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## BOOK REVIEW

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*Bulls Markets: Chicago's Basketball Business and the New Inequality*

Chicago: The University of Chicago Press, 2018.

304 pages

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The last two decades has witnessed a great amount of scholarly research devoted to the economics of new sports facilities within the new relatively new field of sports economics. *Bulls Markets* attempts to fill a gap in this literature by providing both statistical and factual evidence of the demographic changes and socio-economic costs of these new facilities that go beyond the standard economic concepts of costs. Although the focus of the analysis is the construction of Chicago's United Center that opened in 1995, the book is also a much broader commentary on the "New Gilded Age" (page 6) that has seen a concentration of wealth towards those individuals who can sway politicians and capture enormous economic rents from local taxpayers who receive little in the way of benefits. *Bulls Markets* argues that the United Center, and the general construction wave of expensive sports facilities in the 1990's, is an outcome of this process and not one of its symptoms. The arrival of Michael Jordan to the Bulls in 1984 was a watershed moment that dramatically accelerated the process in Chicago. It is a convincing argument.

The six chapters of *Bulls Markets* are very rich in statistical tables, graphs and city maps that support the mostly negative socio-economic effects of the Jordan era up to 1998. Four appendices contain additional data that is carefully researched. Chapter 1 provides a broad overview of the political and economic changes in Chicago prior to and after the arrival of Jordan. The plight of Chicago's urban poor imposed by Bull's owner Jerry Reinsdorf is measured in Chapter 2 with the rapid increase in ticket prices relative to incomes in the 1990's. An economist would be somewhat unconvinced. The inability of the urban poor to afford to attend Bull's games is well documented, but is a dubious measure of welfare, compared to the ability to afford housing, food, and the other necessities of life. Not being able to attend Bull's games does not mean a Bull's fan cannot enjoy the benefits of the Bull's success in other ways (radio, internet, apparel, etc.).

Chapter 3 documents the questionable lobbying and legislative efforts undertaken by Reinsdorf and Blackhawks owner Bill Wirtz to obtain the necessary approvals for the new facility. The economic outcomes of the new United Center are estimated in Chapter 4, focusing on economic growth in the Near West Side of Chicago due to the influx of wealthy homebuyers. Reinsdorf and Wirtz successfully lobbied for the exclusive rights to ban private vendors from the arena property and some of the public lands in close proximity (Chapter 5), although these rights were subsequently struck down in a later court ruling. Given the large construction costs of new sports facilities (typically \$500 million in today's prices), it has become common practice for arena

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owners to receive generous property tax concessions from local governments. In Chapter 6, it is estimated that property tax concessions to Reinsdorf and Wirtz totaled almost half of the United Centers 1995 construction costs (Appendix C provides very readable calculations).

One walks away with two central conclusions from *Bulls Markets*. First, despite promising to provide housing for poor, potentially displaced Near West Side dwellers, the construction of the new United Center only resulted in efforts to gentrify the area, increase housing prices and rents, and put money in the pockets of real estate developers and the municipal government. Second, Reinsdorf and Wirtz joined the ranks of “exclusionary capitalists” (page 7) by using the euphoria of the Jordan-led Bulls to reap profits at taxpayer’s expense. The book provides a fascinating case study of how private-public sports infrastructure projects are done. It also demonstrates how a purely economic analysis can underestimate the true costs, although the attempts to estimate welfare effects fall short. We also learn that Michael Jordan had a generational effect on a city that transcended his play on the basketball court.

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