

The Washington Redskins Are About to Fleece Virginia Taxpayers

The third richest professional sports team in the world will receive nearly \$7 million in subsidies to train in Virginia.

A. Barton Hinkle | June 18, 2012

The announcement that the Washington Redskins will move their training camp to Richmond was met with mixed emotions, as they say. It's certainly great news for Virginia's capital city. Virginians across the state are happy the Skins will not decamp to Maryland. On the other hand, a fair number are shocked at the public funds being lavished on the team.

The Old Dominion will give the Skins \$4 million; Loudoun County (home to the team's headquarters) will give them another \$2 million, and Richmond will kick in \$400,000. All this for "the third-richest sports franchise on the planet behind British soccer giant Manchester United and the Dallas Cowboys," as Richmond *Times-Dispatch* columnist Jeff Schapiro noted a week ago.

Nineteen of the team's players have base contracts worth more than the \$4 million state subsidy. This is not a pirouette gracefully executed by Virginia's Republican governor, Bob McDonnell, who ostensibly opposes big government and wasteful spending. McDonnell spent his first year in office trying to privatize ABC stores because he believes—correctly—the state should not be in the liquor business. This year he won his campaign to reduce public funding for public broadcasting.

At the height of the public-radio debate last spring, the governor argued that "in today's free market, with hundreds of radio and television programs, government should not be subsidizing one particular group of stations. We must get serious about government spending. That means funding our core functions well, and eliminating spending on programs and services that should be left to the private sector."

Amen to that. But there is at least a case to be made for public broadcasting. Supporters say it provides content otherwise unavailable to the viewing and listening public. Without public money, goes the argument, rare and special voices would fall silent.

No such case can be made about football, one of the most popular forms of entertainment in America. (Precisely why it remains so popular is a mystery to those of us who prefer mixed martial arts. In comparison to K-1 or the Ultimate Fighting Championship, football seems like a series of long rest breaks interrupted by occasional committee meetings. But that is a diatribe for another day.) Why can't the Skins practice here simply because this is a good place, with a lot of diehard fans? Richmond isn't Chicago or Paris, but it isn't a poke in the eye with a sharp stick, either.

Is there anything to be said on behalf of the Skins handout? Yes—and McDonnell said it in a recent interview. While conceding “it’s not the role of government to subsidize sports,” he argued that the Redskins generate more than \$200 million in economic activity in Virginia, along with nearly \$10 million in taxes. The Skins’ departure would be “a huge economic hit.”

Hmmmm. Spending tax money in order to collect more of it is the dubious rationale of those who have been in government too long. As for the economic benefits of sports subsidies, they are hugely overblown—as a library full of studies from sources as ideologically diverse as the Cato Institute and the Brookings Institution can attest.

Regarding lesser subsidies like the one going to the Skins, it is helpful to place them in the broader context of other handouts—such as the many given to Hollywood production companies (last year Virginia gave billionaire Steven Spielberg \$4.6 million to film part of “Lincoln” here), corporate giants (e.g., the \$6.9 million Virginia doled out for Microsoft), and smaller beneficiaries such as wine makers and beekeepers.

Advocates plump for each of these government redistributions in isolation. But as the Hungarian philosopher Anthony de Jasay noted, redistribution has proliferated to such an extent that it is impossible for anyone to tell, on balance, whether he or she is better off. A “Lincoln” extra might get a marginal slice of the tax money granted by Virginia—only to see it taken back, with interest, for sports stadiums, corporate headquarters, agribusiness crops, and so on.

There is another, non-economic argument for the Redskins subsidy: Bringing the Skins to Richmond will help boost civic pride and elevate Central Virginia’s stature. No doubt there is something to this – nobody in Richmond considers the move bad news, after all. And city residents will be pleased by the chance to watch the team practice in their back yard. But a principle of good management says you should define success in terms that can be measured. Pride and stature can’t be.

Granted, Virginia remains the most populous state without a single major-league team to call its own. Yet Maryland—which has both the Baltimore Orioles and the Ravens and which hosts the Skins at FedEx Field in Prince George’s County—has seen an exodus of corporations and citizens moving to the Old Dominion. As a

May article on Reason.com noted, Virginia has beat out its neighbor to the north in every major corporate relocation contest in the past few years. Sports are swell, but they aren't everything.

Football fans will be delighted to have the Skins in town a few weeks out of the year. But when it comes to the subsidy, even some longtime fans can't help agreeing with State Sen. Chap Petersen—a season ticket holder—when he called it “corporate welfare at its finest.”

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