

AN ASSESSMENT OF THE ECONOMIC IMPACT OF
THE AMERICAN FOOTBALL CHAMPIONSHIP, THE SUPER BOWL,
ON HOST COMMUNITIES

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ABSTRACT

The National Football League (NFL) has encouraged league host cities to construct new stadiums. As an inducement, the NFL has offered some reluctant cities an opportunity to host the Super Bowl, the league championship game.

Part of the NFL's apparatus of persuasion involves commissioned studies which assert a significant boost to metropolitan and regional economies from the Super Bowl.

The latest NFL Super Bowl impact study estimates that taxable sales in South Florida increased by more than \$670 million dollars from the Game. Are the economic impact estimates published by the NFL credible?

Our study indicates that the NFL has exaggerated the impact of the Super Bowl by a factor that in some instances could approximate ten.

The economic hyperbole is explained by several factors. First, the studies in general fail to recognize that some of the spending that occurs in conjunction with the Game simply substitutes for spending that would occur in its absence. Second, the studies generally do not consider the leakages that are particularly acute for events provided by suppliers who are not residents of the metropolis in which the event is held. Third, the studies generally ignore how the Game affects the spending of the residents of the host community and contiguous communities.

Our study concludes that cities that currently host a NFL team should be wary of claims made by the league about the economic impact of the Super Bowl. The evidence does not suggest that the Super Bowl increases economic activity by an amount that would justify the hundreds of millions of dollars that stadiums typically cost.