



# Sports in the Los Angeles Basin

*An Economic Impact Study*



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 Los Angeles County Economic Development Corporation

# Sports in the Los Angeles Basin

## An Economic Impact Study

Los Angeles County Economic Development Corporation

444 S. Flower Street, 37<sup>th</sup> Floor ♦ Los Angeles, CA 90071

(888) 4-LAEDC-1 ♦ [www.LAEDC.org](http://www.LAEDC.org)



# LA SPORTS

Shannon M. Sedgwick

Max Dunsker

Arthur Girard

Special thanks to our research intern Austin Domer.

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Supporting Partners:



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This report was prepared by the Institute for Applied Economics of the Los Angeles County Economic Development Corporation (LAEDC) for Los Angeles Sports Council.

The LAEDC Institute for Applied Economics provides objective economic and policy research for public agencies and private firms. The group focuses on economic impact studies, regional industry analyses, economic forecasts and issue studies, particularly in workforce development, transportation, infrastructure and environmental policy.

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable.

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## Executive Summary

The Los Angeles Basin (comprised of Los Angeles and Orange counties) is one of the two largest markets for collegiate and professional sports in the United States. While the sports industry's contributions to the Basin's collective conscience are intangible, the economic impact of the return of sports in the 2021 season will be detailed in this report.



As colleges such as UCLA, USC, and others returned to competing, they did so without fans but not without other revenues. Meanwhile, professional sports teams once more allowed attendance, with the over ten million returning fans kickstarting the economic activity that surrounds home games. With the Rams and Chargers returning to Los Angeles after a two-decade hiatus, football may be poised to become the region's sport of choice. Another sport with growing popularity in the region is soccer, with Los Angeles' three soccer teams commanding an average crowd of 19,000 to 22,000.

In addition to building a winning culture, the sports industry in Los Angeles has also been building infrastructure: massive investments have led to the construction of SoFi Stadium and Intuit Dome on the former site of the Hollywood Park Racetrack in Inglewood.

Additionally, the extensive sporting infrastructure in the region has enabled Los Angeles to host the 2026 FIFA World Cup and 2028 Olympic Games without the construction of additional stadiums, events that will bring a tremendous amount of tourism and spending to the region.

## Economic Contribution of the Industry

The total annual economic contribution of the sports industry in the Los Angeles Basin is shown in Exhibit ES-1. Combined, professional and collegiate sports was associated with approximately:

- ▶ 39,690 total jobs;
- ▶ \$4.0 billion in total labor income;
- ▶ \$7.0 billion in total output;
- ▶ \$363.6 million in state and local taxes.

**Exhibit ES-1:**  
**Economic and Fiscal Impact of Professional and Collegiate Sports,**  
**2021 versus 2018 (\$2022 dollars)**

	----- 2021 (\$2022) -----			----- 2018 (in \$2022) -----		
<b>Total Economic Impact:</b>	<b>Total</b>	<b>Prof'l</b>	<b>Collegiate</b>	<b>Total</b>	<b>Prof'l</b>	<b>Collegiate</b>
Output (\$ billions)	\$ 7.0	\$ 6.0	\$ 1.0	\$ 6.5	\$ 5.3	\$ 1.2
Employment (jobs)	39,690	30,860	8,830	37,030	24,400	12,630
<i>Direct</i>	20,850	14,350	6,500	22,340	12,900	9,440
<i>Indirect and induced</i>	18,840	16,510	2,330	14,690	11,500	3,190
Labor income (\$ billions)	\$ 4.0	\$ 3.5	\$ 0.5	\$ 3.6	\$ 3.1	\$ 0.5
<b>Total State and Local Taxes (\$ millions):</b>	<b>\$ 363.6</b>	<b>\$ 311.3</b>	<b>\$ 52.3</b>	<b>\$ 353.9</b>	<b>\$ 294.2</b>	<b>\$ 59.7</b>

Source: Estimates by LAEDC



## Key Findings

- ▶ Collegiate sports had a smaller economic impact in 2021 compared to 2018, due to the prolonged impact of the pandemic.
- ▶ The expansion of professional sports in the region resulted in a larger economic impact in 2021 compared to 2018, despite the lingering effects of the pandemic.
- ▶ Since the last report, SoFi stadium opened and is now home to two professional football teams; the LA Chargers and the LA Rams.
- ▶ Since the last report, there have been more international soccer games hosted in the Banc of California Stadium; both competitive games and hosted international games.
- ▶ This report understates the economic impact of the sports industry in the region as the impacts do not include the impact of visitor spending or special events like the Super Bowl LVI held at SoFi Stadium in the 2021-2022 season.
- ▶ Looking ahead, the Intuit Dome is scheduled to open in 2024 and will be the new home of the LA Clippers.
- ▶ The extensive sporting infrastructure in the region has enabled Los Angeles to host the upcoming 2026 FIFA World Cup and 2028 Olympic Games without the construction of additional stadiums, events that will bring a tremendous amount of tourism and spending to the region.



# 1. Introduction

The Los Angeles Basin (comprised of Los Angeles and Orange counties) is home to many collegiate and professional sports teams, such as the University of Southern California (USC), University of California, Los Angeles (UCLA), Los Angeles Rams, Los Angeles Dodgers, Los Angeles Lakers, and dozens of others. With two elite college sports programs, two MLB baseball teams (Dodgers and Angels), two NFL football teams (Rams and Chargers), two NBA basketball teams (Lakers and Clippers), two NHL hockey teams (Kings and Ducks), and two MLS soccer teams (LAFC and Galaxy), along with a WNBA team (Sparks), a NWSL team (Angel City FC), and many minor league programs, the greater Los Angeles region is one of the two largest markets for collegiate and professional sports in the United States.

