

Potential Economic Consequences of The University of Texas at Austin and The University of Oklahoma Leaving the Big 12 Conference

July 2021

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Executive Summary

- The University of Texas and The University of Oklahoma recently announced that they would soon be leaving the Big 12 Conference to join the Southeastern Conference. Without Texas and OU, the rest of the conference is undoubtedly facing smaller television deals, lower attendance, and other negative consequences. The result would be reductions in athletic revenue, tourism, and economic benefits for affected communities.
- The Perryman Group looked at two representative scenarios:
 - In **Scenario 1**, the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands), with television revenues and attendance patterns similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools).
 - **Scenario 2** assumes the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere, with ultimate performance mirroring the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference) adjusted for specific characteristics of the individual schools.
- For the **communities across the Big 12 Conference**, the realignment could be expected to cause losses of **\$938.9 million** in annual gross product and **12,623** jobs under Scenario 1, with **\$1.3 billion** in annual gross product and **18,063** jobs for Scenario 2.
- Looking specifically at the **Texas universities**, if Texas joins the SEC, there will undoubtedly be benefits for the university and the Austin area. However, the Waco, Lubbock, and Fort Worth areas would face negative economic consequences due to effects on Baylor University, Texas Tech University, and Texas Christian University. Total annual losses for these three communities were found to include **\$397.7 million** in annual gross product and **5,322** jobs under Scenario 1 and **\$569.1 million** in annual gross product and **7,615** jobs under Scenario 2 (including multiplier effects).
- College athletics is changing, and it is understandable and even inevitable that schools will respond. At the same time, the consequences for other universities and how those might be mitigated is worthy of consideration.

Introduction

The world of college athletics in Texas was recently rocked with the news that The University of Texas (UT or Texas) and The University of Oklahoma (OU or Oklahoma) would soon be leaving the Big 12 Conference. The immediate plan is to depart for the Southeastern

If Texas and OU join the SEC, there will undoubtedly be benefits for the universities and their communities. At the same time, the remaining Big 12 schools could see notable losses.

Conference (SEC) in 2025 when the current television contract expires, though the timing could be affected by several potential developments. If Texas and OU join the SEC, there will undoubtedly be benefits for the universities and their

communities. At the same time, the remaining Big 12 schools could see notable losses.

The move is not yet approved by the SEC, but likely will be in the near future (Texas A&M expressed initial reservations about the change but has subsequently endorsed it). The timing of new media deals could cause the realignment to happen sooner. In addition, a better opportunity from another conference could arise in the interim.

All colleges, including UT and OU, will be adapting to a changing environment, with a recent Supreme Court ruling and resultant new NCAA rules allowing athletes to benefit financially from the use of their name, image, and likeness (NIL). There is nothing inherently wrong with anyone being compensated for their skills and abilities (in fact, this concept drives much of the global economy). Nonetheless, this change, particularly when coupled with the prospects of massive new television contracts and an expanded playoff format, puts a premium on elite leagues and marquee matchups. College sports are fundamentally altered, and elite teams have new incentives and options.

Given the fact that universities with the highest levels of exposure to major media outlets are likely to offer the best NIL opportunities, the premiere athletes in all sports will naturally be drawn to them more than before. The next few years will no doubt bring notable changes.

While much is not known at this point, gravitation toward a smaller number of top-tier schools dominating the competitive landscape is almost certain. However, sports thrive on competition, and some parameters may be imposed to limit the degree of concentration (much like the function that antitrust laws perform in tempering market behavior). Such practices are common in professional sports, including salary caps, reserve clauses, and constraints on free agency. Similarly, the NCAA has long sought to level the playing field, implementing restrictions on the number of scholarships dating back to the early 1970s. The process will play itself out over time.

For now, however, schools with large alumni bases and high national profiles are going to have a decided advantage. For example, a sophomore Alabama quarterback who has hardly played varsity ball is approaching seven figures in NIL deals, furthering the recruiting advantage of an already iconic team. At the same time, the market for television rights is growing substantially, but is finite at any point in time, and resources will be allocated based on what is expected to yield the best outcomes for networks and advertisers. The result will be a shift toward big markets, powerhouse programs, intense rivalries, and elite players.

