Compensating differentials and the social benefits of the NFL: A comment

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Abstract

In a recent article in this journal, Carlino and Coulson [G. Carlino, N.E. Coulson, Compensating differentials and the social benefits of the NFL, Journal of Urban Economics 56 (1) (2004) 25–50] report evidence that the presence of an NFL franchise in a city raises rents in the central part of the city by about 8%. We re-estimate their model using several reasonable alternative specifications and find that their results are not robust to these changes. The presence of an NFL franchise does not appear to increase rents for center city
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apartments. Because their results are not robust to alternative model specifications, they should not be used to justify public spending for professional sports facilities.

JEL classification
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Professional sports stadiums; Apartment rent; Proximity benefits

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