Willingness to pay to host the Summer Olympic Games[[1]](#footnote-1)

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In 2013 the United States Olympic Committee (USOC) announced that it would consider supporting a bid host the 2024. It is widely suggested that the US will be well placed to host the games in that year. The games are awarded by the International Olympic Committee (IOC) and the USOC recently settled a long standing dispute over the allocation of Olympic revenues which had clouded Chicago’s 2016 bid for the games. By 2024 it will be 28 years since the games were held in North America, and following games in Tokyo, Rio and London there is a sense that it is North America’s turn. In June 2014 the USOC announced that four cities have been shortlisted – Boston, Los Angeles, San Francisco and Washington.

There is substantial agreement among academic economists that the case for hosting mega-events is a weak one. Baade and Matheson (2004) evaluated the FIFA World Cup held in the United States in 1994 and found that “host cities experienced cumulative losses of $5.5 to $9.3 billion as opposed to the ex ante estimates of a $4 billion gain touted by boosters.” Porter and Fletcher (2008) examined the impact of the Winter Olympic Games on Salt Lake City, Utah. They found little evidence of a boost in economic activity, but did find a large spike in the cost of renting a hotel room. Porter and Chin (2012) review the literature on the economic impact of events. They report that between 2000 and 2010, more than 40 articles looking for an impact of sports events or teams appeared in academic journals. “Without exception, these authors found no consistent positive impact from a sporting event, often finding the event associated with a negative impact.” With this information as backdrop, one has to wonder why cities and countries are often eager to bid to host the Olympics or the World Cup.

Of course, one explanation is that citizens may not have this information. That seems unlikely in this age of rapid information transmission around the world. More probably, significant numbers of people support the bids because hosting the event brings prestige to their city or country, because hosting the event may provide leverage for other needed infrastructure projects, or simply because they are sports fans. For supporters, it is likely that the costs they personally incur and even those that their country will bear are smaller than the benefits of hosting the event.

Whatever the motivation of the local population, it is clear that an important aspect of winning a bid to host the games is public support. For example, many felt that the failure of Tokyo’s bid in 2016 was the result of a limited degree of public enthusiasm, and public opinion seemed much more strongly supportive of the eventually successful 2020 bid. Similarly, Munich likely lost its bid to host the 2018 Winter Olympics because of opposition based on ecological grounds, despite a favorable referendum outcome in one potential host jurisdiction just two months before the IOC vote. (Mackay, 2013**)**  In fact, there were at least four referenda with regard to bidding to host the 2022 Winter Olympics, in Krakow, Poland, Oslo, Norway, Munich, Germany, and St. Moritz/Davos, Switzerland. Only the Oslo referendum passed. In each of these recent referendums, an important issue has been the enormous expense of hosting the Games, especially in light of the reports that the Russian Federation spent $50 billion to put on the Sochi Winter Olympic Games. (Zurawski, 2014; Mackay, 2014). Given these concerns about the cost of hosting the Games, this paper focuses on opinions expressed by a sample of Americans about hosting the Summer Olympic Games. The purpose is to more fully understand people’s valuation of hosting the Olympics.

The analysis here addresses two questions about citizen interest in hosting the Summer Olympics. Effective demand is based on willingness and ability to pay. Our first question is how much are US residents willing and able to pay to host the Olympics. Relatedly, we assess the determinants of that willingness and ability to pay. For example, it is natural to think that households with higher incomes will be willing to pay more to host the event than households with low incomes. This simply means that hosting the event is a normal good. It is also possible that households from different regions of the country or from potential host cities are willing to pay more to host the event. Our analysis explains the stated willingness to pay using a variety of personal characteristics and alternative empirical strategies. We formalize our model below.

Being willing to pay to host the event does not necessarily mean that one plans to attend it. Our second question addresses the issue of willingness to travel to the event location. People who value the event more will, all other things constant, be willing to travel farther to witness the games in person than individuals who place less, or no, value on the event. By contrast, someone who is unwilling to pay to host the event may, nonetheless, value it sufficiently to travel some distance to attend it. We estimate a travel distance model to assess the determinants of this value, and hence the value of attendance at the Olympics.

Finally, related to the question of willingness to travel to attend the Summer Olympics is the question of which location or event individuals would choose from a set of possibilities. Among the possibilities is the Summer Olympics, with no location specified, as well as Las Vegas, Nevada, Washington, DC, and Disneyland. Our analysis addresses the determinants of the stated choice from among these four possibilities using a multinomial logit framework.