It is against this background of evolution (and, at the moment, revolution) that Texas and OU have announced their intention to leave the Big 12 Conference. Texas is consistently ranked as one of the very highest schools in athletic revenues and OU is in the top 10. No other Big 12 schools even rank in the top 25. Without Texas and OU, the rest of the conference is undoubtedly facing smaller television deals, lower attendance, and other negative consequences. The result would be reductions in athletic revenue, tourism, and economic benefits for affected communities.

The Perryman Group (TPG) was recently asked to evaluate the potential economic consequences if Texas and OU leave the Big 12 Conference. This report summarizes results of this analysis.

Economic Impacts

Any economic stimulus, whether positive or negative, leads to dynamic responses across the economy. The Perryman Group has developed complex and comprehensive models over the past four decades to measure these dynamic responses.

In this instance, losses to the remaining Big 12 communities were quantified based on the effects of

- reductions in athletic department revenue that would be reflected in lower instructional and administrative services spending in these areas and
- direct tourism losses from lower spending at home games for food, lodging, travel, and other activities.

Two scenarios reflecting potential outcomes were examined. Scenario 1 reflects a situation in which the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands). It was assumed that television revenues and attendance patterns in this

instance are similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools). This approach is adopted to reflect the facts that (1) this

Any economic stimulus, whether positive or negative, leads to dynamic responses across the economy.

conference is the most successful of those that do not include teams of the stature of The University of Texas and The University of Oklahoma and (2) several of the member schools have been widely mentioned as potential candidates for expansion of the Big 12 Conference.

Scenario 2 reflects an alternative potential outcome in which the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere. Although a variety of possibilities are potentially available, this scenario assumes that the ultimate performance mirrors that of the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference).

The total losses from reduced tourism and athletic revenues (and, hence, educational spending) and related multiplier effects were then estimated using The Perryman Group's US Multi-Regional Impact Assessment System (USMRIAS).

Methods used in this analysis are summarized on the following page, with additional detail in Appendix A. Additional results are presented in Appendix B.

Measuring Economic Impacts

Any economic stimulus, whether positive or negative, generates multiplier effects throughout the economy. In this instance, athletic revenue and tourism losses lead to a decrease in direct spending which then generates dynamic responses across the economy.

The Perryman Group's dynamic input-output assessment system (the US Multi-Regional Impact Assessment System, which is described in further detail in the Appendices to this report) was developed by the firm about 40 years ago and has been consistently maintained and updated since that time. The model has been used in hundreds of analyses for clients ranging from major corporations to government agencies and has been peer reviewed on multiple occasions. The impact system uses a variety of data (from surveys, industry information, and other sources) to describe the various goods and services (known as resources or inputs) required to produce another good/service. This process allows for estimation of the total economic impact (including multiplier effects) of the proposed development. The models used in the current analysis reflect the specific industrial composition and characteristics of each of the communities studied.

Total economic effects are quantified for key measures of business activity (further explained in Appendix A):

- **Total expenditures** (or total spending) measure the dollars changing hands as a result of the economic stimulus.
- **Gross product** (or output) is production of goods and services that will come about in the area as a result of the activity. This measure is parallel to the gross domestic product numbers commonly reported by various media outlets and is a subset of total expenditures.
- **Personal income** is dollars that end up in the hands of people in the area; the vast majority of this aggregate derives from the earnings of employees, but payments such as interest and rents are also included.
- **Job gains** are expressed as job-years of employment for temporary stimuli such as construction and jobs for ongoing effects.

Monetary values were quantified on a constant (2021) basis to eliminate the effects of inflation. See Appendix A for additional information regarding the methods and assumptions used in this analysis.

For the **communities across the Big 12 Conference**, the realignment could be expected to cause losses of **\$938.9 million** in annual gross

product and **12,623** jobs under Scenario 1, with **\$1.3 billion** in annual gross product and **18,063** jobs for Scenario 2.

