The AAU Junior Olympics
LOW GLAMOUR, BUT LARGE ECONOMIC IMPACT: THE AAU JUNIOR OLYMPICS

“Virginia Beach has been there every step of the way. The other cities have all joined us.”
– Norfolk Mayor Paul Fraim

“No one city could have done this. It took an effort from the entire Hampton Roads family to get this done.”
– Virginia Beach Mayor Meyera Oberndorf

What could the mayors of two of the largest cities in the Commonwealth of Virginia be talking about? Water rights? Transportation? Regional consolidation? A new college? No – amateur sports, in this case the Amateur Athletic Union’s Junior Olympics. This event is one of the very best examples of regional cooperation and how such cooperation can benefit Hampton Roads.

Never heard of the AAU Junior Olympics? If so, you’re not the only one, even though 13,000 athletes and their families (totaling 40,000 people) traveled to Hampton Roads for the most recent version of the event in 2006. Further, these 40,000 people generated an unambiguous economic impact that approached $50 million. This contrasts to the often spurious economic impact claims put forward by various professional and college athletic teams within our region.

It is ironic, then, that one of Hampton Roads’ major economic triumphs – the AAU Junior Olympics – has operated in comparative obscurity. Nevertheless, it is an event whose economic impact on the region is far greater than many other athletic and cultural enterprises that garner more attention. It is deserving of additional attention, which we provide here.

The Summer 2006 AAU Junior Olympics

The AAU Junior Olympic Games, which are held annually at sites throughout the United States, constitute one of the largest amateur sporting events in the country. They make a significant economic impact on their host communities. This is true for two reasons. First, because most competitors and their families come to the event from outside the host city or region, they bring in new expenditures. Second, because the event relies upon existing venues and stadiums, it requires only minor investments from a city or region. Thus, the cost of the games is low and consequently their net economic impact is large.

The 2006 AAU Junior Olympics was held in seven Hampton Roads cities between July 26 and Aug. 5, 2006. The events – 27 in all – ranged from team sports, including baseball, basketball, relay races and field hockey, to individual competitions, such as weightlifting, swimming, table tennis and a myriad of track and field events (high jump, shot put, hurdles, dashes, etc.). Track and field competition took place at Norfolk State University (approximately 8,000 athletes, more than half the total) and dancing events were held at Norfolk’s Chrysler Hall. Newport News, with its excellent swimming and diving facilities, hosted the water events. Virginia Beach hosted sports such as wrestling and lacrosse at venues including the Virginia Beach Convention Center and the Princess Anne Athletic Complex. Baseball and golf competition took place in Suffolk, Churchland High School in Portsmouth hosted indoor gymnastic events. Basketball and baseball games were played at several Chesapeake high schools. Hampton hosted athletes competing in trampoline and tumbling. Indeed, athletic events took place in each of Hampton Roads’ seven major cities – truly a regional display of cooperation.
Recently, the venue for the Junior Olympics has rotated between five cities/regions nationally. Other communities in the current rotation are Knoxville, Detroit, New Orleans and Des Moines. Since 1967, the Junior Olympics has been held in 29 cities in 19 different states. The games have come to Hampton Roads in 1998, 2001 and 2006. The hosting of the 1998 games came as somewhat of a surprise, after Norman, Okla., pulled out at the last moment.


There has been significant growth in the number of competitors at the AAU Junior Olympics. While only 523 athletes competed in the first games in Washington, D.C., 40 years ago, the 2006 event in Hampton Roads attracted more than 13,000 participants, a 25-fold increase.

How Can Sports Events Have an Economic Effect Upon a Community? A Review

In recent decades, professional sports team owners, sports league officials and other interested parties have argued that the economic and social impacts of sports events (and professional sports teams) are so large that they justify public subsidies to attract and retain them. The record demonstrates that they have been rather successful in convincing cities and public officials to use public funding, mainly through the issuing of bonds, to subsidize the construction of new sports facilities and related infrastructure. Since new sports complexes often require massive investments ranging up to $1 billion, public subsidies typically have amounted to hundreds of millions of dollars per project. Rappaport and Wilkinson, writing in the Economic Review of the Federal Reserve Bank of Kansas City in 2001, found that taxpayers subsidized 66 percent of the cost of 17 new professional football and baseball stadiums between 1994 and 2001. The average construction subsidy was $188 million.

