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Public Policy Research

News Release

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Democratic National Convention to generate \$122 million in economic benefits for Boston **The Democrats are coming and that's good news for the local economy**

BOSTON – The four-day Democratic National Convention in July will generate \$122 million in new economic activity for Boston according to a study from the Beacon Hill Institute at Suffolk University

Using computer models and the latest available data, BHI estimates that there will be \$113 million in new spending attributable to the convention. When adjusted to reflect the way a dollar moves through the local economy, the institute finds that the convention will generate \$121.6 million in economic benefits. The Democratic National Committee has put the estimate higher, at \$150 million.

Basing its assumption on the 35,000 anticipated delegates and other visitors, BHI finds that these visitors will, as expected, spend money for hotel rooms, meals, entertainment and in retail shops and tourist attractions such as the Freedom Trail, the U.S.S. Constitution and Quincy Market. Event organizers will also spend on office space, security, insurance, catering and other production needs such as printing and equipment rentals.

These estimates do not include possible economic effects arising from additional spending by local companies to host special events, nor do they include possible negative economic effects due to additional congestion and closing of offices in the downtown area.

“Our assumptions are conservative, insofar as we try to capture only the new dollars that will stick to the local economy,” says David G. Tuerck, executive director. “The surge in spending from the week of activity is a good thing for Boston. But we should not lose sight of the fact that actual benefits could be less if commuters are rerouted or highways closed or if a terror alert increases the cost of security.”

The analysis uses proprietary software called IMPLAN that captures the so-called “multiplier effect” of changes in a local economy. IMPLAN has been used to model the effects of opening or closing military bases, new energy facilities, new sports stadiums, opening or closing manufacturing plants and airport or port facilities.