The Los Angeles Basin's sports industry immediately felt the impact of the COVID-19 pandemic-induced shutdowns in March of 2020. Initially, many collegiate sports were cancelled for the remainder of the 2019-20 academic year and professional seasons were suspended as it was unknown how to maintain safe competition amid the spread of the coronavirus. Even as professional sports returned in the late summer and spring of 2020, they looked markedly different than prior years: when the Dodgers and Angels returned to their home stadiums, they were greeted with cardboard fans in the seats, while the Lakers and Clippers vied for the NBA Championship in a bubble in Orlando. Though fans were not able to watch their teams in-person, both the Dodgers and the Lakers won their respective league championships, bringing great pride and elation to Angelenos watching at home. Despite the economic impact of these championships being less than they would be in years prior, with travel to stadiums and the associated spending being suspended, these championships provided a moment of joy during a very distressful time, an impact that cannot be measured.

While the sports industry's contributions to the Basin's collective conscience are intangible, the economic impact of the return of sports in the 2021 season will be detailed in this report. As colleges such as UCLA, USC, and others returned to competing, they did so without fans but not without other revenues. Meanwhile, professional sports teams once more allowed attendance, with the over ten million returning fans kickstarting the economic activity that surrounds home games. The LAEDC Institute for Applied Economics has been retained to estimate the economic activity (i.e., the economic and fiscal impact) associated with these schools and teams. Economic impact analysis models direct inputs using economic and econometric methods in order to estimate the total economic and fiscal contribution to the local economy. Examples of direct inputs include revenues and employment estimates.

## Report Organization

This report is split into two parts, separately examining the collegiate and professional sports industries in the Los Angeles Basin. The first section shares the economic impact of the collegiate sports industry in the Los Angeles Basin in the academic year running from Fall 2020 through Spring 2021. The second section of the report looks at the economic impact of professional sports in the Los Angeles Basin during the 2021-22 season. After the conclusion of the report, an appendix is provided with a detailed approach and methodology and descriptions of the North American Industry Classification System (NAICS) codes used throughout the report. Also included in the appendix are detailed data tables which have been summarized in the body of the report.

## 2. Professional Sports

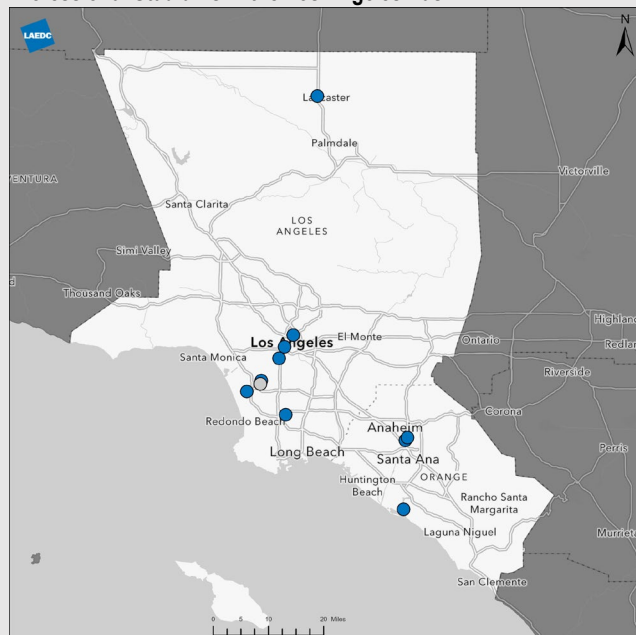
The sports teams in the Los Angeles Basin have enjoyed tremendous success in recent years, with the Lakers and Dodgers winning their respective league championships in the 2020 COVID-19 impacted season. Those victories were followed by the Rams' victory in Super Bowl LVI in the 2020-21 season, which was won at SoFi Stadium in front of 70,048 fans. Meanwhile, Los Angeles Football Club competed in the 2020 CONCACAF Champions League Final and has emerged as a title contender in the MLS, even meeting the Galaxy in the MLS Cup Western Conference Semi-finals. Additionally, the futures of the Clippers, Angels, and Chargers are looking promising, as each team has succeeded in bringing elite talent to its organization. Angel City Football Club is the most recent addition to the sports landscape, playing their first full season in the National Women's Soccer League in 2022.

### Professional Major League Sports Teams in the Los Angeles Basin

- Los Angeles Chargers
- Los Angeles Rams
- Los Angeles Angels
- Los Angeles Dodgers
- Los Angeles Clippers
- Los Angeles Lakers
- Los Angeles Sparks
- Anaheim Ducks
- Los Angeles Kings
- Los Angeles Football Club (LAFC)
- Los Angeles Galaxy
- Angel City Football Club

In addition to building a winning culture, the sports industry in Los Angeles has also been building infrastructure: massive investments have led to the construction of SoFi Stadium and Intuit Dome on the former site of the Hollywood Park Racetrack in Inglewood. The map in **Exhibit 2-1** shows professional (both major and minor league) sports stadiums across the two-county region, with the grey symbol indicating the ongoing construction of the Intuit Dome.

