



HALF MOON BAY  
INTERNATIONAL  
MARATHON

The 2013 Half Moon Bay International Marathon:  
An Economic Impact Analysis

Dr. Shawn M. Rohlin<sup>1</sup>  
Department of Economics  
Kent State University  
454 College of Business  
Kent, OH 44242  
(330) 672- 1098  
[srohlin@kent.edu](mailto:srohlin@kent.edu)

*Research Associates:*  
Lance Corbin & Neil Rafferty  
Department of Economics  
Kent State University  
Kent, OH 44242

---

<sup>1</sup> Corresponding Author

**Table of Contents**

**Executive Summary..... 3**

**Introduction..... 4**

**Economic Impact Analysis and Results for Half Moon Bay International Marathon.....6**

*Table 1: The Impact on Output, Income and Employment..... 6*

*Table 2: Non-local Participant and Guest Average Expenditure ..... 7*

*Table 3: Summary of the Import Substitution Effect .....8*

**Conclusion .....8**

**Executive Summary:**

The 2013 Half Moon Bay International Marathon (HMBIM) is known for its beautiful scenic route, however less is known about the economic impact the race has on the local economy. The Half Moon Bay International Marathon directly impacts local shops and businesses by bringing non-local participants to the area. The 2013 HMBIM attracted a total of 1,287 athletes of which roughly 971 resided outside of San Mateo County and 316 were from San Mateo County. In direct spending, non-local participants spent around \$400,000, with local hotels, restaurants, car rentals, and department stores receiving the bulk of the spending. This direct spending created additional “indirect” spending of \$720,000 for a total output effect of roughly \$1.1 million from non-local runners. Guests of local runners, who came to support local participants, contributed an additional \$180,000 in total spending. Lastly, local import substitution, which determines how much “local” money the HMBIM keeps locally, contributed another \$260,000. In total, accounting for all three sources of spending the 2013 Half Moon Bay International Marathon had an economic impact of ~\$1.5 million. This additional spending increased local earnings by approximately \$690,000 and generated an employment impact equivalent to 21 full-time jobs.

All in all, each dollar spent in the San Mateo economy from a non-local participant generated an additional \$1.64 worth of economic activity distributed throughout the local economy. The summary table below indicates the estimated economic impact the 2013 Half Moon Bay International Marathon had on the local economy.

<b>Table 1: Half moon Bay Marathon's Impact on Output, Income, and Employment</b>					
Source	Direct Spending	Indirect Spending	Total Spending Impact	Earnings Impact	Employment Impact
Non-local Participants	\$406,052.78	\$720,377.31	\$1,126,430.09	\$590,933.96	16.83
Guests	\$65,632.16	\$114,901.39	\$180,533.55	\$54,840.77	1.54
Local Import Substitution	\$122,627.60	\$138,544.66	\$261,172.26	\$41,480.27	2.68
<b>Total:</b>	<b>\$594,312.54</b>	<b>\$973,823.35</b>	<b>\$1,568,135.90</b>	<b>\$687,255.00</b>	<b>21.04</b>

