2003 Cincinnati Reds Impacts

The Cincinnati Reds will directly and indirectly account for over $253 million of economic activity in the Greater Cincinnati region in 2003. [1]

Spending associated with the presence of the Cincinnati Reds major league baseball team in the community includes local spending by the team, fan spending inside and outside the ballpark, and spending by visiting teams and media.

Cincinnati Reds Operations

- These economic impacts begin with spending by the Reds organization itself, which will have total operating expenditures of $96 million for 2003, $41 million of which will be spent in the Cincinnati area. [2]
- This spending will generate $102 million in total economic activity, including $45 million in household earnings and 1,500 jobs.

Cincinnati Reds Fans

- Historically, more than half of the fans that attend Reds games come from outside the Greater Cincinnati region, and more than three-fourths of those come primarily to see the Reds. In 2003, these non-local fans are expected to account for between 55 and 60 percent of a total anticipated attendance of 2,600,000.
- Most fans go to one or more eating and drinking places before or after the game, and many of them, especially out-of-town fans, go to other entertainment or shopping places and stay at area hotels.
- The resulting annual spending by fans will come to an estimated $65 million, not counting ticket purchases (which are included in figures for team operations).
- This spending creates jobs for people in the Cincinnati area and it generates additional business within the local economy. The total impact of fan spending will be $138 million in economic activity, including $36 million in household earnings and about 2,200 jobs.

Visiting Teams and Media

- Visiting teams, officials, and media also spend money in the Cincinnati area. Like out-of-town fans, they stay in local hotels, eat at restaurants, and visit other retail, service, and entertainment establishments.

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[1] The Greater Cincinnati region includes the13 counties in the Tri-State area that make up the Cincinnati Consolidated Metropolitan Area: Hamilton, Butler, Warren, Clermont, and Brown Counties in Ohio; Boone, Kenton, Campbell, Pendleton, Grant, and Gallatin Counties in Kentucky; and Dearborn and Ohio Counties in Indiana.

[2] Three major factors account for most of the difference between these two numbers: spring training expenditures, farm team and scouting expenditures, and the fact that, for players living outside the Cincinnati area, only 22.2% of their salaries are included in local spending.

- Collectively, this group will spend $6 million, which will generate $12 million in total economic activity, including $3 million in household earnings and 200 jobs.

Spending from these three sources combined comes to $112 million, leading to $253 million in total business activity. All of this economic activity will generate 3,919 jobs and household income of nearly $85 million for local workers. [3]

Fiscal Impact

- Because this spending generates local tax revenue, it benefits people throughout the Cincinnati region, regardless of whether they work in a business affected by spending. It will also produce over $4.7 million in local tax revenues, including nearly $3.0 million for the City of Cincinnati and $1.5 million for Hamilton County.
- Since the construction of the ballpark is being funded principally from Hamilton County sales tax revenues, it is noteworthy that 53% of the $1 million the county will receive in sales tax revenue from all business activity associated with the Reds will come from people who are not residents of Hamilton County. Further, the county will receive nearly one half million dollars in hotel tax revenues from out-of town fans, along with visiting teams and media.

"New" Money for the Regional Economy

- A large portion of the Reds' economic impact is the result of "new" money coming into the Cincinnati area through visitor spending. Nearly $75 million of 2003's $112 million in local spending comes from people who do not live in Greater Cincinnati. This is highlighted because it represents moneys that would never be in the local economy were it not for the Reds. This $75 million will generate $173 million in economic activity, including $49 million in earnings and nearly 2,000 jobs.
- The presence of the Reds also means that local baseball fans spend a certain amount of money locally, rather than traveling outside the region to attend games in other cities. This retention of local money will prevent leakage that would amount to $13 million in spending and total business activity of $27 million.

Civic Impacts

- Besides the economic and fiscal impacts, the Cincinnati Reds also have a civic impact through various charitable contributions and activities. The Reds organization contributes to building the community through donations of over $1.2 million in money, tickets, and merchandise. The Cincinnati Reds also provide dozens of guest speaker presentations to business and civic groups, fundraisers, and Career Day programs at schools, libraries, and youth organizations.
- In addition, Cincinnati Reds players collectively contribute more than 100 hours at Children's Hospital and Shriners Burn Institute, as well as visits to each of the 5 area Boys & Girls Clubs, plus appearances at and support for a variety of other organizations such as Special Olympics, the ALS Association, and March of Dimes.

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[3] In addition to these figures, a portion of the economic impact of constructing Great American Ball Park will occur in 2003. The $315 million in spending for the ballpark, including $35 million in contributions and related construction by the Cincinnati Reds, will lead to additional economic activity for up to two years beyond the end of construction this spring.

Other Effects

- Much of the value to baseball is probably something that is not reflected in revenues to businesses. Baseball has a large fan base and these fans continually demonstrate that they will give up their time to watch or listen to baseball games on television or radio and follow it in the newspaper. The time (a valuable resource) they spend following baseball is one indication of the value they attribute to the game.
- Because of this fan interest, local media outlets (newspaper, radio, and television) invest considerable resources in coverage of the Reds, all paid for by the advertising of businesses that see the connection with this Reds coverage as an effective means for promoting their products and services.

For additional information contact the Economics Center for Education & Research, email Econeduc@uc.edu.
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