It will suffice to say that very few reputable economic studies ever have found the economic payoff to such subsidies to be significant. The economic rate of return on such public expenditures usually is quite small, or even negative. As we will see below, however, there are two exceptions to this general dictum – subsidies that succeed in spurring the economic revitalization of an area of a city, and subsidies to stadiums and teams that draw most of their customers from outside the subsidizing government’s home area.

There are two major reasons why public subsidies to stadiums and teams don’t pay off to taxpayers. First, the economic benefits associated with such subsidies consistently are exaggerated, usually because a substantial portion of the alleged economic impact of sports teams consists of displaced expenditures. Consider that people who spend more money on a specific professional sports team (say, the New York Yankees) as a consequence have fewer dollars to spend on other things (entertainment in Manhattan, meals at restaurants, clothing, etc.). The same dollar can’t be spent two places. Hence, more money in the Yankees’ pocket means less money in others’ pockets unless the Yankees attract fans from other regions, or the existence of the Yankees causes fewer New Yorkers to spend money outside of New York City.

The second reason most reputable studies have found surprisingly small net economic impacts from sports teams is that there has been an irresistible tendency, one perhaps endemic to many governmental enterprises, to underestimate costs. Witness the constant increase in the subsidy required from Washington, D.C., taxpayers to attract and retain the Washington Nationals (formerly the forlorn Montreal Expos). Eventually, the city’s taxpayers were on the hook for approximately $400 million. The only predictable thing about the public discussions surrounding Washington’s subsidy to the Nationals was that the estimated cost to taxpayers rose continuously.

Professional sports authorities and other interested parties such as event-organizing committees often sponsor their own economic impact studies of new sports facilities. They nearly always suggest that the economic benefits justify significant public investments, whether for a new stadium, to attract NCAA basketball playoff games, or to capture the all-star games operated by professional leagues such as the National Football League (NFL). These studies nearly always cite new job creation, increased personal...
income and improved tax revenues. But the Rappaport and Wilkerson study, noted above, found numerous methodological and statistical problems associated with these studies.

An instructive example cited by Rappaport and Wilkerson is an early 1990s study of a prospective NFL expansion team in Jacksonville, Fla. The study claimed that 3,000 new jobs and an annual $130 million injection of new spending would be realized if Jacksonville invested in an expansion team. Reality was otherwise, primarily because of displaced expenditures.

A similar 1996 study claimed that the NFL Seahawks’ presence in Seattle generated an additional $69 million in annual output, increased annual personal income by $41 million, produced 1,264 new jobs and generated $3.3 million annually in additional local and state taxes.

A third example is a study justifying the building of two new stadiums in Cincinnati, one for the baseball Reds and the other for the football Bengals. Proponents predicted the generation of $1.1 billion in new economic growth and creation of 18,461 temporary jobs. That was a gross exaggeration.

A fourth example involves the construction of a retractable-dome stadium in Phoenix. This exercise was supposed to increase annual economic output by $162 million for Phoenix and by $230 million for Arizona as a whole. The Arizona number is particularly risible because all but a few fans who attend football games in the stadium are Arizonans who would have spent their money somewhere in Arizona anyway.

Yet another example relates to the construction of a retractable-dome stadium in Phoenix. This exercise was supposed to increase annual economic output by $162 million for Phoenix and by $230 million for Arizona as a whole. The Arizona number is particularly risible because all but a few fans who attend football games in the stadium are Arizonans who would have spent their money somewhere in Arizona anyway.

Nevertheless, many cities (including Norfolk and Virginia Beach) have competed eagerly with each other for the limited supply of available professional sports teams. Not only are construction and transportation subsidies offered by cities and states, but in some cases they offer tax breaks and other such incentives to win sports franchises. For example, the city of Seattle gave the Mariners baseball team of the American League free rent for several years (Baade & Dye in the journal Growth and Change, 1990).

Rigorous analysis, however, usually does not support the claims of huge economic impacts, or the subsidies that have been provided. Baade and Dye’s 1990 research calculated the effect that stadiums and sports teams have on regions’ aggregate income, spending and development, before and after new sports teams came to town. They concluded that new stadiums and sports teams have an insignificant impact on regional incomes and tax receipts. They also found that there were winners and losers inside a region. Because of expenditure displacement (money going into one pocket but coming out from another), some areas and people within a region actually ended up worse off.

