Economic Analysis of the Relocation of the Raiders
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Abstract. Initially stationed in Oakland, the Raiders moved to Los Angeles in 1982, then back to Oakland in 1995, before relocating to Las Vegas in time for the 2020 season. Raider's departure has had a different economic impact on both Oakland and Las Vegas. This article analyzes the relocation behavior of the Raider's Department from the perspective of two cities and concludes that the Raider's Department has an economic impact on both Oakland and Las Vegas, the context and timing of which will depend on how the government regulations it.

Keywords: Raiders; Departure; Economic analysis.

1. Introduction

Raider's departure has had a different economic impact on both Oakland and Las Vegas.

There is a negative impact on Oakland. Fans will travel to Las Vegas for Raiders matches after the Raiders move to Las Vegas. There will be fewer tourists in Oakland and decreased revenue regarding football events, which will hurt Oakland's economy. On the other hand, this has increased the Oakland government’s budgetary burden. In 1995, Oakland provided the Raiders with a loan of hundreds of dollars to encourage them to return to Oakland from Los Angeles. But the Raiders did not repay the money. By June 2020, Oakland has $189,726,358 due from the Raiders for the loan. After the Raiders moved to Las Vegas, only their training facility in Alameda was given to Oakland to eliminate their debt, and no loan was repaid.

National debt places financial pressure on future budgets because governments must pay interest payments on their accumulated debt. A government that borrows to pay interest on its outstanding debt pushes itself even deeper into debt. Due to the crowding out effect; high-interest rates will hurt long-run economic growth.

From March 2020, three months after the Raiders left, Oakland's unemployment rate soared. As shown in Figure 1, it reached 5.2 percent in March and 16.5 percent in April. Most of the unemployment is due to COVID-19, as in March 2020, the Oakland City Administrative Office announced the temporary closure of a few of the city's facilities and projects.

![Fig. 1 Oakland Unemployment Rate](image-url)
2. Unemployment Caused by the Raiders Move to Las Vegas

But unemployment is also caused by the Raider's move to Las Vegas. The Oakland Coliseum is located in East Oakland, one of the city's most deprived and underserved areas. This means that jobs at the stadium are vital to the neighboring community. The stadium is in a prime location surrounded by entertainment centers, hotels, and restaurants, all creating entry-level jobs. Because of their departure, the coliseum will be unused to some extent. People around the stadium will also lose their jobs and, therefore, have no income from work. In 2020, the labor force population in Oakland's accommodation and food services sector decreased by 9.68%. From 2 March to 25 July 2020, the California Employment Development Department (EDD) provided an additional $600 per week in benefits to workers receiving regular unemployment insurance benefits.

This unemployment then leads to lowered tax revenue, both direct and indirect, as more unemployment means fewer people paying into the tax system and more receiving unemployment benefits. Unemployment also influences consumption. Losing jobs removes the source of revenue, limiting families' purchasing power. This will result in a decrease in aggregate demand. Lowered aggregate demand would lower the GDP and price levels, contributing to economic contractions as demands fall below a country’s projected GDP and cause a recession.

3. Positive impacts on Oakland after the Raiders move to Las Vegas

First, on the financial side, since the Raiders left, the Oakland government will spend less money because the government will not have to provide subsidies to the team to maintain operations and facilities. The Oakland council approved plans to create a $1.3 billion stadium but failed to retain the Raiders, but that $1.3 billion includes $350 million in public funding. Public money can be used in a variety of ways. It can be used to finance health projects and environmental policies, and the public sector can get involved in areas where economic stimulus is urgently needed. So if the money has not been spent, the money saved could be spent on more infrastructure, such as education and health care, which could help and influence that even more. For example, when cities have more Spaces, such as sidewalks and bike lanes, city dwellers will exercise, reducing disease incidence. These programs protect some people who are temporarily unable to reduce the incidence of disease, and reducing disease results in an increase in the quantity of resources or quality of resources, PPC shifts outward, and an economy can produce more goods and services than before.

