

# An Economic Impact Study:

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## Splash in the Boro Family Water Park & Aquatic Center

Prepared For:  
Statesboro/Bulloch County Parks and Recreation Department

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## **Introduction**

In general tourism is a part of most counties economic development strategy. Quality attractions are needed in order for tourism to be a viable part of the economic development strategy. Bulloch County has several attractions that tourists value and one of these is Splash in the Boro. The Statesboro/Bulloch County Parks and Recreation Department (SBPRD) requested that the Bureau of Business Research & Economic Development (BBRED) estimate the economic impact of the Splash in the Boro Family Water Park & Aquatic Center (Splash). This study analyzed the impact of Splash based on visitor data collected by the Recreation Department.

## **Impact Summary**

Splash has a positive economic impact for the local economy in that:

1. The facility draws a significant amount of non-county visitors into Bulloch County based upon survey results of full paid admissions.
2. The total economic impact of Splash is estimated at \$8.6 million in gross county output and 161 jobs in the existing economy are related to Splash over the summer.
3. The economic impact increased significantly between 2008 and 2009. The total increase was \$3.6 million or 64% to Gross County Output and 62 more jobs (a 63% increase) was added Splash's employment impact.
4. The attraction reinforces the emergence of Bulloch County (and Statesboro) as a regional economic center of growth.

## **Methodology**

There were several steps that BBRED took to develop this economic impact. First, using 2009 attendance figures provided by SBPRD, the percentage of Bulloch County and non-Bulloch users of Splash were calculated. Bulloch County residents made up about 20% of the attendees at Splash in 2009. The other 80% of Splash users were from other counties in Georgia, including some from other states. Splash had 154,034 total users over the 2009 season. This number includes all adult, children, group/parties and twilight visitors in the geographic areas that visited Splash.

For the purposes of the economic impact analysis, only adult non-Bulloch residents were used in the estimation of the economic impact. There are two major reasons why this was done. The first is that adults control the majority of spending decisions. The second reason is because non-county residents dollars spent in an economy have a more simulative impact on the economy. In this case, Bulloch county residents were using Splash instead of spending their local entertainment dollars somewhere else in the county. In 2009 there were a total of 98,363 adult visitors to Splash—of this total 31,515 came from Bulloch County and 66,848 came from outside of Bulloch County.

Next it was necessary to estimate how much the out of county visitors spent while visiting Splash and Bulloch County. The SBPRD calculated the average per capita spending at Splash for 2009 as about \$11 per visitor per day. Additionally when visitors came to Splash they also made other stops in Bulloch County. The 2007 Travel Profile-Georgia State Travel Economic Impact Regional Analysis report was used to estimate these expenditures that were likely associated with the trip.<sup>1</sup> According to the 2007 state-wide report on tourism, the average spending per persons on a day trip was \$50 per person per day. In order to estimate the total economic impact of Splash, these two areas of spending were combined to make a total of \$61 per person per day.

The 2007 Travel Profile also provided estimates of day traveler expenditure by type of expenditure: Public Transportation, Auto Transportation, Lodging, Foodservice, Entertainment/Recreation and General Retail. For a trip to Splash it was assumed that there was no public transportation expenditure and no lodging expenditure. A breakdown of the expenditure by category used in this analysis is displayed in table 1.

**Table 1**  
**Distribution of Traveler Expenditures by Type**

Auto Trans	23%
Foodservice	46%
Entertainment/Rec.	13%
General Retail	18%

Finally, using the information discussed above, BBRED entered the data into the input/output model IMPLAN. This model developed estimates of Employment, Gross County Output, Labor Income, and Proprietors Income.

<sup>1</sup> The 2007 report is the most current report available.

### *IMPLAN/Impact Analysis*

The regional input-output model IMPLAN was used to estimate the total impact of Splash. This model used the direct new spending of a visitor and calculates the number of times that new spending re-circulates through the economy. For example, the visitor to Splash who also goes out to eat after the day at Splash spend money directly at a local restaurant. The restaurant in turn pays for insurance, air conditioning, etc. That is the indirect effect, the demand of the provider business on other businesses because new customers spend money. The restaurant's employees earn more money and in turn spend that on going out themselves. This second effect is called the induced effect. The combined effect of the direct expenditures, the indirect expenditures and the induced expenditures is the total economic impact of visitors to Splash.

The multiplier effect of new direct spending can be measured in several ways. First, increased demand for entertainment services like Splash increase the total county output of goods and services of Gross County Product. Second, Splash must hire additional workers and pay additional labor income to produce that added output. Third, proprietor's income is also increased by buying the goods and services of other businesses, like chemicals and electricity. All of these measures of economic impact will be discussed below.

