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Economics Report

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With this strong discussion of sports stadiums in relevance to public funding both sides are valid in the idea that they can be independent but also have benefits for general society. For the population, there are positives and negatives to the situation, because most of the time sports stadiums are from taxpayers rather than a non-profit or funds from investors. This study will explore centralized and decentralized perspectives of economic philosophy on sports stadiums being used from private money. Decentralized economic philosophy will provide a better solution because of many reasons, private partnerships can help professional sports leagues and entertainment events.

Looking into being in favor of sports stadiums being funded by taxpayers is that it attracts tourism, there is more flexibility or freedom, and it's a long-term investment. Plus the opportunity of return on investment and seasonal employment, which supports an increase of jobs for local areas, the impact of economies, and improvements in wellness. For the most part, these sports stadiums need to have accommodations for this influx of tourism such as hotels and the space to hold a certain number of people during the duration of an event or game. Even though these facilities have opportunities to bring in more entertainment-related events like festivals or concerts, and conventions which help the restaurants around and other local services. One other part of taxpayers paying for these stadiums is the common interest for sure, not all but some don't have any intentions of going to the large sports stadium because of personal interests or any attraction to them. The ones who see the side of double taxation, in which they're paying for attending, but have already done their part as a citizen paying their taxes to fund the place. This goes back to the dynamic pricing for these tickets, some can argue that this strategy is unfair, but it's more seen as a cycle because what goes in, also comes back around in other ways.

Whereas the other perspective is traffic, especially if there is no transportation system, trash or other pollutants of course aren't great, and the creation of non consistent low-paying jobs. Plus these stadiums are very expensive, and in some cities, there is tons of competition and a level of interest. Now there have been successful stadiums that have been funded without the support from tax dollars that have done very well. Also, college sports stadiums have been shown to continuously provide this system solely by using their giant network of alumni or private companies to help, alongside the cost of tuition and wealthy donations from sponsors. So, to answer the prompt of there being other ways to fund these stadiums, the answer is yes, it's just a question of if using this alternative route is the best option or not. A sports stadium from the public has more sense of importance or identity to a city, especially if an athlete has a major platform that gives back to the future generations of the next top-performing development.

The part that is difficult with this topic, in the United States there are only three professional stadiums that are solely based on private funding only (Schad). There should be almost a new standard of creating privately funded stadiums, over public investing. With that being stated, more organizations should be finding support, rather than relying on the easier and more safe route from the guaranteed government. The downside is the risk of having more shareholders involved, harder approval and proposal processes, and those individuals' opinions. Overall taxpayer's dollars could be contributing to other sources such as education, which the majority of the community should have access to, and other important needs like healthcare. Of course, that pertains to the opportunity cost, but even with a new stadium the attendance fades out over a while, similar to a honeymoon phase. The decision should be given back to the public, however since that's not the case government officials should be more worried about the welfare of the people who are living next to these sports stadiums, rather than what team is going to win

inside them. As a seasonal employee of a publicly funded sports stadium, a perspective will be more positive because it's the role tasked to do, however, the other side is unseen due to availability and level of experience. As well as knowing it's not going to last forever and the insurance of the long-term sustainability of these facilities.

When looking at other staff like security, which is paid through the tax dollar as well because the government is responsible for what goes on in the venue, like maintaining it with safety concerns. Whereas privately the government doesn't have control and is paid through the venue specifically. The future of sports stadiums shows nothing but more expensive expansions, and just because a team plays in a multi-million dollar venue, doesn't always mean that team's performance will have ultimate success. Both public and private generate revenue from offers like merchandise, concessions, parking fees, etc but private goes back into the stadium, and the public is distributed among several different areas like back to the government itself.

In support of the centralized philosophy of economics public sources for these facilities provide that "public financing has merit, private financing is also problematic (Mayer III)." An additional publication, "Localities benefit from frequent games, providing an additional entertainment choice and stirring up economic activity," provides detail that with the public funds, more options for local parts receive a valuable outcome (Standen). Lastly when considering ideas from the report of the Defense of New Sports Stadiums, Ballparks and Arenas determined that "A complementary factor leading constituents to support public funds for a new facility stems from basic finance theory: option value," discussing that with these taxpayer dollars, the money is coming to these supportive stadiums which hold the financial choices (Sanderson).

For the decentralized philosophy of economics, a study done at the University of Florida has shown that private funding is better related to the idea that the money going to these stadiums could be used elsewhere “plethora of research suggests that investing in education and local businesses create more wealth and reduce inequality (Alakshendra).” According to the journal of sports and social issues states that “Our research shows that arguments for publicly financed stadiums decreasingly guarantee economic benefits and increasingly guarantee noneconomic benefits,” meaning these findings have shifted away from being in favor of publicly supported facilities due to the lack of no promises to have benefits in a society (Eckstein and Delaney). The last resource founded on this topic in defending privately funded stadiums is “it remains true that stadiums are typically poor public investments, (Matheson).

A solution to this entire problem would be for people like Elon Musk, who has all the money in the world should fund a stadium, not only is it an excellent investment for him to receive more revenue but also gives the courage for wealthy sports team owners to pay for their stadiums rather than having on taxpayers to fund the bill. As this subject goes back and forth, the correct decision will depend on the areas surrounding the venue and what type of funding is the best for that particular place. This report discussed both sides and viewed the pros/cons of each with the conclusion of decentralized economics being more in favor than centralized. Private funding for sports stadiums is the better option over public because it's just as successful as public, just without the taxpayers being involved and an opportunity for funds to be used elsewhere. Private funding still can promote city identities and create jobs that are more clear for long-term career runs as well as bring people together for shared interests. Including bringing in those other entertainment events and still receiving donations, sponsorships, and potential partnerships.

References

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