

Economic Impact of the 2023 State Fair of Texas

Michael C. Carroll, Ph.D.
Economics Research Group
The University of North Texas



August 2024

State Fair of Texas

2023

Executive Summary

The State Fair of Texas (SFT) started in 1886 and is one of the longest running state fairs in the nation. Each year, millions of attendees come from inside the state, the country, and all over the world to attend the fair. These visitors in turn spend millions of dollars, not only at the Fair, but at hotels and restaurants off the fairgrounds. Moreover, concessionaires and exhibitors come from all over the state and country to sell their wares to the public during the State Fair. Those same concessionaires and exhibitors also spend money off the fairgrounds and contribute to the total economic impact the Fair offers.

The purpose of this study is to estimate the economic impact the 2023 State Fair of Texas (SFT) had on the DFW economy. The impact is separated into two categories. The core impact refers to the primary mission of the fair and includes operations, capital spending, and visitor spending from fair patrons and the vendor employees. The primary data for the core impacts comes directly from the SFT audited financial statements and detailed attendance records provided by SFT.

The secondary impact includes ancillary activity such as the retail sales activity, the football games, and the auto show. Much of this primary data relies on estimates of economic activity from federal and state spending models. The secondary results will be presented in ranges from low to high. All of the data used is publicly available.

Selected Highlights:

Core Impact

- 2,341,449 people attended the 2023 SFT.
- The 2023 SFT generated \$422.2M in economic activity in the DFW region.
- The 2023 SFT generated 4,486 jobs for the DFW region.
- The 2023 SFT provided DFW workers with \$179.3M in labor income.

- The 2023 SFT generated more than \$70.5M in tax revenue (local, state, federal).
- The SFT contributed \$15.8 million through philanthropic and Fair Park giving. This includes dollars given back to the City of Dallas for Fair Park improvements, grants and sponsorships for South Dallas nonprofits, and support for Fair Park educational facilities.

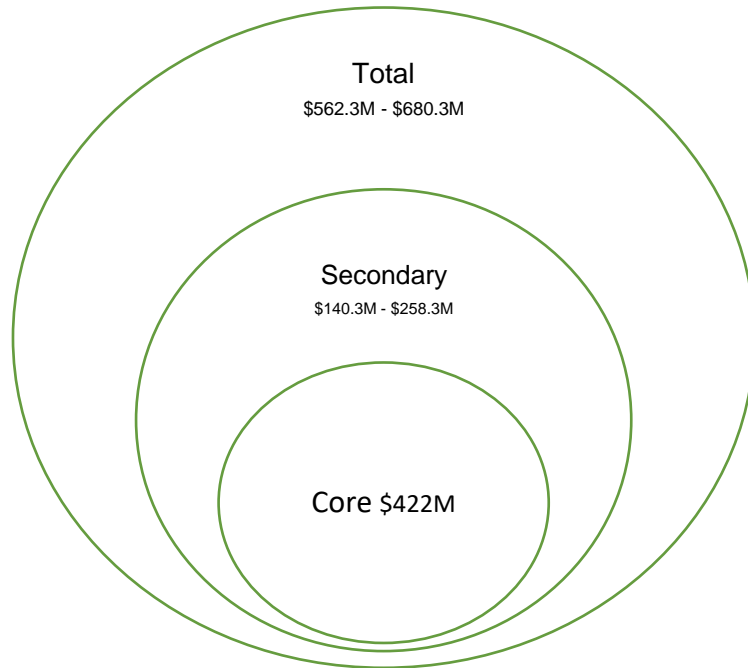
Table 1				
Core Economic Impact Detail				
	Direct	Indirect	Induced	Total
Employment	3,489	357	640	4,486
Labor Income	\$112,465,533	\$25,758,422	\$41,092,040	\$179,315,994
Value Added	\$142,060,150	\$44,642,865	\$75,034,098	\$261,737,114
Output	\$212,020,314	\$83,509,482	\$126,698,283	\$422,228,079

Source: SFT Financial Data and IMPLAN

Secondary Impact:

- Three vendor sales scenarios are presented. They vary by the amount of sales per sq. ft.
 - The economic impact from vendor sales is estimated to range from \$78.2M to \$196.2M depending on the sq. ft sales selected.
 - The fiscal impact from vendor sales is estimated to range from \$15.2M to \$38.2M depending on sq. ft sales selected.
- The economic impact of the Red River Rivalry and the State Fair Classic football games is estimated to be \$62.1M annually.
- The economic impact of Texas Auto Show (TXAS) is significant and a detailed discussion is provided in the final section.