Baade and Matheson (Journal of Sports Economics, 2001) also show that the spending habits of local residents who are not attending the subsidized sports contests may be negatively impacted because of perceived traffic congestion and other inconveniences caused by the presence of the event. San Antonio citizens recently experienced such negative spinoffs when their city hosted the NCAA Division I Men’s Basketball Championship. Further, if workers are brought in from other communities for whatever reason, then the positive economic effects of the event are reduced.

In general, there are two circumstances that contradict the general conclusion that sports stadium and team subsidies do not pay off. The first is that some investments in stadiums and teams result in what economists refer to as a “neighborhood effect.” Construction of a new stadium may inspire other investors to invest new capital in surrounding housing and facilities and thereby revitalize an entire area. It is possible that areas of cities that previously were run down can be turned around by economic pump priming in the form of a new stadium and/or new team. Newsome and Comer (in Professional Geographer, 2002), Austrian and Rosentraub (in Journal of Urban Affairs, 2002) and Santo (in Journal of Urban Affairs, 2003) are among those who believe this “urban renewal” phenomenon has some validity, though it clearly does not apply to stadiums constructed in suburban or rural locations.

The other circumstance under which sports subsidies may make economic sense is when large numbers of fans come to the team’s contests from outside the city or region providing the subsidy. The classic professional sports example is the St. Louis Cardinals baseball team, which attracts more than 3 million fans per year to its games, but is located in a city that now numbers fewer residents than Virginia Beach. It is clear in such a case (and perhaps in certain big-time college football situations) that the fans inject new income into the city or region that otherwise would not be there. Of course, there are costs associated with such
teams, including traffic, parking, policing, cleanup and the like, that can be substantial. Still, there are some situations in which sports teams have the same economic impact as a major export industry. The problem is these situations are limited in number.

The Economic Impact of the AAU Junior Olympics

Consider Table 1, which contains data provided by well-known sports consultant Professor Patrick Rishe of Webster University. The $47.8 million “gross spending” number for the 2006 AAU Junior Olympics in the first row typically is divided into three parts: (1) the direct expenditures made by event participants and fans on entry fees, food, housing, recreation, supplies, taxes, etc.; (2) induced expenditures that occur when the dollars associated with them are spent and re-spent in a process that creates an ever diminishing economic ripple effect; and (3) indirect expenditures made by those who provide supplies to the partici-
pants, fans and operators of the event.

The gross spending measure is the one most commonly cited when the economic impact of an athletic event or team is dis-
cussed. It measures the short-run impact of an event such as the Junior Olympics. Thus, when the economic impact of a major league sports team is touted as being, say, $200 million, it is gross spending that is being referenced. Of course, as we have seen, many of these expenditures often are displaced and would have occurred anyway in the absence of the sports team or event. Thus, the gross spending number also is the one that is most frequently overestimated and misused.

Contrast the concept of gross spending to that of value-added, which is recorded in the second row of Table 1. Value-added is the value of all inputs to a process minus the value of the inputs to that process and is a long-run measure of economic impact. By way of illustration, consider a productive process in which the final output is sold for $100, and $80 worth of inputs was uti-

TABLE 1

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Gross Spending, millions</td>
<td>$47.80</td>
<td>$29.25</td>
<td>$17.55</td>
<td>$35.40</td>
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<tr>
<td>Value-Added, millions</td>
<td>$27.60</td>
<td>$16.87</td>
<td>$8.44</td>
<td>$23.91</td>
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<tr>
<td>Income, millions</td>
<td>$16.89</td>
<td>$10.30</td>
<td>$5.18</td>
<td>$15.37</td>
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<tr>
<td>Tax Revenue, millions</td>
<td>$3.79</td>
<td>$2.30</td>
<td>$1.06</td>
<td>$2.85</td>
</tr>
<tr>
<td>Nights Stayed</td>
<td>5.00</td>
<td>6.90</td>
<td>3.10</td>
<td>6.00</td>
</tr>
<tr>
<td>Percentage of Nonlocal Attendees</td>
<td>89.00</td>
<td>95.00</td>
<td>78.00</td>
<td>92.00</td>
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<tr>
<td>Unique Attendees</td>
<td>40,000</td>
<td>27,000</td>
<td>45,000</td>
<td>32,000</td>
</tr>
<tr>
<td>Spending per Attendee per Day</td>
<td>$239.00</td>
<td>$157.03</td>
<td>$125.81</td>
<td>$184.39</td>
</tr>
</tbody>
</table>

Source: Rishe, Economic Development Quarterly, 2004, and report, 2006 (all dollar values have been adjusted to 2006)