A novel aspect of this research is the use of data collected via an online survey in which survey respondents are paid to complete the survey. The survey is implemented as a task to be completed at the online employment sight known as Mechanical Turk operated by Amazon.com. At Mechanical Turk, employers submit tasks that involve data manipulation and the salary for doing so. Payments are completed electronically upon completion of the task. Typical tasks listed on the sight include writing computer code and transcription or translation of documents. Completion of a survey is also a common task. Mechanical Turk is an inexpensive way to implement a survey since Turkers are often willing to work for a very small fee.

The survey on which this research is based was conducted in the first three weeks of April 2014 by a group of University of Michigan students as a class project. The students offered 10 cents to anyone willing to complete the ten question survey, and received 1807 responses. The questionnaire required all respondents to have a US IP address, the questionnaire can be found at the end of the paper.

The use of Mechanical Turk in surveys and other social science research has generated some interest in recent years and there is now a substantial literature on the subject. Goodman et al (2013) survey a number of uses of Mechanical Turk and find that, while not without its drawbacks, the responses of employees are generally reliable. One obvious concern is the representativeness of the sample. Ipeirotis studied the profiles of people who commonly undertook Mechanical Turk tasks and found that it was not restricted to low income individuals, and that many people took part in a task out of interest as much as for the money.

Data

The survey produced a total of 1807 responses though a handful did not provide answers for all of the questions. Observations with missing or inappropriate values for any of the variables are dropped leaving 1768 observations in the sample. Table 1 reports descriptive statistics for variables used in the analysis. Respondents reported their race, gender, and age. The typical respondent is white (75%), male (66%) and in his twenties. Finalist indicates that about 10% of the respondents are from one of the four cities (Boston, Washington, San Francisco, and Los Angeles) still in the running to be the US bidder for the 2024 Summer Olympics.

Survey respondents reported their zip code which was used to categorize the observations by states and regions. All 50 states and the District of Columbia are represented, with two respondents from Wyoming and North Dakota, and 227 from California and more than 100 from each of New York, Florida, and Texas. Table 1 reports the proportion of the sample that stated a home location in each of the nine census districts.

Survey respondents were asked about willingness to spend, willingness to drive, and household income in ranges. In Table 1, willingness to spend and to drive are reported for the full sample, but Table 2 reports the means and medians by each of the nine census regions. Tables 3 through 5 provide information on the stated willingness to pay to host the Olympics, the stated willingness to drive to attend the Olympics, and reported household income. Thirty-nine percent of our sample reported a willingness to pay of zero. By contrast, Wicker, et al (2012) surveyed randomly selected individuals via telephone about their willingness to pay for Germany to win the most gold medals at the Olympics; 63.4% reported a value of zero. Using online surveys conducted by *TNS Enmid*, one of Germany’s leading survey research institutes, Sussmuth, Heyne, and Maennig (2010) obtained a value of zero as the median willingness to pay of Germans to host the 2006 FIFA World Cup. Our much smaller proportion of zero responses to the willingness to pay question may be because of the nature of the questions or may indicate a bias in our sample toward large reported willingness to pay. For example, it may be that 10 cents was sufficient compensation for completing the survey for individuals with greater than average willingness to pay to host the Olympics but insufficient to entice those with smaller than average willingness to pay. For this reason, it is best to consider the reported willingness to pay here as an upper bound to the true willingness to pay.

Analysis is done using these variables in their discrete form as well as in versions of them made continuous. The variables were made continuous by using the midpoint of the reported range except when the respondent indicated the top coded value. For example, the highest income option in the survey is more than $100,000, selected by 8.82% of those surveyed. For these observations, reported income was set to $120,000. Likewise, for willingness to spend the top code, reported by 1.92% of the respondents, was more than $1000. In the continuous version of willingness to spend, the top value was set to $1100. At the other extreme, 39% of the respondents stated that they were unwilling to pay anything to bring the Olympics to the United States.[[2]](#footnote-2)[[3]](#footnote-3) Just over 7% of the sample indicated the maximum driving time, top-coded at 24 hours or more; for the continuous variable the value was set to 30 hours.

