



STRATEGIC ACTIONS FOR A JUST ECONOMY

DAMNED IF YOU DO, DAMNED IF YOU DON'T

THE RISKS TO L.A. OF HOSTING OR WITHDRAWING FROM THE 2028 OLYMPICS

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Damned if You Do, Damned if You Don't: The Risks to L.A. of Hosting or Withdrawing from the 2028 Olympics

This report was authored by Neil deMause for SAJE (Strategic Actions for a Just Economy) and published in February 2026.

About SAJE

SAJE (Strategic Actions for a Just Economy) is a 501c3 nonprofit organization in South Los Angeles that builds community power and leadership for economic justice. Founded in 1996, SAJE focuses on tenant rights, healthy housing, and equitable development. We believe that everyone, regardless of income or connections, should have a voice in creating the policies that shape our city, and that the fate of city neighborhoods should be decided by those who dwell there in a manner that is fair, replicable, and sustainable.

About Neil deMause

Neil deMause is a researcher and journalist who has studied sports and economics for more than 30 years. He is co-author of the book “Field of Schemes” and runs the daily stadium news website fieldofschemes.com.

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Foreword and Recommendations

By Chris Tyler

When describing SAJE’s ongoing work within the NOlympics LA coalition—organizing to mitigate the harms of the 2028 Summer Olympic and Paralympic Games while advocating for their cancellation—I’m typically met with a curt reply: “That’s impossible.” Sometimes, if a person is curious (or confused) enough to engage further, they’ll follow-up: “Well, how exactly do you propose we do that?” This report answers both reactions: “Changing course now would be difficult, but it would not be impossible.”

Members of the coalition have long understood that the human costs of the 2028 Summer Olympics will be staggering. Hosting the Games is already accelerating policing, displacement, inequality, and exploitation in some of our city’s lowest-income communities—and, now, it’s all being coordinated hand-in-glove with Donald Trump’s Department of Homeland Security (DHS).

Not only will the Olympics substantially increase the number of federal law enforcement officers, including ICE agents, on our streets, but security perimeters—planned and enforced by DHS—stand to increasingly disrupt daily life for Angelenos throughout 2028. Extending out into neighborhoods bordering designated Olympic venues, the perimeters will bring intensified surveillance, mass sweeps of the unhoused, regular road closures, invasive vehicle searches, and even airport-style body screenings to those living and working within them.

For these reasons alone, SAJE remains in favor of cancellation. We also understand that people have serious concerns about the costs of doing that.

Thus, this report is an attempt to quantify the very real financial risks the 2028 Olympic Summer Games also pose to Angelenos. And with fewer than 900 days until the Games are scheduled to begin, we should all be worried: More than ever, the Games threaten to do irreparable harm to our city budget as well as the people who live here. If the 2028 Games end up with the same level of cost overruns as other recent Olympics, L.A. taxpayers may end up covering \$6.6 billion or more in expenses.

While some city leaders have voiced concern about these issues, none seem willing to entertain the real option of cancellation. Claiming liability and breach-of-contract costs will be too much for the city to bear, they present the Olympics—still more than two years out—as a done deal. But what if hosting ends up being *more* costly for Angelenos than canceling? As this report makes clear, it may well be—but not having enough information to know remains a big problem.

This is why we believe L.A. city leaders must put the option of cancellation on the table now, and urgently take up the work electeds failed to do in 2017—when they committed L.A. to hosting the Games without first having an informed, public conversation to weigh costs and benefits. In particular, we call on Los Angeles’ city leaders to:

- Demand that LA28 provide detailed spending and revenue projections for the Games, including itemized breakdowns of each of the line items in their budget as well as sources or methodologies for their projections.
- Assemble an accurate and detailed accounting of all Olympics-related expenses not included in the LA28 budget, including costs associated with security and policing as well as with increasing municipal services such as sanitation and traffic control, allocating city staff time to the Games' organization, and fast-tracking infrastructure and transit projects.
- Determine the scope, rates, and repayment timelines for the "enhanced city resources" LA28 has committed to reimbursing Los Angeles for—an agreement that was supposed to have been finalized by Oct. 1, 2025.
- Immediately begin strategizing about how to mitigate the worst of the damage to the city budget, and calibrate the city's liability should it fail to host the Olympics.

We commissioned this report in order to better understand the economics of the Games by directly confronting the very murky question of cost. Now, our hope is that Angelenos can use the information in this report to engage in a clear-eyed conversation with city leadership, and, ultimately, make up their minds for themselves on the subject of cancellation.

Cancel or don't cancel: Los Angeles is looking at a potential fiscal disaster either way. But there is still time to choose what we do next, and we know only one choice brings us closer to a humane outcome. Let's choose wisely.

Chris Tyler is communications manager at SAJE and leads SAJE's Olympics campaign work as part of the NOlympics LA coalition.

Executive Summary

Headed into 2026, Los Angeles is beset by one of the greatest collections of challenges in its history. A dire city budget that has forced layoffs to city workers. A continuing housing affordability crisis. Confrontations with the federal government over ICE agents abducting people it believes to be violating immigration law. And, of course, the continuing work of rebuilding from the devastating wildfires of January 2025.

At the same time, Los Angeles is preparing to host the 2028 Summer Olympics, a role it was designated back in 2017.¹ Yet as exciting as the prospect of the region's first Olympics since 1984 may seem, it comes with major pitfalls: Virtually every Olympics since the last L.A. games has gone far over budget, with many leaving their host cities billions of dollars in the red. And though the L.A. Olympic Committee (LA28) promised L.A. officials that a 2028 Games could pay for itself as the 1984 ones did, things look very different this time around: Security costs have ballooned to billions of dollars, while the city's contract with the International Olympics Committee (IOC) no longer guarantees it control over sponsorship revenues—and, most important, forces L.A. to cover cost overruns.

There are many reasons to be concerned about whether hosting the 2028 Summer Olympics will be the boon the Olympic boosters have promised or an enormous financial burden at a time the city is already facing budget shortfalls, ongoing battles with federal immigration enforcement forces, and the costs of rebuilding from the 2025 fires. Among the biggest concerns:

- Unlike in 1984, L.A. did not receive a guarantee for this Olympics that it will not be on the hook for covering any Olympic losses. As then Mayor Eric Garcetti said after quickly agreeing to terms with the IOC in 2017, he felt insisting on such a guarantee would be a “nonstarter” that could cost L.A. the Games. This leaves the city open for covering potentially unlimited costs if the L.A. Olympic Committee does not bring in enough revenue to balance its books.
- Cost overruns for past Olympics have been the rule, not the exception. The average Olympics ends up costing more than double its initial estimates—“the highest average cost overrun of any type of megaproject,” according to one recent study.²
- The finances of the 2028 Games are largely a black box: How much the Olympics will end up costing, and how much they will earn in revenues, is as yet unknown. The budget for the L.A. Olympic Committee's spending has risen since 2017 from \$5.3 billion to \$7.149 billion, but no one knows how accurate those projections are.
- Past Olympics have almost universally been preceded by mass evictions and street sweeps of the unhoused and others considered undesirable. For a city such as L.A. that is already suffering a

¹ The summer Games are technically divided into two events: the Olympics, and the Paralympics that follow. For simplicity's sake, this report refers to the paired events as the Olympics.

² Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.”

housing crisis, hosting the Olympics risks nonfinancial quality-of-life consequences if the city prioritizes making the city look good on international TV over the rights of residents.

- The L.A. Olympic Committee (LA28) has withheld detailed data on spending and revenue projections, making it impossible to verify the ever-increasing cost numbers that one Olympic scholar has dubbed “Etch-a-Sketch economics.” Less than three years away from the planned opening ceremonies, LA28 has still not provided L.A. and its residents with detailed spending or revenue projections, making it impossible to know if the Games can cover its costs, or if Los Angeles taxpayers will be left to cover losses.

Every Olympics in the past 40 years has lost money for its host city, in many cases for off-budget costs like security and transit that L.A. is facing as well. ***If the 2028 Games end up with the same level of cost overruns as other recent Olympics, L.A. taxpayers could end up having to cover \$6.6 billion or more in expenses.*** With these warning signs in mind, should L.A. consider attempting to back out of hosting the 2028 Olympics? Is it even possible? And would any savings from cancelling the Games now be enough to outweigh the possibility of lawsuits for breach of the city’s agreement with the IOC?

While there are numerous unknowns—the history of the Olympics shows that budget questions are never resolved until it’s far too late, a path that L.A. has headed down with its agreements for the 2028 Games as well—the available documentation and history of international event hosting shows: ***Yes, if Los Angeles officials, or voters, decided to withdraw from hosting the Olympics, they could do so. This would come at the risk of potentially billions of dollars in damages from a breach-of-contract lawsuit and losses from expenses already undertaken. However, continuing as host also comes with a potential risk of losses that, if history is any guide, could similarly amount to billions of dollars.***

Unfortunately, there is no way of knowing for sure which road is the financially riskier one, even aside from quality-of-life pitfalls like displacement and heightened policing. The choice for L.A. residents and elected leaders, then: Is it preferable to roll the dice that the 2028 Olympics can avoid the budget deficits that have afflicted every other Olympics in the past 40 years, or to take your chances on cutting your losses by paying penalties for backing out now, either via negotiations with the IOC or via court proceedings? (A third possible path—trying to use the threat of a canceled Olympics to leverage the IOC into granting concessions—remains possible, but contains risks as well.) It is imperative that Los Angeles city leaders start weighing their options immediately, and providing residents with the information needed to determine which is the more acceptable gamble.

It’s also impossible to consider the city’s current predicament without acknowledging that this decision, and the difficult negotiations that may lie ahead, would have been much easier if it had been made eight years ago, when Los Angeles was offered the 2028 Games at a time when few other international cities were interested in playing host to them. Officials then could have asked the tough questions of the IOC and presented demands for provisions that might have better protected L.A. taxpayers from the consequences of cost overruns or curtailed tourism. Instead, the city council approved the hosting plan just 11 days after it was proposed. If there’s one lesson to be learned from this entire exercise, it is this:

When a local government is presented with an offer whose promises seem too good to be true, it's always best practice to take the time to do due diligence and look the gift horse in the mouth.

1. Introduction: We're Not in 1984 Anymore

It's no exaggeration to say that the era of the modern Olympics was ushered in by the 1984 Summer Games in Los Angeles. After several consecutive Summer Olympics beset by problems that overshadowed the events themselves—the hostage crisis in Munich in 1972, the staggering cost overruns that beset Montreal 1976, the Soviet bloc boycott in 1980—the 1984 L.A. Games were seen as a resounding success, staying within budget and even turning a reported profit despite being boycotted by the Soviet bloc. L.A. Olympic Organizing Committee chair Peter Ueberroth was named Man of the Year by *Time* magazine, which credited him with sparking “a spectacular dramatization of a renascent American entrepreneurial energy and optimism.”³

But the 1984 L.A. Olympics were in many ways always going to be an aberration. That year's Summer Games were limited in scope and budget after a series of Olympic spending scandals: not just Montreal, but also the 1976 Winter Olympics, which had been initially assigned to Denver before that city backed out amid spiraling projected costs. (See Section 4a.) And after 1984, as a fresh wave of cities raced to host the Olympics in hopes of replicating L.A.'s success story, budgetary issues returned; by the 1990s, Olympic host cities were spending upwards of \$4 billion—nearly ten times the city of Atlanta's annual general fund budget at the time⁴—to host the games, with cost overruns of more than 150% not uncommon. (See Section 3c.)

By the time bids began rolling in for the 2024 Summer Games, one US city was the favorite to be the host, and it was not L.A. The U.S. Olympic Committee (USOC) chose Boston to put forward as its choice, but it didn't remain so for long: City leaders there soon backed out as projected costs soared and budgets proved overly optimistic. To take its place, the USOC turned to L.A., where officials promised to host a “zero cost” Games that would appeal to the International Olympic Committee (IOC), then in the midst of its own campaign to rein in soaring costs. With only two serious bidders—Paris and L.A.—the USOC decided to award hosting duties to both cities: Paris for 2024, and L.A. for 2028, without a formal bidding process for the latter. (See Section 5a.)

But despite promised Olympic budget reforms, L.A. too began seeing growing concerns about both overruns and hidden costs like transportation planning and security—not to mention questions about holding a major international event in a city rebuilding from disaster amid threats from the federal government to engage in unprecedented attacks on residents protesting its immigration policies. By mid-2025, many concerned Angelenos were asking aloud if it would still be possible for L.A. to back out of hosting the 2028 Summer Olympics, or at least to renegotiate the hosting terms.

³ Lance Morrow, “Feeling Proud Again: Olympic Organizer Peter Ueberroth,” *Time*, January 7, 1985, <https://time.com/archive/6701081/feeling-proud-again-olympic-organizer-peter-ueberroth/>.

⁴ “1996 Budget: City of Atlanta, Georgia,” <https://www.atlantaga.gov/home/showpublisheddocument/17080/636245709418400000>.

This report is an attempt to quantify the often-murky Olympic finances as well as the potential costs to L.A. of pulling out as host, with the goal of answering two questions: Can L.A. back out now? And what would be the likely budgetary impacts if it did so?

While there is much to be learned from both the past and present of the Olympics, the answer to both questions is that we may not know until someone tries. Canceling an Olympic games less than three years before the opening ceremonies represents uncharted legal and political territory, and could come with billions of dollars in legal risks, on top of paying for expenses already incurred. At the same time, *not* backing out comes with risks as well: Past Olympic history, as well as the uncertain finances put forward so far for the 2028 Games, shows that L.A. could end up forced to cover billions of dollars in losses even if the Olympics proceed as planned.

What follows is an attempt to learn from past experience what the potential risks are in both continuing with the 2028 Games and in trying to cancel them. L.A. political and community leaders need to weigh these carefully, as either course has the potential to blow up in the city's face—in many ways, the best decision might have been never to bid for the Olympics in the first place, but that's a lesson that L.A., like many cities before it, appears to have learned too late.

2. Methodology

To determine the costs and benefits to L.A. of hosting the Olympics, research followed three parallel tracks:

- A comprehensive review of public documents and agreements governing L.A.'s hosting of the 2028 Summer Games, as well as news coverage of the planning process and the political steps by which the Olympics agreements were approved.
- An extensive literature review of economic studies of past Olympics finances.
- Consulting with experts in Olympics history, sports business, and economics.

The ultimate goal was to determine if the financial risks associated with L.A. hosting the Olympics outweigh the risks associated with the city attempting to extricate itself from its contract. While precise dollar values are impossible to pin down—as we shall see, the one certainty in Olympic economics is that nothing is ever certain—we can begin to draw some broad conclusions.

3. Canceling the 2028 Olympics: What Would L.A. Lose and Gain?

Given both the problematic fiscal history of the Olympics and Los Angeles' lengthy list of other budgetary and service needs, it is worth taking a hard look at the likely consequences of either continuing with the 2028 Games or canceling them. If the city would be better off, either financially or in terms of policy priorities or both, by withdrawing as host, that is worth considering; if it turns out that the savings would not be worth the additional legal and other expenses, it may be better to accept the Olympics as a sunk cost and try to mitigate the worst of the damage to the city budget.

This section examines the political and budgetary context of both the planned L.A. games and how other cities have fared in the past, to present as much evidence as possible for what is at stake in any decision about continuing with Olympic hosting duties.

a. “If we can’t pave our streets, how can L.A. host an Olympics?”

Barely had the smoke begun to dissipate from the devastating fires of January 2025 when talk began of the possibility that Los Angeles could withdraw from hosting the 2028 Olympics. Shortly after the fires, Los Angeles City Councilmember Hugo Soto-Martinez remarked when asked about the city being ready to play host in 2028, “I would say that *if* the Olympics are gonna come, right? Because I don’t think that that is as obvious to folks. There’s a lot of issues.”⁵

One major concern involved L.A.’s budget woes, which by March 2025 included a nearly \$1 billion deficit⁶ and estimates by the city controller that the city was spending \$300 million a year more than it took in,⁷ while also needing to budget for rebuilding following the fires, which destroyed about 13,000 houses and apartments in a city already suffering from an extreme housing shortage.⁸ The difficulty of paying for such civic needs at the same time as playing host to an international sports spectacle became all too apparent in October 2025, when Mayor Bass’s office ordered all city departments to submit proposals for 5% in budget cuts, citing “an extremely challenging budgetary year in 2026–27” due in part to “the need to prepare for major global events such as the World Cup and Olympics.”⁹

The disparity was stark. When chief deputy controller Rick Cole retired in June 2025, he raised the question of Olympic hosting as an urgent imperative: “If we can’t pave our streets, repair our sidewalks, trim our trees, house our homeless, light our bridges, and fix our firetrucks, how can L.A. host an Olympics in just three years?”¹⁰

⁵ “<https://bsky.app/profile/awalkerinla.bsky.social/post/3lf3r6mzqxk2h>.”

⁶ Shawn Hubler and Orlando Mayorquín, “Los Angeles Faces Nearly \$1 Billion Deficit as It Rebuilds from Fires,” *The New York Times*, March 19, 2025, <https://www.nytimes.com/2025/03/19/us/los-angeles-budget-deficit.html>. Dan Walters, “If California bails out LA’s \$1 billion budget deficit, beware the slippery slope,” *Cal Matters*, March 28, 2025, <https://calmatters.org/commentary/2025/03/california-bails-los-angeles-budget/>.

⁷ Carlos Granda, “City controller says L.A. is in financial trouble, raises alarm on state of budget,” *KABC*, March 9, 2025, <https://abc7.com/post/los-angeles-city-budget-is-trouble-controller-kenneth-mejia-says/15990154/>.

⁸ Doug Smith and Sandhya Kambhampati, “Real estate losses from fires may top \$30 billion, from old mobile homes to \$23-million mansions,” *Los Angeles Times*, February 21, 2025, <https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-fires-top-30-billion>.