2023 Economic Impacts



Introduction

The State Fair of Texas (SFT) is an annual event that is held over 24 days in September and October. Currently, more than two million people attend the State Fair annually. The attendees come from inside the state, the country, and all over the world to attend the fair. The State Fair of Texas is considered to be one of the best state fairs in the nation.

The SFT generates millions of dollars to the Dallas-Fort Worth economy annually and supports thousands of local jobs. The purpose of this study is to estimate the economic impact the 2023 State Fair of Texas (SFT) had on the DFW economy. The impact is separated into two categories. The core impact refers to the primary mission of the fair and includes operations, capital spending, and visitor spending from State Fair patrons and the vendor employees. The primary data for the core impacts comes directly from the SFT audited financial statements and detailed attendance records provided by SFT. The secondary impact includes ancillary activity such as the retail sales activity, the football games, and the auto show. Much of this primary data relies on estimates of economic activity from federal and state spending models. The secondary results will be presented in ranges from low to high. All of the data used is publicly available.

Methodology

This section explores the general methodology used to calculate the economic impacts. A brief discussion of the models employed is followed by a description of the pertinent data used in the economic calculations. The primary financial data are taken directly from the State Fair of Texas (SFT) audited financial statements. Attendance numbers and other related data was also supplied by the SFT and are available on the SFT website. The secondary data, items such as industry employment levels and local demographic characteristics, are taken from a number of state and national data sources.

General Economic Forecasting Model Specification

This study employed an Input\Output model to make the primary economic forecasts. Input\Output methodology allows the examination of forward and backward linkages that are present in any regional economy. The model measures the total annual economic activity that results from inter- and intra-industry transactions. The model breaks the economy into 546 separate sectors with each sector representing an individual industry. It then uses a sectoring scheme developed by the IMPLAN Group and is closely related to the Bureau of Economic Analysis (BEA) REIS model. The model is 546 X 546 (row x col.) matrix that shows all the economic activity between the individual sectors. The entries in the matrix are based on the dollar amount that each industry sells to (and purchases from) other industries in North Texas. It measures the amount of final consumption by the residents of the region as well as how much each industry exports from the area. The model uses data collected at the county level, which are obtained from the IMPLAN Group and the BEA. County data are in turn aggregated or “rolled-up” to form service areas such as local areas, states or larger geographic regions such as the Western or Midwest.

Input\Output models estimate economic impacts by taking advantage of the relatively stable patterns in the flow of goods and services within the economy. Predictions can be made of an industry’s total economic impact by examining the purchasing patterns of the individual sectors. The BEA collects extensive data on these regional trade flows and reports their findings annually.

Primary Data

As mentioned earlier, the primary data come directly from SFT audited financial statements¹ (Ernst & Young LLC 2023) and provide a solid foundation for the analysis. These data include all SFT accounts payable transactions, salaries and fringe benefits, number of employees, construction and capital improvements spending, and donations.

¹ Available on the SFT website.

Secondary Data Specifications

Once the primary (direct) impact is identified, it is necessary to estimate the ultimate impact on the economy. This study's forecasting model (IMPLAN) utilizes variables from a variety of national data sets. To reduce potential confusion, a specific definition of the major variables may be of use.

