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COMMENTARY

Bush League Billions: The Cost of Minor League Stadium Subsidies Isn't Peanuts

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Though economists have heavily studied the economics of major-league sports subsidies—and determined them to be unwise—much less is known about their minor-league counterparts, which similarly receive significant taxpayer assistance from municipal governments in smaller communities around the country. Though it may be enjoyable to share peanuts and Cracker Jack with your family while watching the hometown team in a community-owned ballpark, the financial consequences are not so minor.

In 2025, 150 MLB-affiliated farm teams played in 134 ballparks in 101 metropolitan areas around the country, which is 75 more communities supporting public ballparks than the 26 cities that host the 30 MLB parent franchises. And the economic consequences for taxpayers who pay for the primarily public venues are quite substantial.

The total construction expenditures for these minor-league venues amount to $7 billion, with $5.4 billion covered by state and local governments (in inflation-adjusted 2024 dollars).[1] And that's not the full extent of the cost: an additional $1.7 billion has been devoted to ballpark renovations, with $1.4 billion covered by taxpayers. Thus, 78% of the funding of minor-league facilities from the Rookie leagues to Triple-A has been picked up by taxpayers, which results in an average ballpark subsidy of approximately $50 million. This hardly seems appropriate for an endeavor that generates revenue for a private business designed to identify and train future players for fabulously wealthy MLB team owners.

Economic and social benefits to the community are often promoted to defend these public allocations, but it turns out they are mostly illusory. Studies of economic benefits find the taxpayer receipts nearly always aren't enough to cover the public outlays. What's worse is that ballparks aren't the economic catalysts that civic and elected leaders promise them to be. This can be seen in MLB's recent reorganization of its farm system, which eliminated 43 teams from the minor leagues in 2021. When comparing the economic performance of cities that kept and lost their teams, the communities that retained their MLB-affiliated franchises were no wealthier than those that didn't. Minor league baseball just isn't all that important to local economies, which shouldn't be surprising, given their relatively small commercial contribution.

As for community reputational benefits, there is little to brag about in being a "minor-league city," and corporations don't look to move their headquarters to an area with a second-tier franchise. Perhaps it is a nice local amenity for citizens who attend the games, but they pay for that with the price of admission and concessions. If minor-league baseball is valued by local residents, the benefits are captured in the revenue collected by team owners from paying customers—there is no reason to ask non-attending citizens to foot any part of the construction bill through higher taxes.

Even so, many stadium boosters say: "So what! Local governments waste money on lots of things. Why not baseball?" Though the economic failures of minor-league ballparks may not seem like the colossal boondoggles that big-city stadiums have proved to be, sports venue projects can impose significant financial hardships on smaller municipalities, which lack the fiscal capacity to fund the substantial capital outlays.

For example, when Pearl, Mississippi built a new $28 million stadium for the Double-A Braves in 2005, it was pitched as an economic driver, but the town quickly ran into financial difficulties when the debt burden proved to be more than the local community could bear. The town's bond rating was downgraded to junk status, which resulted in budget cuts and other austerity measures, and it raised the City's borrowing costs to pay for other needed public

[1] The information in this essay derives from research presented in my recent study "The Public Cost of Minor League Baseball Subsidies" (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5318600).

priorities. And as soon as the community climbed out of its financial hole, the team announced it was moving to an even grander $50-million replacement in Columbus, Georgia.

Similarly, when Gwinnett County announced it was building a $45 million stadium for the Triple-A Braves (now the Stripers), the county manager stated, "We anticipate it paying for itself on Day 1." The project soon ballooned to $64 million, and the County had to turn to internal revenue sources to make up for the predictable shortfall—such as raiding its tourism fund for $440,0000—that wide-eyed Gwinnett officials carelessly failed to anticipate.

Despite the demonstrated economic failures of taxpayer-funded stadiums and arenas for all sports at every level, community boosters continue to advocate for their venue project as a "public-private partnership," which makes it sound like a profitable business venture. However, the way this partnership works is that the public partner pays much (if not all) of the cost, and the private partner gets to keep all the revenue—hardly a fair deal.

Though community leaders may acknowledge the failures of past endeavors, they often claim "this one will be different!" touting some perceived novel aspect of the project. But the argument of uniqueness is the siren song upon which venue after venue has been dashed on the rocks of economic reality. Sports venues don't boost local economies because they mostly just reallocate local spending. Dollars spent in and around ballparks don't represent new wealth, because they're just transferred from other local commerce, like going out to eat at area restaurants, renting lanes at bowling alleys, or buying tickets and popcorn at movie theaters.

These so-called "public investments" aren't costless either. Devoting tax dollars to a local ballpark means not spending that money on other government priorities like roads, public safety, parks, etc., or returning the funds to citizens to spend on their own private purchases. It's a lesson that communities big and small continuously fail to heed. Before your locality invests in its own bush-league bust, it's important to remember this very simple economics adage: just as there is no such thing as a free lunch, there is no such thing as a free stadium.