⁹ “Preparation of the 2026–27 Budget,” City of Los Angeles inter-departmental correspondence, October 6, 2025, https://drive.google.com/file/d/1J60Gz9mxhw5cD_KxoKMsiqNpAEK2cPXr/view?ref=torched.la.

¹⁰ Alissa Walker, “The art of the deal,” *Torched*, August 7, 2025, <https://www.torched.la/the-art-of-the-deal/>. L.A.’s infrastructure repair backlog, in particular, is so extensive that it cost the city \$47 million in payouts on injury claims in just the first three months of 2024. (“Editorial: How L.A. squanders millions that could be spent fixing its streets and sidewalks,” *Los Angeles Times*, November 19, 2024, <https://www.latimes.com/opinion/story/2024-11-19/los-angeles-california-streets-sidewalks-liability-lawsuit-spending>.)

Hosting the Olympics in a city under siege

That same month, President Trump's decision to send federal troops to L.A. in the wake of protests against ICE raids on immigrant communities raised questions about whether it would be safe for L.A. and its citizens to host a major international event in the midst of an unprecedented federal crackdown on immigrants (including legal residents and citizens) and dissent. That summer, columnist Gustavo Arellano wrote in the *Los Angeles Times*, "With the Games happening in a presidential election year, Trump would love nothing more than to traipse around an L.A. radically transformed by his deportation blitzkrieg to proclaim his mission accomplished and broadcast his conquest to the world. That's why L.A. needs to withdraw from hosting the Olympics—the sooner the better."¹¹

Joe Mathews of Zocalo Public Square wrote that staging the Games in L.A. would be "simply too dangerous for Southern California, its security, its economy, and its democracy. ... Hosting an Olympic Games requires Los Angeles to work together with a lawless U.S. regime—and its rights-violating security apparatus—as they openly wage war against our city and state." He also warned that Trump's travel restrictions and willingness to detain and even jail tourists could discourage attendance and even risk nations boycotting the Games entirely.¹²

This was a not unreasonable concern. Jules Boykoff, an Olympic scholar and critic, noted that when California hosted games for the 2025 Soccer Club World Cup, they featured plenty of empty and discounted seats for all but the most desirable games. In particular, he noted, games by Mexican teams that would normally be sellouts saw many empty seats. "There were definitely fears," said Boykoff. "People were scared."¹³

Past Olympics have resulted in street sweeps and evictions

There are also concerns that hosting a mega event such as the Olympics could exacerbate existing quality-of-life problems in L.A., especially around evictions and gentrification. This has been a recurring issue with past Olympics, where local officials have often used the arrival of international tourists as an excuse to rid their cities of anyone they considered undesirable.

Street sweeps of the unhoused are already a growing concern in L.A., following the U.S. Supreme Court's 2024 ruling in the Grants Pass case okaying such actions and Gov. Gavin Newsom's subsequent executive order authorizing clearing of encampments.¹⁴ Actions targeting the unhoused and sex workers have been

¹¹ Gustavo Arellano, "L.A. never needed the Olympics. With Trump wanting in, it's time to pull out," *Los Angeles Times*, August 7, 2025, <https://www.latimes.com/california/story/2025-08-07/l-a-never-needed-the-olympics-with-trump-wanting-in-its-time-to-pull-out>.

¹² Joe Mathews, "L.A. Can't Host the 2028 Olympics," Zocalo Public Square, July 29, 2025, <https://www.zocalopublicsquare.org/los-angeles-cant-host-the-2028-olympics/>.

¹³ Alissa Walker, "Empty stadiums, travel bans, and ICE raids," *Torched*, July 21, 2025, <https://www.torched.la/empty-stadiums-travel-bans-and-ice-raids/>.

¹⁴ Marisa Kendall and Katie Anastas, "'Look, there's nowhere else to go': Inside California's crackdown on homeless camps," *CalMatters*, February 27, 2025,

common in advance of past Olympics, including Seoul, Barcelona, and Atlanta, as well as the 1984 L.A. Games.¹⁵ The runup to Atlanta's hosting of the 1996 Olympics—the last Summer Games to be held in the U.S. to date—is especially instructive. In 1991, the city passed ordinances criminalizing “aggressive” panhandling, loitering, “camping” in public, “remaining” in a parking lot without a car, being in an abandoned building, washing a car windshield, urinating in public, and acting “in a manner not worthy of a law-abiding citizen.”¹⁶ When the ACLU and other rights groups succeeded in blocking an ordinance banning lying down on a park bench, the city installed arms on the benches so that they could no longer be laid on, while installing spikes around trees to prevent public urination.¹⁷ The anticipated arrests for such measures were so great that one of the first Olympic construction projects to be completed was a new city jail.¹⁸ In 1995 and 1996, Atlanta police drove hundreds of unhoused people by truck to the outskirts of town, threatening them with arrest if they returned.¹⁹ After five unhoused Atlanta residents sued the city for wrongful arrest, a judge issued a preliminary injunction against the new measures just two days before the Olympic opening ceremonies.²⁰ In addition to the human toll, street sweeps can add up fast as a city budget expense: A single sweep can cost as much as \$2 million in police expenses.²¹

Mass evictions have similarly been a common feature of Olympic host cities. In a 2019 paper weighing the costs and benefits of hosting the Olympics, a Boston community organizer and two sports economists observed that “hosting the summer Games requires at least 1,660 acres for the surface area of the venues and ceremonial space. In order to make that acreage available in a modern urban environment, a lot of land has to be cleared; this means community evictions.”²² (Inglewood has already proposed the removal of 23 businesses to make way for Olympics-related transit upgrades.²³) Add in cities using the Olympics as an excuse for urban renewal, and landlords using them as an excuse to seek short-term rental income from tourists, and the numbers for some host cities have been staggering: In Seoul in 1988, 700,000 people were evicted; in Atlanta in 1996, 30,000; in Beijing in 2008, 1.25 million; in London in 2012, 4,000; in Rio in 2016, 77,200. There have already been reports of L.A. landlords

<https://calmatters.org/housing/homelessness/2025/02/california-homeless-encampment-sweeps/>. Celina Zambrano, “Gov. Newsom Signs Executive Order to Remove Homeless Encampments,” *Civica Law*, July 27, 2024, <https://civicalaw.com/2024/07/27/gov-newsom-signs-executive-order-to-remove-homeless-encampments>.

¹⁵ Helen Jefferson Lenskyj, *Inside the Olympic Industry: Power, Politics, and Activism* (Albany: State University of New York Press, 2000), 108–109.

¹⁶ Lenskyj, “Inside the Olympic Industry,” 138.

¹⁷ Lenskyj, “Inside the Olympic Industry,” 138.

¹⁸ Lenskyj, “Inside the Olympic Industry,” 139.

¹⁹ Lenskyj, “Inside the Olympic Industry,” 139.

²⁰ Lenskyj, “Inside the Olympic Industry,” 140.

²¹ Brian Barth, “Revealed: how companies made \$100m clearing California homeless camps,” *The Guardian*, April 26, 2024,

<https://www.theguardian.com/us-news/2024/apr/16/us-homeless-encampments-companies-profiting-sweeps>.

²² Chris Dempsey, Victor Matheson, and Andrew Zimbalist, “Is There an Economic Case for the Olympic Games?” *Smith College*, 2019, https://scholarworks.smith.edu/cgi/viewcontent.cgi?article=1054&context=eco_facpubs.

²³ Travis Schlepp, “After people mover plans fall through, Inglewood pivots to dedicated bus lanes for transit connections,” *KtLA*, April 22, 2025, <https://ktla.com/news/travel/inglewood-transit-project/>.

attempting to displace residents near Olympic venues in hopes of raking in tourist rental dollars—years before the Games are actually set to begin.²⁴

Amid growing concerns about both federal policy toward immigrant residents and housing affordability, ***L.A. residents are in a poor position to be faced with the costs, monetary and otherwise, of hosting the Olympics in 2028.*** And while these costs are as yet undetermined and likely to remain so for a while, prior host cities' experience has made clear that they could be considerable.

b. Who will end up paying what for the 2028 Olympics?

Hosting duties for Olympic games are split into a tripartite structure, with shared responsibility for ensuring the International Olympic Committee that the event will come off as planned:

- National Organizing Committees, or NOCs, are continuing bodies typically funded by a host country's federal government, which promote Olympic athletics in all years, and help to organize bidding and hosting responsibilities within their nation. For the United States, this role is held by the U.S. Olympic Committee.
- For each individual Olympics, the NOC and local government collaborate to form an Organizing Committee of the Olympic Games (OCOG), which is responsible for budgeting and putting on those particular Games. The Olympic Charter requires that each OCOG must be established as a legal entity in its home nation and be dissolved once the Games are complete.²⁵ For the 2028 Olympics, the OCOG is the Los Angeles Organising Committee for the 2028 Olympic and Paralympic Games, generally stylized as LA28.
- Though LA28 was created by the national committee in consultation with the host city, it reports to neither body.²⁶ Rather, the local Olympic committee is an independent nonprofit that is bound solely by the various contracts agreed to with the IOC and other organizing entities, including the City of Los Angeles.²⁷
- The host city government itself is required to sign an agreement with the NOC, the OCOG, and the International Olympic Committee, guaranteeing that it will ensure that the Games will take place as scheduled.

LA28 was created in 2014, as Los Angeles Mayor Eric Garcetti began pursuing what was then a bid to host the 2024 Summer Olympics. As its chair, Garcetti recruited Casey Wasserman, scion of a longtime Hollywood agency who bought his first sports team at age 24, and who later became a sports marketing

²⁴ Lauren Lee White, "The 2028 L.A. Olympics Are Already Creating a Housing Disaster," *The New Republic*, August 19, 2022, <https://newrepublic.com/article/167453/2028-los-angeles-olympics-housing>. Gustavo Lopes dos Santos, Ana Morais de Sá, and Beatriz Condessa, "Olympic regeneration vs. social (in)justice: Value capture as a referee," *Cities*, January 2025, <https://www.sciencedirect.com/science/article/pii/S0264275124007340>.

²⁵ Jules Boykoff, *What Are the Olympics For?* (Bristol, England: Bristol University Press, 2024), 16.

²⁶ "Olympic and Paralympic Organization Structure," U.S. Olympic and Paralympic Committee, retrieved January 24, 2026, <https://www.usopc.org/olympic-organization-structure>.

²⁷ "Organizing Committees for the Olympic Games," International Olympic Committee, retrieved January 24, 2026, <https://www.olympics.com/ioc/olympic-games-organising-committees>.

and agency powerhouse in his own right.²⁸ LA28's board includes a who's who of other local power brokers and sports investors, including former DreamWorks CEO Jeffrey Katzenberg, investment fund president Mellody Hobson (who is married to Lucasfilm founder George Lucas), Milwaukee Brewers owner Mark Attanasio, and former Donald Trump White House chief of staff Reince Priebus.²⁹

(LA28 did not respond to multiple requests for information or comment for this report.)

Coverage of the costs of the 2028 Olympics is governed by two documents:

- The Games Agreement between the city, the USOC, and LA28, signed August 16, 2017, spells out the operational and financial relationship between the city and the local and national Olympic committees that are responsible for putting on the games.
- The Host City Contract (HCC), signed by Los Angeles city officials, the USOC, and the IOC on September 13, 2017, spells out the respective responsibilities of the host city, local and national Olympic committees, and IOC for ensuring that the games are held on schedule and budgets are covered.

The HCC was signed by then Mayor Eric Garcetti and then City Council President Herb Wesson just six weeks after the decision to award the 2028 Games to L.A.³⁰ Although LA28 promised that the Olympics would be held at “zero cost to the City,”³¹ this was never a reasonable assurance. In nearly every modern Olympics—with the exception of the 1984 L.A. Games—host cities ended up footing at least part of the bill, with deficits in the billions and even tens of billions of dollars not uncommon. (See Section 3c.)

2028 is missing a key 1984 guarantee

The 1984 Summer Olympics were an exception for one important reason: In the runup to being awarded the Games, Los Angeles city officials had presented a ballot initiative, overwhelmingly approved by voters, amending the city charter to bar the city from covering any losses from that year's Olympics. Then Mayor Tom Bradley and the city council even threatened to pull L.A.'s bid in order to get the IOC to agree to this provision. (See Section 5a.)

Los Angeles city officials did not set a similar requirement for the 2028 Olympics. (The city charter that was amended in 1978 had since been completely replaced by a new one in 1999.³²) As a result, the HCC for the 2028 Games contained the usual provisions that governed other recent Olympic host city

²⁸ Peter Kiefer, “Lord of the Rings: Casey Wasserman's Olympic Odyssey,” *Hollywood Reporter*, August 21, 2025, <https://www.hollywoodreporter.com/business/business-news/casey-wasserman-path-los-angeles-olympics-1236348056/>.

²⁹ <https://la28.org/en/about-la28.html>.

³⁰ Thuc Nhi Nguyen, “It's too late for buyer's remorse. Why L.A. can't back out of hosting 2028 Olympics,” *Los Angeles Times*, August 18, 2025, <https://www.latimes.com/sports/olympics/story/2025-08-18/why-la-cant-back-out-of-2028-olympics>.

³¹ <https://la28.org/en/newsroom/Games-Agreement.html>.

³² Todd S. Purdum, “Los Angeles Reinvents Itself, Adopting New City Charter,” *The New York Times*, June 10, 1999, <https://www.nytimes.com/1999/06/10/us/los-angeles-reinvents-itself-adopting-new-city-charter.html>.

contracts: L.A., LA28, and the USOC are collectively responsible for covering all the costs of the Games. In fact, the HCC spells out that L.A. is even “responsible to ensure that” other cities hosting Olympic events—currently set to include several other SoCal cities, as well as Oklahoma City for two sports that would have been difficult to host locally—live up to the terms of the Olympic agreement.³³ This includes covering all costs related to providing Olympic venues, organizing and holding test events, providing an Olympic village and accommodations for any other team personnel, “provision of a safe, reliable and efficient system of transport,” media facilities, and covering the Games’ technology, energy, and insurance needs; even “production and distribution of medals” is the responsibility of local officials, not the IOC.

As in 1984, LA28 has primary responsibility for the Olympic budget; unlike then, it can now use the city budget as a backstop. (Also unlike in 1984, LA28 has ceded control over sponsorship and TV revenue to the IOC; see Section 5a.) If LA28 ends up facing any budget shortfalls, the city must cover the first \$270 million, the state the next \$270 million, and the city any amount beyond that.³⁴

Additionally, under the Games Agreement signed in 2021 by LA28 and the city,³⁵ LA28 must reimburse the city for any “enhanced city resources” provided above and beyond normal services.³⁶ The two parties were set to agree by Oct. 1, 2025, on the scope of these “enhanced services, and determine rates, repayment timelines, audit rights, and other processes.” As of this report, they had not yet done so—though with the city required to pay for the first \$270 million in unanticipated costs as well as any additional overruns over the first \$540 million, the determination of which costs are assigned to LA28 and which to L.A. may end up being all but academic.³⁷

With the city the final backstop if the Olympics end up with a sea of red ink thanks to construction overruns, revenue shortfalls, or unexpected operational costs, the HCC effectively represents an unlimited promise by the city of Los Angeles to cover all unanticipated cost overruns or revenue shortfalls. ***In the worst-case scenario, this could result in billions of dollars of future expenses, which could only be covered by raising taxes or slashing city services.***

³³ “Host City Contract—Principles,” International Olympic Committee, 2017, <https://stillmed.olympic.org/media/Document%20Library/OlympicOrg/Documents/Host-City-Elections/XXXIV-Olympiad-2028/Host-City-Contract-2028-Principles.pdf>.

³⁴ Dakota Smith, “Organizers hope the 2028 Summer Olympics present a ‘refreshed global image of California,’” *Los Angeles Times*, July 11, 2025, <https://www.latimes.com/california/story/2025-07-11/2028-summer-olympics-tourism-planning>.

³⁵ David Wharton and Dakota Smith, “2028 L.A. Olympics: Agreement outlines key issues but final price tag remains unclear,” *Los Angeles Times*, November 17, 2021, <https://www.latimes.com/sports/olympics/story/2021-11-17/la-2028-olympics-contract>.

³⁶ Games Agreement. <https://www.latimes.com/california/story/2025-08-02/security-costs-olympics-2028/> <https://archive.ph/sFGjZ>.

³⁷ Dakota Smith, “L.A. city leaders are in high-stakes negotiations on Olympics costs,” *Los Angeles Times*, August 2, 2025, <https://www.latimes.com/california/story/2025-08-02/security-costs-olympics-2028>.

c. How much have past Olympics cost their host cities?

Massive cost uncertainty is par for the course for the Olympics. How much each Games has cost, and who has footed the bill, is the subject of intense debate and study, even long after the torch has been extinguished. Boykoff has dubbed the financial numbers surrounding Olympic hosting “Etch-a-Sketch economics,” where initial projections are erased and revised continually between the winning bid and the conclusion of the Games.³⁸ With estimated expenses shifting over time as new budgets replace preliminary ones,³⁹ public entities invariably stepping in to cover what local Olympic committees cannot, and the IOC and local organizing committees failing to provide a final accounting of Olympic budgets, there is invariably debate over who ended up paying for what.

