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FOR IMMEDIATE RELEASE

Challenger March Madness Report

WITH BOOMING JOB MARKET, TOURNAMENT COULD COST \$2.1B

CHICAGO, March 1, 2017 – While President Trump has stated he will not fill out a bracket for this year’s NCAA tournament beginning March 14th, millions of workers across the country will likely spend company time researching teams and making their picks. This activity could cost employers over \$600 million, according to one more conservative estimate.

More than 40 million Americans fill out tournament brackets, according to the American Gaming Association. Applying the current employment to population ratio to that figure, 23.7 million workers will fill out brackets for this year’s games.

Of course, the distractions do not end with filling out the bracket. Even more productivity is lost over the first two full days of tournament play (Thursday and Friday), when a dozen games are played during work hours.

While this annual tradition has become commonplace in the American office, there is a cost in terms of lost wages paid to distracted and unproductive workers. This year, the cost could reach as high as \$2.1 billion, according to calculations by global outplacement firm Challenger, Gray & Christmas, Inc.

“While television viewership for last year’s tournament and for NCAA games overall was lower than previous years, the economy has created more workers and a higher hourly wage, which could equate to higher costs to employers,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

“In the current political climate, more American workers might welcome this distraction leading to an even higher cost to productivity,” added Challenger.

Challenger’s estimate is based on the number of working Americans who are likely to be caught up in March Madness; the estimated time spent filling out brackets and streaming games; and average hourly earnings, which, in January, stood at \$26.00, according to the Bureau of Labor Statistics.

The challenge is estimating the number of people who participate in March Madness pools. A 2015 estimate from the American Gaming Association estimated 40 million Americans fill out 70 million brackets. A 2014 article at Smithsonian.com put the number of Americans “filling out brackets” at 60 million.

Using the current employment-population ratio of 59.2 percent and the more recent 40 million estimate, 23.7 million workers are filling out brackets.

Meanwhile, a 2012 MSN survey found that 86 percent of all workers will devote at least part of their workday to updating brackets, checking scores and following games during the tournament. If that survey sample was representative of the US workforce, it means that the number the working Americans with “March Madness” could reach 125 million.

Furthermore, the MSN survey indicated that 56 percent of all workers planned to spend at least one hour on March Madness activities. Assuming that holds for this year’s tournament, that is roughly 81.5 million workers who will each cost their employers an average of \$26.00 in wages for an hour of wasted productivity. That comes to a total of \$2.1 billion for the group. (81.5 million X \$26.00)

Even with the most conservative estimates, March Madness is still costly. Each hour of unproductive work time for the 23.7 million March Madness bracket-producing workers will cost employers \$615 million.

“These estimates, of course, do not take into account every situation, but the fact remains that this national pastime, much of which occurs during work hours, will distract employees to some extent.

“Even workers who are not deskbound with internet access in an office are susceptible to this distraction. Hourly workers in the field may be consumed by the tournament on their smartphones and tablets,” said Challenger.

Despite the potential for a lapse in productivity, Challenger warned against reining in workers’ March Madness proclivities.

“Any attempt to do so would most likely result in long-term damage to employee morale, loyalty, and engagement that would far outweigh any short-term benefit to productivity. Employers should embrace March Madness and seek ways to use it as a tool to foster camaraderie.

“For example, employers could create company-wide office pools that are free to enter and offer lunches or gift cards for the winner.

“By installing a TV in a common area or lunch room, workers can check games throughout the day. This option has an added benefit of eliminating the need for workers to stream games, lightening the burden for your IT staff.

“Consider giving employees longer lunches or offering longer breaks at other times throughout the day to allow them to catch games that interest them,” said Challenger.

“These actions will go a long way in developing an inclusive corporate culture and boosting employee morale. Employers can also use the tournament as a selling-point for retention and recruitment purposes,” added Challenger.

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KEY MARCH MADNESS STATS

POSSIBLE IMPACT

\$615.6 million	Total in “lost wages” for each hour spent on March Madness activities, based on 23.7 million workplace March Madness bracket-ers (23,680,000 mil X \$26.00)
\$2.1 billion	Lost wages resulting if MSN Survey is correct in its estimate that 56% of all workers, or 81.5 million people, will spend at least one hour of their workday on March Madness activities. ((145,554,000 x .56) X \$26.00)

EMPLOYMENT/WAGE STATS

145,554,000	Preliminary total nonfarm payroll employment in January (BLS)
123,278,000	Total private-sector, nonfarm payroll employment in January (BLS)
\$26.00	Average hourly earnings of all employees on private nonfarm payrolls in January (BLS)

NUMBER BETTING/FILLING OUT BRACKETS

70,000,000	Estimated number of brackets filled out in 2016, according to the American Gaming Association
23,680,000	Estimated number of employed Americans who fill out a bracket each year. The American Gaming Association estimated that 40 million Americans fill out brackets. Applying the current employment-population ratio (59.2%), 23.7 million workers fill out brackets.

NUMBER OF VIEWERS

8.5 million	Average viewership during the first two days of the tournament, down 6% from 2015
17.8 million	Viewership stats for TBS, TNT, and TruTV’s championship game broadcast, down 37% from 2015 championship broadcast.
9.9 million	Number of unique viewers who streamed games on NCAA March Madness Live in 2014
86%	Percentage of respondents to 2012 MSN survey who said they will devote at least part of their workday to updating brackets, checking scores and following games during the tournament. If that holds this year, more than 125 million workers will be distracted by March Madness. (.86 X 145,554,000 which was total nonfarm employment in January, according to BLS).
56%	Percentage of workers who planned to spend at least one hour of their workday on March Madness activities (MSN, 2012). If that repeats this year, approximately 81.5 million workers, based on total nonfarm payrolls as of January 2017