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Testimony on SB 1501

February 25, 2026

*Sports franchises produce negligible economic benefits for the cities as spending on professional sports reallocates money that would otherwise be spent in the local economy.*

*Academic research—130 studies, show that professional sports franchises don't produce returns as public investments.*

*The experiences of Vancouver and Seattle show that loss of an NBA franchise had no effect on economic growth trends.*

*If Oregon is to subsidize reconstructing the Moda Center, the cost should be borne by high income households who would benefit.*

Rumors are that if they don't get \$600 million in public subsidies to remodel their arena, the Moda Center, the Portland Trailblazers will decamp to some other city.

A common perception is that the loss of the Blazers would be a serious blow to the local economy. For example, local sportswriters claim that it will set the region's economy back by a generation. [The Oregonian's](#) Bill Orem wrote:

*Economists will tell you that the Trail Blazers leaving would set Portland's economy back by a generation. Maybe two.*

While this is clearly the kind of beer-soaked, bar-stool bluster you might expect to hear dispensed at a sports bar, there's actually no economist who agrees with that judgement. The consensus of published, peer-reviewed scholarship is that professional sports make almost no difference to long-run economic growth. In a recent article by three of the leading scholars in the field looking at 30 year's worth of research, and summarizing 130 studies, concludes:

. . . recent analyses continue to confirm the decades-old consensus of very limited economic impacts of professional sports teams and stadiums. Even with added non-pecuniary social benefits from quality-of-life externalities and civic pride, welfare improvements from hosting teams tend to fall well short of covering public outlays. Thus,

the large subsidies commonly devoted to constructing professional sports venues are not justified as worthwhile public investments.

Bradbury, J. C., Coates, D., & Humphreys, B. R. (2023). The impact of professional sports franchises and venues on local economies: A comprehensive survey. *Journal of Economic Surveys*, 37(4), 1389-1431.

To be sure, a sports team can be a civic amenity, but in an economic sense, the income generated by the club tends to come overwhelmingly from local consumers—professional sports re-allocates household spending that would happen anyway and doesn't drive economic growth. Even the reputational and marketing factors supposedly associated with a professional sports franchise seem to have very little economic value.

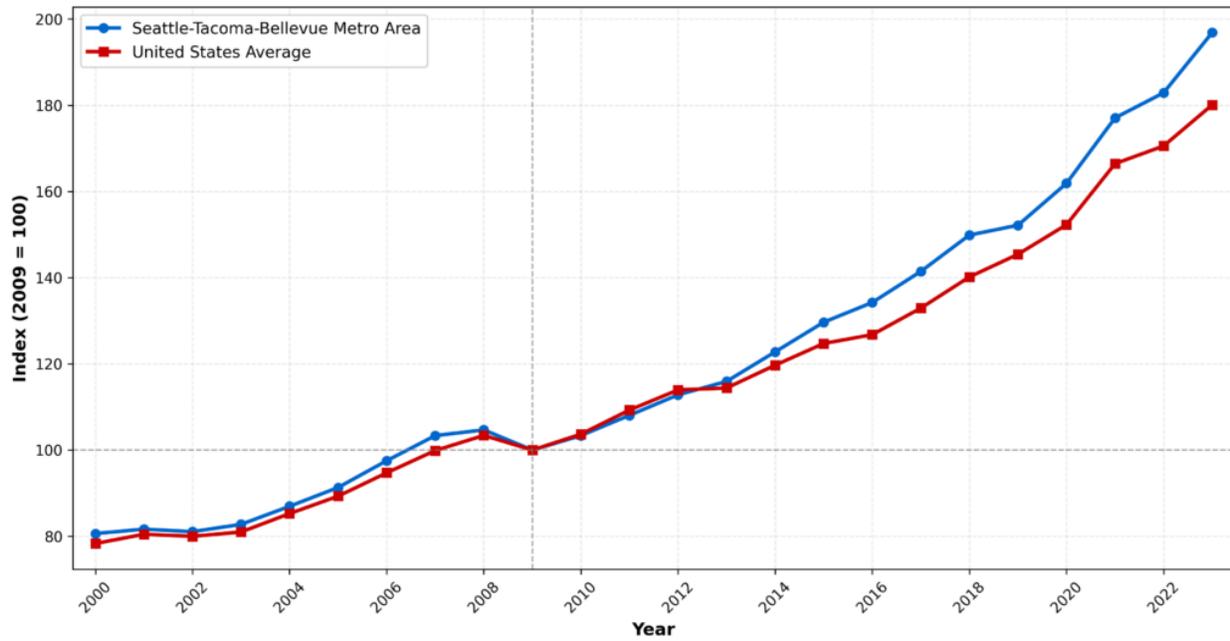
In addition to the 130 studies, we also have the actual lived experience of two cities, both of which are Portland's peers which "lost" their NBA franchises, so we can see exactly what impact it had on their economic trajectories. In 2001, the Vancouver Grizzlies moved to Memphis. In 2009, the Seattle SuperSonics moved to Oklahoma City. Clearly, if the sportswriter's theory of economics held any water, we'd see a precipitous and prolonged decline, or at least some stagnation, in the economies of Seattle and Vancouver. The data show just the opposite.

