

Economic and Fiscal Impacts of the Baltimore Ravens Organization

Study Objective

In April 2007 Towson University and Sage Policy Group, Inc. authored a report analyzing the economic and fiscal impacts of M&T Bank Stadium in 2006. While that study measured the economic and fiscal impacts of the stadium's operations and the events held therein, it did not measure the economic and fiscal impacts of the operations of the Baltimore Ravens football team, including those associated with player and front office salaries.

The April 2007 study estimated that M&T Bank Stadium is associated with \$216.3 million in augmented statewide business sales, \$100 million in added personal income and nearly 3,100 jobs supported each year. State tax revenues traceable to the Stadium's operations amounted to approximately \$9.7 million in 2006. By separately quantifying the economic effects of the Baltimore Ravens organization, this study complements the April 2007 M&T Bank stadium report. It should be noted that the economic impacts of M&T Bank Stadium encompass impacts associated with events that are unrelated to the Baltimore Ravens NFL franchise. Of course, were it not for the Ravens, the Stadium would not exist to host those events.

Methodology

Sage Policy Group, Inc. utilized IMPLAN to calculate economic impacts. IMPLAN is software that embodies locally-specific economic multipliers that enable economists and others to calculate the number of jobs, amount of income and business sales associated with various types of economic activity. IMPLAN is provided by the Minnesota IMPLAN Group.

Results

For calendar 2006, total W-2 player compensation was reported as \$121,071,682. Players typically reside in Maryland from August 1st through January 31st. It is estimated that roughly 10 percent of players own homes and reside in Maryland during the off-season. This is important because it helps determine what share of player income is likely spent in Maryland and therefore generates local economic and fiscal impacts. Based on available data, it is estimated that 50 percent of player disposable income is spent in Maryland. The calculation is complicated by the fact that Raven players spend so much of their season on the road.

For calendar 2006, total W-2 Ravens' front office compensation was reported as \$23,579,418. This figure includes management, coaches, cheerleaders, mascots and others on the payroll. Moreover, it is estimated that in 2006, the Ravens spent \$28 million through its accounts payable system, donated nearly \$300,000 to Maryland

organizations through Baltimore Ravens L.P., and donated well over \$400,000 through the Ravens All-Community Team Foundation.

Based on these data inputs, IMPLAN calculates that the Ravens organization supports nearly 400 jobs directly and indirectly statewide, roughly \$300 million in wages, and \$69 million in business sales. The organization also generates \$8.9 million in income taxes for the State and \$6.6 million in State sales taxes for a total of \$15.5 million between the State's two primary tax handles. Exhibits 1 and 2 provide related detail.

Exhibit 1: Economic Impacts, Baltimore Ravens

Economic Impacts	Direct Impact	Secondary Impact	Total Impact
GSP (millions)	\$28.3	\$40.5	\$68.8
Wages (millions)	\$144.7	\$140.9	\$285.6
Employment	171	216	387

Exhibit 2: Fiscal Impacts, Baltimore Ravens (millions)

Fiscal Impacts	Total Impact
Income tax	\$8.9
Sales tax	\$6.6
Total	\$15.5

Conclusion

The Baltimore Ravens generate significant economic and fiscal impacts as a business entity. These impacts are in addition to those attributable to M&T Bank Stadium operations.