The 2000 Sydney Summer Olympics are an instructive example. The government’s initial bid budget projected that the net cost to taxpayers would be AUS\$363.5 million (about \$200.6 million in US dollars⁴⁰). However, a 1998 audit by the state of New South Wales revealed that this estimate did not include costs like work time spent on the Games by police and government officials, or cost overruns that would have to be covered by the state; the auditors recalculated that the true public cost would be AUS\$5.9 billion (US\$3.3 billion) against revenues of AUS\$3.6 billion (US\$1.9 billion), for a net loss of AUS\$2.3 billion (US\$1.3 billion). By 2002, the state auditor’s best estimate was that in total, the 2000 Olympics had cost New South Wales taxpayers AUS\$2.037 billion (US\$1.124 billion) while bringing in AUS\$711 million, for a net loss of AUS\$1.326 billion (US\$732 million). And auditors acknowledged that these were only guesses: Its opening question “What Did the Games Cost?” was immediately answered with the acknowledgment: “There is no one, simple answer to this apparently simple question.”⁴¹

The Olympics come with many hidden costs

In fact, the question of what counts as an “Olympic cost” has long been a contentious one, especially for upgrades to public buildings or infrastructure that will survive beyond the games. As economists Robert Baade and Victor Matheson noted in a 2016 paper on Olympic spending, “It can be difficult to disentangle spending on Olympic building projects from planned infrastructure improvements that might not be attributable directly to the games.”⁴²

“There’s the overall budget and then there’s the budget for the Olympic games themselves, and those are two very different buckets,” Boykoff explained in 2025. “They try to say that things like upgrading the

³⁸ Boykoff, *What Are the Olympics For?*, 67.

³⁹ Bent Flyvbjerg, Alexander Budzier, and Daniel Lunn, “Regression to the tail: Why the Olympics blow up,” *Environment and Planning A: Economy and Space*, 2021, <https://journals.sagepub.com/doi/10.1177/0308518X20958724>.

⁴⁰ Based on 0.5519 exchange rate as of September 2000, when the Sydney Games were held: <https://www.macrotrends.net/2551/australian-us-dollar-exchange-rate-historical-chart>.

⁴¹ “Cost of the Olympic and Paralympic Games,” Auditor-General’s Report to Parliament 2002, <https://web.archive.org/web/20050620055157/http://www.audit.nsw.gov.au/agrep02v2/costofolympicgames.pdf>.

⁴² Robert A. Baade and Victor A. Matheson, “Going for the Gold: The Economics of the Olympics,” *Journal of Economic Perspectives*, Spring 2016, <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.30.2.201>.

subways so that people can get to different spots in the Olympics, that doesn't count as an Olympic cost. Whereas if you didn't do that, you wouldn't have an Olympics."⁴³

In fact, public infrastructure projects are often rushed onto the front burner as an Olympics approaches—often regardless of whether they would otherwise be considered public priorities. As Baade and Matheson wrote in 2024, host cities and advocacy groups within them “often use an upcoming Olympics to propose a wish-list of general infrastructure projects that would otherwise be unable to gain widespread backing.”⁴⁴

And while some of these expenses may create public benefits, others famously end up as white elephants. (“Abandoned Olympic venues” is such a popular search term that it now has its own Getty Images category.⁴⁵) Even “reusable” non-Olympics-specific projects often prove to be a poor match for a post-Olympics world: “Even investment in general infrastructure can be an unwise use of public funds,” concluded Baade and Matheson. “For example, developing sufficient tourist infrastructure to meet the needs of the masses of crowds during the Olympics may result in serious overcapacity when the Games are over.”⁴⁶

Cost overruns are the rule, not the exception

There is also a long history of Olympics host cities lowballing cost estimates for the Games and later seeing them skyrocket. Though Olympic budgets typically focus on the activities of the local Olympic organizing committee (LA28, in this case), a group of researchers from Oxford University warned that these “typically represent a fairly small portion of the overall Olympic cost and therefore also denote too limited a view for true cost-benefit analysis.”⁴⁷ Toronto’s bid for the 2008 Summer Games, for instance, came with an initial price tag of \$40 million, but when chartered accountant Charles Smedmor conducted an independent audit, he found that the Toronto organizing committee’s estimates had excluded the costs of building the Olympic village and media village, as well as the needed expansion of highways and public transit, while anticipating inflated corporate sponsorship and licensing revenues. The actual projected cost to Toronto taxpayers, according to Smedmor’s calculations: \$1 billion.⁴⁸

The New South Wales audits were far from the only attempt to puzzle out how much each Olympic host city has spent by the end of its Games. One of the most comprehensive of these investigations was the Oxford Olympics Study 2016, conducted by Bent Flyvbjerg, Allison Stewart, and Alexander Budzier of the

⁴³ Phone interview with Boykoff, October 15, 2025.

⁴⁴ “Robert A. Baade and Victor A. Matheson, “Trends in the Expected Economic Return from the Olympics, a Guide to the Future of the Games,” *Journal of Financial Economics*, June 2024, <https://www.aefr.eu/en/article/4126-trends-in-the-expected-economic-return-from-the-olympics-a-guide-to-the-future-of-the-games>.

⁴⁵ <https://www.gettyimages.com/photos/abandoned-olympic-venues>.

⁴⁶ Baade and Matheson, “Trends in the Expected Economic Return from the Olympics.”

⁴⁷ Bent Flyvbjerg, Allison Stewart, and Alexander Budzier, “The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games,” Saïd Business School Research Papers, July 2016, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2804554.

⁴⁸ Lenskyj, *Inside the Olympic Industry*, 89.

University of Oxford's Saïd Business School. It found that the average Olympics cost overrun had amounted to a staggering 156%—"the highest average cost overrun of any type of megaproject"—and that overruns occurred "in all Games, without exception."⁴⁹ The average actual cost for Summer Games from 1960–2016, the study authors concluded, was \$5.2 billion (with an average overrun of 176%), while Winter Games cost an average of \$3.1 billion (average overrun 142%). But as the authors noted, "outliers are huge," citing the London 2012 Summer Games' \$15 billion, and the 2014 Sochi Winter Olympics' staggering \$21.9 billion price tag.⁵⁰ The only clear rule is that Olympics never come in at or near what they're budgeted for; at the top end, the sky is the limit.

In particular, the Oxford authors noted, when city leaders sign Host City Contracts guaranteeing the IOC that taxpayers will cover cost overruns, it is "akin to writing a blank check for the event, with certainty that the cost will be more than what has been quoted. In practice, the bid budget is really more of a down payment than it is a budget, with further installments to be paid later."⁵¹

By the second decade of the century, Olympic cost overruns had become so widely publicized that the IOC itself felt the need to take action. In 2014, it responded to the alarming price tags of recent Olympics by announcing Olympic Agenda 2020, a set of 40 reforms that included fostering "sustainable development," such as by reducing the number of venues custom-built for a Games and left abandoned afterwards.

Yet since the adoption of Agenda 2020, any improvement in Olympic cost overrun figures has been at best marginal:

- The 2020 Tokyo Summer Games, according to a *New York Times* analysis, saw costs rise from \$7.3 billion to \$14.9 billion, then again to \$17.9 billion as a result of being postponed one year by the COVID-19 pandemic. The true full cost of the Tokyo Games, the *Times* reported, was likely closer to \$27 billion, with the \$1.4 billion national stadium itself costing more than the entire 1984 Summer Games in Los Angeles, even after accounting for inflation.⁵²
- China claimed that the 2022 Beijing Winter Olympics were relatively affordable at a mere \$3.9 billion, but a subsequent investigation by *Business Insider* estimated that the actual costs were an incredible \$38.5 billion, including all venue and infrastructure costs.⁵³ While some of the "off-the-books" costs uncovered by the news site were for venues—including construction of a \$186.6 million speed skating rink and refurbishment of other venues left over from the 2008 Summer Games—most were transit-related, including \$15.02 billion in new highways, a \$9.2 billion driverless bullet train between Beijing and nearby Zhangjiakou (where many of the events were held), and a \$773.5 million subway line built specially for the Winter Olympics. An additional \$3.16 billion was spent on a new Olympic village to house athletes.

⁴⁹ Flyvbjerg, Stewart, and Budzier, "The Oxford Olympics Study 2016."

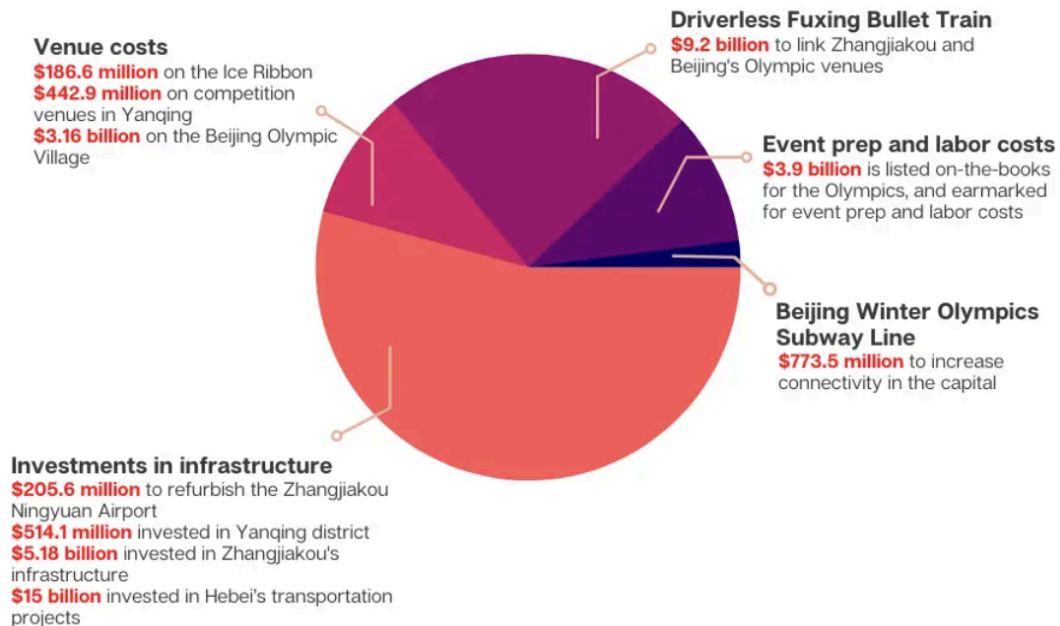
⁵⁰ Flyvbjerg, Stewart, and Budzier, "The Oxford Olympics Study 2016."

⁵¹ Flyvbjerg, Stewart, and Budzier, "The Oxford Olympics Study 2016."

⁵² Dempsey, Matheson, and Zimbalist, "Is There an Economic Case for the Olympic Games?"

⁵³ Baade and Matheson, "Trends in the Expected Economic Return from the Olympics."

At least **\$38.5 billion** was spent for the Beijing Games. Here's the breakdown.



Business Insider's infographic summing up total Beijing 2022 Winter Olympics costs, including nearly \$35 billion in "off-the-books" costs.⁵⁴

Initial bid budget should be considered a "down payment"

In 2024, Oxford scholars conducted a renewed investigation into total Olympic costs, and found that while there were some promising signs—Paris 2024, in particular, had seen somewhat lower costs and smaller cost overruns than other recent Olympics—the overall trend was still toward enormous expenses that far outstripped initial Olympic budgets. "All Games, without exception, have cost overrun," concluded the 2024 Oxford update authors. "For no other type of megaproject is this the case, not even the construction of nuclear power plants or the storage of nuclear waste."⁵⁵ The researchers dubbed this

⁵⁴ Joel Stonington and Cheryl Teh, "Beijing says the cost of hosting the 2022 Winter Games is among the cheapest ever at \$3.9 billion. But the real cost might be more than \$38.5 billion, 10 times the reported amount," *Business Insider*, January 30, 2022,

<https://www.businessinsider.com/real-cost-of-beijing-games-10-times-chinas-reported-figure-2022-1>.

⁵⁵ Alexander Budzier and Bent Flyvbjerg, "The Oxford Olympics Study 2024: Are Cost and Cost Overrun at the Games Coming Down?" Saïd Business School working paper, May 2024,

https://www.politico.eu/wp-content/uploads/2024/07/15/The_Oxford_Olympics_Study_2024_Are_Cost_and_Cost_O_240715_145740_cleaned.pdf.

the Blank Check Syndrome: “In practice, the bid budget is on average a 38% down payment; further installments will follow, written on the blank check.”⁵⁶

And cost overruns are not the only way that cities can be left holding the bag for unexpected Olympic losses. If local organizing committees close up shop after the Games without paying off all their costs, it’s up to the host city to cover the difference. In Vancouver following the 2010 Winter Olympics, for example, the city was left responsible for \$730.2 million in debt on construction of its Olympic Village, as well as \$170 million for land acquisition costs; the project eventually landed in receivership, and future sales of the units as luxury condos are not expected to allow Vancouver to recoup its costs.⁵⁷

At the same time, all such Olympic cost numbers are at best estimates, and even these often differ from study to study. (See Table 1.) Baade and Matheson pointed out that officials seeking to hide evidence of cost overruns—or of corruption—may even go out of their way to prevent the release of accurate spending data: In the most dramatic case, they noted, “The true final cost of the 1998 Nagano Winter Olympics will never be known, because the host committee ordered a portion of the event’s financial records to be burned.”⁵⁸

⁵⁶ Budzier and Flyvbjerg, “The Oxford Olympics Study 2024: Are Cost and Cost Overrun at the Games Coming Down?”

⁵⁷ “Olympic Cities: Booms and Busts,” CNBC, January 21, 2014, <https://web.archive.org/web/20140307224137/http://www.cnbc.com/id/45943877/page/2>.

⁵⁸ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

Table 1. Estimated total cost of hosting Olympic Games, 1960–2024				
Games	Location	Oxford est. total cost (millions in 2015 US dollars)⁵⁹	Zimbalist est. total cost (millions in 2015 US dollars)⁶⁰	Percentage overrun (Oxford est.)⁶¹
Summer 1960	Rome	n/a	n/a	n/a
Summer 1964	Tokyo	282	n/a	n/a
Summer 1968	Mexico City	n/a	n/a	n/a
Summer 1972	Munich	1009	n/a	n/a
Summer 1976	Montreal	6093	n/a	720%
Summer 1980	Moscow	6331	n/a	n/a
Summer 1984	Los Angeles	719	n/a	n/a
Summer 1988	Seoul	n/a	6503	n/a
Summer 1992	Barcelona	9687	16409	266%
Summer 1996	Atlanta	4143	3576	151%
Summer 2000	Sydney	5026	6926	90%
Summer 2004	Athens	2942	13800	49%
Summer 2008	Beijing	6810	45000	2%
Summer 2012	London	14957	11401	76%
Summer 2016	Rio	19010	11100	352%
Summer 2020	Tokyo	11035	26904	128%
Summer 2024	Paris	7008	n/a	115%

⁵⁹ Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.” Figures for 2016–2024 from Budzier and Flyvbjerg, “The Oxford Olympics Study 2024: Are Cost and Cost Overrun at the Games Coming Down?”

⁶⁰ Dempsey, Matheson, and Zimbalist, “Is There an Economic Case for the Olympic Games?”

⁶¹ Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.”

Games	Location	Oxford est. total cost (millions in 2015 US dollars)⁶²	Zimbalist est. total cost (millions in 2015 US dollars)⁶³	Percentage overrun⁶⁴
Winter 1960	Squaw Valley	n/a	n/a	n/a
Winter 1964	Innsbruck	22	n/a	n/a
Winter 1968	Grenoble	888	n/a	181%
Winter 1972	Sapporo	117	n/a	n/a
Winter 1976	Innsbruck	118	n/a	n/a
Winter 1980	Lake Placid	435	n/a	324%
Winter 1984	Sarajevo	n/a	n/a	118%
Winter 1988	Calgary	1109	n/a	65%
Winter 1992	Albertville	1997	n/a	137%
Winter 1994	Lillehammer	2228	n/a	277%
Winter 1998	Nagano	2227	15250	56%
Winter 2002	Salt Lake City	2520	2500	24%
Winter 2006	Torino	4366	4350	80%
Winter 2010	Vancouver	2540	7556	13%
Winter 2014	Sochi	21890	51000	289%
Winter 2018	Pyeong Chang	2739	n/a	2%
Winter 2022	Beijing	7008	n/a	149%

⁶² Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.” Figures for 2018–2022 from Budzier and Flyvbjerg, “The Oxford Olympics Study 2024.”

⁶³ Dempsey, Matheson, and Zimbalist, “Is There an Economic Case for the Olympic Games?”

⁶⁴ Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.”

d. Have past Olympic revenues been enough to cover cities' costs?

The Olympics don't only have costs, of course; they result in income as well. Hosting the Olympics comes with significant revenues, both direct—primarily in ticket sales, sponsorships, and TV rights, though these must be shared with the IOC—and indirect—in the form of additional spending by tourists who come to see the Games.

But expectations of a financial windfall need to be tempered by what might be termed the “nobody goes there, it's too crowded” effect. In city after city, the Games have been shown to drive away both locals and non-Olympic tourists who worry that braving Olympic crowds wouldn't be worth the trouble. In London in 2012, store owners hoping for a boom in Olympic spending instead found a downturn in sales, as locals fled the city to avoid the chaos of Olympic traffic; at the same time, tourists who might otherwise have visited London steered clear for similar reasons.⁶⁵ The final numbers showed that hosting the Olympics did a great job of driving away other would-be London spending: During the two weeks of the 2012 Summer Games, cultural visits fell by 30% overall, including about 25% at the British Museum and 40% at the National Gallery and London Zoo.⁶⁶

Olympic visitors displace regular visitors

University of South Florida economist Philip Porter found similar results for Atlanta in 1996 and Salt Lake City in 2002, where despite an influx of Olympic visitors, overall consumer sales, hotel occupancy rates, and airport usage showed no discernible difference from the corresponding months in non-Olympic years.⁶⁷ “Hotel prices rose precipitously, but hotel occupancy, retail trade, and transportation use did not significantly change,” observed Porter and fellow economist Deborah Fletcher—meaning that the spinoff economic effects on host cities were minimal, with the only benefit accruing to hotel owners, who likely pocketed the additional profit without re-spending it in the host city.⁶⁸

Partly as a result of this dynamic where Olympic visitors end up displacing regular visitors—albeit at more exorbitant hotel rates—the vast majority of Olympics are thought to have left their host cities with net losses, sometimes massive ones. One projection estimated that in 2012 London took in \$3.5 billion in

⁶⁵ Anthony Faiola and Eliza Mackintosh, “Olympic Games host city London struggles to strike economic gold,” *The Washington Post*, August 1, 2012, https://www.washingtonpost.com/world/europe/olympic-games-host-city-london-struggles-to-strike-economic-gold/2012/08/01/gJQAtNaPX_story.html.