Perhaps the best and most concise way to summarize a region's economic performance is to look at the trajectory of per capita personal income: Over time, does the average income of area residents grow as fast (or faster, or more slowly) than the nation as a whole? For both Vancouver and Seattle, we compare their trends in per capita personal income to those of their respective nations for the period *after* their two NBA franchises moved to other cities.

The following charts index per capita personal income to the last year in which the NBA franchise played in each city (2001 for Vancouver, 2009 for Seattle), so as to compare the subsequent growth in per capita income to those base years. For the record, both Vancouver and Seattle have incomes considerably higher than their respective national averages, so what this comparison shows whether the *change* in income after the loss of an NBA franchise underperformed (or over-performed) income growth in the nation.

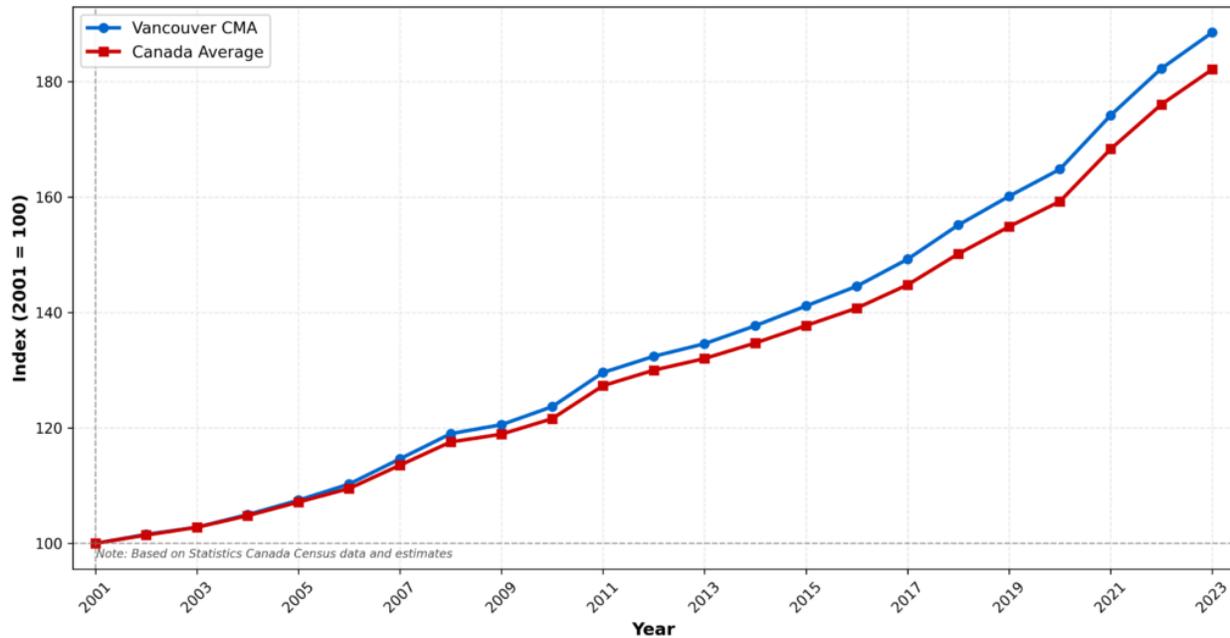
Here's the data for Seattle. Seattle's growth in per capita personal income (blue) significantly outstripped that of the nation in the years following the loss of the city's NBA franchise. The underlying data are from the US Bureau of Economic Analysis.