**Exhibit 2-1:**  
**Professional Stadiums in the Los Angeles Basin**

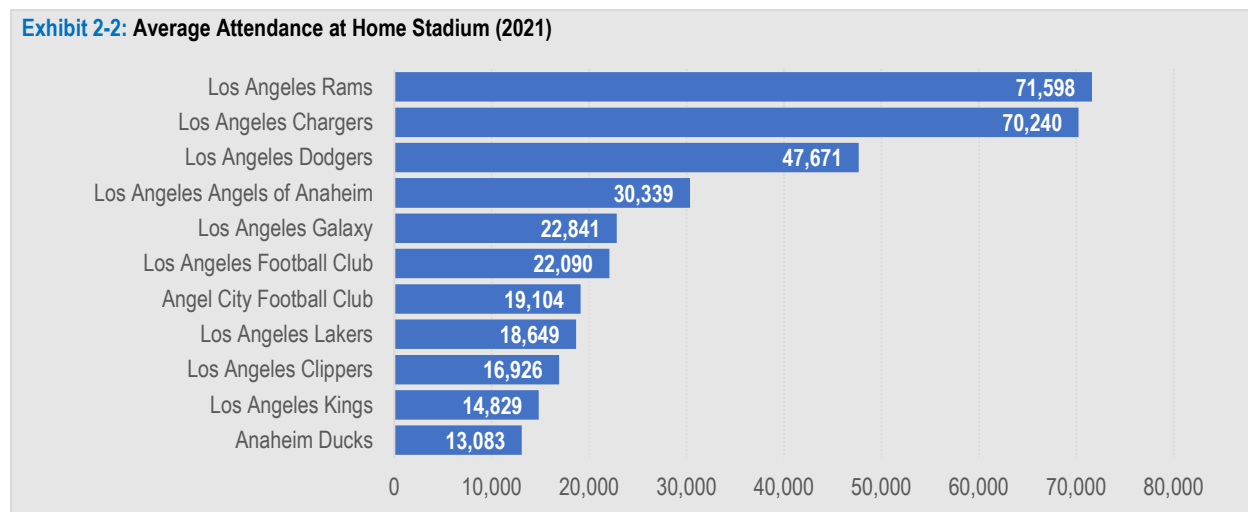


In addition, these projects beget complementary infrastructure projects, such as the Inglewood Transit Connector that provides first and last mile public transportation to those stadiums. These infrastructure projects provide an additional boon beyond the annual ongoing operations of the sports teams, spending large amounts in the local economy during construction and bringing additional events and revenues to their local areas. Additionally, the extensive sporting infrastructure in the region has enabled Los Angeles to host the 2026 FIFA World Cup and 2028 Olympic Games without the construction of additional stadiums, events that will bring a tremendous amount of tourism and spending to the region.

The Dodgers and the Lakers have traditionally been the most popular teams in Los Angeles,



being the favorite team of around 70 percent of Los Angeles County residents.<sup>1</sup> However, with the Rams and Chargers returning to Los Angeles after a two-decade hiatus, football may be poised to become the region's sport of choice. Another sport with growing popularity in the region is soccer, with Los Angeles' three soccer teams commanding an average crowd of 19,000 to 22,000. Average home attendance figures for all major league professional sports teams are shown in **Exhibit 2-2**.



Due to the size of SoFi Stadium, with a maximum capacity of 70,000 people most Sundays and up to 100,240 people for large events, the football teams have the largest average attendance. Baseball follows football for similar reasons: the Dodger and Angel of Anaheim stadiums have capacities of 56,000 and 45,050, respectively. Meanwhile, the Galaxy, LAFC, and Angel City FC soccer teams play in stadiums with 22,000 to 27,000 seats, yet on average they each fill roughly 85 percent of the stadium. The basketball teams also succeed in filling a large portion of their capacity, with the hockey teams and Los Angeles Sparks trailing a little further behind. While these thousands of nightly visitors provide an economic boon to the region through parking, food and beverage, and other expenditures, that spending is not included in the calculation of the economic contribution of sports to the greater Los Angeles region. Additionally, revenues from major events, such as the 2022 MLB All-Star Game at Dodger Stadium and Super Bowl LVI at SoFi Stadium, is not included in the inputs into the annual analysis but provided one-time inflows to the local economy when they occurred.

**Exhibit 2-3** shows the estimated economic impact of professional sports teams in the Los Angeles Basin based on reported revenues. For the most recent complete season, the sports teams of Los Angeles and Orange counties reported just over \$3.0 billion in total revenues. This \$3.0 billion in direct output translates into \$6.0 billion in

**Exhibit 2-3:**  
**Economic and Fiscal Impact of Professional Sports, 2021 Season**

<b>Total Economic Impact:</b>		
Output (\$ billions)		\$ 6.0
Employment (jobs)		30,860
<i>Direct</i>	14,350	
<i>Indirect and induced</i>	16,510	
Labor income (\$ billions)		\$ 3.5
<b>Total State and Local Taxes (\$ millions):</b>		<b>\$ 311.3</b>

Source: Estimates by LAEDC

<sup>1</sup> Thomas and Dorothy Leavey Center for the Study of Los Angeles (2021). 2021 Los Angeles Public Opinion Survey. Loyola Marymount University, Los Angeles, California.

total output for the region, with another \$3 billion coming from indirect and induced effects. This means that an additional \$3 billion was spent in the supply chain of professional sports teams, or indirect effects, and through the household spending of employees of both the professional sports teams and employers in the supply chain, or induced effects.