⁶⁶ Pauline Rouquette, “Parisian cultural sector braces for a fall during 2024 Olympics: ‘We’re the big losers,’” *France24*, July 17, 2024, <https://www.france24.com/en/culture/20240717-parisian-cultural-sector-braces-for-a-fall-during-2024-olympics-we-re-the-big-losers>.

⁶⁷ Philip K. Porter and Deborah Fletcher, “The Economic Impact of the Olympic Games: Ex Ante Predictions and Ex Poste Reality,” *Journal of Sport Management*, 2008, <https://media.clemson.edu/economics/data/sports/Stadiums%20and%20Econ%20Impact/Porter%20Olympic%20Games.pdf>.

⁶⁸ Porter and Fletcher, “The Economic Impact of the Olympic Games.”

revenues, while spending about \$18 billion.⁶⁹ In addition to the audit showing the 2000 Sydney Olympics being left with more than \$1 billion in red ink, estimates of net costs for U.S. host cities are nearly as gloomy, including a \$608 million loss for Atlanta in 2016 and a \$600 million loss for Salt Lake City in 2002.⁷⁰

LA 1984 was, as mentioned above, the exception, with the Los Angeles Olympic Organizing Committee generating a reported net profit of \$235 million.⁷¹ But even then, the cost figures are disputed: Boykoff writes that the official cost figure “does not account for significant public subsidies that buoyed the Games, such as taxpayer-funded communication networks, busing services, and policing,” and the federal government largely covered security costs.⁷²

“There has never been an Olympic Games that has made a profit”

In light of past cities’ experience, many economists and Olympic scholars have concluded that virtually all Olympics lose money—the only question is how much, and how to determine the final price tag. “There has never been an Olympic Games that has made a profit,” asserted Robert Barney, director of the International Centre for Olympic Studies at the University of Western Ontario, in 2009.⁷³ “No reasonable person thinks that the direct benefits of hosting the Olympic Games or any other mega event cover the costs,” concurred Andrew Rose, an economist at the Haas School of Business at the University of California, Berkeley.⁷⁴

While hard numbers are hard to come by, independent estimates agree that the vast majority of cities have lost money hosting the Olympics, with losses sometimes running in the billions of dollars. At best, hosting the Olympics is rolling the dice in a game where the odds are stacked against the host city. The Oxford authors advised in their original study, “For a city and nation to decide to stage the Olympic Games is to decide to take on one of the most costly and financially most risky type of megaproject that exists, something that many cities and nations have learned to their peril.”⁷⁵

e. How much money could L.A. be on the hook for in the run-up to the 2028 Olympics?

In theory, the 2028 Olympics are supposed to pay for themselves: LA28 is meant to cover its costs via ticket sales, sponsorships, and media revenues. And Los Angeles did win one concession from the IOC,

⁶⁹ Clay Dillow, “Hosting The Olympics Is a Terrible Investment,” FiveThirtyEight, August 15, 2016, <https://fivethirtyeight.com/features/hosting-the-olympics-is-a-terrible-investment/>.

⁷⁰ Dempsey, Matheson, and Zimbalist, “Is There an Economic Case for the Olympic Games?”

⁷¹ Zev Yaroslavsky, Alisa Belinkoff Katz, and Caitlin Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024,” UCLA Department of History, August 25, 2015, <https://luskincenter.history.ucla.edu/wp-content/uploads/sites/66/2021/08/Lessons-Learned-from-the-1984-Olympic-Games.pdf>.

⁷² Boykoff, “What Are the Olympics For?,” 54–55.

⁷³ Howard Berkes, “Olympic Caveats: Host Cities Risk Debt, Scandal,” NPR Morning Edition, October 1, 2009, <https://www.npr.org/2009/10/01/113351145/olympic-caveats-host-cities-risk-debt-scandal>.

⁷⁴ Berkes, “Olympic Caveats: Host Cities Risk Debt, Scandal.”

⁷⁵ Flyvbjerg, Stewart, and Budzier, “The Oxford Olympics Study 2016.”

getting permission for Olympic venues to sell their naming rights, a significant shift from past practice of banning corporate names for Olympic venues. (Whether one should count the psychological toll of Angelenos having to see additional ad signage on the sides of public buildings is beyond the scope of this analysis.)

As is typical in the runup to an Olympics, how much is set to be spent in Los Angeles and by whom remains a moving target. The finances of the 2028 Games, and of LA28 itself, are largely a black box: How much the Olympics will end up costing, and how much they will earn in revenues, is as yet unknown. The budget for LA28's Olympic spending was initially set at \$5.3 billion; in April 2019 that estimate was increased to \$6.9 billion, in part to cover inflation.⁷⁶ In LA28's 2025 annual report, the estimated price tag was increased to \$7.149 billion.⁷⁷

Construction requirements for a “no-build games”

Though LA28 has declared that this would be a “no-build games,”⁷⁸ plenty of money is set to be spent on *rebuilding* existing venues, as well as adding temporary seating, media centers, and entire temporary venues. Although L.A. is well-stocked with sports venues, including those left over from hosting the 1984 Summer Games, the Olympics comes with many requirements for specific event sites that cities are unlikely to have on hand.

The full list of projected 2028 Olympic venues, and what is currently known about construction or upgrade costs, follows.⁷⁹ In most cases, firm cost numbers are not available: LA28's initial venue plan does not include cost figures,⁸⁰ the organizing committee has repeatedly declined to answer questions about its projected venue expenses,⁸¹ and updated venue plans have gone so far as to only provide comparative cost figures for relocating events from one site to another, so that there's no way to tell what the total cost numbers were before and after the move.⁸² As noted above, the host city contract leaves LA28, and ultimately the city of LA, responsible for any shortfalls on behalf of other cities, including those in California as well as Oklahoma City.

⁷⁶ Boykoff, *What Are the Olympics For?*, 69.

⁷⁷ “LA28 Annual Report for 2024,” LA28, March 31, 2025, https://cityclerk.lacity.org/online/docs/2015/15-0989-s55_rpt_cao_8-25-25.pdf.

⁷⁸ Jaimie Ding and Andrew Dalton, “Au revoir, Paris. Here’s how Los Angeles is preparing for the 2028 Olympics,” Associated Press, August 12, 2024, <https://www.pbs.org/newshour/nation/au-revoir-paris-heres-how-los-angeles-is-preparing-for-the-2028-olympics>.

⁷⁹ Except where indicated, all information is from the official LA28 venue site: <https://la28.org/en/games-plan/venues.html>.

⁸⁰ “2028 Venue Plan,” 2028 Olympic and Paralympic Ad Hoc Committee (Powerpoint presentation), March 26, 2025, https://cityclerk.lacity.org/online/docs/2015/15-0989-S44_misc_3-26-25.pdf.

⁸¹ Lou Hirsh, “Los Angeles Aims for ‘No Build’ 2028 Olympics on the Cheap,” CoStar News, July 22, 2021, <https://www.costar.com/article/348858247/los-angeles-aims-for-no-build-2028-olympics-on-the-cheap>.

⁸² Casey Wasserman, letter to Mayor Karen Bass et al., June 17, 2024, <https://la28.org/content/dam/latwentyeight/newsroom/news-stories/LA28VenuePlanAmendment.pdf>.

Table 2. Planned 2028 Olympic venues and projected upgrade or construction costs				
Venue	Events	Location	Upgrade/new	Cost
2028 Stadium, aka SoFi Stadium	Swimming, opening ceremonies	Inglewood	Football field to be “completely transformed” with installation of swimming pool and temporary seating. ⁸³	Unknown. For a similar installation at Lucas Oil Stadium Indianapolis for the 2024 Olympic trials, USA Swimming claimed that it turned a \$5m profit, but did not provide specifics or a price tag for the construction cost. ⁸⁴
Alamitos Beach Stadium	Beach volleyball, Paralympic blind soccer	Long Beach	New temporary venue.	Unknown. Estimates of the cost of operating a similar venue in Santa Monica came in at \$15.54m. However, the consultants tasked with this report stressed that this was only <i>operating</i> costs, and did not include any “significant infrastructure improvements or new construction required for hosting the events.” ⁸⁵

⁸³ Tracey Leong, “SoFi Stadium prepares for splashy debut in 2028 Los Angeles Olympics,” NBC Los Angeles, August 12, 2024, <https://www.nbclosangeles.com/news/local/sofi-stadium-prepares-splashy-debut-2028-olympics-los-angeles/3486654/>.

⁸⁴ Indiana Sports Corp president Patrick Talty would say only that construction costs were “in the millions”: Braden Keith, “USA Swimming Says Olympic Swimming Trials Boasted Net Profit of ‘Over \$5 Million,’” SwimSwam, September 28, 2024, <https://swimswam.com/usa-swimming-says-olympic-swimming-trials-boasted-net-profit-of-over-5-million/>. <https://frontofficesports.com/how-an-nfl-stadium-turned-into-a-record-setting-swimming-venue/>. As of this writing, Indiana Sports Corp has not yet submitted expense figures for 2024. <https://projects.propublica.org/nonprofits/organizations/310975117>.

⁸⁵ “Fiscal Impact Findings—Hosting Beach Volleyball for the 2028 Olympic Games,” HR&A Advisors, Inc. (memorandum), October 1, 2024, <https://santamoniacityca.igm2.com/Citizens/FileOpen.aspx?Type=4&ID=17146>. Long Beach has chosen not to conduct its own independent economic impact report, instead planning to rely on a report from LA28, which as of this writing has not yet been released: Brandon Richardson, “What will the financial impact of the Olympics be in Long Beach? Officials don’t know,” Long Beach Watchdog, July 15, 2025, <https://lbwatchdog.com/what-will-the-financial-impact-of-the-olympics-be-in-long-beach-officials-dont-know/>.

Crypto.com Arena, aka Staples Center	Artistic gymnastics, boxing, trampoline gymnastics, Paralympic wheelchair basketball	Los Angeles		
Carson Courts	Tennis, Paralympic wheelchair tennis	Carson	Part existing, part “temporary builds.”	Unknown.
Carson Field, aka L.A. Galaxy training ground	Field hockey, Paralympic archery	Carson	To be “transformed” into a temporary venue.	Unknown.
Carson Stadium, aka Dignity Health Sports Park	Archery, rugby sevens	Carson		Unknown.
Carson velodrome	Cycling, para cycling	Carson		Unknown.
Comcast squash center	Squash	Universal City	“Temporary, purpose-built” facility.	Unknown.
Dodger Stadium	Baseball	Los Angeles	Existing facility.	Unknown.
Exposition Park Stadium, aka BMO Stadium	Flag football, lacrosse	Los Angeles	Existing facility.	Unknown.
Fairgrounds Cricket Stadium	Cricket	Pomona	“A top-tier structure purpose-built.”	Unknown.
Galen Center	Badminton, para badminton, rhythmic gymnastics, wheelchair rugby	Los Angeles	Existing facility.	\$8m (est.) in the original 2024 bid book issued in 2015. ⁸⁶

⁸⁶ LA24 bid book, 2014, <https://libraryarchives.metro.net/dpgtl/olympics/2024/2015-2024-olympic-bid-book.pdf>.

LA Convention Center Hall	Table tennis, fencing, taekwondo, boxing		Upgrades to existing facility.	Set to receive a \$2.62 billion upgrade, ⁸⁷ resulting in more than \$100m a year in debt service for the city of L.A. ⁸⁸ Only a small portion of this will be in use for the Olympics, which will require a pause in construction that city councilmember Katy Yaroslavsky estimated will cost the city an additional \$30 million.” ⁸⁹
LA Memorial Coliseum	Track and field	Los Angeles		\$100m (est.) to install a new field over the original one, which is currently too small for an Olympic-sized track. ⁹⁰
Peacock Theater	Boxing, goalball, weightlifting	Los Angeles	Existing facility.	Unknown.
Port of Los Angeles	Sailing	Los Angeles	Existing facility.	Unknown.
Riviera Country Club	Golf	Los Angeles	Existing facility.	Unknown.
Sepulveda Basin Recreation Area	BMX, skateboarding, pentathlon, 3x3 basketball,	Los Angeles	Four temporary open-air venues.	The Sepulveda Basin is in the midst of a proposed \$4.8 billion reconstruction plan. ⁹¹ It is unknown how much of this cost would be devoted to Olympic-related facilities.
Venice Beach	Triathlon, track and field, cycling	Los Angeles	Existing facility.	Unknown.
Honda Center	Volleyball	Anaheim	Existing facility.	Unknown.

⁸⁷ David Zahniser, “The cost of expanding L.A.’s Convention Center keeps growing. Can the city afford it?” *Los Angeles Times*, September 3, 2025, <https://www.latimes.com/california/story/2025-09-03/convention-center-costs-keep-going-up>.

⁸⁸ Alissa Walker, “Why this convention center expert is calling LA’s expansion plan a disaster,” *Torched*, September 29, 2025, <https://www.torched.la/why-this-convention-center-expert-is-calling-las-expansion-plan-a-disaster/>.

⁸⁹ Libby Rainey, “The Olympics are a multi-billion dollar business. Here’s what that means for LA taxpayers,” *LAist*, November 6, 2025, <https://laist.com/news/los-angeles-hosting-2028-olympics-money-financial-taxpayers>.

⁹⁰ David Wharton, “LA28 plans ambitious Coliseum makeover, building a track on top of the existing field,” *Los Angeles Times*, June 27, 2024, <https://www.latimes.com/sports/olympics/story/2024-06-27/coliseum-olympics-makeover>.

⁹¹ Steven Sharp, “Here’s a look at the Sepulveda Basin Vision Plan,” *Urbanize*, October 31, 2023, <https://la.urbanize.city/post/heres-look-sepulveda-basin-vision-plan>.

Industry Hills MTB Course	Mountain biking	City of Industry	Existing facility.	Unknown.
Inglewood Dome, aka Intuit Dome	Basketball	Inglewood	Existing facility.	Unknown.
Long Beach Aquatics Center	Artistic swimming, para swimming, water polo	Long Beach	“Temporary open-air stadium.”	Long Beach announced in 2023 that it would be spending \$210 million in city money on Olympics-focused projects including “improvements to the city’s pier for spectators and the Queen Mary for accommodations, replacing a bridge over the Los Angeles River and designing a new municipal pool,” along with \$723 million in additional spending on “infrastructure and public safety improvements.” ⁹² Per the city’s agreement with LA28, the only rent it will receive will be compensation for any lost revenue Long Beach would have received from the sites in the absence of the Olympics, plus \$1,000 per site per day. ⁹³
Long Beach Arena	Handball, sitting volleyball	Long Beach	Existing facility.	
Long Beach Climbing Theater	Para climbing, sport climbing	Long Beach	“Temporary open-air venue.”	
Long Beach Target Shooting Hall	Shooting	Long Beach	Existing facility.	
Marine Stadium	Canoeing, rowing	Long Beach	Existing facility.	
Belmont Shore	Coastal rowing, open water swimming, sailing	Long Beach	Existing facility.	
OKC Softball Park	Softball	Oklahoma City	Existing facility.	Unknown.
OKC Whitewater Center	Canoe slalom	Oklahoma City	Existing facility.	\$3.6m, as of 2021. ⁹⁴

⁹² Thomas Curwen, “Long Beach plans to host eight Olympic events, will spend \$933 million on infrastructure,” *Los Angeles Times*, October 20, 2024, <https://www.latimes.com/california/story/2024-10-20/long-beach-plans-to-host-eight-olympic-events-will-spend-933-million-on-infrastructure>.

⁹³ Games Agreement Between Los Angeles Organizing Committee for the Olympic and Paralympic Games 2028 and The City of Long Beach, <https://longbeach.primegov.com/Portal/viewer?id=0&type=7&uid=1ddd2199-3938-4218-beae-5d99df574685>.

⁹⁴ Bella Roddy and Matt McCabe, “OKC Proposes \$3.6 Million Transfer For Riversport Improvements Ahead of 2028 Olympics,” *News 9*, July 10, 2024, <https://www.news9.com/story/668efe0d0618c13967c85706/okc-proposes-36-million-transfer-for-riversport-improvements-ahead-of-2028-olympics>.

Rose Bowl	Soccer	Pasadena	Existing facility.	\$80m, covered by “privately-raised funds cultivated by the Rose Bowl Legacy Foundation, the Operating Company’s supporting nonprofit, along with contributions from the stadium’s partners and vendors” ⁹⁵
Rose Bowl Aquatics Center	Diving	Pasadena	Existing facility.	Unknown.
Santa Anita Park	Equestrian	Arcadia	Existing facility.	Unknown.
Trestles State Beach	Surfing	San Clemente	Existing facility.	Unknown.
Whittier Narrows	Shooting	South El Monte	Existing facility.	Unknown.

Los Angeles and other Southern California cities have also embarked on at least \$20 billion in major traffic and transit upgrades in anticipation of the Olympics:

- Carson is moving ahead with construction of a \$3.25 million bus hub in time for the Olympics—something city officials claim was planned regardless and will benefit residents after the Games, but which was moved to the head of the city’s agenda by the looming Olympic deadline.⁹⁶
- After the Inglewood Transit Connector, a planned light rail line, ballooned in cost from \$1 billion to more than \$2 billion by early 2024, it was canceled and replaced by a proposed bus rapid transit line. Total cost and funding options for the new plan remain undetermined.
- The D Line Subway Extension between downtown and the westside is expected to cost \$8.2 billion.⁹⁷ Though this was planned and budgeted prior to L.A. being granted the 2028 Olympics, delays to the project raise the possibility that rush charges may have to be incurred to have the extension ready for 2028.⁹⁸

⁹⁵ Teresa Liu, “Rose Bowl Stadium unveils \$80 million revitalization effort ahead of 2028 Olympics,” *Pasadena Star News*, December 2, 2024, <https://www.pasadenastarnews.com/2024/12/02/rose-bowl-stadium-unveils-major-upgrades-ahead-of-2028-olympics/>.