Table 6 shows the distribution of destination choices among the four possibilities allowed in the survey. Note that the Summer Olympics is an event without a destination. For this option to be selected, the respondent is indicating that the Summer Olympics is a more attractive destination than are Disneyland, Las Vegas, or the nation’s capital, no matter where in the country it is held. One explanation for this response is that the Summer Olympics is only held once every four years, and has been in the United States only twice in the last thirty years. Having the Games on American soil is not quite a once-in-a-lifetime event, but it is certainly a once in a generation occurrence. This rarity may make an undetermined Summer Olympic location more interesting for many people than places that are available any time. It is also interesting that so few people, only about 16% of the sample, selected Washington, D.C. as their destination of choice. Both “playground” destinations, Disneyland and Las Vegas, were the choice of about 30% of the respondents, nearly double the percentage of respondents choosing the myriad of historical, educational and cultural treasures available in Washington.

Modelling Willingness to Pay and Willingness to Travel

Formalizing the model of willingness to pay to host the Olympics, the individual consumer has an expenditure function E(y, p, u, h), where y is household income, p is a vector of prices, u is the individual’s level of utility, and h is an indicator variable equal to 1 if the country hosts the Olympics and 0 otherwise. This expenditure function has the normal properties of an expenditure function. (Deaton and Muellbauer, 1980) The consumer i’s willingness to pay to host the Olympics is given by the difference in the expenditure function values when h=1 and h=0, while y, p and u are all unchanged:

This formulation shows that an individual’s willingness to pay is a function of their income, prices of the goods and services they buy, including the taxes they pay for public services, and their preferences. It is important to note that willingness to pay may be negative if, for example, the individual detests the idea of hosting the Olympics. For such a person, to achieve the same utility with hosting the Games as without, he or she will have to purchase more of other goods and services than previously. Of course, the only way to do this would be with compensation, a negative willingness to pay. For this individual, wi is the willingness to accept. This is important to keep in mind because the survey did not allow respondents to report a negative willingness to pay.

Linearizing the model and introducing a stochastic term produces an estimable equation:

Where α and the βj are parameters to be estimated, xij correspond to the income, prices, and consumer preferences in the expenditure and indirect utility functions, and εi is an identically and independently distributed random variable with mean 0 and constant variance. The βj in this equation are the marginal willingness to pay to host the Summer Olympics of a change in variable x.j. That 37% of the reported values of wi are zero suggests that a Tobit technique be used to estimate the model. Our analysis includes both an OLS and a Tobit estimation of the willingness to spend equation.

The reliability of the estimates from equation (1) depend on the accuracy of the continuous representation of the true willingness to spend as reported in the discrete survey responses. Fortunately, the ordered nature of the dependent variable allows estimation of an ordered probit or ordered logit model of reported willingness to pay. For this model, let willingness to pay be represented by equation (1) as before. However, this is the actual willingness to pay and is unobserved, wi0 because the survey respondent reports only one of the 7 ranges indicated in Table 2. The respondent reports the first category, no willingness to spend, if actual willingness to spend is at or below some threshold value µ1, which may be 0 but also may be negative or positive:

So,

The respondent will report the second category of willingness to spend if:

|  |  |
| --- | --- |
| or | (3) |

Similarly, each reported spending category through the penultimate one, defines a new threshold parameter. For willingness to spend at the highest category, in this case Wi=7, the consumer reports willingness to spend at the highest category if

|  |  |
| --- | --- |
| or | (4) |

The same models are estimated for the reported willingness to drive to attend the Olympics.

Results

Tables 7 through 10 report estimates of the willingness to pay and willingness to drive equations. The results for either are consistent across alternative specifications, OLS, Tobit or Ordered probit. Variables that are statistically significant in one approach are generally also in the other approaches and with the same direction of impact. Only the Mountain states census region variable breaks this pattern in the willingness to spend equation, being significant at the 10% level in the OLS specification. For willingness to drive, two variables are statistically insignificant in the OLS model but become significant in the other specifications of the willingness to drive equation.

The results in Table 7 show that income, particularly high income, is a strong determinant of both willingness to pay for the United States to become host of the Summer Olympics and of the willingness to drive to attend the Games. For example, all other things constant, an individual in the second income category, whose income falls in the range $30,000 to $60,000 annually, is willing to pay $49.64 more than an individual in the lowest income category to attract the Games to the US. The coefficients on the three income variables rise with income, indicating that the wealthier one is the more they are willing to pay. The effect of income on willingness to pay also appears to be highly nonlinear; from income less than $30 to income between $30 and 60 thousand, willingness to pay rises by $49.64 but moving from between $30 and $60 up to between $60 thousand and $100 thousand willingness to pay jumps less than $5. Then when income moves to $100 thousand or more, willingness to spend increases by $48.