Beyond output, the professional sports teams in the Los Angeles Basin create an estimated 30,860 jobs. Just less than half, 14,350 employees, are directly employed by the teams, while another 16,510 jobs are created via indirect and induced effects. These employees are paid an estimated \$3.5 billion in labor income, while a further \$311.3 billion is spent in state, county, and city taxes. These financial flows contribute to the local economies throughout the Los Angeles Basin, with impacts located from Lancaster to Newport Beach.

#### Exhibit 2-4:

##### Detailed Fiscal Impact of Professional Teams

(Includes federal taxes) (\$2022)

<b>By Type of Tax (\$ millions)</b>	
Personal income	117.5
Social insurance	389.1
Sales and excise	97.3
Property	73.0
Corporate income	288.8
Other fees and taxes	34.4
<b>Total</b>	<b>\$ 1,000.1</b>
<b>By Type of Government (\$ millions)</b>	
Federal	688.8
State	208.7
County	25.6
Property	23.9
Sales	0.6
Other	1.1
Cities	76.8
Property	45.7
Sales	24.4
Other	6.8
<b>Total</b>	<b>\$ 1,000.1</b>

Source: Estimates by LAEDC

A full breakdown of the fiscal impacts of professional sports is shown in **Exhibit 2-4**. Looking at the type of tax, social insurance taxes make up around 39 percent of the fiscal impact, with corporate income taxes being the second largest category at close to 29 percent. The remaining third of the fiscal impact occurs through personal income taxes, sales and excise taxes, property taxes, and other taxes and fees.

By type of government, the fiscal impact on the federal government is around twice the size of the state and local tax burden. The federal government collected \$688.8 million from Los Angeles Basin professional sports teams in the last complete season. Meanwhile, California received \$208.7 million, the counties received \$25.6 million, and municipalities received \$76.8 million in taxes.





Additionally, a deep dive into the employment impacts of the sports industry can be explored, with the data shown in **Exhibit 2-5**. The largest impacts are in the Arts, Entertainment, and Recreation industry, the sector that contains Sports Teams and Clubs; the industry enjoys over half of the employment, labor income, and output impacts of professional sports revenues.

Furthermore, indirect and induced impacts create economic benefits for other industries. Health Care and Social Assistance, Accommodation and Food Services, Retail Trade, and Other Services each see more than 1,500 jobs due to the impact of professional sports, with an additional \$377 million in labor income and \$753.9 million in output. Additionally, the Real Estate and Rental and Leasing sector has an additional \$517.8 million in output due to the revenues of professional sports teams, the second largest output by sector. Additionally, the average wage of jobs created by the professional sports industry is above \$112,000, a family-sustaining wage in Southern California.

**Exhibit 2-5: Economic Impact of Professional Teams by Industry**  
(\$2022)

	Employment (jobs)	Labor Income (\$ millions)	Output (\$ millions)
Agriculture	10	0.4	0.4
Mining, and Oil and Gas Extraction	10	0.1	2.5
Utilities	20	3.7	20.5
Construction	90	6.6	20.7
Manufacturing	200	15.8	109.1
Wholesale Trade	320	31.0	108.8
Retail Trade	1,620	73.7	179.3
Transportation and Warehousing	800	36.3	94.2
Information	310	48.7	202.0
Finance and Insurance	1,000	94.8	289.6
Real Estate and Rental and Leasing	720	43.8	517.8
Professional, Scientific, and Technical Services	1,020	98.5	187.2
Management of Companies	330	40.3	67.9
Administrative and Support and Waste Mgmt and Remediation Services	1,090	53.7	106.9
Educational Services	510	26.0	40.1
Health Care and Social Assistance	2,460	162.6	293.0
Arts, Entertainment, and Recreation	16,730	2,585.0	3,477.0
Accommodation and Food Services	1,860	65.0	155.9
Other Services	1,610	75.6	125.8
Government	140	20.2	41.0
<b>Total All Industries</b>	<b>30,860</b>	<b>\$ 3,481.8</b>	<b>\$ 6,039.8</b>

Source: Estimates by LAEDC

Compared to 2018, the professional sports industry in Los Angeles and Orange counties is providing even more in output, employment, labor income, and taxes to the local economy than before, as shown in **Exhibit 2-6**. This increase in economic and fiscal impact indicates that the sports industry in the region has recovered well from the impacts of the COVID-19 pandemic and suggests continued growth moving forward.