Note that governmental units collected $3.79 million in additional tax revenues because of the Junior Olympics. These consist primarily of sales tax collections. Once again, the possibility of displacement occurs. More than a few governmental units have deceived themselves about “additional” taxes that they expect to collect from an athletic team or event. The truth is, if they would have collected these taxes from their own residents anyway, then the team or event really has added no new tax revenues to public coffers.
The considerable economic impact of the 2006 Junior Olympic Games depended upon three major factors: (1) almost 90 percent of participants and fans were from outside Hampton Roads; (2) they stayed almost a week in the region; and (3) they each spent $239 per day, on average, while here, almost twice as much as those attending the Rock and Roll Half Marathon.

**Note that the seven sponsoring cities contributed about $2.4 million to stage the event, but the estimated returns to the region totaled about $47 million. This represents a significant rate of return on taxpayers’ investments by any measure.**

It’s also worth noting that another reason why the Junior Olympic Games are an economic success is that many of the employees hired to help host them are individuals who otherwise might not be working – such as security and concessionaire personnel associated with the track and field events at Norfolk State University’s Dick Price Stadium. Thus, the incomes they earn here do not substitute for other earnings elsewhere that they might be forgoing.

Jack Ankerson, director of the Hampton Roads Sports Commission, whose office coordinates the Junior Olympic Games, indicates that substantial effort is made to have the participants and their families remain in the city in which their games are played. Thus, those here for the golf and baseball events are encouraged to stay in Chesapeake, while participants in the swimming events are encouraged to rent hotel rooms in Newport News. This has the effect of encouraging regional cooperation because each city receives benefits in the form of increased incomes and tax revenues. Decentralized locations for the competitions also tend to reduce costs because employees do not have to travel long distances to their jobs.

**COMPARING THE AAU JUNIOR OLYMPICS TO WELL-KNOWN SPORTING EVENTS**

Table 2 compares the AAU Junior Olympics to some more well-known sporting events. Consider the NCAA’s Division I Men’s Basketball Championship. The AAU Junior Olympics in Hampton Roads in 2006 generated only 64 percent of the number of attendees of the NCAA Final Four, but nonlocal attendees stayed about twice as long for the Junior Olympics as they did for the Super Bowl and 61 percent longer than they did for the men’s Final Four. Nonlocal attendees always are an important key to economic impact because they bring coveted “outside money” to their chosen events. The longer the nonlocal attendees stay, the greater the economic impact of an event.

Further, the 2006 AAU Junior Olympics actually had a greater percentage of nonlocal attendees than either the Super Bowl or the men’s Final Four, and over 60 percent more than the Ryder Cup. Nevertheless, the typical Super Bowl fan spends about four times as much per day as someone who attends the AAU Junior Olympics, about 50 percent less per day than those who attend the Final Four and about 17 percent less per day than those who attend the Ryder Cup. Those who attend these other competitions are well-heeled financially, and corporate America has adopted these events, which attract significant (and expensive) media coverage.

<table>
<thead>
<tr>
<th>2006 AAU Junior Olympics</th>
<th>2006 Super Bowl</th>
<th>2005 NCAA Men’s Final Four</th>
<th>2004 Ryder Cup</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spending (millions)</td>
<td>$47.8</td>
<td>$260.7</td>
<td>$73.70</td>
</tr>
<tr>
<td>Value Added (millions)</td>
<td>$27.6</td>
<td>$166.7</td>
<td>$42.53</td>
</tr>
<tr>
<td>Unique Attendees</td>
<td>40,000</td>
<td>100,000</td>
<td>62,853</td>
</tr>
<tr>
<td>Percentage of Nonlocal Attendees</td>
<td>89</td>
<td>85</td>
<td>86</td>
</tr>
<tr>
<td>Nights Stayed</td>
<td>5</td>
<td>2.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Spending per Attendee per Day</td>
<td>$239</td>
<td>$931.07</td>
<td>$366.45</td>
</tr>
</tbody>
</table>

Source: Rishe, Economic Development Quarterly, 2004, and report, 2006 (all dollar values have been adjusted to 2006)
Even so, the 2006 AAU Junior Olympics generated an economic value-added only about 50 percent less than the NCAA’s Final Four and this does not take into account the regular tourism San Antonio lost when it hosted the Final Four two years ago. If Hampton Roads had hosted the NCAA championship series in 2006, we probably would still be talking about it. We did in fact host the 2006 Junior Olympics, but relatively few people seem to be aware of that fact and it did not make a permanent imprint on our regional consciousness, despite its considerable economic impact.