The effects of income on driving are also interesting. Individuals in the second income group, those with incomes between $30 and $60 thousand a year, express no more willingness to drive to the Games than do the poorest individuals in the survey. However, those with incomes between $60 and $100 thousand are willing to drive nearly two more hours than the less wealthy, and the wealthiest group, with incomes at or above $100 thousand a year are willing to drive three and a half hours to attend the Summer Olympic Games.

In the OLS results of Table 7, whites and females are both less willing to spend to ensure the US hosts the Summer Olympics than are other survey respondents while they are no different than others in terms of willingness to drive to attend the Games. Whites are willing to spend $45.44 less than non-whites; females are willing to spend $18.59 less than males.

Interestingly, age, in natural logarithms, has a negative coefficient in both equations in Table 7 but neither is statistically significant at conventional levels. Likewise, being from one of the finalist cities, San Francisco, Los Angeles, Boston, and Washington, has no impact on willingness to pay or to drive. Individuals from the Mountain states census region express a lower willingness to pay, of nearly $31, to host the Games than do residents of any other region; those from the East North Central (Ohio, Michigan, Wisconsin, Indiana, and Illinois) and West North Central (Nebraska, Iowa, North and South Dakota, Kansas, Missouri and Minnesota) states report a greater willingness to drive to attend the Summer Olympics. Those from the former are willing to drive about an hour and ten minutes more and people from the latter region two hours and 25 minutes more than others.

Table 8 presents the results of estimating the willingness to spend and willingness to drive equations using Tobit with both upper and lower bounds. As shown in the table, more than a third of the observations are left censored in the willingness to spend; in other words, fewer than two thirds of the survey respondents expressed a willingness to spend greater than zero. The OLS results for the spending equation of Table 7 are, therefore, likely biased and inconsistent. Only 34 observations, less than 2% of the observations, expressed a willingness to spend of more than $1000 suggesting right censoring may not be a problem. Fifteen percent reported being unwilling to drive at all to see the Summer Olympics while 7% reported a willingness to drive 24 or more hours.

As suggested above, the results from the censored models are quite similar to the OLS findings. White, Male, and the three income categories are all individually significant with only Male (p=0.06) not being so at the 1% level. Each of the coefficient estimates indicates a stronger effect once the censoring is accounted for. In this model, white respondents report willingness to spend that is $71.86 less than the reported willingness of non-whites. Females are $30.46 less willing to spend to host the Summer Olympics than are males. Higher income individuals are willing to spend substantially more than poorer individuals to assure the US hosts the Summer Olympics. The jump from those with incomes under $30 thousand to those in the $30 to $60 thousand range is over $81, but between the $30 to $60 thousand range and the $60 to $100 thousand dollar range, the boost in willingness to spend is only $7.50. Those with reported income over $100 thousand report a willingness to spend on attracting the Olympics of $160.25, 80% more than individuals whose income tops out at $100 thousand.

Male and the income categories are all individually significant at the 5% level or better in the willingness to drive equation. Males report being willing to drive 50 minutes more than females to attend the Summer Olympics. The second income group is willing to drive about an hour longer to attend the Olympics than are the poorest group of survey respondents. Individuals earning from $60 to $100 thousand a year are willing to drive about two hours and ten minutes longer than people earning less than $30 thousand a year, and those with incomes over $100 thousand a year report being willing to drive three hours and 55 minutes to attend the Summer Games. Finally, note that those from the East North Central and West North Central census regions are, as in the OLS results, willing to drive statistically significantly (at the 10% level) more time to go to the Summer Olympic Games.

Finally, Tables 9 and 10 present results from estimating ordered probit models of the survey responses. In the OLS and Tobit/censored regressions, the dependent variables were made continuous from the discrete responses provided in Tables 2 and 3. In the ordered probit models, the dependent variable is the category of spending or driving the survey respondent indicated. The results are, again, consistent with those of the OLS and the Tobit models. White, Male, and the three income categories are individually statistically significant, though as before Male is only significant at the 10% level. The pattern in the coefficients on the income categories is as it was above. In the driving equation, Male and the income categories are all individually significant at the 5% level or better, with only Male not significant at the 1% level or better. In the ordered probit equation, West North Central is statistically significant but East North Central is not.

