



The Beacon Hill Institute for
Public Policy Research

News Release

8 Ashburton Place
Boston, Massachusetts 02108-2770

phone: 617.573.8750
fax: 617.720.4272
email: bhi@beaconhill.org
web site: www.beaconhill.org

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Contact:
Frank Conte, Communications
617-573-8050; 8750
fconte@beaconhill.org

Less than advertised: Republican National Convention to generate \$184 million in economic activity for New York City, region.

BOSTON – An economic analysis by the Beacon Hill Institute at Suffolk University finds that the Republican National Convention in New York City will generate only \$184 million in economic activity, rather than the \$260 million claimed by the city’s administration.

Civic leaders are touting the economic and symbolic benefits of the convention for demonstrating the resiliency of New York City in its recovery from 9/11 and the economic benefits to stem from the new spending that the convention will bring to the city. Mayor Michael Bloomberg said that the RNC “will create thousands of jobs in the months and weeks leading up to and during the event and generate as much as \$260 million in economic activity.”

Convention organizers will spend money on salaries, office space, construction, security and other production costs. The 48,000 visitors will buy food, lodging, shopping and entertainment. The average delegate will spend about \$350 each day.

BHI determined that the benefits to New York City as a result of the convention spending will be \$184 million. BHI measured the economic effects by using the U.S. Bureau of Economic Analysis’ Regional Input Output Modeling System (RIMS II), which translates new spending into “value added” to the local economy.

In its study, BHI recognizes that its estimate does not take into account the effect that so-far unannounced security measures would have on the city. Any plan that would call for the closing of Pennsylvania Station and of roads in the vicinity of Madison Square Garden would require a further downward revision of the estimate.

BHI found that the Democratic National Convention, scheduled to take place July, 26-29 in Boston, will inflict an economic loss of \$34 million on that city, largely because of lost productivity resulting from recently announced security measures. The Boston convention will require the closing of major roadways and transportation hubs.

The study, entitled, “Lifting the Veil of Secrecy: The Republican National Convention,” is available at <http://www.beaconhill.org>.