

Economic Impact of the 2015 Special Olympics World Summer Games
on Los Angeles County

Micronomics was asked to ascertain the economic impact of the 2015 Special Olympics World Summer Games (“Games”) on Los Angeles County. Based on our analysis, we have concluded that this event will produce at least \$415 million in identifiable benefits to Los Angeles County, including \$128 million generated from visiting attendees, \$23 million associated with athlete and delegate accommodations, \$34 million from the hiring of staff, \$28 million associated with the production of the Games, and \$202 million in multiplier effects, including \$15.1 million in state tax revenue, \$5.2 million in Transient Occupancy Tax (“TOT”) revenue, \$559 thousand in Tourism Market District (“TMD”) tax revenue, and \$6.6 million in other local tax revenue.

In light of high Los Angeles hotel occupancy rates in July (the month the event will take place), we conducted a second analysis that takes into account the possibility that some visitors to Los Angeles County during the Games who otherwise would have stayed at local hotels will have to make alternative plans due to the absence of available hotel rooms once local hotels hit maximum capacity. These visitors will be forced to stay with family or acquaintances in Los Angeles County or at hotels in neighboring counties. Based on this approach, we concluded that direct spending in Los Angeles County by visiting attendees would be \$113 million (rather than \$128 million) and the Games would produce an economic benefit of at least \$387 million, including approximately \$14 million in state tax revenue, \$2.8 million in local TOT revenue, \$295 thousand in local TMD tax revenue, and \$8.3 million in additional local tax revenue.

Both estimates are conservative because we did not account for local broadcast spending by national networks, the value to the local community of corporate sponsorships, or the possibility of inflation between now and 2015, the effect of which would cause the revenue impacts to increase.

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