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\$22.5 billion in new economic activity from a Chicago 2016 Olympic Games

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Chicago 2016 announced the results of an independent economic-impact study commissioned to quantify the economic effects from hosting the 2016 Olympic and Paralympic Games.

The study found that the Games are expected to stimulate \$22.5 billion of incremental economic activity in the State of Illinois—\$13.7 billion in the City of Chicago alone—during the 11-year span of 2011 through 2021. The study also found that 315,000 new job-years will be created during this period.

In addition to this financial impact, the Games would also generate substantial benefits for sport. The Olympic Movement would benefit from increased awareness and participation by youth in sport, particularly in the Midwest region, an area of more than 66 million people. The United States would benefit by once again hosting the world in a peaceful celebration of sport. Chicago's enormous visibility on the global stage, should it be chosen to host the Games in 2016, would have a direct impact on the city's tourism industry, educational institutions, cultural institutions, business community and neighborhoods.

"The long-term legacies and lasting impact of the Games are perhaps the greatest benefits of being a Host City. Our plan focuses heavily on many transformative legacies and includes robust economic development, programs for youth and sport, urban development and education," said Patrick G. Ryan, chairman and CEO of Chicago 2016. "This study reinforces the economic legacy, which we've seen play out in past Host Cities."

Ryan added, "A Chicago Games will not require the level of public-infrastructure investment that recent Host Cities such as Athens and Beijing have made. As part of broader city plans, Chicago has invested billions of dollars over the past decade in airport development, transit improvements and the expansion of McCormick Place. These projects, coupled with our plan to use existing facilities such as Soldier Field and United Center and temporary venues where appropriate, means that limited infrastructure investment is required to host the Games."

Economic Impact

In commissioning this study, Chicago 2016 sought to quantify the economic benefit that hosting the Games would generate in the years leading up to 2016, during the Games, and beyond.

"The current economic environment demands prudence in undertaking a project as complex and monumental as hosting the Olympic and Paralympic Games. Our forecasts were based on conservative assumptions to ensure we captured the true incremental impact of the Games and avoided including economic benefits that would likely occur anyway," said Ryan. "At this time, when many believe that economic stimulus is needed, the bottom-line results of this study clearly show that the Games will be economically beneficial to Chicago and the region."

The estimated economic-impact figure of \$22.5 billion was calculated under a set of conservative inputs, including net incremental spending of \$1.4 billion necessary to host the Games and incremental spending by visitors to the city of \$7.0 over the 11-year period.

More than half of the economic impact—\$13.7 billion—is projected to occur in Chicago. The impact for the rest of Cook County is expected to be \$5.5 billion, while the six collar counties would get an injection estimated at \$1.8 billion. The remainder of Illinois would see another \$1.5 billion in new economic activity.

Job Creation

The Games are expected to create 315,000 new job-years, representing new labor income of \$11.2 billion. Job-years aggregate the total hours of jobs created—full- and part-time, permanent and temporary—into the equivalent of full-time jobs.

Of the 315,000 job-years created, 172,000 are expected to occur in Chicago, with the balance spread throughout the six collar counties and the state.

Incremental Tax Revenue

Increased economic activity results in increased business taxes paid to various levels of government, including excise taxes, sales tax, and others. The study estimates \$1.5 billion of indirect business taxes will be generated within Illinois, with \$1.0 billion within Chicago.

The 2016 Fund for Chicago Neighborhoods

To prepare local communities to benefit from the projected increase in economic activity, Chicago 2016 will continue to work with city agencies and community organizations to provide training that will prepare workers and businesses for job opportunities and vendor participation associated with preparing for and hosting the Games.

A number of Chicago-area foundations, including the MacArthur Foundation, the Chicago Community Trust, the McCormick Foundation, the Polk Bros. Foundation, the Joyce Foundation, the Wieboldt Foundation and the Boeing Corporation, created the 2016 Fund for Chicago Neighborhoods in 2008. Through this fund, these foundations generously pledged financial support toward making a Chicago-hosted Olympic and Paralympic Games the most accessible and sustainable Games in history, particularly for the neighborhoods most affected by the Games.

“Hosting the Olympic and Paralympic Games is a once-in-a-lifetime opportunity for the city, and the 2016 Fund for Chicago Neighborhoods is intended to promote active inclusion and participation by all constituents,” said Jonathan Fanton, president of the MacArthur Foundation.

Since its inception, the 2016 Fund for Chicago Neighborhoods has supported the efforts of many nonprofit entities, with a common goal of ensuring the participation of Chicago communities and creating an Olympic legacy in those communities. The fund has partnered with the Chicago Jobs Council, Chicago Leading Economic Advancement, Development, and Sustainability (Chicago LEADS), Chicago Urban League, Illinois Hispanic Chamber of Commerce, Local Initiatives Support Corporation/Chicago (Chicago LISC), Mayor’s Office for People with Disabilities, Metro Chicago Information Center, Metropolitan Planning Council and Women’s Business Development Center.

“Enhancing job training is an investment in the future of our city and the development of our neighborhoods,” said Terry Mazany, director of the Chicago Community Trust. “The number of jobs created to support the Olympic and Paralympic Games is substantial, and we want to provide opportunities to participate for those who have historically had limited access.”

Study Methodology

The study was conducted by Tootelian & Associates, a firm with deep experience in performing economic-impact studies. For this study, the economists discounted business and tourist spending and investments that would occur regardless of whether Chicago hosts the 2016 Games. The study measured the incremental impact, or economic activity, that would occur only if Chicago is chosen as Host City.

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