For Texas, total annual losses if UT and OU leave the Big 12 were found to include **\$397.7 million** in annual gross product and **5,322** jobs under Scenario 1 and **\$569.1 million** in annual gross product and **7,615** jobs under Scenario 2 (including multiplier effects).

Looking specifically at the **Texas universities** (the Waco, Lubbock, and Fort Worth areas due to effects on Baylor University, Texas Tech University, and Texas Christian University), total annual losses were found to include **\$397.7**

million in annual gross product and **5,322** jobs under Scenario 1 and **\$569.1 million** in annual gross product and **7,615** jobs under Scenario 2 (including multiplier effects).

The substantial difference between Scenario 1 and Scenario 2 is a reflection of the potential value of maintaining the Big 12 as a viable conference headquartered in Texas. Additional results are presented in the following tables with further detail in Appendix B.

Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 1

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$233.446)	(\$127.861)	(\$81.502)	(1,716)
Iowa State University	(\$186.908)	(\$104.602)	(\$67.188)	(1,411)
Kansas State University	(\$177.266)	(\$99.206)	(\$63.722)	(1,338)
Oklahoma State University	(\$183.593)	(\$102.747)	(\$65.996)	(1,386)
Texas Christian University	(\$277.024)	(\$153.062)	(\$98.188)	(2,038)
Texas Tech University	(\$207.509)	(\$116.738)	(\$75.054)	(1,568)
University of Kansas	(\$239.628)	(\$134.107)	(\$86.139)	(1,809)
West Virginia University	(\$179.684)	(\$100.559)	(\$64.591)	(1,357)
TOTAL: Texas	(\$717.979)	(\$397.661)	(\$254.744)	(5,322)
TOTAL: Big 12	(\$1,685.058)	(\$938.883)	(\$602.379)	(12,623)

Note: Based on estimated losses in athletic department and tourism revenues and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands), with television revenues and attendance patterns similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools). Additional definitions of terms and explanation of methods and assumptions may be found on page 5 of this report and in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas. Additional results are included in Appendix B.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 2

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$334.060)	(\$182.969)	(\$116.629)	(2,456)
Iowa State University	(\$267.465)	(\$149.686)	(\$96.145)	(2,019)
Kansas State University	(\$253.667)	(\$141.964)	(\$91.186)	(1,915)
Oklahoma State University	(\$262.721)	(\$147.031)	(\$94.440)	(1,983)
Texas Christian University	(\$396.420)	(\$219.032)	(\$140.507)	(2,916)
Texas Tech University	(\$296.944)	(\$167.051)	(\$107.401)	(2,244)
University of Kansas	(\$342.907)	(\$191.906)	(\$123.264)	(2,589)
West Virginia University	(\$257.127)	(\$143.900)	(\$92.429)	(1,941)
TOTAL: Texas	(\$1,027.424)	(\$569.052)	(\$364.537)	(7,615)
TOTAL: Big 12	(\$2,411.311)	(\$1,343.538)	(\$862.001)	(18,063)

Note: Based on estimated losses in athletic department and tourism revenues and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere, with ultimate performance mirroring the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference) adjusted for specific characteristics of the individual schools. Additional definitions of terms and explanation of methods and assumptions may be found on page 5 of this report and in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas. Additional results are included in Appendix B.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

These illustrations likely understate the actual losses to the affected communities for a variety of reasons. They do not account for the changing dynamics within college sports, effects of new opportunities for athletes to be highly compensated and the resulting incentives to opt for conferences with high media visibility, the likelihood that gaps in television revenues will expand over time, potential additional costs associated with excess capacity in facilities or increased travel expenses

to accommodate less geographically cohesive areas, and numerous other downstream effects (such as less media exposure, more difficult student and faculty recruitment, lower alumni and donor engagement, general loss of recognition and prestige, and potential effects on economic development opportunities as companies and knowledge workers are drawn to attractive amenities such as major college sports).