**Exhibit 2-6:**  
**Economic and Fiscal Impact of Professional Sports**  
2021 versus 2018 (\$2022)

	2022	2018
<b>Total Economic Impact:</b>		
Output (\$ billions)	\$ 6.0	\$ 5.3
Employment (jobs)	30,860	24,400
<i>Direct</i>	14,350	12,900
<i>Indirect and induced</i>	16,510	11,500
Labor income (\$ billions)	\$ 3.5	\$ 3.1
<b>Total State and Local Taxes (\$ millions):</b>	<b>\$ 311.3</b>	<b>\$ 294.2</b>

Source: Estimates by LAEDC

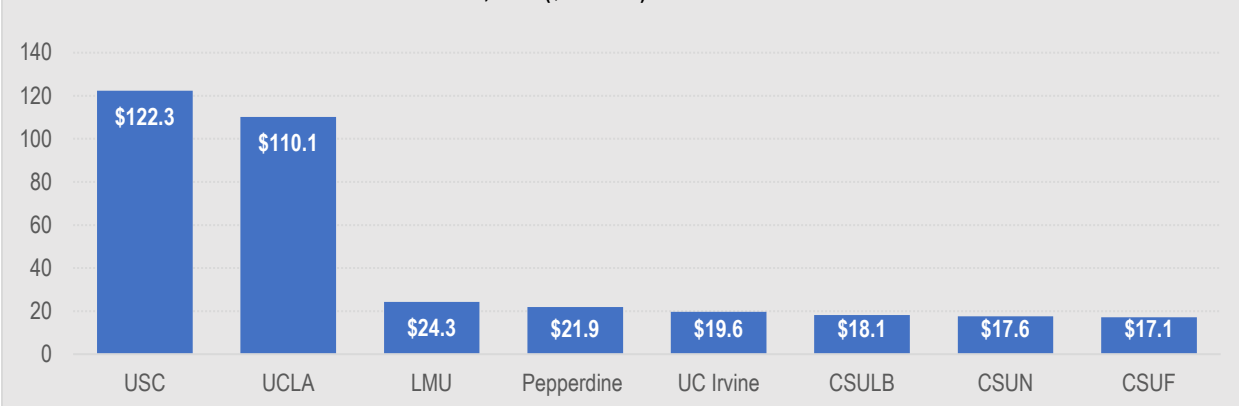
### 3. Collegiate Sports

As passionate as Angelenos are about professional sports, collegiate sports are also a key element of the sports ecosystem in the Los Angeles region. Collegiate sports teams have moments that live in the memory of Los Angeles, such as the John Wooden era at UCLA, LMU's magical run in the 1990 NCAA Tournament, and USC's dominance of football in the early aughts. The two national powerhouses in the region are USC and UCLA, but there are additional programs that compete at the highest level, including private universities like LMU and Pepperdine, UCI, and select schools from the CSU system. **Exhibit 3-1** shows the revenues from each of these Division I schools in 2020-21.<sup>2</sup> The exhibit shows the extent to which USC and UCLA are larger than other collegiate sports programs in the region, with more than quadruple the revenue of LMU, the next largest collegiate sports program. One school outside of the NCAA Division I, Azusa Pacific University, had more than \$10 million in revenue; the unlisted schools average \$3.2 million in revenue.

#### NCAA Division I Schools in the Los Angeles Basin

- University of Southern California (USC)
- University of California, Los Angeles (UCLA)
- Loyola Marymount University (LMU)
- Pepperdine University
- University of California, Irvine (UCI)
- California State University, Long Beach (CSULB)
- California State University, Northridge (CSUN)
- California State University, Fullerton (CSUF)

**Exhibit 3-1: Revenues for NCAA Division I Schools, 2021 (\$ Millions)**



Unlike professional sports, many collegiate sports programs did not resume playing with home attendance in the 2020-21 season, while some did not hold seasons, leading to an overall decrease in revenues. These policies were often instituted at the conference level giving little leeway to schools: for example, the Pacific-12 Conference (current home of USC and UCLA) prohibited fan attendance with very limited exceptions. The Southern California Intercollegiate Athletic Conference (SCIAC), home to schools such as Caltech, Cal Lutheran, Chapman, La Verne, Occidental, and Whittier, cancelled entire fall and winter seasons. Meanwhile some schools, like the sports teams of the Claremont Colleges, took it upon themselves to eschew all intercollegiate sports as they still dealt with the impacts of the COVID-19 pandemic, resulting in no data being reported for those schools. These revenues should see a rebound in the 2021-22 data when it is released, as these conferences and schools returned to competition the following year.

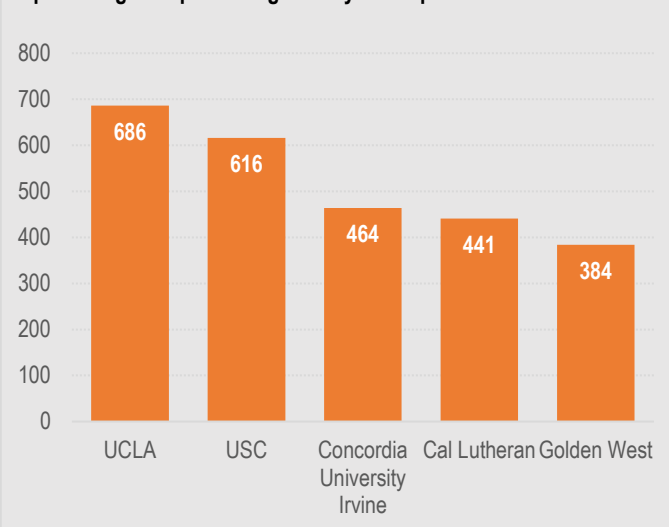
<sup>2</sup> Revenue data was taken from the Equity in Athletics Data Analysis (EADA) portal, managed by the U.S. Department of Education's Office of Postsecondary Education. The most recent year of available data via EADA is the season that includes fall of 2020 through spring of 2021.

