Spending Outside Venue</b>			
New Spending By Attendees Outside Venue	\$1,542,660.53		
Spending by Visiting Teams	\$24,200.00		
<b>Total New Spending Outside Venue</b>	<b>\$1,566,860.53</b>	<b>1.8037</b>	<b>\$2,826,146.33</b>
			<b>\$3,781,833.61</b>

An average attendee to a sporting event at Van Andel arena will possibly spend money at local restaurants, hotels, and on other incidentals such as parking. To calculate the true economic impact on an economy, only new spending should be taken into consideration. Therefore, spending by attendees that would have occurred in the Grand Rapids area even if the fan had not attended the game, does not count toward new economic impact. According to a study performed by Anderson Economic Group, LLC titled *The Economic Impacts of The Grand Rapids-Kent County Convention/Arena Authority Venues: Devos Performance Hall, DeVos Place, and Van Andel Arena*, in the fiscal year 2011, 53% of all attendees to Van Andel Arena were residents of Kent County and only 10% of Kent County residents' spending around Van Andel on the evening of an event was actually new spending. The economic impact analysis of the Grand Rapids Griffins Calder Cup Championship presented here will assume those same proportions held during the championship season.

Further estimates by the Anderson Economic Group, LLC found a local restaurant or nightclub tab was \$25 per person; incidentals were \$3 for a local attendee and \$5 for a non-Kent Count resident, whereby 10% of those fans from other counties had additional hotel expenditures of \$88.09 per night.

The last spending category impacting the Grand Rapids area pertains to the visiting teams. Using the Griffins as an example, their hotel expenses when traveling being between \$100 and \$125 per night for 25 rooms, we can extrapolate that teams visiting Grand Rapids with back-to-back games, need 25 rooms for 5 nights.

Additionally, according to Anderson Economic Group, LLC's analysis, visiting teams had a record of spending \$31,500 for catering and incidentals while in Grand Rapids for 35 game days in 2011. Using these spending assumptions, one can predict a per game day benefit for local businesses of about \$900.

Bringing together all of these spending assumptions (Table 2), one can estimate the direct, quantifiable economic impact of the Grand Rapids Griffins play-off hockey bid (benefitting

Kent County restaurants, hotels, parking facilities, etc.) was in excess of \$2.1 million dollars in total.

Economists also assume that new spending typically multiplies the economic impact on the economy. The higher income received by area employees and businesses who benefit from the fans and teams new spending leads to additional spending elsewhere around the area.

The Bureau of Economic Analysis has two multipliers that are relevant to economic impact studies in Kent County; 1.7706 for "spectator sports", and 1.8037 for "food services" and "drinking places" (BEA RIMS II multiplier). Using these multipliers and the information in Table 2, the increase in expenditures on goods and services in west Michigan as a result of the Calder Cup Championship games played in Grand Rapids was almost \$3.8 million (see Table 3).

Finally, the positive economic impact does not stop there. The future growth of attendance and spending in West Michigan should also be considered. It is likely that the success of the 2012–2013 Grand Rapids Griffins will help to increase attendance in the future. Fans like to see competitive games, but also love to see their team win. A winning team will cause an increase in demand for not only tickets to see the Griffins play, but an increased demand for a lot of the things that Grand Rapids and Kent County have to offer, including excellent restaurants, nightclub activities, festivals, music and hotel accommodations. The success of the Calder Cup Champions impacts the success of our entire community today and in the future. ■