Major League Baseball (MLB) estimated an economic impact of $62 million from the 1999 All-Star Game on the Boston economy, whereas estimates from officials at the Boston Chamber of Commerce and MLB Commissioner Bud Selig ranged from $65 million to $75 million (Associate Press, 1999; Selig, Harrington, & Healey, 199; Walter, 1999). If those numbers are accurate, the game is certainly an All-Star event for the economy of the host city.

Few sporting events can seriously propose an impact of such magnitude for a short-term event, and MLB uses the promise of a future All-Star Game as an enticement for cities to build new baseball stadiums. In the words of National League President Len Coleman, “The National League has decided the All-Star Game should be played in new facilities, except in special circumstances” (Associated Press, 1998). Indeed, of the 15 new major league stadiums built between 1970 and 1997, 13 were selected by MLB to host an All-Star Game within 5 years of their construction. Of the remaining 2 stadiums, the new Comiskey Park in Chicago was passed over because the old Comiskey Park had hosted an All-Star Game less than 10 years prior to the construction of the new stadium, and Pro-Player Stadium in Miami was denied an opportunity to host the 2000 All-Star Game after originally being awarded the Game in 1995 because of “uncertainty in the Florida Marlins franchise” and because Pro-Player Stadium is not a baseball-only stadium. Apparently MLB agrees with Marlins owner John Henry that Miami “needs a baseball-only stadium to make the Marlins an economic success in south Florida” (Associated Press, 1998). By awarding the All-Star Game to south Florida before the area is committed to the construction of a new stadium, MLB would have lost a potential carrot to dangle in front of hesitant city officials.

MLB understands that it is competing for the sports entertainment dollar, and the League believes that stadiums factor prominently into consumer decisions relating to leisure spending. The construction of the popular Camden Yards Stadium in Baltimore in 1992 has prompted a boom in stadium construction that has seen 14 new stadiums being completed during the 1992 to 2002 period, with new stadiums being proposed for another 11 cities (Munsey & Suppes, 2000). This substantial transformation of MLB infrastructure has been accomplished in part through league incentives that include hosting an All-Star Game and a requirement that new expansion franchises have access to a baseball-only stadium.

Modern sports facilities are generally financed with some form of public funding, and MLB at least implies that public financial support for a new stadium is a good investment for a city on the grounds that a single All-Star Game generates enough economic activity within the metropolitan area to compensate for a substantial portion of the cost of building a new stadium. Reasons for skepticism, however, abound, and one must ask whether a study either commissioned or performed by MLB can be an objective examination of the true economic impact of the game. The purpose of this study is to estimate the economic impact of All-Star Games from 1973 through 1997. The results indicate that the economic impact of the All-Star Game on the host city could be negative and is certainly likely on average to be much lower than the magnitude of the most recent MLB estimate.