### **Results**

All of the following tables display the direct, indirect, and induced effects. As noted, the direct effect category includes the spending by visitors to Splash for goods and services by type of expenditure. Indirect effect measures the business to business transactions, also called the backward-linked multiplier effects. Finally, the induced effects represent spending that is linked to the forward movement of money through the economy, the net new spending by households because businesses had to expand to accommodate the direct and indirect effects.

#### *Gross Regional Product*

Output is the measure of all goods and services produced in the economy. Splash helped to create \$6 million of added Gross County Output directly related to the demand/spending. The multiplier effects resulted in additional economic growth of \$2.6 million. The result is a total economic impact of \$8.6 million in Gross County Output created by the visitors to Splash. Additional, as shown in Table 2 the impacts are spread across a variety of sectors. The sector with the largest total impact is Retail Trade sector with a total of \$2.4 million in Gross County Output. Other sectors with large impacts include food services, entertainment, and other services.

**Table 2**  
**Total Economic Impact of Splash: Gross County Output in 2007\$**

<b>Industry</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Ag, Forestry, Fish & Hunting	0	12,013	10,068	22,080
Mining	0	0	0	0
Utilities	0	44,736	21,695	66,431
Construction	0	55,425	8,185	63,609
Manufacturing	0	84,722	27,068	111,790
Wholesale Trade	0	56,624	50,378	107,002
Transportation & Warehousing	0	94,191	32,190	126,381
Retail trade	2,393,501	55,863	213,210	2,662,574
Information	0	124,283	43,448	167,731
Finance & insurance	0	117,492	86,534	204,026
Real estate & rental	0	249,439	73,992	323,430
Professional- scientific & tech svcs	0	155,381	43,800	199,180
Management of companies	0	28,054	2,640	30,694
Administrative & waste services	0	76,392	16,308	92,701
Educational svcs	0	274	8,238	8,512
Health & social services	0	41	209,040	209,081
Arts- entertainment & recreation	1,721,353	18,918	12,152	1,752,423
Accommodation & food services	1,131,175	40,504	99,538	1,271,217
Other services	754,116	42,746	53,177	850,039
Government & non NAICs	0	37,154	258,817	295,971
<b>Total</b>	<b>6,000,145</b>	<b>1,294,251</b>	<b>1,270,479</b>	<b>8,564,875</b>

*Employment*

The direct effect of Splash is 134 employees related to the out of county visitors. After the indirect and induced impacts were calculated, the total employment impact is 161 jobs that are linked to Splash as an attraction in Bulloch County. The sector that had the largest impact was Retail Trade sector with a total of 52 jobs. It should be noted that these jobs are already exist in the economy. The jobs discussed in the section of the report represent Splash’s contribution to the Bulloch county economy when it is operating over the summer months. Like the impact on Gross County Output the distribution of employment are spread throughout the economy. A complete view of which sectors had an impact due to Splash is displayed in Table 3.

**Table 3**  
**Total Economic Impact of Splash: Employment**

<b>Industry</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Ag, Forestry, Fish & Hunting	0	0	0	0
Mining	0	0	0	0
Utilities	0	0	0	0
Construction	0	1	0	1
Manufacturing	0	1	0	1
Wholesale Trade	0	0	0	1
Transportation & Warehousing	0	1	0	2
Retail trade	52	1	4	57
Information	0	1	0	1
Finance & insurance	0	1	1	1
Real estate & rental	0	2	1	2
Professional- scientific & tech svcs	0	2	1	2
Management of companies	0	0	0	0
Administrative & waste services	0	1	0	2
Educational svcs	0	0	0	0
Health & social services	0	0	3	3
Arts- entertainment & recreation	33	0	0	33
Accomodation & food services	27	1	2	30
Other services	22	1	2	25
<b>Total</b>	<b>134</b>	<b>13</b>	<b>15</b>	<b>161</b>

***Labor Income***

Labor Income is the total amount of wages paid to employees as a result of the visitors to Splash. The Labor Income created by the direct expenditures of the visitors was about \$2.1 million. In total Splash helped to created \$2.8 million in added labor income. A complete view of which sectors had an impact due to Splash is displayed in Table 4.

