

Sports Facilities and Cities

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Sports Facilities and Cities

Major league sports play a critical role in the social and economic development of the USA. They can be viewed as a part of the country's culture due to a considerable impact on people's everyday life activities. For this reason, sporting events attract the attention of millions of viewers across the state. From the economic perspective, this factor is also vital for the life and development of any city. The evolution of sports and the emergence of professional teams preconditioned the need for the developed infrastructure and stadiums allowing people to gather and watch games. Under these conditions, the fast development of major league sports and their popularity in the USA is explained by the successful combination of several factors. However, there are still debates about the real state of things and whether cities benefit from the presence of teams in them.

The Economic Impact

The economic impact of major league sports teams on the local economy is debatable, and there are several perspectives on it. From one of the popular perspectives, sports facilities improve the financial aspect of cities in multiple ways (Noll & Zimbalist, 1997). First of all, the construction of every stadium or another facility demands workers who are provided with jobs and can pay taxes (Noll & Zimbalist, 1997). Secondly, all spectators attending games or working for local teams generate additional spending vital for the evolution of the community and its future development. Thirdly, a successfully playing team might transform into a source of benefits as it attracts tourists, sells items, and contributes to the construction of hotels needed to shelter all arriving individuals (Noll & Zimbalist, 1997). It enriches local communities and helps them to become wealthier. Finally, all these factors have a multiplying effect and stimulate cities

to develop (Noll & Zimbalist, 1997). This vision is one of the popular ideas linked to major leagues; however, upon careful analysis, it can be proved wrong.

In fact, recent investigations show that the role of sports in cultivating the local economy is overestimated. Resting on credible evidence, it is possible to state that sports teams and facilities associated with them do not stimulate regional economic growth (Siegfried & Zimbalist, 2006). In relevant research, ten cities that acquired new teams did not report a significant rise, which proves the accuracy of the previous statement (Siegfried & Zimbalist, 2006). A new stadium has a little or even sometimes a negative effect on the city's activity and employment. Moreover, most revenue goes to few players, while professional sports teams are small businesses that cannot be compared to grocery stores or other big enterprises. For this reason, the economic influence of major league sports remains insignificant, and, in some cases, it might even damage local economies.

Subsidies

However, regardless of the disputable economic impact of such facilities, cities still offer subsidies to teams. For instance, government subsidy is one of the types used to support professional sports teams and finance the construction or renovation of a particular facility. The statistics show that almost all cities of the USA use public funds to subsidize for-profit teams (Siegfried & Zimbalist, 2006). By offering a tax revenue to a sports stadium, a city tries to attract a new team and generate consumer surplus for fans attending matches and supporting local franchises. At the same time, the given practice also remains popular at the governmental level since the federal and state authorities often offer special conditions for teams (Siegfried & Zimbalist, 2006). One of the factors explaining this interest is the desire to stimulate the development of the national sport. As stated previously, such programs can help to create a new

team or support the existing one, which is vital for the current system. For this reason, cities and governments might offer subsidies to such organizations.

Another reason justifying the practice of providing subsidies to teams is their tendency to look for new homes. Innovative stadiums can generate more substantial profits, meaning that these units are interested in moving to new facilities. Under these conditions, cities are forced to offer even more significant subsidies to league members. In such a way, although the economic benefits of building a stadium are not evident, cities and governments continue providing specific payment conditions for big teams and local groups because they view it as a necessary condition for the development of the national sport and supporting a particular culture among local people.

Cities' Motives

Cities' readiness to subsidize sports and support the construction of facilities can also be linked to the poor understanding of the real economic effects of major leagues. The popular idea states that the creation of a new stadium leads to the emergence of new jobs, which, in its turn, revitalizes the local economy and preconditions its future development. Moreover, the city might invest in supporting local teams and building stadiums because of the pride to be a major league city. It will affect local citizens who enjoy news issues and shows about their teams and feel a part of the community united by a strong team representing them (Siegfried & Zimbalist, 2006). Regarding this strong cultural impact, the local society cannot expect stadiums to be economically inappropriate. On the contrary, they associate teams' successes with the emergence of new opportunities for the development and acquisition of extra benefits.

