The Economic and Fiscal Impacts of the 2012 Olympic Games in Ohio and Kentucky

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Executive Summary

This report analyzes the economic and fiscal impacts of holding the 2012 Olympic Games in Cincinnati, Ohio and other nearby cities. The impacts reflect increases in economic activity within a super-region including the states of Ohio and Kentucky. The estimated economic and fiscal impacts are:

?? $6.2 billion in total business output
?? $2.1 billion in additional household earnings
?? 79,062 new jobs

These impacts result from new money flowing into the region due to the Olympics. The source of this new money includes $2.57 billion in spending by the Olympic Organizing Committee to prepare for and stage the Games, $716 million in spending by visitors from outside the super-region, and $184 million in spending by broadcasters in order to cover the Games.

Increases in economic activity will generate new state and local tax revenues. Based on the estimated economic impacts, $399 million in state and local tax revenues in Ohio and Kentucky will be generated by the Olympic Games. These estimated tax revenues include state and local income, general sales, selective sales, and property taxes.

State and local public expenditures will also be affected by the Olympic Games. Expenditures will increase because of the need to provide services such as police and emergency, sanitation, and public transit for crowds attending events. These services will cost local jurisdictions an estimated $15 million. New public expenditures will also be required to provide public services to new residents who move into the super-region in order to fill new jobs. The estimated cost of serving new residents is $166 million for both state and local governments in Ohio and Kentucky.

Increases in tax revenues and in public expenditures result in a net increase in revenue for state and local governments in Ohio and Kentucky of $219 million. This net revenue increase represents a temporary windfall and should not be considered a permanent source of funds.

All economic and fiscal impacts will be realized during a nine-year period beginning seven years before and ending two years after the Games are held, but most impacts will occur during 2012. The estimated impacts are temporary and will disappear as soon as new money associated with the Olympic Games has stopped circulating within the region.

Other less quantifiable impacts on the region will be created by the Olympic Games. Hosting the Olympic Games will draw the attention of the world to the Ohio-Kentucky region. Opportunities for forging new international business relationships will be created. World-class athletic facilities will be constructed or enhanced, benefiting the people and schools of the region, especially universities. These kinds of benefits, though difficult to measure, will certainly add to the contribution of the Olympic Games to the economic growth of the region.