

Senate Bill 110-A

Portland
Diamond Project
Economic Issues
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Building the stadium creates new jobs

- We agree that construction will mean jobs.
- Any other project in the same area would also create jobs

It is new money that will be spent in area

- Consumers who spend money on sporting events would likely spend the money on other forms of entertainment, which has a similar economic impact. Rather than subsidizing sports stadiums, governments could finance other projects such as infrastructure or education that have the potential to increase productivity and promote economic growth.
- <https://www.stlouisfed.org/publications/page-one-economics/2017/05/01/the-economics-of-subsidizing-sports-stadiums>

And Players May Not Live in Area

- Most professional athletes do not live where they play, so their income is not spent locally. Moreover, players make inflated salaries for only a few years, so they have high savings, which they invest in national firms. Finally, though a new stadium increases attendance, ticket revenues are shared in both baseball and football, so that part of the revenue gain goes to other cities. On balance, these factors are largely offsetting, leaving little or no net local export gain to a community.
- <https://www.brookings.edu/articles/sports-jobs-taxes-are-new-stadiums-worth-the-cost/>

Team attracts tourist to the community

- Sports facilities attract neither tourists nor new industry. Probably the most successful export facility is Oriole Park, where about a third of the crowd at every game comes from outside the Baltimore area.
- Even so, the net gain to Baltimore's economy in terms of new jobs and incremental tax revenues is only about \$3 million a year—not much of a return on a \$200 million investment.
- <https://www.brookings.edu/articles/sports-jobs-taxes-are-new-stadiums-worth-the-cost/>

Stadiums and economic impact

- “If you ever had a consensus in economics, this would be it,” said Michael Leeds, a sports economist at Temple University. “There is no impact.”

Leeds studied Chicago -- as big a sports town as there is: Cubs and White Sox (baseball), Bears (football), Bulls (basketball) and Blackhawks (hockey).

- “If every sports team in Chicago were to suddenly disappear, the impact on the Chicago economy would be a fraction of 1 percent,” said Leeds.
- <https://www.kqed.org/news/10444227/new-nfl-team-unlikely-to-have-big-economic-impact-in-southern-california>

Not All Projects End Happily

- In February, the Chicago Bears bought a [former suburban horse racing track](#) as a potential site for a new football stadium and surrounding development. That comes even though the Illinois Sports Facilities Authority still owes \$589 million through 2032 on public bonds issued for a renovation of the Bears' current stadium two decades ago.
- — In November, (2023) Major League Baseball owners [approved the relocation](#) of the Oakland Athletics to Las Vegas. That came five months after Nevada Gov. Joe Lombardo signed a law providing \$380 million in [public funding](#) to go toward a \$1.5 billion stadium. The remaining \$13.5 million in public debt on the A's current California stadium isn't set to be paid off until February 2025.

<https://apnews.com/article/stadiums-public-funding-nfl-mlb-70f5054b1e1f6862713ef036cbae2a10>

- . Furthermore, when the time horizon grows long enough, the bonds may not be paid off when teams come knocking for a new stadium. More than [\\$100 million in bonds remained](#) from Giants Stadium when it was demolished in 2010 to make way for its replacement, MetLife Stadium.
- <https://taxfoundation.org/blog/sports-stadium-subsidies-taxpayers/>

And its more than local resources

- State and local government bonds are tax- advantaged investments for bondholders because they are typically exempt from federal income tax, meaning the federal government also partially subsidizes the construction of these sports stadiums. One study published in the National Tax Journal estimated that the federal government (tax-exempt) subsidy for the 57 stadiums built between 2000 and 2020 was \$4.3 billion.
- <https://taxfoundation.org/blog/sports-stadium-subsidies-taxpayers/>

And the “Economists say

- Rather, it is the provision of taxpayer money in the form of subsidies that economists generally oppose. In a 2017 poll, 83 percent of the economists surveyed agreed that “Providing state and local subsidies to build stadiums for professional sports teams is likely to cost the relevant taxpayers more than any local economic benefits that are generated.”¹⁰
- Responses are weighted by each expert’s confidence. See IGM Forum. [Sports Stadiums](#). Jan. 31, 2017

In the End-It Isn't Worth It!

But neither sports boosters nor their political allies are much interested in overall economic impact. Fans want a team, potential franchise owners desire subsidies, and elected officials expect political gain — and the opportunity to snag an invitation to the owner's box. Government stadiums benefit economic and political elites, not the public.

- Yes, refusing to play the subsidy game might mean losing a franchise. But if the only way to prevent a team from moving or to get one to come to your town is to shovel corporate welfare into a billionaire's hands, trust the research — it isn't worth it.
- <https://www.cato.org/commentary/surprise-stadiums-dont-pay-after-all#>

Sources of Information



[United States](#) | Fields of dreams

A new wave of stadium-building is busting budgets in America

- **The economics of ballparks are lousy, but politicians can't resist subsidising them.**
- <https://www.economist.com/united-states/2024/06/03/a-new-wave-of-stadium-building-is-busting-budgets-in-america>

Top 12 richest MLB team owners and their their impact since acquisition [2025]



[U.S. News](#)

Key takeaways from AP's look at the
emerging wave of sports construction in
the US



- **Surprise! Stadiums Don't Pay, After All**

- **The NFL in L.A.? Get Ready for Near Zero Economic Impact**

BROOKINGS

Sports, Jobs, & Taxes: Are New Stadiums Worth the Cost?

- [Andrew Zimbalist](#) and [Roger G. Noll](#)



The finances of major-league baseball in Portland: 5 takeaways from our reporting



Taxpayers Shoulder a Heavy Burden for Sports Stadium Subsidies

October 3, 2024 6 min read By: [Adam Hoffer](#), [Joseph Johns](#), [Craig Depken](#)



FEDERAL RESERVE BANK of ST. LOUIS

The Economics of Subsidizing Sports Stadiums

May 01, 2017

By [Scott A. Wolla](#)