Industry Output

Industry output represents the value of the industry's total production. Industry output can be thought of as the value of industry sales plus or minus inventory changes. It should be stated that industry output is not a measure of an industry's income and, therefore, cannot be directly compared to the Gross State Product (GSP) (Total-value Added is a closer approximation) numbers reported by the BEA. The value of industry output is typically higher than GSP. It is a more comprehensive measure and, therefore, is a better measure of true economic impacts. The IMPLAN model estimates the industry output data, which are derived from the Bureau of Census Economic Census, the Annual Survey of Manufacturers, and the Bureau of Labor Statistics growth model.

Employment

Employment is the total number of full-time wage and salary employees, plus the number of self-employed workers in a particular industry. Part-time workers' hours are aggregated into full-time equivalents (2,080 hours), and reported with the full-time workers.

No single source of employment data is adequate for accurately estimating employment impacts. Due to nondisclosure rules, the employment figure reported by government agencies often underestimates true employment in a given county. In accordance with U.S. Code Title 13, Section 9, no datum is published that would disclose the operations of an individual employer or put an individual employer at an unfair disadvantage. In this study, as we narrow our focus to the county level, the number of firms representing an industry inevitably decreases. It is not uncommon for a single business establishment to be the sole operator in that industry in a particular county. If this is the

case, the employment numbers are not disclosed and the employment in that region is understated. Fortunately, it is possible to reconstruct a region's employment by combining data from a variety of sources. Non-disclosure rules require that the individual reporting agency not reveal confidential information. However, other government agencies may report the missing data in another form. For example, the U.S. Department of Labor collects labor data as part of the Unemployment Insurance ES-202 program. These data are for "covered employees" of the Unemployment Insurance Program. Workers not "covered," such as self-employed workers, would not be included in the data. However, "not covered" workers would be included in the employment figures captured by the Department of Census County Business Patterns. By carefully combining the employment figures reported in the ES-202 data set, the County Business Patterns, the REIS data and the Internal Revenue Service Quarterly Payroll File (FICA), a fairly comprehensive employment figure can be reconstructed. The raw data are then "sectored" into the appropriate SICs and, in turn, combined into the necessary industry vectors and IMPLAN matrices.

Labor Income

Labor income includes all salaries and wages paid to the industry's employees. The figure includes the proprietors' income of self-employed persons in the industry. The figures reported are gross amounts and taken from the IMPLAN data set.

Consumption Spending

Employee consumption measures consumption spending of employees directly employed by the relevant industry. Employee spending is estimated using the BEA Benchmark I/O Study and the BLS Consumer Expenditure Survey. This provides estimates of employee spending based on regional preferences and household income levels. In this case, it measures the typical "basket" of goods purchased by a North Texas family.

Understanding Multipliers

As mentioned in the introduction, the operation of the SFT impacts the economy in three ways. The direct impact includes the purchases of resources (labor, goods, and

services) as the SFT completes its traditional mission. The indirect impact occurs through industry-to-industry purchases the SFT makes with its local suppliers. Finally, the induced impact reflects the change in household demand as those employees of the SFT and any supplier's employees earn dollars for consumer spending. Therefore, the total impact to the economy is the summation of the direct, indirect, and induced components. The indirect and the induced portions are commonly known as the multiplier. It shows how the initial (direct) expenditures get multiplied through the economy. Calculating the multipliers based on the supplier relationships and employee consumptions patterns are much more accurate than simple multiplier tables.

Core Impacts

Operations and Capital Spending

Every year the SFT organization spends tens of millions of dollars to plan, organize, and run the Fair. The State fair is comprised of an auto show, carnival rides and games, livestock shows and competitions, agriculture events, and much more.

Using the 2023 audited financial statements, the total expenses used to run and operate the fair minus non-cash expenditures such as depreciation, gives the total operating used in this study. This number will be used as the direct net economic impact for the DFW area. These expenses would not have been spent if the fair was not conducted, so they are a net economic benefit. It should be noted that the operations and capital spending includes the amount the SFT contributed \$15.8 million through philanthropic and Fair Park giving. This includes dollars given back to the City of Dallas for Fair Park improvements, grants and sponsorships for South Dallas nonprofits, and support for Fair Park educational facilities.