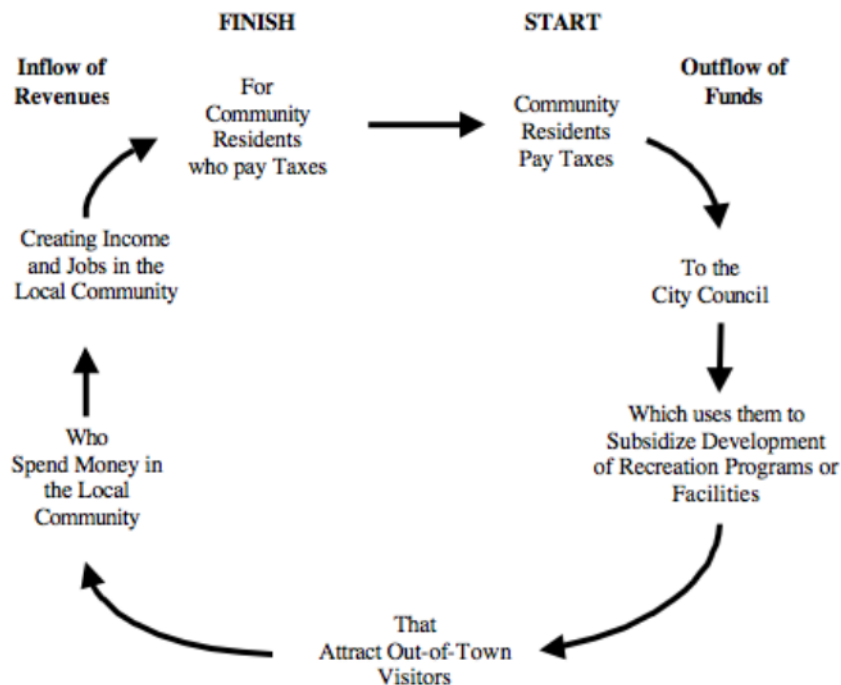
**I. Introduction:**

The 2013 Half Moon Bay International Marathon held various events including a marathon, half marathon, and free 5K for the Half Moon Bay chapter of the JUST RUN organization.. This was the third time the event has been held and it continues to be an important event to the community. As the event has gained momentum and stature in the U.S. running community, this study was conducted to further document the economic impact of the marathon on the San Mateo County area.

The study was conducted using data collected from a post-race survey that was sent to all participants. The survey results were used to quantify the magnitude of the economic impact. In addition, an economic methodology was used to calculate the overall economic impact (both direct and indirect) of the Half Moon Bay International Marathon on the local economy. First, the methodology calculates the direct and indirect effects by studying the direct cash flow resulting from participants (and guests) that reside outside the local area. The “indirect” component incorporates the fact that money “multiplies” throughout an economy and is calculated by using the Bureau of Economic Analysis’ Regional Input-Output Modeling System data. This “indirect” effect can be thought of as when a waitress receives a tip from a non-local participant and uses it to buy another local good. Had the Marathon not taken place in San Mateo County, the waitress would not have received the additional tip and would not have used it to purchase the additional good. The economic impact study also analyzes the effect that local participants have on the economy. Using a method termed local import substitution, the economic impact study attempts to measure the amount of money an area would have lost from local participants had the event occurred outside the area.

To better illuminate the process economic impact studies are attempting to capture, John L. Cromptonin, in his book *Measuring the Economic Impact of Visitors to Sports Tournaments*

and *Special Events*<sup>2</sup>, presents a diagram that depicts the process flow behind how residential taxes can translate into increased inflow of revenues. The economic impact study uses data provided by participants to estimate the left-hand side of Cromptonin’s diagram illustrated below.



Non-local participants who attend the event spend money resulting in additional revenue for local businesses. Local businesses then have the opportunity to create new employment prospects by hiring more workers or extending current working hours. These new jobs result in more taxable dollars for the community thus increasing the community’s inflow of revenue. This process resembles an investment strategy where community leaders invest tax dollars into an

<sup>2</sup> Crompton, J.L., *Measuring the Economic Impact of Visitors to Sports Tournaments and Special Events*, Ch. 2 “Understanding the Principles of Economic Impact Studies”. Ashburn, VA: National Recreation and Park Association.

event with the hopes of creating a larger rate of return for the community. Additionally, the event serves as more than just an investment, it represents a community building experience that brings community members together and breathes life into a city. The community also benefits by the event’s investments towards charitable donations. Therefore, not only does the city provide an enjoyable and fun event for thousands which results in increased revenue for local businesses, but the community is also able to reinvest in charitable organizations at the same time.

**II. Economic Impact Analysis and Results:**

Data for the economic impact study was collected using a post-race survey that was distributed via email the week after the race. The week time frame provides participants the extra time necessary for spending purchases to be accounted for. Out of the 1,287 HMBIM participants 971 were from outside the San Mateo County with 45% of all participants responding to the survey.