However, as **Exhibit 3-2** shows, collegiate sports extends far beyond the NCAA Division I schools, as athletes from more than 30 colleges and universities compete in the Los Angeles Basin. Though UCLA and USC are still the largest by participation, each with more than 600 student athletes, the other three schools play under another sanctioning body: third place Concordia University Irvine participates in NCAA Division II while fourth place Cal Lutheran plays NCAA Division III and Golden West University competes in the California Community College Athletic Association (CCCCA). Those bodies, along with the National Association of Intercollegiate Athletics (NAIA) Divisions I and II, represent the 31 collegiate athletics programs and 8,160 total student athletes in the Los Angeles Basin that competed in the 2020-21 season.

**Exhibit 3-3** shows the economic and fiscal impact of these programs and athletes in the local region. In the 2020-21 season, collegiate sports contributed \$963.7 million to the local economy. In terms of employment, it created 8,830 jobs, 6,500 jobs of which were through direct employment in the industry, and paid out \$509.7 million in labor income. The state and local taxes lead to \$52.3 million in revenue for California and local governments.

Greater detail on the fiscal impact is shown in **Exhibit 3-4**, showing the amount paid in taxes by type of tax and government. By type of tax, most taxes go towards social insurance and corporate income, with 38.1 percent and 33.9 percent respectively, followed by personal income taxes (12.4 percent), property taxes (10.3 percent), other taxes and fees (4.2), and sales and excise taxes (1.0). By type of government, the federal government sees the highest tax inflows, with \$83.9 million. The state receives the next largest amount with \$32.1 million, followed by municipalities (\$14.4 million) and the counties (\$5.9 million). In total, local collegiate sports had a fiscal impact of \$136.4 million on the federal, state, and local governments in the season.

**Exhibit 3-2:**  
**Top 5 Collegiate Sports Programs by Participation**



**Exhibit 3-3:**  
**Economic and Fiscal Impact of Collegiate Sports, 2021 Season (\$2022)**

<b>Total Economic Impact:</b>	
Output (\$ millions)	\$ 963.7
Employment (jobs)	8,830
<i>Direct</i>	6,500
<i>Indirect and induced</i>	2,330
Labor income (\$ millions)	\$ 509.7
<b>Total State and Local Taxes (\$ millions):</b>	<b>\$ 52.3</b>

Source: Estimates by LAEDC

**Exhibit 3-4:**  
**Detailed Fiscal Impact of Collegiate Sports**  
(Includes federal taxes) (\$2022)

<b>By Type of Tax (\$ millions)</b>	
Personal income	16.9
Social insurance	52.0
Sales and excise	1.4
Property	14.1
Corporate income	46.2
Other fees and taxes	5.7
<b>Total</b>	<b>136.4</b>
<b>By Type of Government (\$ millions)</b>	
Federal	83.9
State	32.1
County	5.9
<i>Property</i>	5.4
<i>Sales</i>	0.3
<i>Other</i>	0.2
Cities	14.4
<i>Property</i>	8.1
<i>Sales</i>	5.0
<i>Other</i>	1.3
<b>Total</b>	<b>\$ 136.4</b>

Source: Estimates by LAEDC



**Exhibit 3-5:****Economic Impact of Collegiate Sports by Industry**  
(2022)

	Employment (jobs)	Labor Income (\$ millions)	Output (\$ millions)
Agriculture	0	0.1	0.1
Mining, and Oil and Gas Extraction	0	0.0	0.2
Utilities	0	1.9	6.9
Construction	20	1.7	5.4
Manufacturing	40	3.4	19.1
Wholesale Trade	70	8.0	27.6
Retail Trade	210	11.2	27.6
Transportation and Warehousing	150	9.4	17.4
Information	50	8.7	37.5
Finance and Insurance	160	16.7	55.7
Real Estate and Rental and Leasing	300	19.0	122.2
Professional, Scientific, and Technical Services	170	19.7	37.2
Management of Companies	40	6.4	11.6
Administrative and Support and Waste Mgmt and Remediation Services	230	13.4	26.4
Educational Services	80	4.6	7.4
Health Care and Social Assistance	310	23.4	39.9
Arts, Entertainment, and Recreation	6,550	338.7	475.2
Accommodation and Food Services	210	8.0	19.6
Other Services	220	12.9	19.8
Government	30	4.8	11.0
<b>Total All Industries</b>	<b>8,830</b>	<b>\$ 509.7</b>	<b>\$ 963.7</b>

Source: Estimates by LAEDC

**Exhibit 3-5** further breaks down the employment, labor income, and output impacts of the collegiate sports industry by industry. Similar to professional sports, the Arts, Entertainment, and Recreation industry experiences the bulk of the employment gains, capturing almost three-quarters of the 8,830 jobs. The industry also benefits from the majority of the labor income and slightly less than half of the resulting output. By output, Real Estate and Rental and Leasing sees the second most economic activity (\$122.2 million) followed by Finance and Insurance (\$55.7 million) and Health Care and Social Assistance (\$39.9 million).

Given that colleges and universities were continuing to wrestle with the impacts of the COVID-19 pandemic during the 2020-21 season, the industry has shrunk slightly when comparing that season to the uninterrupted 2017-18 season, as shown by the figures in **Exhibit 3-6**. The current output level is around 75 percent of 2018, while employment has fallen by a third. Between the two years, fiscal impact is only slightly down, by about \$7 million respectively.