The operation and capital spending created an economic impact of \$153M on the DFW economy. The operating activity led to 1,622 full time equivalent jobs with a labor income of \$72.9M. Table 2 shows the detail of the impact from operations and capital spending.

Table 2				
Operations and Capital Spending Economic Impact Detail				
	Direct	Indirect	Induced	Total
Employment	1,255	105	262	1,622
Labor Income	\$48,766,805	\$7,378,949	\$16,793,698	\$72,939,452
Value Added	\$55,416,696	\$13,195,537	\$30,665,825	\$99,278,058
Output	\$76,410,336	\$24,815,372	\$51,780,424	\$153,006,132
Source: SFT Financial Data and IMPLAN				

Fiscal Impacts of Operations and Capital Spending

The fiscal impacts refer to the tax revenue generated by economic activity of an entity or event. The fiscal impacts in this study are segmented into several categories. These include federal, state, local, county and subcounty (general and special district) categories. Tax revenue sources include income taxes, sales taxes, property taxes, and employment taxes such as Social Security and several others.

SFT operations and capital spending generated tax revenue of more than \$28.4M for federal state and local governments. The majority of this revenue, \$15.9M was federal tax revenue. The state received \$6.5M and the remaining revenue went to various municipalities and counties. The fiscal impact detail from fair operations and capital spending is presented in Table 3.

Table 3				
Fiscal Impact of Operations and Capital Spending				
	Direct	Indirect	Induced	Total
Sub County General	\$1,430,753	\$127,279	\$385,936	\$1,943,968
Sub County Special Districts	\$2,362,057	\$210,317	\$637,367	\$3,209,741
County	\$605,880	\$54,101	\$163,657	\$823,637
State	\$4,810,072	\$432,311	\$1,301,801	\$6,544,185
Federal	\$10,305,654	\$1,716,985	\$3,915,105	\$15,937,744
Total	\$19,514,415	\$2,540,993	\$6,403,865	\$28,459,274
Source: SFT Financial Data and IMPLAN				

Visitor Spending

In 2023, there were over 2.3 million people who attended the State Fair. These visitors spend money inside and outside the fair. Outside the fair, money is spent on lodging, food & drink, entertainment, travel expenses, and shopping. Inside the fair, a majority of spending occurs through the sale of coupons used to purchase food & drinks along with fair rides. To estimate the net economic impact of the State Fair on the Dallas Ft. Worth (DFW) area, all fairgoers must first be separated into two groups, residents and visitors. Residents spending money at the fair or at a local restaurant is not to be counted as a net economic benefit to DFW. This assumes that local resident would have spent their money in the area whether the fair was going on or not. Therefore, only spending by fairgoers from outside the DFW area will be included in the impact of visitor spending.

When visitors travel to the fair they may spend money in many different places. Whether it is spent at the fair, in a restaurant, or a hotel in DFW their spending must be captured in order to estimate the net economic benefit for the area. The money spent outside the fair is estimated to be \$152 per visitor². This represents the total amount a visitor would spend in DFW but outside the fair. The money is divided up to account for the different items a visitor would purchase while away from home. Visitors were estimated to spend money on lodging, transportation, food & drinks, shopping, and recreational activities such as a movie, bar, or other activity while in DFW. The total spending was proportioned into these groups then entered into IMPLAN by their respective categories.

In order to not overestimate spending, visitors also needed to be broken down even further into in-state and out-of-state visitors. All out-of-state visitors are assumed to have spent the full \$152. In-state visitors are assumed to spend money the same way as out-of-state visitors except some may not stay in a hotel. Some in-state visitors may stay with family or simply drive home after the fair. To account for this, it is assumed that half of the in-state visitors not spend money on lodging. Their expenditures are assumed to be \$106 per person.

² This is based on the BLS Consumer Expenditure Surveys. It is the same expenditure pattern as used in the ERG report's 2016 SFT basket only adjusted for inflation.

