

Simple

[Literature](#), [Russian Literature](#)



work 11 August The idea in the video which struck me as the most interesting is the discussion of possible costs and benefits of a sports project, which influences the urban economy on the whole and makes its own contribution to effectiveness of urban economy. The main problem (as stated by Dr. Robert Baade) is that the costs of a certain project are usually underestimated, and the benefits are overestimated. So the real results do not coincide with the planned ones. Dr. Baade refers to common families, saying that the more they become engaged with sports activities (watching professional games), the less they are engaged with other entertainments (pools, cinemas, theaters, etc.). As a result, municipal government receives more money from selling tickets for the sports activities, but less money from sports substitutes. (AtlantaFed)

It is clear, that while making plans to increase the revenues from sports, we need to think about the opportunity costs of introducing such activities. For example, the extra benefits from selling more tickets from a newly built stadium, which is much bigger than the old one, may be outstripped by the losses of movie theaters, restaurants and children entertainment facilities in the same city. This may happen, because the stadium will be visited mostly by the adults, while the movie theaters and restaurants will lose such customers as small children. They will not be able to go see cartoons, eat pancakes or ice-cream, see magic shows and ride a pony in amusement parks, as their parents will be busy preparing for and watching the professional game.

The same may happen even within sports industry. For example, the people will go to the professional game, but will not go to a pool or a water park

with their children, and thus these facilities will receive less profits than they expected. Even though they were not designed as facilities for professional sports, they still can be considered as those, which belong to the sports industry, as they deal with amateur sports activities.

Works Cited

AtlantaFed " The Economics of Sport: Whats the Score?" YouTube. YouTube, LLC, 1 Aug. 2011. Web. 11 Aug. 2014.