**Exhibit 3-6:****Economic and Fiscal Impact of Collegiate Sports**  
2021 versus 2018 (\$2022)

	2021	2018
<b>Total Economic Impact:</b>		
Output (\$ millions)	\$ 963.7	\$ 1,180.0
Employment (jobs)	8,830	12,630
<i>Direct</i>	6,500	9,440
<i>Indirect and induced</i>	2,330	3,190
Labor income (\$ millions)	\$ 509.7	\$ 474.2
<b>Total State and Local Taxes (\$ millions):</b>	<b>\$ 52.3</b>	<b>\$ 59.7</b>

Source: Estimates by LAEDC

However, the future is bright for college sports in Southern California. With NCAA athletes now able to sell their name, image, and likeness (NIL) in sponsorship deals, the college sports industry is seeing an influx of cash from outside sources that was hitherto banned. Additionally, USC and UCLA announced their intention to move to the Midwest's Big 10 Conference in 2024 to garner great revenues from athletics, which will translate to an increase in economic impact. Additionally, many colleges and universities are still recovering from the impact of the pandemic, the financial impact of their athletics programs is another tool to help schools get the funding they need to educate students.

## Appendix

### About Los Angeles County Economic Development Corporation (LAEDC)

LAEDC drives action in support of a reimagined Los Angeles regional economy that is growing, equitable, sustainable and resilient, and provides a healthy and high standard of living for all. A public-benefit nonprofit celebrating its 40th year of working collaboratively to improve the lives of people through economic inclusion, LAEDC is a trusted leader working on behalf of the Los Angeles County region.

### Approach and Methodology

The approach and methodology of economic impact analysis typically begins with a look at the revenues from firms within that industry. Our approach used the publicly available data on professional sports and EADA data for collegiate sports. Where relevant for comparison, numbers have been updated to reflect their value in 2022. Employment estimates are reported on an annual basis, i.e., the number of full and part-time jobs supported in one year.

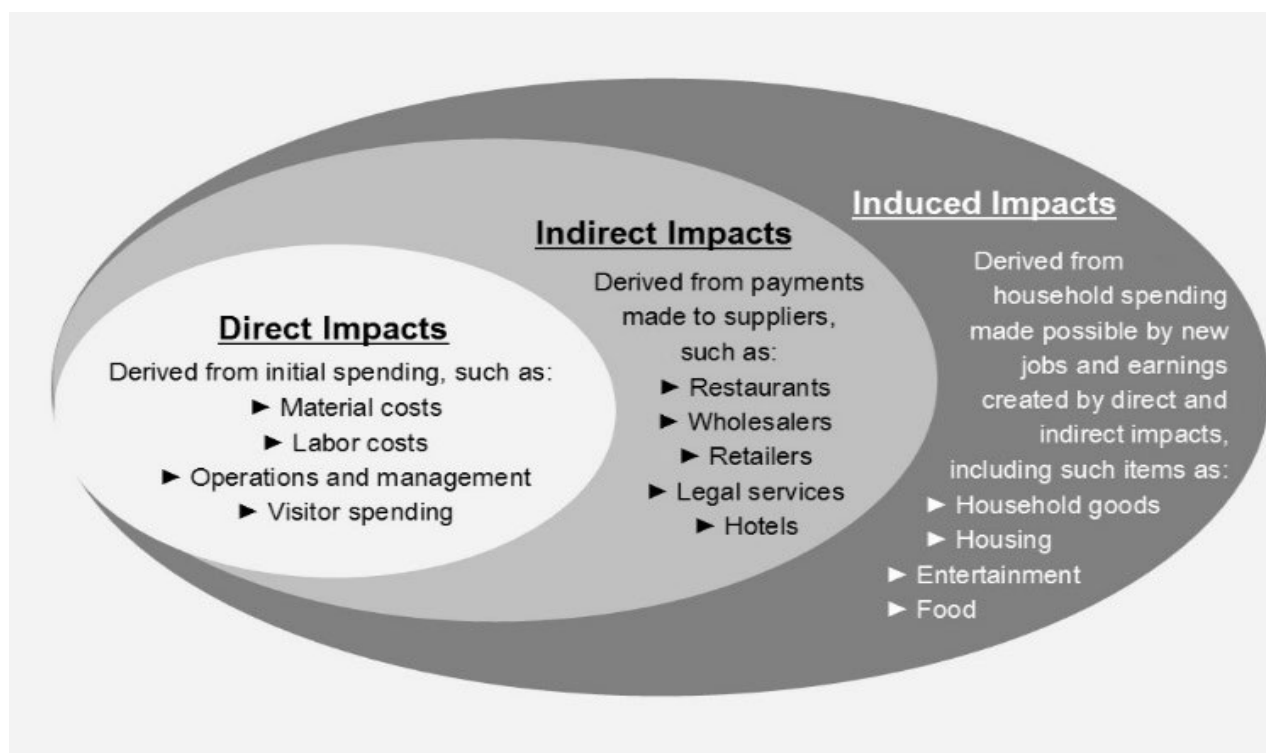
The magnitude of the multiplying effect differs from one region to another depending on the extent to which the local region can fill the demand for all rounds of supplying needs. For example, the automobile manufacturing industry has high multipliers in Detroit and Indiana since these regions have deep and wide supplier networks, while the same industry multiplier in Phoenix is quite small. In another example, the jobs multiplier for the construction industry is higher in say, Arkansas, than in California because the same amount of spending will purchase fewer workers in Los Angeles than in Little Rock.