The State Fair had an attendance of 2,341,499 in 2023. Based on SFT attendance data, 1,841,901 attendees were from the DFW region. 499,548 attendees were visitors to DFW. Of the 499,548 visitors, 258,730 were from other parts of Texas. Table 4 shows the visitor spending categories.

Table 4				
Visitor Spending Basket				
Spending Basket	Amount	Out of State	Texas	Total
Food	\$34	\$16,754,840	\$8,677,804	\$25,432,644
Transportation	\$23	\$11,424,663	\$5,917,155	\$17,341,818
Retail	\$30	\$15,231,219	\$7,888,678	\$23,119,896
Recreation	\$20	\$9,901,041	\$5,128,029	\$15,029,070
Lodging	\$46	\$22,849,326	\$5,917,155	\$28,766,481
Total	\$152	\$76,161,088	\$33,528,821	\$109,689,909

Source: BLS Expenditure Survey

Visitor coupon/parking/admission sales were included in visitor spending for ease of presentation. To the total shown in Table 4 above, visitor coupon sales of \$25,640,699³ was included in the direct visitor spending. This brings the direct spending of visitors to \$135,330,608 as shown in Table 5 below.

The SFT visitor spending created an economic impact of \$268.7M on the DFW economy. The operating activity led to 2,860 full time equivalent jobs with a labor income of \$106.2M. Table 5 shows the detail of the impact from visitor spending.

Table 5				
Visitor Spending Economic Impact Detail				
	Direct	Indirect	Induced	Total
Employment	2,231	251	378	2,860
Labor Income	\$63,606,678	\$18,343,943	\$24,260,909	\$106,211,529
Value Added	\$86,463,452	\$31,388,537	\$44,299,915	\$162,151,905
Output	\$135,330,608	\$58,583,829	\$74,802,524	\$268,716,961

Source: SFT Financial Data and IMPLAN

³ This amount also includes concession spending at the football games during the fair.

SFT operations and capital spending generated tax revenue of more than \$41.9M for federal state and local governments. The majority of this revenue, \$23.7M was federal tax revenue. The state received \$9.5M and the remaining revenue went to various municipalities and counties. The fiscal impacts are shown in Table 6.

Table 6				
Fiscal Impact of Visitor Spending				
	Direct	Indirect	Induced	Total
Sub County General	\$1,957,454	\$320,543	\$557,496	\$2,835,494
Sub County Special Districts	\$3,231,361	\$529,644	\$920,697	\$4,681,702
County	\$828,663	\$136,222	\$236,408	\$1,201,293
State	\$6,574,518	\$1,088,163	\$1,880,497	\$9,543,178
Federal	\$13,906,775	\$4,174,152	\$5,655,876	\$23,736,802
Total	\$26,498,771	\$6,248,724	\$9,250,975	\$41,998,469

Source: SFT Financial Data and IMPLAN

Vendor/Concessionaire/Novelty Shop (VCN) Employee Spending

The general public fairgoers are not the only visitors to the fair. There are also a considerable number of employees from vendors attending the fair. Vendor, concessionaires, and novelty shops will be referred to as a collective group called VCN. SFT data show 4,298 VCN employee days (total VCN employees by days attended) were registered at the 2023 SFT. The VCN in this sample were the ones who do not live in DFW. Since they are not from the DFW region their spending will be counted as a net economic impact. An employee who is in the area for work will probably spend most of their time working and so will have less time to spend money than a visiting fairgoer. Therefore, \$65 a day was used to calculate VCN spending. The total direct spending of VCN employees is \$279,370. ($\$65 \times 4,298 = \$279,370$)

The VCN employee spending created an economic impact of \$504,986 on the DFW economy. The operating activity led to 3 full time equivalent jobs with a labor income of

\$165,013. It should be noted that the employment reported here was low because some of the VCN spending was done at the SFT and the employment has already been captured in other impacts. Table 7 shows the detail of the impact from VCN spending.