The threshold parameters are reported in Table 10. The most interesting aspect of these coefficients is the first threshold value. In both spending and driving equations, there are negative estimated thresholds below which a respondent will state zero willingness to expend resources for the Summer Olympics. Indeed, in the driving equation the 95% confidence interval on threshold one is entirely negative values. In both cases, these estimated thresholds suggest that some respondents reported zero willingness to spend or to drive when in fact their willingness was negative. Such individuals are not made better off but rather are made worse off if the US hosts the Olympics and would leave the host city to avoid the Games.

Discussion and Conclusions

A natural question is how much the reported willingness to spend to win the Summer Olympics implies for the entire country. Using the mean of the reported willingness to spend ($138.27) and multiplying that by the estimated population of the country (317 million) and the proportion over 18 years of age, the result is a national willingness to spend to host the Summer Olympics of $33.62 billion.[[4]](#footnote-4) This seems a surprisingly high number, although recent Olympic games have become extremely expensive (estimates for the Beijing 2008 games as high as $40 billion have been suggested, while the Winter 2014 games in Sochi were said to have cost a staggering $60 billion). It is likely that the US, with its substantial base of established sports and transport infrastructure, could reasonably expect to be able to host the games for well below this number. Sceptics might argue that stated willingness to pay in a survey and actual willingness to part with the dollars if required are quite different things. It may well be that actual willingness to pay could turn out to be lower. As noted above, there is reason to believe our reported values are indeed biased up. Moreover, our ordered probit results suggest that individuals whose true willingness to pay is negative are forced by the format of the question to report a non-negative value of their willingness to pay. Nonetheless, we believe that our results suggest that there is significant enthusiasm to host the summer games in the United States.

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| --- | --- | --- | --- | --- |
| Table 1: Descriptive statistics | | | | |
| Variable | Mean | Std. Dev. | Min | Max |
| Reported willingness to spend | 138.27 | 213.67 | 0 | 1100 |
| Reported willingness to drive | 6.46 | 7.97 | 0 | 30 |
| Household income | 47812.32 | 32626.22 | 15000 | 120000 |
| Caucasian | 0.75 | 0.43 | 0 | 1 |
| Male | 0.63 | 0.48 | 0 | 1 |
| Age | 29.81 | 9.58 | 18 | 79 |
| Finalist | 0.11 | 0.31 | 0 | 1 |
| Mid Atlantic | 0.14 | 0.34 | 0 | 1 |
| New England | 0.05 | 0.22 | 0 | 1 |
| South Atlantic | 0.20 | 0.40 | 0 | 1 |
| East South Central | 0.06 | 0.23 | 0 | 1 |
| West South Central | 0.09 | 0.28 | 0 | 1 |
| Mountain | 0.07 | 0.26 | 0 | 1 |
| East North Central | 0.15 | 0.36 | 0 | 1 |
| West North Central | 0.06 | 0.23 | 0 | 1 |
| Pacific | 0.19 | 0.39 | 0 | 1 |
| N=1769 |  |  |  |  |