⁹⁶ Madeline Armstrong, “Carson OKs development of major transit center ahead of 2028 Olympics,” *Daily Breeze*, September 4, 2025, <https://www.dailybreeze.com/2025/09/04/carson-oks-development-of-major-transit-center-ahead-of-2028-olympics/>.

⁹⁷ “Next Stop: New Subway,” L.A. Metro, Spring 2018, https://media.metro.net/projects_studies/westside/images/factsheet_ple_2018.pdf.

⁹⁸ Travis Schlepp, “Los Angeles subway extension delayed to next year,” KTLA, October 16, 2025, <https://ktla.com/news/travel/los-angeles-subway-extension-delayed-to-next-year/>.

- The city-owned Los Angeles International Airport is receiving \$14 billion in upgrades, including an automated people mover, new rental car facility,⁹⁹ and \$1.5 billion in new roads,¹⁰⁰ much of it justified as being needed for the Olympics. Only a small portion of this has been covered by federal grants. (See Section 3f.)
- Hawthorne has already agreed to sell its municipal airport to the air taxi firm Archer Aviation for \$126 million to use for Olympic operations. If municipal governments feel pressured to provide public assets for Olympic uses, there is the risk that they could end up getting less than full market value and thus shortchange taxpayers.¹⁰¹

Once the Olympics are underway, there will also be additional operational costs, many of which are not spelled out in LA28's budget. KPMG's 2016 audit of LA's initial 2024 Olympic bid noted that it excluded four areas of operational costs: security, city vision and impact on municipal services, timing of other city infrastructure projects, and ongoing oversight.¹⁰² City staff time is one particularly large unknown: In addition to the city major events officials assigned to work on Olympic preparation, multiple city staffers have been meeting to discuss Olympic planning several times a week since as early as 2021, an untallied off-budget cost that can only be expected to increase as the Games grow nearer.¹⁰³ (City Hall officials and the city controller's office declined to answer questions about how much staff time is being dedicated to Olympics prep work.)

Security costs remain unknown

Security is another major Olympic cost, with total estimates for a 2024 L.A. Olympics initially projected at \$2 billion; that figure has never been updated.¹⁰⁴ (By comparison, London spent \$1.6 billion on security in 2012, for an event 16 years earlier in a nation with less than 5% of the gun ownership rate as the U.S.¹⁰⁵) While the plan has been to cover these costs with federal funds (see Section 3f), only \$1 billion in federal security funding has been guaranteed to date. Critics have also warned that potential new hires

⁹⁹ Kurtis Lee, "Los Angeles, Next Up for Summer Olympics, Hopes to Turn a Profit," *The New York Times*, August 12, 2024, <https://www.nytimes.com/2024/08/12/business/economy/olympics-los-angeles-2028-economy.html>.

¹⁰⁰ Gavin J. Quinton, "LAX approved \$1.5 billion to relieve traffic. Opponents say it won't work," *Los Angeles Times*, November 15, 2025, <https://www.latimes.com/california/story/2025-11-15/lax-spent-1-9b-to-relieve-traffic-opponents-say-it-wont-work>.

¹⁰¹ Howard Hardee, "Archer purchases Hawthorne airport in Los Angeles as hub for planned 2028 Olympics operations," *FlightGlobal*, November 6, 2025, <https://www.flightglobal.com/airframers/archer-purchases-los-angeles-area-airport-for-planned-2028-olympics-air-taxi-operations/165203.article>.

¹⁰² Liam Morgan, "KPMG report claims Los Angeles 2024 budget "substantially reasonable" as calls come for Bid Committee to deliver on estimations," *Inside the Games*, December 3, 2016, <https://www.insidethegames.biz/articles/1044367/kpmg-report-claims-los-angeles-2024-budget-substantially-reasonable-as-calls-come-for-bid-committee-to-deliver-on-estimations>.

¹⁰³ "The Public Resources Subsidizing the LA 2028 Olympics, an Event Designed for Private Profit," *Olympics Watch*.

¹⁰⁴ Richard Winton, "A security evolution since '84; Protection of Games seen as a unique challenge for LAPD," *Los Angeles Times*, August 13, 2017. "Security Costs to Protect 2028 Olympic Games Could Surpass \$2B," *Security Sales Integration*, August 16, 2017, <https://www.securitysales.com/news/security-protect-2028-olympic-games-2b/60433/>.

¹⁰⁵ Yaroslavsky, Katz, and Parker, "Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024."

by LAPD and the L.A. Sheriff's Department could add additional costs that would not be covered by the federal government.¹⁰⁶

Local police are expected to be used for security during the Olympics, and while LA28 is required to reimburse the city government for services above and beyond what's normally permitted, if LA28 ends up with a large deficit as a result, the eventual cost would land back on the city budget.¹⁰⁷ Already the LAPD has asked for \$96 million in city spending on vehicles (including an armored SUV), computers, and body cameras in advance of the 2028 Olympics, at a time when the police department is already taking up a larger share of the city budget amid cuts to other departments.¹⁰⁸ It is also likely that we won't know until closer to the 2028 Games, or indeed after them, what the city's final operational costs will be. L.A.'s contract with LA28 specifies that the city must provide basic services for a typical L.A. summer day, with LA28 covering anything above that number—once again potentially a meaningless distinction, if the city needs to end up bailing out the Olympic committee's losses.¹⁰⁹ And subsequent projections have been slow to come, in some cases by design: An Enhanced City Resources Master Agreement to spell out city operational costs was supposed to be in place by October 1, 2025, but as of this writing was still nowhere to be seen.¹¹⁰ The city and LA28, meanwhile, have merely agreed to engage in "good faith discussions" by July 21, 2028—the day after the closing ceremonies—to determine if more "ongoing support" will be needed beyond the end of that August.¹¹¹

Off-the-books Olympic costs also include the costs of forgoing other uses for Olympic land or venues. When Santa Monica withdrew from hosting beach volleyball in April 2025, it did so after a study concluded that the city would come out \$12.1 million ahead if it catered to tourists without taking on the expense of building a temporary venue or shuttering the city's pier.¹¹² Similar opportunity costs could apply to other Olympic venues, but corresponding impact studies have not been conducted.

LA28's detail-free budgets

Projecting Olympic budgets has not been helped by the LA28's reluctance to provide itemized breakdowns of what it plans to spend on the Games and bring in from them, let alone sources or methodologies for these projections.

¹⁰⁶ "The Public Resources Subsidizing the LA 2028 Olympics, an Event Designed for Private Profit," Olympics Watch.

¹⁰⁷ Dakota Smith, "City of L.A. starts negotiations with committee overseeing 2028 Olympics over use of LAPD cops during Games," *Los Angeles Times*, August 4, 2025, <https://www.police1.com/lapd/city-of-l-a-starts-negotiations-with-committee-overseeing-2028-olympics-over-use-of-lapd-cops-during-games>.

¹⁰⁸ Libby Rainey, "LAPD wants nearly \$100M to police the Olympics. Who's going to pay for it?" LAist, January 20, 2026, <https://laist.com/news/lapd-wants-nearly-100m-to-police-the-olympics-whos-going-to-pay-for-it>.

¹⁰⁹ Walker, "The art of the deal."

¹¹⁰ "Non-Venue Services Agreement Between the City of Los Angeles and the Los Angeles Organizing Committee for the Olympics and Paralympic Games 2028," January 24, 2024, https://cityclerk.lacity.org/online/docs/2015/15-0989-s24_rpt_cao_1-24-24.pdf.

¹¹¹ "Non-Venue Services Agreement Between the City of Los Angeles and the Los Angeles Organizing Committee for the Olympics and Paralympic Games 2028."

¹¹² "City Council Study Session Fact Sheet," City of Santa Monica, October 8, 2024, https://www.santamonica.gov/media/CMO/10824_LA28_StudySession_Fact%20Sheet%20Oct.2.pdf.

The timeline agreed to in 2017 by L.A. officials was always going to pose a challenge in terms of fiscal reporting, as many important agreements were not scheduled to be finalized until very late in the process. Even so, LA28 has done a poor job of transparency with its budgets: As late as its 2024 annual report (issued in 2025), the committee still issued only general overall line item cost and revenue projections with no breakdown by project, and no further details of how the projections were made.¹¹³ Moreover, LA28's cost and revenue numbers each added up to identical figures, a suspiciously convenient finding that allowed LA28 to declare that the Games would result in "no fiscal impact." (LA28 has not responded to questions about its internal budgets.)

LA28 Budget

REVENUE	\$M USD (Real \$)
1. International Olympic Committee Contribution	948.0
2. IOC TOP Sponsorship Program	437.0
3. Domestic Sponsorship	2,517.3
4. Ticket Sales & Hospitality	2,497.8
5. Licensing & Merchandising	344.0
6. Other Revenues	405.3
Total Revenues	7,149.4

EXPENSES	\$M USD (Real \$)
1. Venue Infrastructure	1,428.1
2. Sport, Games Services & Operations	1,329.0
3. Technology	829.8
4. People Management	1,020.7
5. Ceremonies	252.1
6. Communications, Marketing & Look	355.5
7. Corporate Administration & Legacy	564.7
8. Other Expenses	756.0
9. Contingency	613.5
Total Expenses	7,149.4

*The L.A. Olympic Committee's budgets have been light on detail as to how they project the Games to break even.*¹¹⁴

In addition, public costs such as security, transit, and other operational costs that will be undertaken as a result of hosting the Olympics are excluded from the official Olympic budget. (See Section 3e.) Some of these are at least partly known; others, given past Olympic host city experience, likely won't become clear until closer to the Games, or even afterwards.

¹¹³ "LA28 Annual Report for 2024."

¹¹⁴ "LA28 Annual Report for 2024."

In response to concerns about Olympic budgeting, city administrative officer Matthew Szabo and chief legislative analyst Sharon Tso recommended to councilmembers in November 2024 that the city should order LA28 to “conduct an independent economic impact study to “highlight the anticipated impacts of the 2028 Olympic and Paralympic Games.”¹¹⁵ There has been no indication that the city responded to this request.

In the meantime, the margin for error in costs remains huge. Cost overruns, as we have seen, are a near certainty when it comes to the Olympics. If LA28 ends up with even the 115% in cost overruns that Paris saw in 2024—which was a significant improvement from other recent host cities—that would add more than \$7.5 billion in costs. ***Unless sponsorship and ticket revenues soared by an equivalent amount, after exhausting LA28’s \$610 million contingency fund and the state of California’s \$270 million contribution, this could leave L.A. alone with as much as \$6.6 billion in debt in the wake of the 2028 Olympics.*** Even if the 2028 Games’ emphasis on temporary and upgraded facilities manages to reduce cost overruns in L.A.’s case, past experience of other Olympic cities makes it reasonable to expect that lowballing of cost estimates and rush charges to ready traffic, transit, and other infrastructure in time for the opening ceremonies could lead to several billion dollars in expenses that would fall on L.A. taxpayers.

f. How will L.A. cover any shortfall in funding from LA28 and other sources?

Many Olympics have attempted to retroactively balance their books by covering costs with money from state and federal governments. A 1993 audit of Calgary’s finances following the 1988 Winter Games found either a \$38 million operating profit or a \$14 million loss, depending on how public costs were assigned; both estimates, however, excluded the \$461 million cost of building the Olympic Village and venues, which was covered in part by the provincial and federal governments.¹¹⁶ The 1980 Winter Olympics in Lake Placid had cost overruns of 321%, which were eventually covered by a bailouts of \$179 million (50% of the total cost) from the federal government and \$63 million (17% of the total) from the state of New York—allowing the Lake Placid organizing committee to claim that it hadn’t lost money.¹¹⁷ The 1996 Games in Atlanta had a 147% cost overrun, but the Atlanta organizing committee reported a \$10 million surplus after \$823 million in taxpayer spending, \$609 million of it federal.¹¹⁸ Even the Sochi 2012 Winter Olympics—the most expensive Games in history, with an initial bid of \$12 billion and a final cost of \$51 to \$67 billion—declared itself to be in the black, by looking only at its operating budget while ignoring such capital expenses as an \$8.6 billion road that became known as the “caviar highway,”¹¹⁹ as

¹¹⁵ Matthew W. Szabo and Sharon M. Tso, letter to the L.A. city council, November 18, 2024, https://web.archive.org/web/20241119092029/https://clkrep.lacity.org/online/docs/2015/15-0989-s44_rpt_cao_1-17-24.pdf.

¹¹⁶ Lenskyj, *Inside the Olympic Industry*, 117.

¹¹⁷ Chris Dempsey and Andrew Zimbalist, *No Boston Olympics: How and Why Smart Cities Are Passing on the Torch* (Chicago: University of Chicago Press, 2017), 148.

¹¹⁸ Dempsey and Zimbalist, *No Boston Olympics*, 148.

¹¹⁹ Owen Gibson, “Sochi 2014: the costliest Olympics yet but where has all the money gone?” *The Guardian*, October 9, 2013, <https://www.theguardian.com/sport/blog/2013/oct/09/sochi-2014-olympics-money-corruption>.

well as overlooking a large transfer of money from Russia's federal treasury to the books of the Sochi organizing committee.¹²⁰

Federal funding remains uncertain

L.A. is currently set to receive at least \$1 billion in federal money for "security," though details of what it will cover have not been released. This funding was locked in once the federal government declared LA2028 a National Special Security Event and subsequently allocated \$1 billion in dedicated security grants as part of the 2025 budget reconciliation bill.¹²¹

The eventual security costs of the Games, however, could end up considerably higher. As early as 2017, Los Angeles officials projected that the total security bill in 2028 would top \$2 billion¹²²; with the likelihood of increased political tensions in the final year of President Trump's second term, that number is only likely to rise. The HCC spells out that the host city and Olympic committees are to provide "all necessary measures in order to guarantee the safe and peaceful celebration of the Games."¹²³

Similar uncertainties surround federal funding for transit needs. In April 2025, L.A. Metro forwarded a request for \$3.2 billion in federal money in the 2026 federal budget, \$2.3 billion of which was to defray its costs for "mobility initiatives" tied to the Games.¹²⁴ (The agency previously received more than \$1 billion in federal funding as part of prior budgets: a \$200 million federal grant to lease buses during the Olympics,¹²⁵ \$709.9 million toward the East San Fernando Valley Light Rail Transit Project and D Line subway extension, and \$160 million for street and transit infrastructure and traffic safety.¹²⁶) None of this was approved in the Trump administration's final budget¹²⁷; L.A. Metro now must decide how much of its

¹²⁰ Dempsey and Zimbalist, *No Boston Olympics*, 148.

¹²¹ Walker, "The art of the deal."

¹²² "Security Costs to Protect 2028 Olympic Games Could Surpass \$2B."

¹²³ Email with Andrew Zimbalist, October 30, 2025.

¹²⁴ Raffi Haig Hamparian, "May 2025 Federal and State Legislative Report," April 15, 2025, <https://metro.legistar.com/LegislationDetail.aspx?ID=7396030&GUID=52E4A307-ED03-422A-84CD-D3488118526E&G=A5FAA737-A54D-4A6C-B1E8-FF70F765FA94&Options=&Search=&FullText=1>.

¹²⁵ "\$200 million federal grant in the works to use public buses at 2028 Olympics," City News Service, July 26, 2024, <https://www.dailynews.com/2024/07/26/200-million-federal-grant-in-the-works-to-use-public-buses-at-2028-olympics/>.

¹²⁶ "Major Support Secured: Los Angeles Region To Receive Nearly \$900 Million in Funding to Strengthen Critical Infrastructure and Metro Transportation System Ahead of the 2028 Olympic and Paralympic Games," Mayor Karen Bass's office, March 12, 2024, <https://mayor.lacity.gov/news/major-support-secured-los-angeles-region-receive-nearly-900-million-funding-strengthen>.

¹²⁷ Rich Perelman, "LOS ANGELES 2028: L.A. Metro request for \$3.2 billion in Federal transportation funding help comes up empty in FY26 budget proposal," *The Sports Examiner*, June 12, 2025, <https://www.thesportsexaminer.com/los-angeles-2028-l-a-metro-request-for-3-2-billion-in-federal-transportation-funding-help-comes-up-empty-in-fy26-budget-proposal/>.

planned \$2 billion expense for leasing buses and hiring drivers to follow through with if its funding request isn't met, and how any remaining expense will be paid for.¹²⁸

As of this report, it also remains unclear how much in revenues LA28 can expect to receive to cover its costs, as the organizing committee has not provided details beyond \$1.335 billion expected from the IOC in shared TV rights and sponsorship fees, while also reporting that as of the end of 2025 it had contracted for more than 75% of its total \$2.5 billion sponsorship goal.¹²⁹ There is reason to be suspicious of LA28's revenue projections, even beyond the fact that prior local Olympic committees have inflated such figures: KPMG's 2016 audit of LA28's preliminary budget for 2024 said that while its figures were "substantially reasonable," it warned that "the process for estimating revenue deviated from the guiding principle of using a conservative approach."¹³⁰ In particular, it warned that assuming that 97% of all available tickets would be sold "does not follow a conservative approach" given past Olympic experience, in which less popular sports and events held on weekdays have seen lower sales figures.¹³¹

(It's worth noting that even a proposed 6% ticket tax on Olympic events, currently under consideration by the L.A. council, would only generate \$100 million if it were enacted in time for ticket sales to begin, a drop in the bucket compared to the scale of potential Olympic budget shortfalls.)¹³²

Since then, L.A. has obtained the right to sell temporary corporate naming rights to venues during the Games, but again, no firm dollar figures are available. The Associated Press estimated "multiple millions of dollars" without further specifics, and as several venues already had naming rights deals in place—Anaheim's Honda Center, which will host volleyball, and the Comcast Squash Center at Universal Studios—and the largest venues (the L.A. Coliseum, Rose Bowl, and Dodger Stadium) are excluded from the deal, which will only be in place for the duration of a limited-time sporting event, it's unknown how much naming rights sponsorship proceeds could amount to.¹³³ When Intuit agreed to a deal to keep its name on the Clippers' arena during the Olympics, no terms were disclosed other than free tax preparation for athletes and an expanded financial education program in L.A.¹³⁴

¹²⁸ Kavish Harjaj, "Will Metro get \$3.2B in federal funds for Olympics? Hahn says it's not clear, but LA will be ready," LAist, August 25, 2025, <https://laist.com/news/transportation/hahn-metro-la-chair-olympics>.

