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Why Toronto should say No to the Olympics

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Still basking in the glow of a successful Pan Am and Parapan Am Games, Toronto is now looking to throw its hat in the ring to host the 2024 Summer Olympics. Mayor John Tory raised the issue with Ontario Premier Kathleen Wynne and says he will discuss it further with federal leaders Stephen Harper, Thomas Mulcair and Justin Trudeau, ahead of the Sept. 15 deadline to submit a bid.

“This is the momentum we needed to talk seriously about this,” [Marcel Aubut](#), president of the Canadian Olympic Committee, said recently. The bid is [being pushed](#) as a way to boost the city’s international image and an opportunity to attract funding for badly needed transit and infrastructure investment.

But the Games are likely to disappoint on both counts, especially the latter. Study after study has shown that the Olympics cost cities substantially more than they bring in, and can drain local economies and government finances for years.

Sports economist Andrew Zimbalist, author of *Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup*, dubs it [“the winner’s curse.”](#) One only needs to look at the fiscal disaster in Greece – the 2004 Olympics in Athens cost about \$16-billion (U.S.), as much as 5 per cent of the country’s entire GDP – to see its tragic consequences. Financing these multibillion-dollar costs can cause lingering problems for far healthier cities.

London is reported to have spent close to \$20-billion on the 2012 Games; Beijing more than \$40-billion on the 2008 Games; Russia an estimated \$50-million on the Sochi Winter Olympics.

Let's split the difference and say the 2024 Games would cost the city of Toronto \$30-billion (Canadian) in current dollars, which is about 20 per cent of the city's, and 10 per cent of the entire Greater Toronto Area's, economic output. Even if through good planning or good luck it comes in at less, say \$10-billion, that is still a huge chunk of change. Do taxpayers really want to be on the hook for that kind of tab?

Along with skyrocketing costs, there are other reasons why the Olympics are bad for cities. For one, most Olympic facilities are specific to their events – they are not like hockey and basketball arenas that can be used for a variety of sports and entertainment events. Olympic cities are littered with costly white-elephant facilities that are literally abandoned after the Games. These facilities also take up valuable real estate that can be used for other, better purposes.

Many argue that the Olympics bring in money from scores of tourists. But the reality is that new spending simply displaces spending by residents and traditional tourists, leading to little if any increased spending for local goods and services. Others suggest that the Olympics provide a stimulus in terms of jobs in construction and other areas, but the great majority of these Games-related jobs are temporary and low-paying.

Very few cities have been able to generate lasting PR value from the Olympics. And the Games now carry the risk of a terrorist attack, protests or scandals that attach themselves to such high-dollar, high-profile, mega-events. For every Barcelona or London that comes out looking better, there is an Athens or Montreal left saddled with massive costs and a virtually unchanged or even tarnished image.

Of course, the biggest rationale used by Toronto and other cities is that gaining the Olympics provides a silver bullet to finance all manner of infrastructure needs – from subway and transit lines to parks and waterfront improvements – that are put off by governments and taxpayers who are unwilling to take on their costs. But it is not as if the money spent for Olympic improvements falls from heaven. It comes from the very same taxpayers, in this case largely residents of the GTA and the province of Ontario with some help from residents in the rest of Canada. This kind of spending costs so much that it can effectively crowd out other badly needed public investment for schools or health care, especially in places outside the host city, for decades.

The Olympics are a sorry excuse for funding infrastructure needs. If Toronto needs more transit and other improvements, it needs to figure out how to do it on its own, not wait for the International Olympic Committee to decide whether it will host the Games.

Since the onset of the modern Games, only two out of the 22 cities that have hosted the Summer Olympics – Los Angeles in 1984 and Barcelona in 1992 – have been able to make substantial gains from hosting them. Barcelona was able to improve its image as a global city after decades of Francisco Franco's autocratic rule. L.A. successfully petitioned the IOC to use existing venues instead of building entirely new ones. That is far less likely in today's environment. Not to mention that Los Angeles has more than three times the people, and triple the economic output, of the GTA. It's time to stop the madness of pitting city against city every Olympics and designate a permanent host site and city for the Games.

If the city, the province and the country really want to support the Olympics, they would be much better off spending the money on the development of athletes for the Canadian Olympic teams.

Mr. Tory posed the issue correctly when he said: “The most important question I have is, ‘Do you think this would be to the benefit of the people of the city of Toronto?’” Based on every shred of evidence, the answer is No.