Table 7				
VCN Employee Spending Economic Impact Detail				
	Direct	Indirect	Induced	Total
Employment	2	1	1	3
Labor Income	\$92,050	\$35,529	\$37,433	\$165,013
Value Added	\$180,002	\$58,791	\$68,358	\$307,151
Output	\$279,370	\$110,280	\$115,335	\$504,986

Source: SFT Financial Data and IMPLAN

VCN employee spending generated tax revenue of more than \$68,294 for federal state and local governments. The majority of this revenue, \$38,598 was federal tax revenue. The state received \$15,509 and the remaining revenue went to various municipalities and counties. The fiscal impacts are shown in Table 8.

Table 8				
Fiscal Impact of VCN Employee Spending				
	Direct	Indirect	Induced	Total
Sub County General	\$3,147	\$609	\$859	\$4,615
Sub County Special Districts	\$5,194	\$1,006	\$1,419	\$7,619
County	\$1,331	\$259	\$364	\$1,954
State	\$10,543	\$2,067	\$2,898	\$15,509
Federal	\$21,814	\$8,063	\$8,721	\$38,598
Total	\$42,030	\$12,003	\$14,262	\$68,294

Source: SFT Financial Data and IMPLAN

Total Core Impact

The total core impact is the summation of the operations & capital spending, visitor spending, and employee spending of VCN employees. For 2023, the SFT had an economic impact of \$422.8M on the DFW economy. It created 4,486 full time equivalent jobs with a labor income of 179.3M. The impact detail is shown in Table 9.

Table 9				
Total Core Economic Impact Detail				
	Direct	Indirect	Induced	Total
Employment	3,489	357	640	4,486
Labor Income	112,465,533	25,758,422	41,092,040	179,315,994
Value Added	142,060,150	44,642,865	75,034,098	261,737,114
Output	212,020,314	83,509,482	126,698,283	422,228,079

Source: SFT Financial Data and IMPLAN

The total core spending of the SFT generated tax revenue of more than \$70.5M for federal state and local governments. The majority of this revenue, \$39.7M was federal tax revenue. The state received \$16.1M and the remaining revenue went to various municipalities and counties. The fiscal impacts are shown in Table 10.

Table 10				
Total Core Fiscal Detail				
	Direct	Indirect	Induced	Total
Sub County General	\$3,391,354	\$448,431	\$944,291	\$4,784,076
Sub County Special Districts	\$5,598,612	\$740,967	\$1,559,483	\$7,899,062
County	\$1,435,874	\$190,581	\$400,429	\$2,026,884
State	\$11,395,133	\$1,522,542	\$3,185,197	\$16,102,871
Federal	\$24,234,243	\$5,899,199	\$9,579,702	\$39,713,144
Total	\$46,055,216	\$8,801,720	\$15,669,102	\$70,526,037

Source: SFT Financial Data and IMPLAN

Secondary Impacts

Vendor Sales

The State Fair of Texas offers spaces for vendors to rent during the fair. An estimated 157,800 sq. ft.⁴ is available for vendors annually to rent and use to sell their merchandise. With the large numbers of vendors selling everything from small trinkets to high dollar products, the range of individual vendor revenue would be nearly impossible to compute without having detailed receipts from each one. Instead a range

⁴ Wiley, Nancy. *The Great State Fair of Texas: An Illustrated History*. Dallas, TX: Taylor Pub., 2012. Print.

of estimated annual average sales per square foot is used⁵. To produce this range of possible revenue per square foot, three different estimates were used: \$252, \$380, and \$632 per square foot. These estimates reflect the annual retail sales estimates nationwide. These are a conservative range of sending estimates. Costco which is one of the national leaders has an annual sales per sq. ft. of about \$1,630. However, the SFT has such a large number of possible consumers this estimate range appears justified. Given the large attendance, if the SFT were a regular retail outlet, the customers passing through its doors annually would be in excess of 28 million customers. These estimates were used to create a possible range of impacts from vendor sales that are presented in Table 11. The results are offered in this fashion to give the reader options to determine the retail spending that is appropriate to their needs.