At the same time, investments from sports are distributed not proportionally, meaning that there are some groups with opposing views on the need to construct new facilities.

Individuals who receive the biggest share start to lobby the idea of using tax revenue to retain a team and support its development (Siegfried & Zimbalist, 2006). Additionally, the actors like construction companies, their alliances, investment bankers, and lawyers also become interested in such projects as they might acquire direct benefits (Siegfried & Zimbalist, 2006). They serve as the leading force promoting the use of subsidizing practice and the creation of new stadiums and facilities. At the same time, taxpayers usually become the party that loses from such investments as their taxes are used for public investments. Under these conditions, cities and governments are impacted by various motives, making them support teams.

Teams' Effectiveness in Obtaining Subsidies

Cogitating about the question and substantial investments provided to sports teams, several factors, which explain their effectiveness at obtaining investment, should be mentioned. Firstly, there is a popular misbelief stating that such organizations have at least four positive impacts on local economies, and that is why they should be supported. This misbelief and erroneous economic investigations create the basis for new subsidies and the strong public support provided to such teams (Siegfried & Zimbalist, 2006). The second factor is the critical importance of teams for the mentality and local culture. Citizens feel proud of being a part of their team and its successes, which makes them insist on its further evolution. Following the existing public opinion, a successful club can attract attention and generate benefits. For this reason, they might affect the decision-making of local authorities.

Moreover, such teams are viewed as a part of a bigger national sports system vital for the future development of young talents and the U.S. successes at the international level. Mega events, such as championships or some international games, might affect the whole state, but they demand specific facilities and infrastructure. The creation of new stadiums can be viewed as

the preparation for such events and contribution to the future of the national sport. In such a way, these factors explain the effectiveness of teams in acquiring additional investments and subsidies. They act not as possible generations of income but as a part of culture and people's mentality, affecting the pride and feeling of belongingness, which is critical for shaping the public opinion and acquiring support.

Making a Bid for a Team

Finally, speaking about the idea of attracting one of the expansion teams, it is vital to consider the following factors. Firstly, sports facilities do not lead to a significant improvement of local economy. They are closed systems and monopolies functioning according to their rules and distributing revenue unequally. Due to this, it is a mistake to expect a powerful stimulus for the economy and its revitalization under the impact of building sports facilities. On the contrary, the state should be ready to invest in the given project and provide public subsidies aimed at supporting the team, building a stadium, and developing infrastructure. It can become a serious burden for the local budget and trigger the growth of people's dissatisfaction. Hence, economic factors should not be the central force influencing the decision making.

Instead, it is vital to focus on the idea of community unification and the role a new team will play in it. If people living in the area are interested in the creation of a team and are ready to visit all games, buy seasonal tickets, goods, and pay for watching all matches, the decision to bid for one of the Major League Baseball's teams might be appropriate. It will meet the existing demand and contribute to the emergence of stable revenue generated due to the active participation of local communities in the life of the selected team. It also means that the primary analysis of potential supporters' buying capacity should be performed to ensure they are ready to

spend their money and contribute to the development of the project. Otherwise, this team might become a burden for the region and worsen the economic situation.

Conclusion

Altogether, it is possible to conclude that contrary to the dominant public opinion, Major League teams, stadiums, and facilities do not help cities to acquire significant economic advantage and do not help to revitalize local economies. The number of positive effects remains limited as many other factors impact the situation and the distribution of funds. However, cities continue to invest in such projects and subsidize them because of the privileged status, specific mentality, and the existence of parties lobbying the decision to start construction projects and attract new teams. Communities also believe in a positive correlation between their local teams, their performance, and the financial power of the region. For this reason, in numerous cases, cities prefer to support such projects and use public funds to provide them with money to resolve any emerging issues. Governments can also take part in the process since they view it as a contribution to the development of national sport and the image of the state at the global level.

References

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