Conclusion

The future of college athletics is enormously important to the economy of Texas (and those of other states). In Texas alone, if UT and OU leave the Big 12 Conference, hundreds of millions of dollars in gross product

If UT and OU leave the Big 12 Conference, hundreds of millions of dollars in gross product and thousands of jobs would be lost due to effects on Baylor, TCU, and Texas Tech.

and thousands of jobs would be lost due to effects on Baylor, TCU, and Texas Tech. Efforts to minimize the fallout and maximize the prospects for these universities is important not only to the affected areas, but also across Texas.

College athletics is changing, and it is understandable and even inevitable that schools will respond. At the same time, the consequences for other universities and how those might be mitigated is worthy of consideration.

Appendix A: Methods Used

US Multi-Regional Impact Assessment System

Overview

The US Multi-Regional Impact Assessment System (USMRIAS) measures multiplier effects of economic stimuli. The USMRIAS was developed and is maintained by The Perryman Group. This model has been used in hundreds of diverse applications across the country and has an excellent reputation for accuracy and credibility; it has also been peer reviewed on multiple occasions and has been a key factor in major national and international policy simulations.

The basic modeling technique is known as dynamic input-output analysis, which essentially uses extensive survey data, industry information, and a variety of corroborative source materials to create a matrix describing the various goods and services (known as resources or inputs) required to produce one unit (a dollar's worth) of output for a given sector. Once the base information is compiled, it can be mathematically simulated to generate evaluations of the magnitude of successive rounds of activity involved in the overall production process.

There are two essential steps in conducting an input-output analysis once the system is operational. The first major endeavor is to accurately define the levels of direct activity to be evaluated. In this instance, two scenarios (described within the report) were developed. Data sources used include the Knight Commission on Intercollegiate Athletics as well as other public data sources. The direct tourism values were derived based on anticipated losses in attendance and the manner in which that translates into tourism spending using the underlying requirements coefficients of the USMRIAS.

For each scenario, The Perryman Group estimated (1) direct education spending losses due to athletic budget reductions from reduced revenue that would be reflected in instructional and administrative services and (2) direct tourism losses based on direct reductions in spending associated with attendance reductions at home games being used to estimate the resulting overall tourism losses from using the relevant coefficients from the tourism submodel of the USMRIAS. All values reflect estimated losses relative to actual performance in 2019 due to both data limitations and the atypical nature of performance in 2020 due to the COVID-19 pandemic. All monetary values are given in constant (2021) dollars to eliminate any effects of inflation.

These inputs were used to estimate overall impacts using appropriate submodels of the USMRIAS which reflect the unique industrial composition and characteristics of each area being examined.

Model Structure

The USMRIAS is somewhat similar in format to the Input-Output Model of the United States which is maintained by the US Department of Commerce. The model developed by TPG, however, incorporates several important enhancements and refinements. Specifically, the expanded system includes (1) comprehensive 500-sector coverage for any county, multi-county, or urban region; (2) calculation of both total expenditures and value-added by industry and region; (3) direct estimation of expenditures for multiple basic input choices (expenditures, output, income, or employment); (4) extensive parameter localization; (5) price adjustments for real and nominal assessments by sectors and areas; (6) comprehensive measurement of the induced impacts associated with payrolls and consumer spending; (7) embedded modules to estimate multi-sectoral direct spending effects; (8) estimation of retail spending activity by consumers; and (9) comprehensive linkage and integration capabilities with a wide variety of econometric, real estate, occupational, and fiscal impact models.

The impact assessment (input-output) process essentially estimates the amounts of all types of goods and services required to produce one unit (a dollar's worth) of a specific type of output. For purposes of illustrating the nature of the system, it is useful to think of inputs and outputs in dollar (rather than physical) terms. As an example, the construction of a new building will require specific dollar amounts of lumber, glass, concrete, hand tools, architectural services, interior design services, paint, plumbing, and numerous other elements. Each of these suppliers must, in turn, purchase additional dollar amounts of inputs. This process continues through multiple rounds of production, thus generating subsequent increments to business activity. The initial process of building the facility is known as the *direct effect*. The ensuing transactions in the output chain constitute the *indirect effect*.