¹²⁹ Thuc Nhi Nguyen, "LA28 closes 2025 on track to meet revenue goals for 2028 Olympics," *Los Angeles Times*, December 22, 2025, <https://www.latimes.com/sports/olympics/story/2025-12-22/la28-closes-2025-on-track-to-meet-revenue-goals-for-2028-olympics>.

¹³⁰ Liam Morgan, "KPMG report claims Los Angeles 2024 budget 'substantially reasonable' as calls come for Bid Committee to deliver on estimations," *Inside the Games*, December 3, 2016, <https://www.insidethegames.biz/articles/1044367/kpmg-report-claims-los-angeles-2024-budget-substantially-reasonable-as-calls-come-for-bid-committee-to-deliver-on-estimations>.

¹³¹ "LA24 Independent Budget Assessment Report," KPMG, December 2016, <https://media.insidethegames.biz/media/file/50924/KPMG%20Independent%20Budget%20Assessment%20Report%20for%20Los%20Angeles%202024.pdf>.

¹³² Alissa Walker, "Tickets, please?" *Torched*, January 15, 2026, <https://www.torched.la/tickets-please/?ref=torched-newsletter>.

¹³³ "L.A. Olympics to sell naming rights to handful of venues," Associated Press, August 14, 2025, https://www.espn.com/olympics/story/_/id/45973724/la-olympics-sell-naming-rights-handful-venues.

¹³⁴ Rebecca Stewart, "Intuit Named LA28 Founding Partner, Scores Historic Dome Naming Rights," November 21, 2025,

Dodgy numbers have led other potential Olympic host cities to back out

Unreasonable revenue projections are what ended up torpedoing Boston's bid for the 2024 Summer Games, a move that eventually led to L.A.'s selection to host in 2028. (See Section 5a.) When Boston's Olympic committee finally released its bid documents—eight months after they had been delivered to the IOC—they revealed a projected deficit of \$471 million, almost 20 percent of Boston's annual budget; these losses had been omitted from earlier public documents by assuming that the deficits would be balanced out by hundreds of millions of dollars in "Other Revenue."¹³⁵

Finally, a word about insurance. Though the Games Agreement between L.A. and LA28 requires an insurance policy that "shall be comprehensive, both in its coverage and scale," this only refers to such unexpected events as natural disasters or terrorism that may lead to the games' cancellation—not to expected ones like cost overruns.¹³⁶ Chris Dempsey, who has both studied Olympic costs and advocated against them as the head of No Boston Olympics, stated it plainly: "Cost overrun insurance for an Olympics does not exist, it is not a sellable insurance product."¹³⁷

In all, off-the-books costs for the Olympics could end up including:

- Security costs, which could increase thanks to the volatile political climate and which are not guaranteed to be covered by the federal government
- Transit infrastructure to support the Olympics, much of which is still in development even as the Games would rely on them to move both athletes and attendees around the region
- City staffing, a cost that does not appear to be tracked by L.A.'s government

Including these off-the-books costs it is clear that nearly \$12 billion—and perhaps much more than that—will have to be spent on putting on the 2028 Summer Olympics. The final total, however, as well as how much of that will end up falling on the city of LA, remains unknowable even two and a half years ahead of the Olympics, and it may not be possible to determine a realistic budget until the Games are over.

4. What would the cancellation of the 2028 Los Angeles Olympics entail?

No Olympics has ever been canceled or relocated this close to the opening ceremonies, which are slated to take place in L.A. on July 14, 2028. While there are some historic precedents, none are exact analogues for the situation L.A. would find itself in if it were to attempt to withdraw from hosting in 2028.

<https://www.adweek.com/brand-marketing/intuit-named-la28-founding-partner-scores-historic-dome-naming-rights/>. Eddie Pells, "LA Olympics will keep 'Intuit' on Clippers arena as part of venue-naming deal," Associated Press, <https://abcnews.go.com/Sports/wireStory/la-olympics-intuit-clippers-arena-part-groundbreaking-venue-127750870>.

¹³⁵ Dempsey and Zimbalist, *No Boston Olympics*, 137.

¹³⁶ Games Agreement.

¹³⁷ Alissa Walker, "How Boston brought the Olympics to LA," *Torched*, August 9, 2024, <https://www.torched.la/how-boston-brought-the-olympics-to-la/>.

Under the HCC, only the IOC has the power to terminate a city's contract to host an Olympics. (See Section 4d.) The two most direct precedents for cities to cancel hosting of a major international sporting competition are Denver's withdrawal as 1976 Winter Olympics host and Victoria, Australia's withdrawal as host of the 2026 Commonwealth Games, each of which is discussed in detail below.



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a. Denver 1976: The Olympics That Wasn't

Shortly before voters in the state of Colorado went to the polls in November 1972 to decide on a pivotal referendum about Denver's bid to host the 1976 Winter Olympics, *Life* magazine put the stakes in perspective: "Never in all the history of the Olympics has a city bid and won the right to stage the Games—and then changed its mind."¹³⁹

Olympic plans had been changed before, but always at the behest of the International Olympic Committee itself. Only five Olympics have been completely canceled, all due to World Wars I and II.¹⁴⁰

The idea of hosting the 1976 Winter Games in Colorado was first broached by Gov. John Love in a 1963 speech; by the next year, Denver officially announced its intent to bid.¹⁴¹ In May 1970, Denver beat out

¹³⁸ Editorial cartoon from <https://realdougwilson.com/writing/denver-76-part-one-the-story>.

¹³⁹ Bill Bruns, "Will Colorado scrap its own 1976 Olympics?" *Life*, November 1972, <https://ia601000.us.archive.org/20/items/denver-1976-olympics-life-magazine-article-nov1972/Life%20Magazine%20Nov1972-600.jpg>.

¹⁴⁰ Kat Long, "6 Times the Olympics Have Been Postponed or Canceled," *Mental Floss*, July 3, 2024, <https://www.mentalfloss.com/article/621139/olympics-postponed-or-canceled>.

¹⁴¹ Doug Wilson, "Denver 76—Part One: The Story," August 30, 2021, <https://realdougwilson.com/writing/denver-76-part-one-the-story>.

Sion, Switzerland, Tampere, Finland, and Vancouver, Canada, to become the official 1976 Winter Olympics host selection.¹⁴²

Almost as soon as Denver's bid had been approved, problems started to emerge. The Olympic Village was supposed to be hosted at the University of Denver—during the school year, as these would be winter Olympics—but no one had even opened talks with the university on such a plan.¹⁴³ The Denver Olympic Organizing Committee had also promised hotels for 100,000 visitors, but Denver only had enough rooms for 35,000.¹⁴⁴

The town of Evergreen, west of Denver in the Rockies, had been proposed as the location for Nordic skiing events, but turned out to have no sport facilities or ski runs at all—and didn't get enough snow in the winter to support skiing. Olympic organizers said they would manufacture artificial snow, adding to the proposed cost of the Games.¹⁴⁵ As Evergreen residents, concerned by the needed construction as well as a cross-country ski course that would run through private backyards,¹⁴⁶ began organizing against the plans, Olympic officials moved the Nordic events to Steamboat Springs, a 156-mile drive from Denver.¹⁴⁷

Meanwhile, downhill skiing was proposed for Mt. Sniktau, which was on the less snowy eastern side of the Continental Divide¹⁴⁸; Denver's bid book addressed this by purportedly airbrushing snow over the bald spots in a photo of the proposed downhill ski course on the mountain.¹⁴⁹ Denver's Olympic committee eventually moved alpine skiing to Avon, near Vail, 100 miles from Denver.¹⁵⁰

Denver's ballooning cost projections

Denver Olympic officials had claimed they could stage the Games for only \$14 million, with 80% of the facilities already in place, and Gov. Love said only \$5 million of that would come from state taxpayers.¹⁵¹ By November 1972, the estimate was at \$35 million,¹⁵² though one state legislator estimated costs would eventually reach \$63.3 million.¹⁵³ Meanwhile, it became apparent that the Denver organizing committee had anticipated \$9 million in TV revenue without accounting for the requirement to help cover NBC's

¹⁴² Wilson, "Denver 76—Part One: The Story."

¹⁴³ Jeremy Fuchs, "'Colorado Would Be Laughing Stock of the World': Remembering Denver's Disastrous 1976 Olympic Bid," *Sports Illustrated*, February 6, 2018, <https://www.si.com/olympics/2018/02/06/winter-games-denver-olympics-bids-1976>.

¹⁴⁴ Fuchs, "'Colorado Would Be Laughing Stock of the World'."

¹⁴⁵ Wilson, "Denver 76—Part One: The Story."

¹⁴⁶ Fuchs, "'Colorado Would Be Laughing Stock of the World'."

¹⁴⁷ Bruns, "Will Colorado scrap its own 1976 Olympics?"

¹⁴⁸ Wilson, "Denver 76—Part One: The Story."

¹⁴⁹ There's some dispute in the record as to whether this airbrushing was confirmed or merely "rumored." Bruns, "Will Colorado scrap its own 1976 Olympics?"

¹⁵⁰ Bruns, "Will Colorado scrap its own 1976 Olympics?"

¹⁵¹ Fuchs, "'Colorado Would Be Laughing Stock of the World'."

¹⁵² Bruns, "Will Colorado scrap its own 1976 Olympics?"

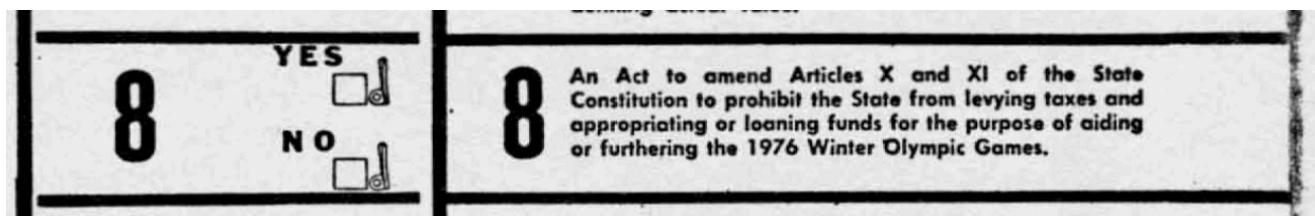
¹⁵³ Fuchs, "'Colorado Would Be Laughing Stock of the World'."

costs of coverage.¹⁵⁴ As costs piled up, there was talk of relocating the bobsled events to an existing track in Lake Placid, New York.¹⁵⁵

As Colorado lieutenant governor John Vanderhoof remarked following the revelation of the cost overruns: “[The organizing committee members] were pressed for time, so they lied a bit.”¹⁵⁶

A revised plan was approved by the IOC in February 1972, during the Winter Olympics in Sapporo, Japan.¹⁵⁷ But in the interim, a group launched out of the University of Colorado called Citizens for Colorado’s Future had begun gathering signatures for a November 1972 ballot referendum to shut off public money for the Olympics. “People are starting to realize that ‘big’ and ‘good’ are not necessarily the same thing,” declared Colorado state rep. Dick Lamm, a founder of CCF and future three-term Colorado governor.

Though opponents of the Olympics were outspent by a 7.3 to 1 margin,¹⁵⁸ Colorado voters rejected a \$5 million Olympic bond issue on November 7, 1972, by a margin of 537,440 to 358,906.”¹⁵⁹ Because the U.S. Senate had declared that it would withhold federal funding if Denver residents voted to block state funding, passage of the referendum effectively put an end to the city’s Olympic plans. Three months later, the IOC granted the 1976 Winter Games to Innsbruck.¹⁶⁰



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b. Victoria 2026: Backing out of the Commonwealth Games

Though no selected Olympics host has withdrawn its bid since Denver, other sports megaevent hosts have backed out of hosting duties in more recent decades. In particular, the state of Victoria in Australia was chosen to host the 2026 Commonwealth Games—a mini-Olympics for nations formerly part of the British Empire—but pulled out in 2023 amid soaring cost projections.

¹⁵⁴ Fuchs, ““Colorado Would Be Laughing Stock of the World’.”

¹⁵⁵ Fuchs, ““Colorado Would Be Laughing Stock of the World’.”

¹⁵⁶ Jerry Kirschenbaum, “Voting to Snuff the Torch,” *Sports Illustrated*, November 20, 1972, <https://vault.si.com/vault/1972/11/20/voting-to-snuff-the-torch>.

¹⁵⁷ Wilson, “Denver 76—Part One: The Story.”

¹⁵⁸ Dempsey and Zimbalist, *No Boston Olympics*, 8.

¹⁵⁹ Fuchs, ““Colorado Would Be Laughing Stock of the World’.”

¹⁶⁰ Fuchs, ““Colorado Would Be Laughing Stock of the World’.”

¹⁶¹ Wilson, “Denver 76—Part One: The Story.”

The 2026 Commonwealth Games were originally set for Birmingham, England, but that city was instead chosen to host the 2022 games¹⁶² after Durban, South Africa, lost hosting rights following what Australian government auditors later called “missed deadlines and financial issues.”¹⁶³ Though many other cities—Kuala Lumpur, Cardiff, Calgary, Edmonton, and Adelaide among them—had all previously withdrawn proposed bids for the 2026 Commonwealth Games citing cost concerns,¹⁶⁴ Victoria stepped in with a bid for events to be held across the state, with a proposed budget of \$2.6 billion as of March 2022.¹⁶⁵

By the following February, the estimated cost of the games had reached \$3.3 billion.¹⁶⁶ Five months later, it stood at \$6.3 billion.¹⁶⁷

Like Los Angeles, Victoria’s proposed regional games had planned to rely on pre-existing sports infrastructure in the region.¹⁶⁸ But, according to a later government audit, “most pre-existing sporting infrastructure in regional Victoria was not designed to accommodate major sporting events, such as the Games. As a result, permanent or temporary facility upgrades were required to bring venues in line with Commonwealth Game venue requirements.”¹⁶⁹

A government inquest also later determined that Victoria officials had based cost estimates on best-case scenarios, including \$227 million in new sports revenue that it turned out the regional sports authority had never agreed to pay.¹⁷⁰ Similarly, initial estimates in March 2022 of \$120 million for transportation costs and \$219 million for security more than doubled 16 months later, to \$306 million for transport and \$492 million for security.¹⁷¹ And worst of all, Victoria’s Minister for Commonwealth Games Delivery, Jacinta Allan, had projected that the Australian government would contribute \$1.3 billion to the cost of the Games—something that government auditors later determined “does not appear to be grounded in any precedent and goes directly against the advice of the Department of Jobs, Skills, Industry and Regions and the Department of Treasury and Finance.”¹⁷²

¹⁶² “The 2026 Commonwealth Games bid” final report, Select Committee on the 2026 Commonwealth Games Bid, April 2025, https://www.parliament.vic.gov.au/495e9b/contentassets/d674233824484c9685aa8acbdb1d0a37/final-report-for-website-lc-comm-games-bid-60-03_final-report.pdf.

¹⁶³ “The 2026 Commonwealth Games bid” final report.

¹⁶⁴ “The 2026 Commonwealth Games bid” final report.

¹⁶⁵ “The 2026 Commonwealth Games bid” final report.

¹⁶⁶ “The 2026 Commonwealth Games bid” final report.

¹⁶⁷ “The 2026 Commonwealth Games bid” final report.

¹⁶⁸ “The 2026 Commonwealth Games bid” final report.

¹⁶⁹ “The 2026 Commonwealth Games bid” final report.

¹⁷⁰ “The 2026 Commonwealth Games bid” final report.

¹⁷¹ “The 2026 Commonwealth Games bid” final report.

¹⁷² “The 2026 Commonwealth Games bid” final report.

Table 2.4 Changes to the Games budget estimates between March 2022 and July 2023 (\$ nominal)

	March 2022		April 2023	July 2023
	Worst case (\$ million)	Best case (\$ million)	DJSIR revised (\$ million)	DTF advice (\$ million)
Transport	120	120	68	306
Police and security	219	219	204	492

Source: Victorian Auditor General's Office, *Withdrawal from the 2026 Commonwealth Games Report*, 2024, p. 19

Estimated cost increases of the proposed 2026 Commonwealth Games in Australia's state of Victoria.

Victoria decided to withdraw.¹⁷³ Victoria Premier Daniel Andrews said in a press statement that the reason was “the cost of hosting the regional Victorian Commonwealth Games would exceed \$6 billion—more than twice the estimated economic benefit the Games would bring to the state.”¹⁷⁴

Though the Commonwealth Games are of a smaller scale than the Olympics, they operate under a similar host city contract, notes Rob Livingstone of GamesBids.¹⁷⁵ The month after Victoria withdrew from hosting, Andrews agreed to make a \$380 million payment to the Commonwealth Games, of which \$200 million would be used to stage a scaled-back games in Glasgow instead.¹⁷⁶

Spending \$589 million to save billions

A state government inquest cited numerous mistakes in the planning for the games, including failing to estimate costs for security and transit. The Commonwealth Games planners were also cited for lowballing costs for building athlete villages, whose price tag soon rose from AUS\$212 million to AUS\$1,024 million¹⁷⁷; using best-case rather than worst-case budget projections; assuming contributions from the private sector and federal and local governments without consulting any of those bodies¹⁷⁸; and agreeing to finalize a bid within a rushed six-week timeframe, despite being the sole bidder at the time.¹⁷⁹

Though Victoria's auditor general determined that the scrapped 2026 Commonwealth Games ultimately cost Victoria more than \$589 million—which it called a “waste of taxpayer money” with “no discernible benefit”—it also called the decision to pull out of hosting the games “the correct decision at that time.” The public losses, it concluded, could have been avoided if Victoria's government agencies had provided

¹⁷³ “The 2026 Commonwealth Games bid” final report.