Professor Victor Matheson of the College of the Holy Cross argues persuasively (Economic Development Quarterly, 2006) that relatively smaller events, such as the Junior Olympics, are in general more attractive economically speaking than larger, mega events such as the Super Bowl. He cites five reasons. First, when attendees come to a smaller, less publicized event, there is less crowding out of the tourist expenditures that would have occurred there anyway. Big events such as the NCAA’s Final Four in San Antonio wipe out much conventional tourism, which dramatically reduces the economic impact of these events. Second, smaller, less known events usually do not require as many resources to be devoted to traffic control, parking, policing and security. Third, smaller, less known events typically do not require state-of-the-art facilities and equipment demanded by an event such as the Super Bowl. Fourth, the multiplier effects of expenditures made at smaller, less known events typically are larger because the events usually are held in smaller metropolitan areas where there is more local ownership of hotels, thereby keeping the funds in the region. Fifth, smaller, less known events usually do not require new facilities to be constructed, whereas super events such as the international Olympics require billions of dollars of new investment.

UTILIZING LOCAL DATA

How does the economic impact of the AAU Junior Olympics compare to the many conventions that come to the region? Data provided by the Virginia Beach Convention and Visitors Bureau indicate that 72 percent of the projected convention attendees in that city in 2007 are expected to come from outside of Virginia Beach. An April 2007 press release announced that the quarterly direct spending related to conventions was expected to be $9.6 million, suggesting an annual spending level of about $40 million. Thus, we can say that the impact of all conventions at the Virginia Beach Convention Center, for the entire year, is approximately the same as that of the AAU Junior Olympics. Of course, this compares the economic impact upon the city of Virginia Beach to the impact of the Junior Olympics upon the entire region, but it does put into some perspective the relative magnitude of the games from a revenue standpoint.

Of note with respect to Virginia Beach conventions is that the largest of the Virginia Beach Convention Center events tend to be sports related. For example, the National Wrestling Championship for high school seniors was hosted in March 2007 by the resort city and attracted many people from outside the region.

As we learned from Tables 1 and 2, the impact of the Junior Olympics on Hampton Roads is very large. How does it compare, for example, to the Virginia International Arts Festival? The festival has certainly grown in size since its inception 11 years ago. In a study done for the 1999 festival, researchers at Old Dominion University estimated that the economic impact was just over $5 million. This translates to $6 million in 2007 prices. However, the Virginia International Arts Festival is now much larger and its estimated impact approximates $10 million (The Virginian-Pilot, April 16, 2007). Why is there a difference in impact between the arts festival and the Junior Olympics? The main reason is, again, where the visitors come from. In 2006, more than 89 percent of the visitors to the Junior Olympics were from outside the Commonwealth of Virginia as compared to 91 percent local attendees to the 1999 Virginia International Arts Festival. Again we see the significance of the share of out-of-state attendees having a significant weight in the calculation of economic impact.

COMPARING THE JUNIOR OLYMPICS TO CONVENTIONAL OCEANFRONT TOURISM

Researchers in the Department of Economics at Old Dominion University computed the economic impact of the 1998 AAU Junior Olympic Games and analyzed characteristics of the attendees. Their report provided detailed information about the demographics of the parents of the participants.

One of the objectives of the Hampton Roads Sports Commission, as noted previously, is to entice participants and their families to stay near their events. One way to encourage this is to offer group rates at selected hotels. Data from the 1998 survey disclose that 13.3 percent of the participants performed at events in Newport News, while 9.2 percent of the visitors stayed in
Newport News overnight. Meanwhile, 12.6 percent of the participants competed in games in Chesapeake, while 9.3 percent of the visitors to the games stayed there.

The Old Dominion researchers also discovered that only 4.9 percent of the participants were from Virginia. By comparison, 31.2 percent of the visitors to the Virginia Beach oceanfront typically are Virginia residents. This is significant because some state tax revenue would essentially be crowded out from other state activity. Put another way, about 40 percent of the participants in the 1998 Junior Olympics were from states more than 450 miles from Hampton Roads as compared to 65.4 percent of Virginia Beach tourists who were visiting from within 450 miles. That is, if visitors from Virginia would not have spent their money on the Junior Olympics they may have spent it on another activity that would have generated tax revenue for the Commonwealth. This is not the case for someone from outside the state because their spending and the associated tax revenue is net new money to both the Hampton Roads and the Virginia economy (Agarwal, Yochum, 1999).