In 1996, the stadium expansion project was funded by approximately $220 million in public debt from Alameda County and the Alameda County Government, which was not paid off until 2019. Until December 2019, when the county announced the sale of the stadium to the Oakland Athletics baseball team, an $85 million deal that would allow the county to pay off its share of the debt. From this figure 2, we can also see that the outstanding debt of Auckland in 2020 is much lower than that in 2019.
In conclusion, Raider’s departure caused short-term issues like unemployment and decreased GDP in Auckland. Nevertheless, the government invests in public expenses to promote long-term growth and create new jobs through infrastructure projects.

4. Positive Impact on Las Vegas

The relocation of the Las Vegas Raiders has positively impacted Las Vegas in fields such as employment, tourism, gaming, hotel, and teenage impact. To begin with, although the government spent 1.9 billion dollars on building Allegiant Stadium, which started in November of 2017 till 2020, to welcome the Raiders, it created many consequences that positively affected Las Vegas and boosted its economy. This massive stadium took about 40 months to build. Throughout the period, 18,700 job spots were created in building this stadium. Creating jobs allows more people to earn and consume more in local markets.

The relocation of the Raiders to Las Vegas has had a significant positive impact on the local economy. Increased consumption has resulted in a rise in aggregate demand, leading to a boost in real GDP. This has attracted domestic and foreign companies and investments, thereby creating additional job opportunities for the local community. Furthermore, the arrival of the Raiders has had a profound effect on the hotel and gaming industries, as evidenced by the significant increase in tax revenue for the state of Nevada in 2018 and 2019. The influx of tourists has increased hotel and entertainment revenue and led to a rise in spending, resulting in a substantial increase in tax revenue. The government can utilize these funds to further enhance the quality of life for residents and visitors, thereby creating a positive chain cycle that will ultimately result in future economic growth.

Nevertheless, the COVID-19 outbreak is nonnegligible, so we must consider its impact. Unfortunately, the epidemic outbreak in 2020 affected the daily life of everyone worldwide. Therefore, we will discard the data for 2020 and 2021. Looking at 2022, it was the first year most events returned to normal, and everyone started to travel and hang out. The total text revenue for Nevada in 2022 is $29,989,462,042 (see Table 1).

Table 1. The total revenue for Nevada (2018-2022)
"Gaming" and "Rooms" have seen the biggest increase from 2019 to 2022, indicating more people are visiting for gambling and tourism. The number of hotel rooms has also increased by 3,249, positively impacting Las Vegas's current account deficit.

At the same time, the number of residents in Las Vegas also increased. From 2,541,000 in 2018 to 2,839,000 by the end of 2022, which increased by 11.7% with more people, with more labor comes more demand from society. With the increasing trend of all of those data, the economy grows. Based on the FRED, the GDP of Las Vegas grew from 122,189.032 million dollars in 2018 to 136,198.676 million dollars in 2022-economic growth rate increase of 11.5%. Additionally, the arrival of Raiders also impacts teenagers. The presence of a professional sports team can inspire young individuals to pursue their dreams, whether in sports or other fields. Having an NFL team in their city can be exciting, and it allows them to attend home games, support their local team, and experience the excitement and community spirit of professional sports. Therefore, it fosters a sense of community pride and identity.

5. Negative Impact on Las Vegas

Although the relocation of the Las Vegas Raiders has a positive impact on Las Vegas, there are still some disadvantages for Las Vegas, such as financial subsidies to the Raiders, negative impact on local players, transportation, and housing prices. To start with the effect of financial subsidies to the Las Vegas Raiders on local government, the Raiders' arrival in Las Vegas for the 2020 season also spurred the appearance of another major stadium in Las Vegas, Allegiant Stadium, which cost $1.9 billion and was funded by the local government for $750 million. In the beginning, Las Vegas wanted to attract as many foreign tourists and local residents as possible through sports events and professional teams and extend their stay through diversified sports and entertainment formats to stimulate consumer demand in tourism, catering, hotels, sports, and other aspects. Due to the high cost of the stadium, there is a risk of budget deficit. To address this, the government may increase taxation. For example, the government raised hotel taxes by $4 million, which could hurt tourism and cause hotels near the stadium to lose revenue. Higher taxes can also lead to layoffs and impact community investments. Las Vegas suffered losses due to these increases.