¹⁷⁴ “The 2026 Commonwealth Games bid” final report.

¹⁷⁵ Phone interview with Rob Livingstone, October 7, 2025.

¹⁷⁶ “The 2026 Commonwealth Games bid” final report.

¹⁷⁷ “The 2026 Commonwealth Games bid” final report.

¹⁷⁸ “The 2026 Commonwealth Games bid” final report.

¹⁷⁹ “The 2026 Commonwealth Games bid” final report.

“frank and full advice” before the decision to host the games was made¹⁸⁰: “To put it simply, the high cost and inability to host the Games as proposed should have been discovered far earlier by the Victorian Government.”¹⁸¹

Table 1.1 Breakdown of the four key areas of the \$589 million Victorian Government spending the 2026 Games

Of the \$589 million ...	Was or will be incurred by ...	On ...
\$112 million (19%)	Department of Jobs, Skills, Industry and Regions	employee and operating costs, including fees paid to the Commonwealth Games Federation but excluding payments to Development Victoria for venues and athletes’ villages.
\$38 million (6%)	Victoria 2026	employee and operating costs.
\$42 million (7%)	Development Victoria	detailed planning and delivery cases for venues and villages, including due diligence, design work, site investigations, early works planning, employee costs and professional services.
\$380 million (64%)	Department of Treasury and Finance on behalf of the State	settling the cancellation of the host contract with the Commonwealth Games Federation.

Source: Victorian Auditor-General's Office, *Withdrawal from 2026 Commonwealth Games*, Victorian Auditor-General, 2024, p. 4.

c. Is cancellation feasible in L.A. from a legal perspective?

Any cancellation of an Olympics is governed by the Host City Contract between the IOC and the host city and local and national Olympic committees. The HCC includes two relevant sections, on cancellation and indemnification:

- The only body that can formally cancel the Olympics, or a city’s hosting obligations, is the IOC. Section 38.2 of the HCC specifies that the IOC “shall be entitled to terminate the HCC and to withdraw the Games” if the host country is “in a state of war, civil disorder, boycott, embargo decreed by the international community” or if the “IOC has reasonable grounds to believe that the health or safety of participants in the Games would be seriously threatened or jeopardised for any reason.” The IOC can also cancel or relocate the Games if the host city fails to live up to its contractually stated commitments.¹⁸² The only action allowed by the host city is to claim

¹⁸⁰ Adeshola Ore, “Victoria’s scrapped 2026 Commonwealth Games cost \$589m in ‘significant waste of taxpayer money’, auditor general says,” *The Guardian*, March 20, 2024, <https://www.theguardian.com/sport/2024/mar/20/victorias-scrapped-2026-commonwealth-games-cost-589m-in-significant-waste-of-taxpayer-money-auditor-general-says>.

¹⁸¹ “The 2026 Commonwealth Games bid” final report.

¹⁸² “Host City Contract—Principles.”

“undue hardship” that “could not reasonably have been foreseen” when the contract was entered into—though the IOC is under no obligation to grant such an appeal.¹⁸³

- If the IOC does choose to cancel the Games, the HCC specifies that Los Angeles, LA28, and the US Olympic Committee “shall indemnify, defend and hold harmless all IOC Indemnitees from all payments and other obligations in respect of any damages, claims, actions, losses (including loss of revenue), costs, expenses (including counsel fees and expenses) or other liabilities of any nature, incurred directly or indirectly” as the result of any actions by the host city or LA28, or any third-party claims resulting from such actions.¹⁸⁴

The upshot: If either the IOC or any of its contractual partners is going to suffer losses as the result of the Games’ cancellation, it can sue L.A. for damages. A decision in the case would be made by the Court of Arbitration for Sport in Switzerland, and if that arbitration ruling is challenged, by the Swiss courts.¹⁸⁵

That said, Los Angeles does have the power to withhold funding from the 2028 Olympics, as Denver did in 1972. Unite Here, in fact, has proposed a ballot measure requiring a citywide vote before using any city properties for major events.¹⁸⁶ If such a measure were to pass, noted Boykoff, you would get into “a gray area,” as the city could not legally provide funding without a citywide vote, while its contract with the IOC would require it to provide funding. “The International Olympic Committee is a lot of things, but it’s also prepared with a phalanx of lawyers, and I don’t see them bending on those kind of elements,” he said. One possibility is that the passage of a referendum against Olympic funding “could shift some of the onus onto these much-vaunted private donors”—while billions of dollars is “real money” for the city, he noted, for Google, “it’s nothing to them.”¹⁸⁷

What would it cost to breach the Olympic contract?

If the IOC were to sue for breach of contract, what would that look like? Denver is not much of an instructive example here: It canceled its 1976 hosting without paying penalties, but that took place earlier in that hosting cycle and, importantly, before the IOC established its current level of sponsorship revenues or its modern hosting contract. (“The International Olympic Committee has really tightened up its fiscal ship over the years,” Boykoff said in August 2025, “and always to its own advantage.”¹⁸⁸) Peter Ueberroth’s innovations in 1984—including a massive increase in corporate sponsorships—may have helped L.A. pay its bills for those games, but it also created huge new liabilities that host cities would be responsible for in the future as the IOC became used to expecting similarly enormous revenue streams in every subsequent Games.

¹⁸³ “Host City Contract—Principles.”

¹⁸⁴ “Host City Contract—Principles.”

¹⁸⁵ “Host City Contract—Principles.”

¹⁸⁶ David Zahniser, “Proposed ballot measure could force a citywide vote on L.A. 2028 Olympic venues,” *Los Angeles Times*, August 4, 2025, <https://www.latimes.com/california/story/2025-08-04/olympic-ballot-measure>.

¹⁸⁷ Interview with Jules Boykoff, October 15, 2025.

¹⁸⁸ Nguyen, “It’s too late for buyer’s remorse. Why L.A. can’t back out of hosting 2028 Olympics.”

The more recent precedent of Victoria’s canceled Commonwealth Games suggests that the damages from a canceled 2028 Olympics would be at least in the hundreds of millions of dollars, and more likely in the billions, given the larger scale and sponsorship opportunities of the Olympics, especially a Summer Games.

“It is hard to imagine a scenario where Los Angeles could terminate the HCC without facing substantial legal issues,” Nathan O’Malley, an international arbitration lawyer and a partner at Musick, Peeler & Garrett, told the L.A. Times in August 2025.¹⁸⁹ Any decision to withdraw “would be exposing L.A. to quite a bit of liability just to pull the plug on this without any other basis,” added Maureen Weston, a law professor at Pepperdine.¹⁹⁰

Economist Andrew Zimbalist had previously estimated that if Tokyo had breached its contract to host the 2020 (eventually 2021) Olympics, it could have faced being sued by the IOC for \$4 billion to \$5 billion.¹⁹¹ Zimbalist clarifies that this would depend on the amount of losses the IOC would face from cancellation—meaning if a cancellation came early enough that the Games could still be held at another site with substantial TV and sponsorship revenue, LA’s potential liability could be reduced.¹⁹²

Other scenarios that could interfere with L.A. hosting the Olympics

The likely outcome of litigation gets even murkier in scenarios where the damages are not caused by the action or inaction of the host city. Let’s say, for example, that massive civil disorder were to result from increasing protests against the militarization of L.A., either for immigration enforcement or for the Olympics themselves. This could cause the IOC to cancel the Olympics of its own accord for the “health and safety” of participants—leaving it up to Swiss arbitrators to determine whether the protests represented a breach of contract. (The best-case scenario for L.A., in terms of contractual obligations, would be an unavoidable major natural disaster such as an earthquake, fires, or another pandemic—though obviously each of those would come with their own undesirable consequences.)

Many of the risks that would be incurred from cancellation are less a matters of legal questions than political ones: If the 2028 Olympics face mounting costs, would the IOC force Los Angeles to shoulder the entire burden, especially in light of its Agenda 2020 reforms, as well as its desire to continue to receive Olympic host bids? ***Given the unprecedented nature of a city attempting to back out of the Olympics during the modern political climate, it is not possible to confidently predict under what circumstances the IOC would sue to force Los Angeles to continue with the Games, or how much a court would order L.A. to pay in potential damages.***

¹⁸⁹ Nguyen, “It’s too late for buyer’s remorse. Why L.A. can’t back out of hosting 2028 Olympics.”

¹⁹⁰ Nguyen, “It’s too late for buyer’s remorse. Why L.A. can’t back out of hosting 2028 Olympics.”

¹⁹¹ Nguyen, “It’s too late for buyer’s remorse. Why L.A. can’t back out of hosting 2028 Olympics.”

¹⁹² Email with Andrew Zimbalist, October 30, 2025.

d. The costs and benefits of cancellation

As noted above in Section 3e, there are fiscal benefits that come with hosting the Olympics, even if they are seldom enough to make up for the massive public costs. At this point, with the start of the 2028 Summer Games less than three years off, it is important to focus not on the *sunk costs* that have already accrued, but the *marginal costs* (and benefits) that will only occur if the 2028 Games move forward.

In terms of costs, while much work has already been done on venues and transportation infrastructure, there are still costs that could be avoided if L.A. does not host the Olympics in 2028. In particular, \$1 billion or more in security costs, as much as \$2 billion for bus leasing during the Games, plus any enhanced city services that will need to be provided under the as-yet-unfinalized agreement overdue since October 2025 would all vanish from the city's expense ledgers if the Games were not held.

In terms of revenues, Los Angeles—or rather LA28, but as the city is the backstop for any Olympic committee losses, this could amount to the same thing—could miss out on as much as \$5 billion in proceeds from sponsorships, shared TV rights, and ticket sales. That's assuming LA28's projections are accurate, however: If ticket sales lag, say because of international concerns about traveling to the US under Trump policies on immigration and visas, the potential losses could be significantly less.

Other estimates of the economic benefit of the Olympics have been higher: For example, the Southern California Association of Governments issued a report in December estimating that hosting the 2028 Games would result in between \$8.96 billion and \$11.97 billion in GDP impact in Los Angeles County, and between \$14.17 billion and \$18.34 billion statewide.¹⁹³ However, it's important to note that this is just *economic impact*, not actual tax revenues—as economist Matheson has explained it, “Imagine an airplane landing at an airport and everyone gets out and gives each other a million bucks, then gets back on the plane. That's \$200 million in economic activity, but it's not any benefit to the local economy.”¹⁹⁴ The SCAG analysis merely estimates how much spending will take place as a result of the Olympics and applies a multiplier.

University of Colorado Denver sports economist Geoffrey Propheter noted that GDP is the wrong measurement to use, “since people can't pay their bills with GDP.”¹⁹⁵ A better measure is personal income growth, which the SCAG authors estimate as increasing by between \$150 and \$156 in 2028 as the result of the Olympics. If we accept that number at face value—which is unlikely, said Propheter, given the negatives of Olympic-related crowding, as well as the fact that the study did not look at economic losses from people fleeing town during the Games—“then the personal income gain to L.A. residents is in the \$582 million to \$606 million range,” meaning “any costs covered by the city in excess of this amount means by the authors' own numbers this will negatively impact residents' wallets.”

¹⁹³ “2025 Southern California Economic Update,” Southern California Association of Governments, December 2025, https://scag.ca.gov/sites/default/files/2025-12/26-426-ES-0357-RegionalEconomicAnalysis2025Publication_FINAL2.pdf.

¹⁹⁴ Neil deMause, “It's the Local Economy, Stupid!” Sports on Earth, January 14, 2014, <https://web.archive.org/web/20140116230330/http://www.sportsonearth.com/article/66544296/>.

¹⁹⁵ Email interview with Geoffrey Propheter, January 20, 2026.

Some might argue that without the Games, there would be no millions of Olympic visitors spending money locally, no “Olympic legacy” from being featured on the world stage. Not all Olympic revenues are completely a net gain for host cities, however. First off, there is the crowding out effect noted above (see Section 3d): Both local residents and non-sports tourists may steer clear during a major sporting event. In fact, they may have no choice if hotel capacity is maxed out: Following the 2012 London Olympics, the UK Office for National Statistics found that the number of international visitors to the country *fell* from 6,568,000 in July and August 2011 to 6,174,000 in July and August 2012.

Substitution: What could have been earned without the Olympics

Secondly, there is what economists call the “substitution effect”: When nearby residents (or frequent visitors) shift spending from other local goods to the Olympics, that’s not a net gain.¹⁹⁶ There is ample evidence for this as well: During the 2012 London Olympics, the *Los Angeles Times* noted “some popular shows in London’s theater district actually shut down during the Games” for lack of customers,¹⁹⁷ while Paris saw similar attendance dips at the Louvre and other major attractions during the 2024 Olympics.¹⁹⁸

A 2012 study of monthly employment in specific industries such as retail trade and leisure before and after the 2002 Salt Lake Winter Games found that employment gains in Utah were no greater than in neighboring states that did not host the Olympics. And while it did find a statistically significant bump in employment during the actual Games, the increase was only 4,000 to 7,000 jobs—roughly one-tenth to one-quarter what Utah officials had projected.¹⁹⁹

Similar findings have been found for host countries as a whole. One recent study of the Olympics, UEFA soccer championship, soccer World Cup, and international and European basketball tournaments concluded that “hosting major sports organizations does not have a statistically significant and positive effect on economic growth” and “megasporting events may be prestige projects undertaken by countries that are already economically strong, rather than being a factor that triggers economic growth.”²⁰⁰

Leakage: Spending that doesn’t benefit L.A.

Adding up all the spending on Olympic events overstates the Games’ impact, then, because it doesn’t account for all the spending that *would have taken place* if the Olympics were not held in L.A., but which does not occur either because of crowding-out or substitution. This is only exacerbated by “leakage”: If an Olympics doesn’t increase hotel stays but does allow hotels to charge higher rates—something that

¹⁹⁶ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

¹⁹⁷ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

¹⁹⁸ Smith, “Organizers hope the 2028 Summer Olympics present a ‘refreshed global image of California’.”

¹⁹⁹ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

²⁰⁰ Ahmet Aktuna, “The Impact of Sporting Activities in Countries on Economic Growth: A Panel Data

Analysis,” *Balkan and Near Eastern Journal of Social Sciences*, 2025,

https://www.researchgate.net/profile/Ahmet-Aktuna/publication/397691356_The_Impact_of_Sporting_Activities_in_Countries_on_Economic_Growth_A_Panel_Data_Analysis/links/691b76d1de8143098271e594/The-Impact-of-Sporting-Activities-in-Countries-on-Economic-Growth-A-Panel-Data-Analysis.pdf.

has been observed for past Games—that doesn’t benefit L.A. if those increased profits accrue to national hotel corporations based in other states.²⁰¹

The combined impact of substitution and leakage can be massive. One calculation found that accounting for these two factors was enough to turn a projected \$2.5 billion increase of economic activity during the 2000 Sydney Olympics to a \$2.1 billion reduction—a swing of \$4.6 billion.²⁰²

As for the benefits of putting your city in a more prominent position on the international stage, the evidence is similarly gloomy. In order to test this premise, Rose and colleagues researched whether cities that had hosted the Olympics saw an increase in international trade in the years following the Games. As it turned out, not only does any benefit accrue to the entire nation and not just the host city—Los Angeles would not benefit from increased international trade with companies in, say, Florida—but also countries that were *unsuccessful* Olympic bidders saw an equal increase in trade, suggesting that any benefit is less from hosting the Games than from the international attention that comes with being considered as an Olympic finalist.²⁰³

How other cities’ reputations have fared after cancellations

Another possible concern would be the cost to Los Angeles’s reputation of changing course on hosting a major event so close to the start date. The evidence from Denver and Victoria, however, indicates that such concerns may be overblown. Though Denver Mayor William McNichols had warned that if the referendum passed, “the people of Colorado would have to live with this shame the rest of their lives,”²⁰⁴ Denver was still able to be considered as a finalist for the U.S. bid for the 2030 Winter Games that were eventually granted to the French Alps.²⁰⁵ Meanwhile, Commonwealth Games Australia CEO Craig Phillips warned that the cancellation of the Victoria Commonwealth Games had “jeopardised Melbourne and Victoria’s standing as a sporting capital of the world.” However, a parliamentary committee later called this “likely a perception issue rather than one that has eventuated into immediate major harm to sporting and other major events. For example, Victoria has since been announced as a host for Rugby World Cup matches in 2027 and regular season games with the US National Football League from 2026.”²⁰⁶

Many of these worries are only likely to be lessened for L.A., which is not a “hidden gem” like Barcelona or Salt Lake City before they hosted, but rather a popular tourist destination of its own right, facing the risk of driving away many of those visitors during the Olympics, much as happened in London and Paris.

²⁰¹ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

²⁰² Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

²⁰³ Andrew K. Rose and Mark M. Spiegel, “The Olympic Effect,” National Bureau of Economic Research, April 2009, https://www.nber.org/system/files/working_papers/w14854/w14854.pdf.

²⁰⁴ Bruns, “Will Colorado scrap its own 1976 Olympics?”