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| Table 2: Mean and Median Willingness to Spend and Drive by Region | | | | |
|  | Obs | Mean | Std. Dev. | Median |
|  | Mid Atlantic | | | |
| Reported willingness to spend | 245 | 151.429 | 240.321 | 100 |
| Reported willingness to drive | 245 | 6.155 | 7.802 | 4 |
|  |  |  |  |  |
|  | New England | | | |
| Reported willingness to spend | 86 | 127.907 | 189.520 | 100 |
| Reported willingness to drive | 86 | 5.256 | 7.591 | 4 |
|  |  |  |  |  |
|  | South Atlantic | | | |
| Reported willingness to spend | 349 | 151.576 | 244.077 | 100 |
| Reported willingness to drive | 349 | 6.381 | 8.227 | 4 |
|  |  |  |  |  |
|  | East South Central | | | |
| Reported willingness to spend | 103 | 129.126 | 187.152 | 100 |
| Reported willingness to drive | 103 | 6.748 | 8.019 | 4 |
|  |  |  |  |  |
|  | West South Central | | | |
| Reported willingness to spend | 152 | 148.026 | 213.135 | 100 |
| Reported willingness to drive | 152 | 6.862 | 8.682 | 4 |
|  |  |  |  |  |
|  | Mountain | | | |
| Reported willingness to spend | 124 | 93.548 | 124.771 | 100 |
| Reported willingness to drive | 124 | 5.895 | 6.576 | 4 |
|  |  |  |  |  |
|  | East North Central | | | |
| Reported willingness to spend | 273 | 129.670 | 208.898 | 100 |
| Reported willingness to drive | 273 | 7.044 | 8.299 | 4 |
|  |  |  |  |  |
|  | West North Central | | | |
| Reported willingness to spend | 103 | 127.185 | 203.977 | 100 |
| Reported willingness to drive | 103 | 8.408 | 8.680 | 4 |
|  |  |  |  |  |
|  | Pacific | | | |
| Reported willingness to spend | 333 | 141.441 | 204.233 | 100 |
| Reported willingness to drive | 333 | 5.886 | 7.418 | 4 |

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| --- | --- | --- | --- |
| Table 3: Reported willingness to pay | | | |
|  | Freq. | Percent | Cum. |
| $0 | 691 | 39.06 | 39.06 |
| $1-200 | 727 | 41.1 | 80.16 |
| $201-400 | 180 | 10.18 | 90.34 |
| $401-600 | 93 | 5.26 | 95.6 |
| $601-800 | 28 | 1.58 | 97.18 |
| $801-1000 | 16 | 0.9 | 98.08 |
| More$1000 | 34 | 1.92 | 100 |

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| --- | --- | --- | --- |
| Table 4: Reported willingness to drive | | | |
|  | Freq. | Percent | Cum. |
| None at all | 273 | 15.43 | 15.43 |
| 0-2 driving hours | 378 | 21.37 | 36.8 |
| 2-6 driving hours | 528 | 29.85 | 66.65 |
| 6-12 driving hours | 354 | 20.01 | 86.66 |
| 12-24 driving hours | 111 | 6.27 | 92.93 |
| 24+ driving hours | 125 | 7.07 | 100 |

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| --- | --- | --- | --- |
| Table 5: Reported income | | | |
|  | Freq. | Percent | Cum. |
| $0-$30,000 | 643 | 36.35 | 36.35 |
| $30,000-$60,000 | 611 | 34.54 | 70.89 |
| $60,000-$100,000 | 359 | 20.29 | 91.18 |
| More than $100,000 | 156 | 8.82 | 100 |

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| --- | --- | --- | --- |
| Table 6: Destination choices | | | |
|  | Freq. | Percent | Cum. |
| Disneyland | 536 | 30.33 | 30.33 |
| Las Vegas | 526 | 29.77 | 60.10 |
| Washington, DC | 282 | 15.96 | 76.06 |
| Summer Olympics | 423 | 23.93 | 100 |

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| Table 7: Spending and Driving - OLS | | | | | | |
|  |  | Spending |  |  | Driving |  |
|  | Coeff. | Std.Err. | p-value | Coeff. | Std.Err. | p-value |
| White | -45.440 | 13.349 | 0.001 | 0.042 | 0.456 | 0.926 |
| Male | 18.590 | 10.163 | 0.068 | 0.569 | 0.394 | 0.149 |
| Income 2 | 49.643 | 11.192 | 0.000 | 0.685 | 0.425 | 0.107 |
| Income 3 | 54.128 | 13.717 | 0.000 | 1.926 | 0.557 | 0.001 |
| Income 4 | 102.284 | 23.252 | 0.000 | 3.508 | 0.799 | 0.000 |
| Log Age | -13.298 | 18.101 | 0.463 | -0.944 | 0.676 | 0.163 |
| Finalist | 4.183 | 19.214 | 0.828 | -0.500 | 0.698 | 0.474 |
| Mid Atlantic | 19.325 | 19.722 | 0.327 | 0.043 | 0.702 | 0.951 |
| New England | -1.131 | 23.205 | 0.961 | -0.632 | 0.914 | 0.489 |
| South Atlantic | 20.737 | 17.234 | 0.229 | 0.453 | 0.635 | 0.476 |
| East South Central | 14.718 | 21.987 | 0.503 | 1.119 | 0.930 | 0.229 |
| West South Central | 19.373 | 20.644 | 0.348 | 0.951 | 0.859 | 0.268 |
| Mountain | -30.972 | 16.431 | 0.060 | 0.061 | 0.762 | 0.936 |
| East North Central | 8.357 | 17.312 | 0.629 | 1.175 | 0.698 | 0.092 |
| West North Central | 3.746 | 22.852 | 0.870 | 2.404 | 0.977 | 0.014 |
| Constant | 159.057 | 61.234 | 0.009 | 7.814 | 2.304 | 0.001 |
| R-squared | 0.037 |  |  | 0.026 |  |  |
| N= | 1769 |  |  | 1769 |  |  |