And when the economy in Las Vegas improves, prices also go up, hurting savers due to inflation. The real value of money decreases as inflation rises, reducing purchasing power. Fiscal drag occurs when the income levels corresponding to different tax rates are not adjusted in line with inflation. Unanticipated inflation can create uncertainty, making it more difficult for firms to plan. This may dissuade firms from investing, which will harm economic growth.

The Raiders negatively impact government finances and local athletes through increased competition, limited opportunities, restricted facility access, and changes to team dynamics. Not only that, when the time that Raiders run a competition, the traffic near the stadium will be extremely dense and clogged, and it will cause chaos to a certain extent. Not only that, the noise of vehicles and exhaust gas cause people living around the stadium to have to endure the noisy environment and the air pollution.

The Raiders' move to Las Vegas has increased real estate values in certain areas, particularly industrial land, which has doubled in value. While luxury homes and condos may attract interest from Raiders players and employees, the "Raiders effect" has led to rising property values near the stadium but lower demand farther out. Unfortunately, this has made it harder for locals to afford homes and has negatively impacted the economy. However, home asset prices have increased.
Overall, the raider's arrival in Las Vegas has boosted tourism, created jobs, and increased tax revenue. However, the government's investment could lead to short-term budget deficits, higher taxes, and interest rates, impacting long-term growth. It may also widen the income gap and affect housing prices.

6. Conclusion

Overall, the Raider's departure has had an economic impact on both Oakland and Las Vegas, the extent and timing of which will depend on how the government regulates it.

Feedback:

1. Abstract:
   It reads repetitively. Perhaps simplify to: "This article analyses the economic repercussions of the Raiders' relocations on both Oakland and Las Vegas, highlighting various financial impacts and the influence of governmental regulations."

2. Introduction:
   Avoid using phrases like "There is a negative impact..." directly. Instead, state something like, "Oakland experienced economic challenges as a result of the move, including..."

3. Unemployment Caused by the Raiders Move to Las Vegas:
   The sentence "From 2 March to 25 July 2020, the California Employment Development Department (EDD)..." needs clarity on its connection to the Raiders' move.

4. Positive impacts on Oakland after the Raiders move to Las Vegas:
   The points about savings from the stadium not being built and public health benefits seem disconnected. The argument could benefit from a smoother transition. For instance, "The funds initially earmarked for the stadium can now be diverted to other infrastructural projects, which can enhance residents' well-being."

5. Positive Impact on Las Vegas:
   Good use of data to back up the points made. However, including a brief sentence about where this data comes from (e.g., "Data sourced from the Nevada Tourism Department shows...") would bolster credibility.

6. Negative Impact on Las Vegas:
   The section seems a bit list-like. Each point should be fleshed out and logically connected to the next. Additionally, it would be helpful to cite specific examples or studies that showcase the negative impacts, especially around real estate values and the "Raiders effect."

7. Conclusion:
   The conclusion should be expanded to summarize the key findings more comprehensively. Discuss both the negative and positive effects in a succinct manner and emphasize the importance of government regulation in shaping these outcomes.

8. General feedback:
   Grammar: Ensure the use of consistent tenses throughout the paper. For instance, there are shifts between past and present tense.
   Specificity: Ensure all figures are accurate and cited properly when discussing economic impacts, especially financial amounts. For instance, "Oakland provided the Raiders with a loan of hundreds of dollars" seems vague and possibly incorrect. - Consistency: Ensure terms are used consistently. For instance, Oakland is sometimes referred to as "Auckland." Double-check for such inconsistencies throughout.
   Relevance: Make sure every piece of data or information included is directly relevant to the paper's central theme.
References


[4] Collective team pride can inspire a city -- it happened in Chicago with the Cubs, and in Cleveland with the Cavaliers. That's why Oakland Mayor Lib Schaaf fought so hard to keep the Raiders.