**Per Capita Personal Income Growth: Seattle Metro Area vs. U.S. Average  
Indexed to 2009 = 100**



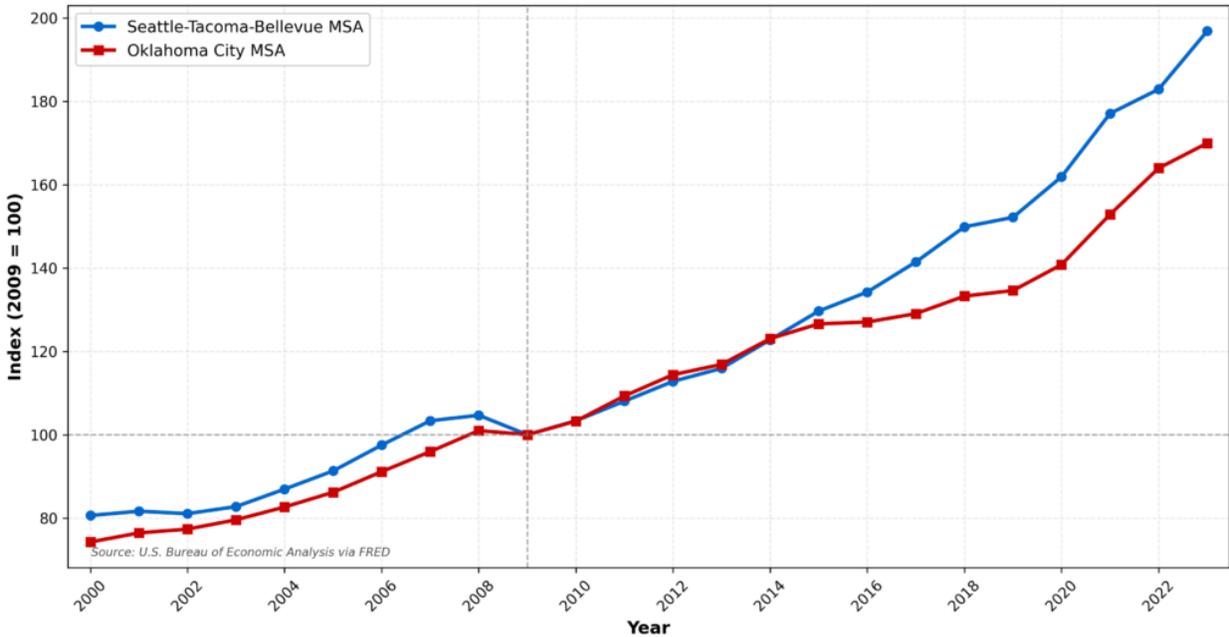
The same pattern holds for Vancouver, BC. The following chart shows Stats Canada data for the Vancouver Metropolitan Area compared to the national average for Canada. Again, Vancouver's income (blue) increases faster than that for the rest of Canada after the Grizzlies left town.

**Per Capita Personal Income Growth: Vancouver CMA vs. Canada Average  
Indexed to 2001 = 100**



If getting an NBA franchise was such an economic boon, and losing one was a disaster, you'd expect to see disparate outcomes for the gaining and losing cities. Compare the Seattle and Oklahoma City metropolitan areas in the years *after* the Sonics became the Thunder. Did the movement of the franchise cause Oklahoma City to outperform Seattle? Again, this chart indexes both city's per capita income to its 2009 level, and looked at growth in income. These data show that Oklahoma City's per capita income was actually growing somewhat faster than Seattle's prior to 2009 (the red line is catching up to the blue line), and that the two metropolitan areas performed just about the same from 2009 through 2014, but the data show Seattle's income increasing much more rapidly over the next decade. If anything, Oklahoma City's economy was doing better, relative to Seattle, *before* it got the NBA franchise.

**Per Capita Personal Income Growth: Seattle MSA vs. Oklahoma City MSA**  
**Indexed to 2009 = 100**



Of course, reasonable analysts will say, but Amazon (or Microsoft or Starbucks or Boeing) to explain Seattle's success. And one could add a host of other factors as well, including the region's great quality of life, robust higher education institutions and thriving urban center. But that's exactly the point: Regional economic prosperity doesn't hinge on the presence or absence of a sports franchise—there are host of other factors that are much more important. There's no denying that a sports team can be a civic amenity, but the evidence doesn't show that it's a "make or break" factor for long term regional economic prosperity.

The lesson for us is, two neighboring cities have essentially run the experiment of suddenly depriving a Pacific Northwest metropolis of its National Basketball Association franchise to see what happens to its economy. As it turns out—and pretty much exactly as all the economic studies conclude—pretty much no negative effects on prosperity.

If the Legislature does decide it is in the state's interest to subsidize the owners of the Portland Trailblazers, it would be prudent to amend SB 1501 to incorporate two provisions.

1. Validate the amounts of expected from the Jock Tax. The Legislature could direct the Oregon Department of Revenue to audit income tax returns to validate the amount that NBA players pay in Oregon income taxes. They can do this privately and just produce an aggregate estimate of the dollar amount of Oregon income reported and taxes paid by professional athletes.

Any allocation ought to be limited to the actual taxes paid, not some inflated estimate of how much *\*might\** be taxable. Simply put, professional basketball players have lawyers, agents and accountants who routinely arrange their compensation to minimize tax liability. No one should rely on an inaccurate guess to allocate funding.

2. Ask those who benefit from a stadium to pay for its costs. Overwhelmingly, the attendees of Blazer games earn higher incomes than the average Oregonians. Any state contribution ought to come proportionately from those with high incomes. For example, you could finance the state's contribution with a tax surcharge on incomes over say \$150,000 or \$250,000. Any careful analysis of the household income of Blazer season ticket holders compared to Oregon taxpayers would show most season ticket holders are in the upper income brackets. The expenditure of funds on the Moda Center is primarily to make the place a more pleasant, modern and convenient place for spectators to watch NBA games. If we're going to buy a nicer arena for rich people to watch millionaires play for their billionaire-owned clubs, maybe we should ask higher income people to pay for it.