**Table 4**  
**Total Economic Impact of Splash: Labor Income in 2007\$**

<b>Industry</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Ag, Forestry, Fish & Hunting	0	3,739	4,274	8,014
Mining	0	0	0	0
Utilities	0	9,829	4,767	14,595
Construction	0	19,232	3,097	22,330
Manufacturing	0	15,274	4,483	19,758
Wholesale Trade	0	21,307	18,957	40,264
Transportation & Warehousing	0	43,736	11,916	55,652
Retail trade	1,006,956	22,587	86,179	1,115,721
Information	0	31,680	8,643	40,323
Finance & insurance	0	40,000	25,075	65,075
Real estate & rental	0	43,086	13,065	56,151
Professional- scientific & tech svcs	0	68,391	19,749	88,140
Management of companies	0	12,538	1,180	13,718
Administrative & waste services	0	30,991	6,333	37,324
Educational svcs	0	68	3,694	3,763
Health & social services	0	14	109,120	109,135
Arts- entertainment & recreation	521,569	2,173	3,673	527,415
Accommodation & food services	320,056	12,233	28,567	360,856
Other services	208,903	13,965	24,333	247,201
Government & non NAICs	0	6,802	4,332	11,135
<b>Total</b>	<b>2,057,484</b>	<b>397,647</b>	<b>381,438</b>	<b>2,836,569</b>

*Proprietors Income*

It must be noted that even though the operation of Splash is managed by a public sector entity, the Recreation Department, the government spending in this case adds significantly to the income of the owners of small businesses. Proprietors Income is the total amount of earnings generated for the owners of small businesses as a result of the visitors to Splash. As a direct result of Splash, the Proprietors Income increased approximately \$100,000. In total, Splash helped to create about \$192,000 in added Proprietors Income. A complete view of which sectors had an impact due to Splash is displayed in Table 5.

**Table 5**  
**Total Economic Impact of Splash: Proprietors Income in 2007\$**

<b>Industry</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Ag, Forestry, Fish & Hunting	0	1,737	2,338	4,075
Mining	0	0	0	0
Utilities	0	368	178	546
Construction	0	4,234	680	4,914
Manufacturing	0	66	21	88
Wholesale Trade	0	747	664	1,411
Transportation & Warehousing	0	4,669	2,646	7,315
Retail trade	35,997	769	2,989	39,756
Information	0	294	80	375
Finance & insurance	0	865	899	1,765
Real estate & rental	0	16,043	4,614	20,657
Professional- scientific & tech svcs	0	15,160	4,298	19,458
Management of companies	0	-34	-3	-37
Administrative & waste services	0	3,351	663	4,015
Educational svcs	0	5	285	290
Health & social services	0	2	10,952	10,954
Arts- entertainment & recreation	11,099	1,741	141	12,981
Accomodation & food services	6,708	1,901	1,776	10,385
Other services	47,065	2,457	4,000	53,522
<b>Total</b>	<b>100,869</b>	<b>54,375</b>	<b>37,222</b>	<b>192,467</b>

**Growth in Economic Impact from 2008 to 2009**

This year there was a significant increase in the economic impact of Splash. This was due to the addition of several new attractions and an overall increase in gate admissions (ticket sales). Table 6 displays the increase in terms of total impact for the variables discussed previously.

**Table 6**  
**Total Change from 2009 to 2008**

<b>Industry</b>	<b>Total Impact 2009</b>	<b>Total Impact 2008</b>	<b>Change</b>	<b>Percent Change</b>
Gross County Output	\$ 8,564,875	\$ 5,214,145	\$ 3,350,730	64%
Employment	161	99	62	63%
Labor Income	\$ 2,836,596	\$ 1,733,433	\$ 1,103,163	64%
Proprietors	\$ 192,467	\$ 118,606	\$ 73,861	62%

Each variable discussed in this report has had a significant increase due to the changes at Splash. Almost \$3.6 million or 64% was added to Gross County Output in 2009. 62 more jobs were attributed to the economic impact of Splash than in 2008. Labor income also added \$1.1 million (a 64% increase) in 2009. Finally almost \$74,000 (a 62% increase) was added to proprietors income in 2009. It is clear that the changes at Splash have had a major effect on this year's economic impact when it is compared to last year.

### **Conclusions**

Splash has a positive impact on the Bulloch County economy. As stated previously, Bulloch County is becoming a regional growth center. In this case SBPRD build and operates a one of the only water parks in South Georgia and the Statesboro community has benefited economically because of this water park. In total Splash contribution to the economy was 161 jobs and \$8.6 million in economic activity. It is true that most of the benefits of Splash happen in the summer months however this is the time when the tourism sector of the Bulloch County economy could use some additional visitors. The economic impact of Splash should continue to grow with its expansion and new attractions added in the future.