Table 11				
Vendor Sales Economic Impact Detail for the Various Sq. Ft. Sales Estimates				
	Direct	Indirect	Induced	Total
Vendor Sales of \$252				
Employment	696	51	136	883
Labor Income	\$26,121,033	\$3,461,740	\$8,679,547	\$38,262,320
Value Added	\$30,041,945	\$6,232,427	\$15,855,868	\$52,130,240
Output	\$39,765,600	\$11,724,665	\$26,750,644	\$78,240,909
Vendor Sales of \$380				
Employment	1,050	77	205	1,332
Labor Income	\$39,388,859	\$5,220,084	\$13,088,206	\$57,697,149
Value Added	\$45,301,345	\$9,398,104	\$23,909,642	\$78,609,092
Output	\$59,964,000	\$17,680,051	\$40,338,272	\$117,982,323
Vendor Sales of \$632				
Employment	1,746	128	341	2,215
Labor Income	\$65,509,891	\$8,681,824	\$21,767,754	\$95,959,469
Value Added	\$75,343,290	\$15,630,531	\$39,765,510	\$130,739,332
Output	\$99,729,600	\$29,404,716	\$67,088,916	\$196,223,232

Source: National Retail Estimates and IMPLAN

⁵ If weekly or daily sales are of interest, simply make the appropriate adjustment to the annual estimates.

The associated fiscal impacts are presented in Table 12 below.

Table 12				
Vendor Sales Fiscal Impact Detail for the Various Sq. Ft. Sales Estimates				
	Direct	Indirect	Induced	Total
Vendor Sales of \$252				
Sub County General	\$825,391	\$56,911	\$199,409	\$1,081,711
Sub County Special Districts	\$1,362,480	\$94,051	\$329,320	\$1,785,851
County	\$349,349	\$24,201	\$84,560	\$458,109
State	\$2,771,363	\$193,543	\$672,622	\$3,637,529
Federal	\$5,441,259	\$805,719	\$2,022,395	\$8,269,373
Total	\$10,749,841	\$1,174,426	\$3,308,305	\$15,232,573
Vendor Sales of \$380				
Sub County General	\$1,244,637	\$85,819	\$300,695	\$1,631,151
Sub County Special Districts	\$2,054,533	\$141,823	\$496,594	\$2,692,950
County	\$526,795	\$36,494	\$127,510	\$690,800
State	\$4,179,040	\$291,850	\$1,014,272	\$5,485,162
Federal	\$8,205,073	\$1,214,973	\$3,049,643	\$12,469,689
Total	\$16,210,078	\$1,770,960	\$4,988,714	\$22,969,752
Vendor Sales of \$632				
Sub County General	\$2,070,028	\$142,730	\$500,104	\$2,712,862
Sub County Special Districts	\$3,417,013	\$235,875	\$825,914	\$4,478,802
County	\$876,144	\$60,695	\$212,070	\$1,148,909
State	\$6,950,403	\$485,393	\$1,686,894	\$9,122,691
Federal	\$13,646,332	\$2,020,692	\$5,072,037	\$20,739,061
Total	\$26,959,919	\$2,945,386	\$8,297,020	\$38,202,325

Source: National Retail Estimates and IMPLAN

In summary, the economic impact from vendor sales range from \$78.2M to \$196.2M depending on the sq. ft. sales selected. The corresponding fiscal impact range is \$15.2M to \$38.2M.

Red River Rivalry and the State Fair Classic

The 90,000+ seat Cotton Bowl hosts the **Red River Rivalry** during the State Fair. The game is always a sell out and the Oklahoma–Texas football rivalry is fierce. The two teams first played each other in 1900, and the game has been renewed annually since 1929 for a total of 119 games as of 2023. It was recently announced that the game has been confirmed to continue at the State Fair of Texas through 2036. It was also announced the city of Dallas reportedly agreed to an estimated \$140 million, two-year renovation project for the stadium.

The game is a significant economic engine for the DFW region. In a recent article posted on the WFAA news website, Monica Paul, Dallas Sports Commission executive director said:

"It's thrilling to know the new era of the Red River Rivalry will keep the same unique pageantry and atmosphere at historic Cotton Bowl Stadium well into the next decade. The game will continue to make a lasting impression on Dallas, building on the \$51 million economic impact it had this year (2023)."