Another pattern that arises in response to any direct economic activity comes from the payroll dollars received by employees at each stage of the production cycle. As workers are compensated, they use some of their income for taxes, savings, and purchases from external markets. A substantial portion, however, is spent locally on food, clothing, health care services, utilities, housing, recreation, and other items. Typical purchasing patterns in the relevant areas are obtained from the Center for Community and Economic Research *Cost of Living Index*, a privately compiled inter-regional measure which has been widely used for several

decades, and the *Consumer Expenditure Survey* of the US Department of Labor. These initial outlays by area residents generate further secondary activity as local providers acquire inputs to meet this consumer demand. These consumer spending impacts are known as the *induced effect*. The USMRIAS is designed to provide realistic, yet conservative, estimates of these phenomena.

Sources for information used in this process include the Bureau of the Census, the Bureau of Labor Statistics, the Regional Economic Information System of the US Department of Commerce, and other public and private sources. The pricing data are compiled from the US Department of Labor and the US Department of Commerce. The verification and testing procedures make use of extensive public and private sources.

Impacts are typically measured in constant dollars to eliminate the effects of inflation.

The USMRIAS is also integrated with a comprehensive fiscal model, which links the tax payments by industry to the specific rates and structures associated with the relevant State and local governmental authorities.

Measures of Business Activity

The USMRIAS generates estimates of total economic effects on several measures of business activity. Note that these are different ways of measuring the same impacts; they are not additive.

The most comprehensive measure of economic activity is **Total Expenditures**. This measure incorporates every dollar that changes hands in any transaction. For example, suppose a farmer sells wheat to a miller for \$0.50; the miller then sells flour to a baker for \$0.75; the baker, in turn, sells bread to a customer for \$1.25. The Total Expenditures recorded in this instance would be \$2.50, that is, \$0.50 + \$0.75 + \$1.25. This measure is quite broad but is useful in that (1) it reflects the overall interplay of all industries in the economy, and (2) some key fiscal variables such as sales taxes are linked to aggregate spending.

A second measure of business activity is **Gross Product**. This indicator represents the regional equivalent of Gross Domestic Product, the most commonly reported statistic regarding national economic performance. In other words, the Gross Product of Texas is the amount of US output that is produced in that state; it is defined as the value of all final goods produced in a given region for a specific period of time. Stated differently, it captures the amount of value-added (gross area product) over intermediate goods and services at each stage of the

production process, that is, it eliminates the double counting in the Total Expenditures concept. Using the example above, the Gross Product is \$1.25 (the value of the bread) rather than \$2.50. Alternatively, it may be viewed as the sum of the value-added by the farmer, \$0.50; the miller, \$0.25 ($\$0.75 - \0.50); and the baker, \$0.50 ($\$1.25 - \0.75). The total value-added is, therefore, \$1.25, which is equivalent to the final value of the bread. In many industries, the primary component of value-added is the wage and salary payments to employees.

The third gauge of economic activity used in this evaluation is **Personal Income**. As the name implies, Personal Income is simply the income received by individuals, whether in the form of wages, salaries, interest, dividends, proprietors' profits, or other sources. It may thus be viewed as the segment of overall impacts which flows directly to the citizenry.

The fourth measure, **Retail Sales**, represents the component of Total Expenditures which occurs in retail outlets (general merchandise stores, automobile dealers and service stations, building materials stores, food stores, drugstores, restaurants, and so forth). Retail Sales is a commonly used measure of consumer activity.

The final aggregates used are **Jobs and Job-Years**, which reflect the full-time equivalent jobs generated by an activity. For an economic stimulus expected to endure (such as the ongoing operations of a facility), the Jobs measure is used. It should be noted that, unlike the dollar values described above, Jobs is a "stock" rather than a "flow." In other words, if an area produces \$1 million in output in 2019 and \$1 million in 2020, it is appropriate to say that \$2 million was achieved in the 2019-20 period. If the same area has 100 people working in 2019 and 100 in 2020, it only has 100 Jobs. When a flow of jobs is measured, such as in a construction project or a cumulative assessment over multiple years, it is appropriate to measure employment in Job-Years (a person working for a year, though it could be multiple individuals working for partial years). This concept is distinct from Jobs, which anticipates that the relevant positions will be maintained on a continuing basis.