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| --- | --- | --- | --- | --- | --- | --- |
| Table 8: Spending and Driving - Tobit Censored above and below | | | | | | |
|  |  | Spending |  |  | Driving |  |
|  | Coeff. | Std.Err. | p-value | Coeff. | Std.Err. | p-value |
| White | -71.864 | 18.121 | 0.000 | 0.007 | 0.479 | 0.989 |
| Male | 30.455 | 16.178 | 0.060 | 0.845 | 0.422 | 0.045 |
| Income 2 | 81.182 | 18.547 | 0.000 | 0.969 | 0.482 | 0.045 |
| Income 3 | 88.659 | 21.587 | 0.000 | 2.170 | 0.564 | 0.000 |
| Income 4 | 160.254 | 28.700 | 0.000 | 3.916 | 0.762 | 0.000 |
| Log Age | -26.930 | 27.857 | 0.334 | -0.826 | 0.728 | 0.257 |
| Finalist | 5.436 | 27.981 | 0.846 | -0.356 | 0.742 | 0.631 |
| Mid Atlantic | 11.191 | 29.078 | 0.700 | 0.184 | 0.765 | 0.810 |
| New England | -1.172 | 38.715 | 0.976 | -1.062 | 1.030 | 0.302 |
| South Atlantic | 11.006 | 25.756 | 0.669 | 0.395 | 0.679 | 0.560 |
| East South Central | 25.279 | 37.926 | 0.505 | 0.994 | 1.003 | 0.322 |
| West South Central | 12.948 | 33.146 | 0.696 | 1.112 | 0.870 | 0.201 |
| Mountain | -37.671 | 35.582 | 0.290 | 0.286 | 0.930 | 0.758 |
| East North Central | -1.378 | 28.492 | 0.961 | 1.286 | 0.747 | 0.085 |
| West North Central | 0.934 | 38.157 | 0.980 | 2.633 | 0.997 | 0.008 |
| Constant | 109.975 | 95.562 | 0.250 | 6.038 | 2.497 | 0.016 |
| σ | 300.030 | 7.128 |  | 8.236 | 0.167 |  |
| Likelihood ratio | 68.310 |  | 0.000 | 51.010 |  | 0.000 |
| N= | 1769 |  |  | 1769 |  |  |
| Left Censored= | 691 |  |  | 273 |  |  |
| Right Censored= | 34 |  |  | 125 |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Table 9: Spending and Driving - Ordered probit | | | | | | |
|  |  | Spending |  |  | Driving |  |
|  | Coeff. | Std.Err. | p-value | Coeff. | Std.Err. | p-value |
| White | -0.246 | 0.062 | 0.000 | -0.001 | 0.059 | 0.987 |
| Male | 0.106 | 0.055 | 0.055 | 0.131 | 0.052 | 0.011 |
| Income 2 | 0.281 | 0.063 | 0.000 | 0.154 | 0.059 | 0.010 |
| Income 3 | 0.301 | 0.074 | 0.000 | 0.291 | 0.070 | 0.000 |
| Income 4 | 0.536 | 0.098 | 0.000 | 0.503 | 0.094 | 0.000 |
| Log Age | -0.118 | 0.095 | 0.213 | -0.102 | 0.090 | 0.256 |
| Finalist | 0.016 | 0.096 | 0.865 | -0.054 | 0.091 | 0.558 |
| Mid Atlantic | 0.000 | 0.099 | 0.999 | 0.008 | 0.094 | 0.936 |
| New England | -0.001 | 0.132 | 0.996 | -0.156 | 0.127 | 0.217 |
| South Atlantic | -0.014 | 0.088 | 0.870 | 0.022 | 0.084 | 0.790 |
| East South Central | 0.087 | 0.129 | 0.502 | 0.114 | 0.123 | 0.353 |
| West South Central | 0.030 | 0.113 | 0.790 | 0.107 | 0.107 | 0.319 |
| Mountain | -0.117 | 0.122 | 0.338 | 0.068 | 0.115 | 0.551 |
| East North Central | -0.028 | 0.097 | 0.774 | 0.141 | 0.092 | 0.126 |
| West North Central | -0.010 | 0.130 | 0.938 | 0.343 | 0.123 | 0.005 |
| Likelihood ratio | 67.400 |  | 0.000 | 58.190 |  | 0.000 |
| N= | 1769 |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Table 10: Spending and Driving - Ordered Probit - threshold paramenters | | | | | | | | |
|  |  | Spending |  |  |  | Driving |  |  |
|  | Coeff. | Std.Err. | 95% Conf. Interval | | Coeff. | Std.Err. | 95% Conf. Interval | |
| µ1 | -0.601 | 0.327 | -1.241 | 0.039 | -1.087 | 0.309 | -1.693 | -0.481 |
| µ2 | 0.551 | 0.326 | -0.089 | 1.190 | -0.393 | 0.308 | -0.997 | 0.211 |
| µ3 | 1.018 | 0.327 | 0.377 | 1.659 | 0.390 | 0.308 | -0.214 | 0.994 |
| µ4 | 1.433 | 0.329 | 0.789 | 2.077 | 1.082 | 0.309 | 0.476 | 1.688 |
| µ5 | 1.641 | 0.330 | 0.993 | 2.288 | 1.448 | 0.310 | 0.840 | 2.056 |
| µ6 | 1.809 | 0.333 | 1.157 | 2.461 |  |  |  |  |