The State Fair Classic is an annual college football game between the Grambling State Tigers and the Prairie View A&M University Panthers. The game is often played Opening Weekend of the State Fair of Texas. The game doesn't enjoy the same level of attention as the Red River Rivalry. However, it does create a significant economic benefit. In a Dallas Morning News 2015 article, the economic benefit was reported to be \$8.5 million. Adjusting for inflation, the economic benefit of the State Fair Classic is \$11.1M in 2023 dollars.

If we add the economic impact of the Red River Rivalry to the impact created by the State Fair Classic, we find that the total impact of the two games amount to \$62.1M annually.

Texas Auto Show

The Texas Auto Show (TXAS) occupies 9.3 acres at the fair and is one of the largest shows in Texas. The TXAS has become a significant part of the fairgoers experience and is seen as by many their favorite part of the fair experience. The TXAS draws attendance from around the state. TXAS estimates that 57.1% of attendees live within a 50-mile radius to the Fair.

According to the TXAS Wrap Report 2023⁶:

This year, the State Fair of Texas welcomed more than 2.3 million attendees to the grounds for the 24 days of the Fair. With an engagement rate of 19%, the Fair provides approximately 500,000 prospects to the Texas Auto Show. Fair attendees are highly engaged with the Texas Auto Show. Those that visit the areas of the Auto Show have a high dwell time and spend approximately 25% of their time at the Fair exploring the Texas Auto Show displays.

It is not possible to put a precise economic value on the TXAS because the data for car sales is not available. Also, it would be difficult to predict where the sales took place as most visitors would purchase a vehicle near where they live. But given most of the TXAS visitors come from a 50-mile radius of the fair, most of the impact is probably in the DFW region.

There is considerable research showing how auto shows influence consumer behavior. Foresight Research and the National Automobile Dealers Association have published data that is pertinent to this discussion. Their work has shown that 51% of auto show attendees have their purchasing decisions influenced by the show. Further, 33% of attendees said they either crossed off or considered new brands after attending a show.

There are a few impact studies that have attempted to estimate the economic value of auto shows. One of them is for the Philadelphia show. According to Kevin Mazzucola of the Auto Dealers Association of Greater Philadelphia, “the Philadelphia Auto Show (Jan. 27-Feb. 4) is one of the largest auto shows in the country...(it) has a regional

⁶ The 2023 Wrap Report is available on the SFT website.

economic impact of approximately \$50 million, and influences \$3.5 billion in consumer sales.”

While the exact amount of the TXAS impact is not calculated here, it is clear that it influences consumer behavior and is an integral part of the SFT experience.

Conclusions

The SFT has a very significant economic and fiscal impact on the DFW economy. The results of this study were separated into core and secondary activity. The core activity includes operations and capital spending, visitor spending and vendor employee spending and is all based on SFT audited financial statements and SFT attendance records. The impact from this core activity, amounted to more than \$422.2M in economic impact for the DFW region. It generated 4,486 jobs and provided \$70.5M in federal, state, and local tax revenues. The secondary activity is just as significant. The economic impact from vendor sales range from \$78.2M to \$196.2M depending on the sq. ft. sales selected. The corresponding fiscal impact range is \$15.2M to \$38.2M. The football games are estimated to bring \$62.1M in economic impact to the DFW region. The exact impact from the TXAS was not estimated because the data was not available. The detailed discussion provided does show it has significant impact on the economy, and perhaps more important, the fairgoers overall experience.

About the Economics Research Group at UNT

The University of North Texas Economics Research Group (ERG) was established in 1989 as the Center for Economic Development and Research and rebranded in 2016. The ERG conducts economic analysis, public policy research, and provides forecasting and strategic planning services to businesses, governments, and non-profit agencies. Interdisciplinary by design, the ERG draws upon a wide range of faculty and staff resources across the university as well as outside consultants when the need arises.