Appendix B: Additional Results

Scenario 1

DIRECT EFFECTS:			
Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 1			
	Direct Revenue Loss (Millions of 2021 Dollars)	Direct Educational Spending Loss (Millions of 2021 Dollars)	Direct Tourism Losses (Millions of 2021 Dollars)
Baylor University	(\$38.822)	(\$25.234)	(\$52.835)
Iowa State University	(\$34.911)	(\$22.692)	(\$47.511)
Kansas State University	(\$32.901)	(\$21.386)	(\$44.777)
Oklahoma State University	(\$34.883)	(\$22.674)	(\$47.473)
Texas Christian University	(\$45.438)	(\$29.535)	(\$61.838)
Texas Tech University	(\$35.355)	(\$22.980)	(\$48.116)
University of Kansas	(\$44.476)	(\$28.909)	(\$60.529)
West Virginia University	(\$37.570)	(\$24.421)	(\$51.131)
TOTAL: Texas	(\$119.615)	(\$77.749)	(\$162.789)
TOTAL: Big 12	(\$304.355)	(\$197.831)	(\$414.210)
<p>Note: Estimated losses in athletic department and tourism under a scenario in which the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands), with television revenues and attendance patterns similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools). Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas. Source: US Multi-Regional Impact Assessment System, The Perryman Group</p>			

EFFECT OF EDUCATION SPENDING LOSSES: Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 1

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$81.899)	(\$43.843)	(\$30.728)	(621)
Iowa State University	(\$64.456)	(\$34.952)	(\$24.748)	(504)
Kansas State University	(\$61.131)	(\$33.149)	(\$23.471)	(478)
Oklahoma State University	(\$63.313)	(\$34.333)	(\$24.309)	(495)
Texas Christian University	(\$97.156)	(\$52.473)	(\$36.970)	(737)
Texas Tech University	(\$72.326)	(\$39.846)	(\$28.202)	(566)
University of Kansas	(\$82.637)	(\$44.811)	(\$31.728)	(646)
West Virginia University	(\$61.965)	(\$33.601)	(\$23.791)	(484)
TOTAL: Texas	(\$251.381)	(\$136.163)	(\$95.899)	(1,924)
TOTAL: Big 12	(\$584.882)	(\$317.010)	(\$223.947)	(4,530)

Note: Based on estimated losses in athletic department revenues and, hence, educational spending and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands), with television revenues and attendance patterns similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools). Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas.
Source: US Multi-Regional Impact Assessment System, The Perryman Group

EFFECT OF TOURISM LOSSES:

Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 1

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$151.547)	(\$84.018)	(\$50.774)	(1,095)
Iowa State University	(\$122.452)	(\$69.650)	(\$42.440)	(907)
Kansas State University	(\$116.135)	(\$66.057)	(\$40.250)	(861)
Oklahoma State University	(\$120.280)	(\$68.415)	(\$41.687)	(891)
Texas Christian University	(\$179.868)	(\$100.589)	(\$61.219)	(1,301)
Texas Tech University	(\$135.183)	(\$76.891)	(\$46.852)	(1,002)
University of Kansas	(\$156.991)	(\$89.296)	(\$54.410)	(1,163)
West Virginia University	(\$117.719)	(\$66.958)	(\$40.799)	(872)
TOTAL: Texas	(\$466.598)	(\$261.499)	(\$158.845)	(3,398)
TOTAL: Big 12	(\$1,100.176)	(\$621.873)	(\$378.432)	(8,093)

Note: Based on estimated losses in tourism revenues and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference remains largely intact with the remaining eight teams (and potentially expands), with television revenues and attendance patterns similar to those in the American Athletic Conference (adjusted for specific characteristics of the individual schools). Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