Table 1 indicates non-local participants contributed greatly to the economy by spending \$400,000. This resulted in an indirect impact of roughly \$720,000 for a total spending impact on the San Mateo economy of about \$1.1 million. Guest spending brought in an additional \$65,000 in direct spending and totaled around \$180,000 after including the indirect impact.

<b>Table 1: Half moon Bay Marathon's Impact on Output, Income, and Employment</b>					
Source	Direct Spending	Indirect Spending	Total Spending Impact	Earnings Impact	Employment Impact
Non-local Participants	\$406,052.78	\$720,377.31	\$1,126,430.09	\$590,933.96	16.83
Guests	\$65,632.16	\$114,901.39	\$180,533.55	\$54,840.77	1.54
Local Import Substitution	\$122,627.60	\$138,544.66	\$261,172.26	\$41,480.27	2.68
<b>Total:</b>	<b>\$594,312.54</b>	<b>\$973,823.35</b>	<b>\$1,568,135.90</b>	<b>\$687,255.00</b>	<b>21.04</b>

Accounting for local import substitution, when local residents redirect their spending from another economy into their local economy due to the location of the event, Table 1 indicates that local individuals would have spent an estimated \$122,000 in another city had the Half Moon Bay

International Marathon not existed which created a total impact of \$261,000. In total, the 2013 Half Moon Bay International Marathon brought around \$1.56 million to the San Mateo economy that otherwise would not have occurred had the Half Moon Bay International Marathon taken place in a different locale. Looking at the effects on the local economy, San Mateo residents received an extra \$690,000 in earnings and also garnered an additional employment equivalent to 21 full-time jobs.

<b>Table 2: Non-Local Participant and Guest Average Expenditure</b>		
	Non-Local	Guest
Hotels	\$442.49	\$433.33
Restaurants	\$135.88	\$152.08
Drinking establishments	\$63.36	\$40.00
Gasoline	\$41.33	\$46.11
Car rental	\$232.61	-
Entertainment	\$85.72	\$37.50
Marathon Expo	\$135.88	\$24.00
Retail	\$82.15	\$55.00
Parking	\$22.39	\$10.00
Public transportation (Bus, Taxi, etc.)	\$12.40	\$25.00
Depart./Clothing Stores	\$133.77	\$46.00
Grocery/Drug Stores	\$53.87	\$57.50
Other Retail:	\$47.00	
Other	\$107.86	
<b>Total:</b>	<b>\$1,596.71</b>	<b>\$493.19</b>

Looking at an industry breakdown of both non-local and guest average conditional expenditure, or the average amount individuals spent if they spent money on a specific purchase, Table 2 indicates that hotels received the largest boost in revenue as a result of the marathon. Department stores and vendors who sold souvenirs grossed around \$133 per sale while non-local runners spent roughly \$135 and \$63 on restaurants and drinking places respectfully. Table 2 indicates that if an individual purchased a hotel room and they were non-local, on average, they would have spent \$442 for the weekend.

Table 3: Summary of the Import Substitution Effect							
Category	Mean	Weight	Direct Spending	Indirect Direct Spending	Total Spending Impact	Earnings Impact	Employment Impact
Import Substitution	588.94	0.659	\$122,627.60	\$138,544.66	\$261,172.26	\$41,480.27	2.68

Lastly, Table 3 presents a summary of the import substitution results. These results are derived from a question on the survey about whether or not a local participant would have participated in a race outside the local economy if the Marathon did not exist. The percent of local runners who would have gone elsewhere was roughly 66 percent and would have spent an average of \$588. This effect caused \$260,000 more local spending resulting in \$41,000 in increased earnings and a little more than 3 local jobs.

### **III. Conclusion:**

The 2013 Half Moon Bay International Marathon had a significant economic impact on the local economy in the form of increased revenue and job creation. Not only do local businesses benefit from increased revenue due to spending but the city itself benefits from community reinvestment in addition to increased tax revenue as a result of the event. Moreover, the HMBIM fosters a positive sense of community by promoting health and fitness. In total the Half Moon Bay International Marathon brought a total of about 1,287 runners to the local area and had a \$1.56 million impact on the local economy.