Do Sports and Entertainment Districts Attract Young Professionals to Live and Work Downtown?  
The Case of Major League Arenas

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Problem: In cities across the United States, public investments in the arenas used by professional sports teams are increasingly tied to economic development strategies for vacant and underutilized urban areas. Recent examples include District Detroit (Detroit, MI), Canalside (Buffalo, NY), and Mission Rock (San Francisco, CA).

Generally, these strategies seek to leverage the large audiences attracted by sport events to support a broader slate of entertainment, housing, and employment land uses (Long and Gerretsen, forthcoming; Rosentraub 2014, 2007; Zimbalist 2007). Since sports and entertainment activities are particularly appealing to young, affluent, and well-educated people, proponents of arena districts have found willing allies among economic development advocates hoping to woo this coveted demographic to live, work, and play in their cities.

In this paper, we use the case of arena districts to test the success of sports facilities in attracting young professionals to live nearby. Generally, to be classified as “successful” on these criterion, the arena district in question must show that it has a higher proportion of young, affluent, and well-educated persons between the ages of 24 and 34 living within its boundaries, as compared to the city as a whole. We also test for other socio-economic characteristics include race, ethnicity, gender, housing tenure and so forth.

Many arena district plans point to “empty-nesters”—older adults whose children are grown and living independently, or who chose not to have children—as another targeted demographic with high discretionary incomes, so we also test for discernable changes in the cohort between 55 to 74 years of age.

Research:Our methodology uses spatial analysis techniques to gather and analyze socio-economic characteristics in 36 arena districts in the United States. We believe this to be the first study of this topic to move beyond single case studies.

We identify the 36 districts by the presence of a new major league arena opened between 1990 and 2010. The “extent of influence” of each arena district on its surrounding area is estimated using a 0.25-mile radius with the arena at the center, yielding a land area of approximately 160 acres.

For each district, we use ArcGIS to gather data from the American Community Survey between 2009 to 2013 at the block group level. As some block groups extend past the designated 0.25-mile buffer, we used the Missouri Census Data Center’s MABLE/Geocorr (Geographic Correspondence Engine) to calculate the percentage of the block group located within the extent of influence, and then to determine the percentage of the set of socio-economic variables in the arena district compared to the entire block group.

Combining this spatial and socio-economic data, we first established a baseline profile of an “average” arena district in the United States, and determined that this average district had a higher proportion of young professionals when compared to the set of parent cities. Next, we tested the “young professional” characteristics of each individual arena district relative to its parent city as a whole. Based on the extent of deviation from the baseline, we selected several arena districts for closer examination.

Preliminary Findings:Our preliminary findings point to a higher concentration of young professionals living in the vicinity of arenas. More specifically, where arena projects are developed as part of a formal sports and entertainment district plan (wherein a specific geographic area, anchored by an arena, and identified as part of a master
development plan), our findings point to even higher concentrations of young professionals living in the area. These preliminary findings suggest that arenas, and arena-based district plans, may deliver on their promises of attracting young, well-educated, affluent to live and work in formerly underutilized urban areas.

While further research is necessary to investigate whether the presence of an arena is a causal factor in the concentration of young professionals within arena districts, this paper establishes a baseline for analyzing and understanding the demographic shifts that accompany the development of sport and entertainment districts.