The Questionnaire

1. Do you want the United States to host the Summer Olympic Games?

a. Yes

b. No

2. How far from your current living location are you willing to travel to the Summer Olympic Games?

a. 0-2 driving hours

b. 2-6 driving hours

c. 6-12 driving hours

d. 12-24 driving hours

e. 24+ driving hours

f. Not at all

3. How much are you willing to spend in a one-time lump sum tax to have the Summer Olympic Games in your region?

a. $0

b. $1-$200

c. $201-$400

d. $401-$600

e. $601-$800

f. $801-$1,000

g. More than $1,000

4. Which of these destinations would be your preferred summer vacation?

a. Disneyland

b. Las Vegas

c. Washington D.C.

d. The Summer Olympic Games

5. Circle the answer choice, “Finding Nemo”:

a. Toy Story 3

b. Wall-E

c. Finding Nemo

d. Cars

6. What is your zip code? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

7. What is your sex?

a. Male

b. Female

8. What is your age? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ years old.

9. What is your race?

a. Caucasian/White

b. African American/Black

c. Hispanic

d. Asian American

e. Native American

f. Native Hawaiian/Other Pacific Islander

g. Multi-racial

h. I’d prefer not to specify

10. What is your annual household income?

a. $0-$30,000

b. $30,000-$60,000

c. $60,000-$100,000

d. More than $100,000

Note: question 5 was intended to weed out responses from programmes seeking to maximize income.

1. The following Michigan students worked on the structure and implementation of the questionnaire: Michael Adsit, Zachary Amateau, Brandon Azus, David Carlson, Michael Chiasson, Hannah Cohen, Nathan Gilchrist, Kenza Guessous, Nicholas Houser, Jared Hunter, Brooke Kranz, Alexander Locke, Travis Lynch, Andrew Purugganan, Charles Roarty, Isaac Rosner, Andrew Sinelli, Jennifer Stein, Philip Tafet, Zachary Verch. [↑](#footnote-ref-1)
2. The mean reported willingness to spend in Table 1 results from finding the average of the continuous values. Alternatively to treating each observation equally, the spending values could be weighted by the proportion of the sample providing that response. In that case the mean of reported willingness to spend is $130.83. [↑](#footnote-ref-2)
3. This large share of zeros indicates that a Tobit analysis may be necessary to avoid bias in the estimation of the willingness to spend equation. The ordered nature of the variable also allows for estimation using ordered probit. [↑](#footnote-ref-3)
4. The value is $31.81 billion with the alternatively calculated mean willingness to spend. [↑](#footnote-ref-4)