Multipliers can also differ from year to year as relative material and labor costs change all while the production “recipe” of industries changes as well. For example, the IT revolution significantly reduced the job multiplier of many industries (such as manufacturing, accounting, architecture, and publishing) as computers replaced administrative and production workers.

Once the initial direct activity was determined, we estimated the indirect and induced impacts using models developed with data and software from MIG, Inc. MIG’s IMPLAN system is a robust, widely used set of modeling tools that provide economic resolution from the national level down to the ZIP code level. For purposes of this study, the region of our interest is the City of Los Angeles and Los Angeles County.

The metrics used to determine the value of the economic impact include employment, labor income and the value of output. Employment numbers include full-time, part-time, permanent, and seasonal employees, and the self-employed, and are measured on a job-count basis regardless of the number of hours worked. Labor income is a measure of all income received by both payroll employees and the self-employed, including wages and benefits such as health insurance and pension plan contributions. Output is the value of the goods and services produced. For most industries, this is simply the revenue generated through sales; for others, in particular retail industries, output is the value of the services supplied.

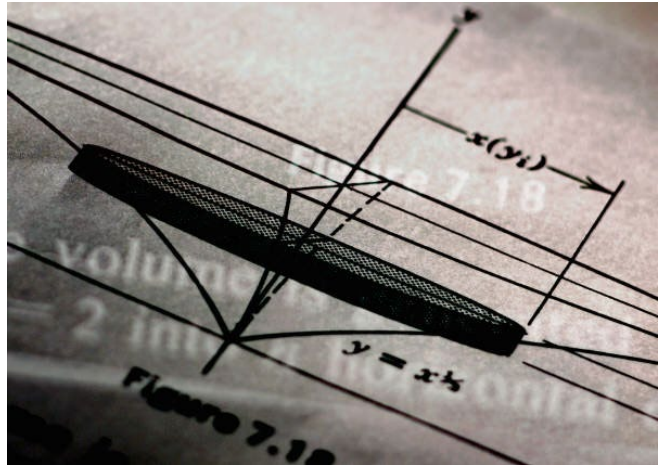
Direct employment are the workers hired by sports teams throughout the county. Direct output is the value of the services provided by each business firm or entity. Indirect effects are those that stem from the employment and output motivated by the purchases made by each team or program. For example, indirect jobs are sustained by the suppliers of the office supplies and insurance coverage purchased by participating institutions. Induced effects are those generated by the household spending of employees whose wages are sustained by both direct and indirect spending.





## Description of Industry Sectors

The industry sectors used in this report are established by the North American Industry Classification System (NAICS). NAICS divides the economy into twenty sectors, and groups industries within these sectors according to production criteria. Listed below is a short description of each sector as taken from the sourcebook, North American Industry Classification System, published by the U.S. Office of Management and Budget (2012).



### Agriculture, Forestry, Fishing and Hunting:

Activities of this sector are growing crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats.

**Mining:** Activities of this sector are extracting naturally-occurring mineral solids, such as coal and ore; liquid minerals, such as crude petroleum; and gases, such as natural gas; and beneficiating (e.g., crushing, screening, washing and flotation) and other preparation at the mine site, or as part of mining activity.

**Utilities:** Activities of this sector are generating, transmitting, and/or distributing electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains, and pipes.

**Construction:** Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.

**Manufacturing:** Activities of this sector are the mechanical, physical, or chemical transformation of material, substances, or components into new products.

**Wholesale Trade:** Activities of this sector are selling or arranging for the purchase or sale of goods for resale; capital or durable non-consumer goods; and raw and intermediate materials and supplies used in production, and providing services incidental to the sale of the merchandise.

**Retail Trade:** Activities of this sector are retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.

**Transportation and Warehousing:** Activities of this sector are providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.

**Information:** Activities of this sector are distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data. This industry contains all aspects of motion picture recording and distribution as well as the sound and telecommunications industry.

**Finance and Insurance:** Activities of this sector involve the creation, liquidation, or change of ownership of financial assets (financial transactions) and/or facilitating financial transactions.

**Real Estate and Rental and Leasing:** Activities of this sector are renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works), and providing related services.

**Professional, Scientific, and Technical Services:** Activities of this sector are performing professional, scientific, and technical services for the operations of other organizations.

**Management of Companies and Enterprises:** Activities of this sector are the holding of securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision-making of the company or enterprise.

**Administrative and Support and Waste Management and Remediation Services:** Activities of this sector are performing routine support activities for the day-to-day operations of other organizations, such as: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

**Educational Services:** Activities of this sector are providing instruction and training in a wide variety of subjects. Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means.

**Health Care and Social Assistance:** Activities of this sector are operating or providing health care and social assistance for individuals.

**Arts, Entertainment and Recreation:** Activities of this sector are operating facilities or providing services to meet varied cultural, entertainment, and recreational interests of their patrons, such as: (1) producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) preserving and exhibiting objects and sites of historical, cultural, or educational interest; and (3) operating facilities or providing services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

**Accommodation and Food Services:** Activities of this sector are providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

**Other Services (except Public Administration):** Activities of this sector are providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services. ❖



Los Angeles County Economic Development Corporation  
444 S. Flower Street, 37<sup>th</sup> Floor  
Los Angeles, CA 90071  
(213) 622-4300  
[www.LAEDC.org](http://www.LAEDC.org)