Scenario 2

DIRECT EFFECTS: Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 2

	Direct Revenue Loss (Millions of 2021 Dollars)	Direct Educational Spending Loss (Millions of 2021 Dollars)	Direct Tourism Losses (Millions of 2021 Dollars)
Baylor University	(\$55.554)	(\$36.110)	(\$75.607)
Iowa State University	(\$49.957)	(\$32.472)	(\$67.989)
Kansas State University	(\$47.081)	(\$30.603)	(\$64.075)
Oklahoma State University	(\$49.917)	(\$32.446)	(\$67.934)
Texas Christian University	(\$65.021)	(\$42.264)	(\$88.490)
Texas Tech University	(\$50.592)	(\$32.885)	(\$68.853)
University of Kansas	(\$63.644)	(\$41.369)	(\$86.617)
West Virginia University	(\$53.763)	(\$34.946)	(\$73.168)
TOTAL: Texas	(\$171.168)	(\$111.259)	(\$232.950)
TOTAL: Big 12	(\$435.530)	(\$283.095)	(\$592.733)

Note: Estimated losses in athletic department and tourism under a scenario in which the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere, with ultimate performance mirroring the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference) adjusted for specific characteristics of the individual schools. Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas. Additional results are included in Appendix B.
Source: US Multi-Regional Impact Assessment System, The Perryman Group

EFFECT OF EDUCATION SPENDING LOSSES: Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 2

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$117.197)	(\$62.739)	(\$43.971)	(888)
Iowa State University	(\$92.236)	(\$50.017)	(\$35.414)	(721)
Kansas State University	(\$87.478)	(\$47.437)	(\$33.587)	(684)
Oklahoma State University	(\$90.600)	(\$49.130)	(\$34.786)	(708)
Texas Christian University	(\$139.029)	(\$75.089)	(\$52.903)	(1,055)
Texas Tech University	(\$103.498)	(\$57.020)	(\$40.356)	(810)
University of Kansas	(\$118.253)	(\$64.125)	(\$45.403)	(924)
West Virginia University	(\$88.671)	(\$48.084)	(\$34.045)	(693)
TOTAL: Texas	(\$359.725)	(\$194.848)	(\$137.231)	(2,753)
TOTAL: Big 12	(\$836.963)	(\$453.640)	(\$320.468)	(6,482)

Note: Based on estimated losses in athletic department revenues and, hence, educational spending and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere, with ultimate performance mirroring the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference) adjusted for specific characteristics of the individual schools). Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas.

Source: US Multi-Regional Impact Assessment System, The Perryman Group

EFFECT OF TOURISM LOSSES:

Representative Illustrations of the Potential Annual Losses Associated with the Departure of The University of Texas and The University of Oklahoma from the Big 12 on the Remaining Members and Their Communities: Scenario 2

	Total Expenditures (Millions of 2021 Dollars)	Gross Product (Millions of 2021 Dollars)	Personal Income (Millions of 2021 Dollars)	Employment (Jobs)
Baylor University	(\$216.862)	(\$120.230)	(\$72.657)	(1,567)
Iowa State University	(\$175.228)	(\$99.669)	(\$60.731)	(1,299)
Kansas State University	(\$166.189)	(\$94.527)	(\$57.598)	(1,232)
Oklahoma State University	(\$172.121)	(\$97.901)	(\$59.654)	(1,275)
Texas Christian University	(\$257.391)	(\$143.942)	(\$87.604)	(1,861)
Texas Tech University	(\$193.446)	(\$110.031)	(\$67.045)	(1,434)
University of Kansas	(\$224.654)	(\$127.782)	(\$77.861)	(1,665)
West Virginia University	(\$168.455)	(\$95.816)	(\$58.384)	(1,248)
TOTAL: Texas	(\$667.700)	(\$374.203)	(\$227.306)	(4,862)
TOTAL: Big 12	(\$1,574.347)	(\$889.898)	(\$541.534)	(11,581)

Note: Based on estimated losses in tourism revenues and The Perryman Group's estimates of related multiplier effects under a scenario in which the Big 12 Conference is not maintained and individual schools must seek opportunities elsewhere, with ultimate performance mirroring the five most successful athletic programs in the Mountain West Conference (the next most successful league following the American Athletic Conference) adjusted for specific characteristics of the individual schools. Additional definitions of terms and explanation of methods and assumptions may be found in Appendix A. Components may not sum to totals due to rounding. Total Big 12 results include effects in Texas.

Source: US Multi-Regional Impact Assessment System, The Perryman Group