The Role of the Hampton Roads Sports Commission

Much of the success of the AAU Junior Olympics is owed to the efforts and support of the Hampton Roads Sports Commission (HRSC). More than any other group, the HRSC is responsible for attracting the Junior Olympics to Hampton Roads and for melding the cooperative and productive atmosphere that has characterized the event since it first came to the region in 1998. Indeed, it would be correct to refer to the HRSC as the official sponsor of the Junior Olympics.

According to its Web site, “The Commission’s primary function is to attract major amateur athletic events to the area and to emphasize regional collaboration” (http://www.hamptonroadssports.org). In addition to attracting the Junior Olympics, the HRSC brought the National Senior Games to the region in 2003, the Red Cross Heroes Games in 2004 and 2005 and several national gymnastics competitions in recent years.

Founded in 1999, the commission actually is a branch of the Hampton Roads Chamber of Commerce. The HRSC’s current chairman is Nelson Adcock of Geo-Environmental Resources, and there are representatives on the commission from each of the region’s seven major cities. They typically are directors of the cities’ convention and visitors bureaus, directors of development, or recreation and tourism directors.

The HRSC realistically functions only as an organizational and promotional enterprise. It neither constructs facilities, nor does it incur debt, though there are those who believe it could provide the financial structure for attracting a major league sports franchise supported by the entire region.

One may pick up the Daily Press or The Virginian-Pilot and often see an example of a regional effort that has not worked or is somehow not operating as well as it might. Examples include debates and disagreements over water rights, road construction, funding for regional advertising and mass transit. Why is it, then, that the Hampton Roads Sports Commission has been so successful with respect to its promotion and support of the AAU Junior Olympics?

First and foremost, the games have been the product of significant regional cooperation. As a newspaper article more than a decade ago put it: “Mayors act like team, snag Junior Olympics. Cooperation to give the region a chance to show off as hosts” (The Virginian-Pilot, October 2, 1997). One can only speculate what other achievements Hampton Roads might have recorded in recent years had a similar cooperative spirit prevailed among its cities and counties.

Second, the AAU Junior Olympics has not required a great financial investment by the local governments. “This event is mostly economic gravy,” comments an admiring state legislator. What other event generates about 20 times as much spending as it costs?

Third, with the retooling of Foreman Field at Old Dominion University, the expansion of the convention center in Virginia Beach, plus the building of the basketball complex in Hampton to support the Boo Williams basketball camps, the region has improved its ability to host future Junior Olympics. The region’s athletic facilities portfolio continues to be very well suited for the Junior Olympics and this encourages regional decision makers not to regard it as a one-shot activity. Indeed, the next games held in Hampton Roads will be in 2010. Hence, the story of success has not come to an end.
Fourth, the leadership of the AAU Junior Olympics now is experienced and more than equal to the task. There is a representative on the board of the Hampton Roads Sports Commission from every city in the region and each of the representatives has a strong connection to sports in his/her constituent city. These individuals are well connected and have acquired the confidence of political leaders. Further, one of the leaders of the successful first effort to attract the 1998 Junior Olympics, the legendary Boo Williams, still is available. Williams, a national leader in amateur athletics, continues to spearhead several well-regarded AAU basketball leagues in the region.

Fifth, as pointed out above, because people are encouraged to stay in the city in which their event is located, the economic benefits of the games are widely distributed across the region. This also reduces transportation costs and avoids problems that almost inevitably would arise if participants and fans were forced to travel across the region during the day.

Summing It Up

Hosted athletic events are the unknown economic juggernaut of Hampton Roads. The net economic impact (taking into account displaced expenditures and tax revenues) of the 2006 AAU Junior Olympics was more than $45 million. A rigorous analysis of the economic impact of other athletic enterprises in the region, including all Old Dominion University athletic events combined, or the Norfolk Tides, reveals that these other events have much smaller economic impacts on the region. Bluntly put, events such as the AAU Junior Olympics are the athletic kingpins of the region insofar as economic impact is concerned.

The Junior Olympics may, indeed, lack glamour. Nevertheless, if it is economic impact that elected officials desire, then the activities of the Hampton Roads Sports Commission, which is primarily responsible for attracting such events, represent a much wiser expenditure than the most visible professional sports alternatives these officials often have pursued.