²⁰⁵ James Dawson, “Denver, Salt Lake City Vie For Olympic Nod Despite Messy History,” Boise State Public Radio, December 11, 2018, <https://www.boisestatepublicradio.org/sports-recreation/2018-12-11/denver-salt-lake-city-vie-for-olympic-nod-despite-messy-history>.

²⁰⁶ “The 2026 Commonwealth Games bid” final report.

“The success of the Olympics in developing a city as a tourist destination should not be rejected out of hand,” concluded Baade and Matheson, “but neither is it a surefire way to ensure a steady stream of visitors after the closing ceremonies.”²⁰⁷

Table 4

Academic Studies of the Economic Impact of the Olympic Games

<i>Study</i>	<i>Event</i>	<i>Results</i>
Baade and Matheson (2002)	1984 Summer Games (Los Angeles) and 1996 Summer Games (Atlanta)	5,043 new jobs in Los Angeles. Between 3,467 and 42,448 new jobs in Atlanta.
Jasmand and Maennig (2008)	1972 Summer Games (Munich)	No impact on employment in host regions. Positive impact on income.
Porter and Fletcher (2008)	1996 Summer Games (Atlanta) and 2002 Winter Games (Salt Lake City)	No impact on taxable sales, hotel occupancy, or airport usage. Significant increase in hotel prices.
Baade, Baumann, and Matheson (2010)	2002 Winter Games (Salt Lake City)	Taxable sales in restaurants and hotels up by \$70.6 million but taxable sales at general merchandisers down by \$167.4 million.
Giesecke and Madden (2011)	2000 Summer Games (Sydney)	Household consumption in Australia reduced by \$2.1 billion.
Baumann, Engelhardt, and Matheson (2012)	2002 Winter Games (Salt Lake City)	Increase in employment of 4,000–7,000 jobs for one year compared to predictions of 35,000 full-time equivalent job-years.
Hotchkiss, Moore, and Zobay (2003)	1996 Summer Games (Atlanta)	Increase in employment of 293,000 jobs. Increase in employment growth rate by 0.2%.
Feddersen and Maennig (2013)	1996 Summer Games (Atlanta)	29,000 jobs added during month of Olympics only.

It’s also worth considering nonmonetary benefits that L.A. would get from not hosting the Olympics, including being able to reprioritize spending decisions based on needs other than those presented by the looming 2028 deadline, residents’ ability to continue to access public sites that would otherwise need to be dedicated to Olympic uses well in advance of the Games, and avoiding the security crackdown that invariably accompanies the Olympics. (Rule 50 of the IOC Charter requires the host city to guarantee that there will be no demonstrations or “political, religious or racial propaganda” in or near Olympic venues,

²⁰⁷ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

something that has been used by multiple host nations to crack down on dissent, or even clear undesirable populations entirely.²⁰⁸) While none of these are easily quantifiable in dollar values, they would hold value to L.A. residents should the Olympics not go forward.

A third way: Negotiating a scaled-back Olympics

There is also a third possibility beyond scrapping the Olympics or continuing as planned, which is to attempt to negotiate with the IOC for a scaled-back Games. Following the collapse of the Commonwealth Games plans in Victoria, a parliamentary committee concluded, “It was open to the Victorian Government to consider altering the scope of the Games to make it more affordable to host. Whilst changes to the scope of the Games may have required negotiation with the Commonwealth Games authorities, the Committee considers it likely that a decreased scope would have been favourably considered. In particular, this would have been attractive given an alternative was Victoria withdrawing from hosting completely.”²⁰⁹

Though Victoria did not ultimately go ahead with that plan, it remains an option for L.A.—particularly if the alternative for the IOC is to be left with no Olympics at all in 2028 and an embarrassing public legal battle. ***Trying to force a compromise at this late date would represent a risk for L.A., but the city is not entirely without leverage, even considering its contractual agreements.***

5. How Did We Get Here? What Went Wrong?

The deal for Los Angeles to host the 2028 Summer Olympics was negotiated in less than two weeks, largely out of the public eye. From January to July 2015, Boston was the USOC’s choice to be the U.S. city put forward to host the 2024 Summer Games, going up against Budapest, Hamburg, Paris, and Rome. But that month, Boston mayor Marty Walsh caused his city’s bid to be withdrawn after he declined to sign a document agreeing to cover cost overruns.²¹⁰

The USOC quickly switched gears to get behind Los Angeles instead. When L.A. was picked as a replacement, it was, wrote Dempsey, because the IOC considered it “a safer bet, because of the number of preexisting venues and the lack of any organized opposition groups.”²¹¹ And L.A. soon became a favorite, as other cities began dropping out over budget concerns: Hamburg withdrew in November 2015 after a majority of voters rejected a funding referendum²¹²; the following October, Rome’s mayor pulled

²⁰⁸ Olympic Charter, January 20, 2025, <https://stillmed.olympics.com/media/Documents/International-Olympic-Committee/IOC-Publications/EN-Olympic-Charter.pdf>.

²⁰⁹ “The 2026 Commonwealth Games bid” final report.

²¹⁰ Nick Zaccardi, “Timeline: Los Angeles’ path to 2028 Olympics,” NBC Sports, July 31, 2017, <https://www.nbcsports.com/olympics/news/la-2028-olympics-timeline>.

²¹¹ Dempsey and Zimbalist, *No Boston Olympics*, 142.

²¹² Julia Grassie, “Hamburg withdraws 2024 Olympic bid after referendum,” NBC Sports, November 29, 2015, <https://www.nbcsports.com/olympics/news/hamburg-withdraws-2024-olympic-bid-after-referendum>.

out as well, saying it would be “irresponsible” to take on Olympic costs amid other pressing needs.²¹³ Budapest followed suit in February 2017 amid plans for a referendum there, leaving only Paris and Los Angeles remaining.²¹⁴

With both Paris and Los Angeles bid officials saying they would not bid again if they were not chosen in this round, the IOC made an unprecedented choice: It would assign host cities for both 2024 and 2028 at once, avoiding a scenario where it would have to drum up new bidders from a thinning international field.²¹⁵ The final IOC vote was taken on July 11, 2017, with the Paris and Los Angeles Olympic committees set to negotiate which city would host in which year. On July 31, Mayor Eric Garcetti declared that Los Angeles would accept the 2028 Summer Games, saying the IOC was making the later date “financially so attractive, we would be stupid not to take 2028.”²¹⁶

The *Los Angeles Times* even speculated that “the longer window could prove helpful to L.A.—giving the city more time to complete the Purple Line subway to the Westside and perhaps providing leverage to extract concessions from the IOC.”²¹⁷ (“If [completion of the Purple Line] doesn't happen before 2024, you can fire me,” L.A. Metro chief executive Phil Washington said in 2017.²¹⁸ The Purple Line is now anticipated to be complete between Winter 2026 and Fall 2027²¹⁹; Washington retired from L.A. Metro in 2021 to join the Biden administration, and subsequently became CEO of Denver International Airport.²²⁰) “It might also mean the value of sponsorships and other revenue sources could increase,” wrote the *Times*.²²¹

Squandering L.A.’s leverage

Instead, Garcetti and the council signed off on the host city contract just six weeks later, with no major concessions in terms of L.A.’s costs or the IOC’s shared revenues. The only substantial changes: The IOC advanced L.A. a \$180 million interest-free loan to cover the additional years the L.A. Olympic Committee would need to operate with the city’s Games now set for 2028 instead of 2024; it also was supposed to provide money for youth sports throughout the city.²²² Through the 2025–2026 fiscal year, \$108 million has been provided by LA28 to the Los Angeles Department of Recreation and Parks for these

²¹³ Nick Zaccardi, “Rome 2024 Olympic bid suspended, may be revived later,” NBC Sports, October 11, 2016, <https://www.nbcsports.com/olympics/news/rome-2024-olympic-bid-ends-suspended>.

²¹⁴ Nick Zaccardi, “Budapest withdrawing 2024 Olympic bid; now L.A. vs. Paris,” NBC Sports, February 22, 2017, <https://www.nbcsports.com/olympics/news/budapest-2024-olympic-bid-withdrawn>.

²¹⁵ Zaccardi, “Timeline: Los Angeles’ path to 2028 Olympics.”

²¹⁶ Dakota Smith, “Would an 11-year wait for the Olympics lead to greater risks for L.A.?” *Los Angeles Times*, July 26, 2017, <https://www.latimes.com/local/lanow/la-me-ln-olympics-taxpayers-20170721-story.html>.

²¹⁷ Smith, “Would an 11-year wait for the Olympics lead to greater risks for L.A.?”

²¹⁸ Laura J. Nelson, “TRANSPORTATION; CITY ON THE MOVE; What will L.A. transit be like when the Olympics arrive in 2028?” *Los Angeles Times*, August 13, 2017, <https://www.latimes.com/local/california/la-me-olympics-transportation-20170805-htmistory.html>.

²¹⁹ “Metro D Line Subway Extension,” <https://www.metro.net/projects/westside/>.

²²⁰ <https://www.flydenver.com/about-den/governance/executive-leadership/>.

²²¹ Smith, “Would an 11-year wait for the Olympics lead to greater risks for L.A.?”

²²² “2028 Summer Olympics coming to Los Angeles,” *Los Angeles Times*, July 31, 2017.

programs—though again, since any LA28 budgetary shortfalls must be backstopped by Los Angeles, the city may in effect here end up borrowing this money from itself.

Several councilmembers said before the August 2017 vote on the IOC contract that if there proved to be shortcomings in the Olympic finances, they would, in effect, fix it later. When the council vote was announced for August 11, Council President Herb Wesson promised that “we will vet the proposal. We’ll scrub it, scrub it and rescrub it.”²²³ Councilmember David Ryu pointed to the lack of updated financial numbers and other unresolved issues, saying: “If any of these do not come through, I will push for our city to end this agreement.”²²⁴ (The mother of LA28 chair Casey Wasserman was later discovered to have donated \$800 to Ryu’s 2015 election campaign.²²⁵ Ryu was voted out of office in 2020.) “I’m going to need to ask lots of questions and get clarification,” added councilmember Mitch O’Farrell. “So however long that takes is however long I will demand that we have enough time to weigh the merits of this agreement.”²²⁶ (O’Farrell was voted out of office in 2022.)

Even if the councilmembers who approved the Olympics contract in 2017 had remained in office for the eventual runup to the 2028 Summer Games, however, there still would have been little they could have done to push for changes once the agreement was signed. LA28 did include a \$487.6 million contingency fund to pay for unexpected cost overruns, though since this was to come out of LA28’s own budget, it did little to ensure that the Games would break even and not saddle L.A. with added costs.²²⁷ And in terms of Olympic budgets, this amount was still just a drop in the bucket: Looking at the list of past Olympics (see Section 3c), a \$487.6 million contingency fund would have been enough to cover overruns for only one of the nine Summer Olympics held since 1992: Beijing 2008, and that’s only if China’s bookkeeping can be taken at face value.

Ignoring worst-case scenarios

Regardless, few questions were raised at the time about the sufficiency of the contingency fund. Though a July 2017 Legislative Analyst’s Office report did caution that “bid cities must also anticipate ‘worst case’ scenarios: specifically, how the Olympics will be delivered even if costs rise and/or revenues fall substantially,” there is no evidence that this warning was taken seriously by L.A. or LA28.²²⁸ A subsequent report by the city administrative officer Richard Llewellyn and chief legislative analyst Sharon Tso,

²²³ Dakota Smith, “Council plans vote on 2028 Olympics; Officials next week could OK hosting Games—without knowing a budget,” *Los Angeles Times*, August 5, 2017.

²²⁴ David Wharton, “REVISED 2028 GAMES BID IS OK’D; City Council agrees to cover any losses; critics complain the council doesn’t have complete information,” *Los Angeles Times*, August 12, 2017.

²²⁵ Jonny Coleman, “Why Did Casey Wasserman’s Mother Donate to David Ryu before the LA 2028 Vote in 2017?” Medium, October 21, 2019, <https://medium.com/groundgamela/why-did-casey-wassermans-mother-donate-to-david-ryu-before-the-la-2028-vote-in-2017-cfb6dc19533>.

²²⁶ Dakota Smith, “2028 Games require council support; L.A.’s Olympics deal depends on members’ financial guarantee, as soon as next week,” *Los Angeles Times*, August 2, 2017.

²²⁷ “2028 Summer Olympics coming to Los Angeles,” *Los Angeles Times*, July 31, 2017.

²²⁸ “Los Angeles’ Bid for the Olympics and Paralympics,” Legislative Analyst’s Office, July 6, 2017, <https://lao.ca.gov/Publications/Report/3695>.

delivered just two days before the council vote, recommended that Los Angeles take the hosting deal²²⁹ while also warning of the “inherent risks to hosting such major events so far into the future,”²³⁰ at a time when LA28 had yet to provide an updated budget.²³¹

Los Angeles also gave up a significant amount of leverage by agreeing to swiftly approve the 2028 agreement. For the 1984 Games, Los Angeles Mayor Tom Bradley had used the recent fiscal fiasco of the 1976 Montreal Summer Olympics, and the shortage of willing bid cities that followed, to drive a hard bargain with the IOC. Though Olympic boosters claimed the IOC would never accept a requirement that the city be held harmless from Olympic losses, the city council voted 12-1 to put City Charter Amendment “N” on the November 1978 ballot, where it was approved by a 74-26% margin.²³² (In the runup to the 1984 bid, polls had shown that while 70% of those surveyed supported the Olympics coming to Los Angeles, only 35% wanted to host if local taxpayers would be on the hook for overruns.²³³) On July 18, 1978, with negotiations with the IOC stalling, Bradley even asked the council to formally withdraw its bid for the 1984 Games, to force the IOC back to the table.²³⁴

In the end, Bradley and IOC president Lord Killanin signed an agreement in October 1978 that held the city harmless for all Olympic costs, and awarded the Games to L.A.’s organizing committee, not the city itself.²³⁵ This was possible because the Olympic Charter does not require that the host city guarantee all costs, only that the IOC board “will determine whether such guarantees shall be issued by the city itself, or by any other competent local, regional or national public authorities, or by any third parties.”²³⁶ (For the 1984 Summer Games, the United States Olympic Committee served as ultimate financial guarantor.)

Ueberroth, with no backstop for funding, was forced to use innovative fundraising and sponsorship methods such as competitive bidding to be exclusive sponsors.²³⁷ He also brought in significantly higher TV rights than previous Games, and utilized special taxes on Olympic tickets and a surcharge on hotel room taxes.²³⁸

²²⁹ Richard H. Llewellyn, Jr. and Sharon M. Tso, letter to the Ad Hoc Committee on the 2024 Summer Olympics, August 9, 2017, https://cityclerk.lacity.org/online/docs/2015/15-0989_misc_08-09-2017.pdf.

²³⁰ Scott M. Reid, “City officials recommend L.A. City Council approves deal with IOC,” *Pasadena Star News*, August 10, 2017, <https://www.pasadenastarnews.com/2017/08/10/city-officials-recommend-la-city-council-approves-deal-with-ioc>.

²³¹ David Wharton, “Report urges approval of bid for Olympics; Document says City Council should OK 2028 Games despite uncertainties,” *Los Angeles Times*, August 19, 2017, <https://www.latimes.com/sports/olympics/la-sp-olympics-city-approval-20170809-story.html>.

²³² Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³³ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³⁴ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³⁵ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³⁶ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³⁷ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²³⁸ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

Garcetti's missed opportunities

Without similar concessions, the landscape for the 2028 Games has significantly shifted. The IOC now controls both sponsorships and TV revenues and decides how much will be disbursed to LA28.²³⁹

Whereas in 1984 the IOC agreed to house athletes at existing UCLA and USC dorms, this time around the IOC rejected such a solution due to security concerns,²⁴⁰ ultimately requiring UCLA to build a new dorm called "Olympic Hall" that is set to be used by UCLA students following the Olympics.

Garcetti, along with city council president Wesson, could have attempted to use the longer timeline available to attempt to extract more concessions, as Bradley had done; the 2028 Olympic host was not originally scheduled to be announced for another four years. The IOC, however, offered Los Angeles officials a carrot: If they signed off on hosting the 2028 virtually immediately, the city would not have to go through the re-bidding process. This proved decisive, as councilmember Paul Krekorian (later appointed the city's Olympic liaison) explained: "We would miss the opportunity to be approved for the 2028 Olympics," Krekorian said, and risk having "other cities jump in in competition." He added, "So in a perfect world, it would be great if we had more time. We don't—if we want to take advantage of this opportunity."²⁴¹

The city council, bowing to the IOC's pressure, voted on August 11—less than two weeks after the city had been offered the 2028 Games—to take the deal. There was as yet no revised budget for the 2028 Summer Games, and the council had only received a report on the various Olympic agreements two days before.²⁴²

At the time, LA28 officials estimated that they could cover the 2028 Games' entire projected \$5.3 billion cost through sponsorships and ticket sales.²⁴³ Yet as discussed above (see Section 3c), cost overruns are so ubiquitous in Olympic history as to be almost predictable: Nearly every Olympics goes far over budget, with costs generally coming in at double initial estimates or more. Yet city and LA28 officials, including Garcetti, appear to have proceeded from the premise that this time would be different.

"I can look people in the eye and say this is a much stronger deal financially," Garcetti said.²⁴⁴ "[The IOC's] contribution could jump to at least \$2 billion by 2028 because of adjustments to the amount of sponsorship money L.A. would receive. The city will also have the option of selling domestic sponsorships in any categories that remain unclaimed by the IOC's international corporate partners."²⁴⁵

Los Angeles, Boykoff has noted, was fortunate to twice catch the IOC at times when it had very few bidders: The 1984 Games, when the only other bidder was Tehran, then on the cusp of revolution; and

²³⁹ Yaroslavsky, Katz, and Parker, "Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024."

²⁴⁰ Yaroslavsky, Katz, and Parker, "Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024."

²⁴¹ Emily Alpert Reyes and David Zahniser, "Los Angeles, at starting line, has to hustle," *Los Angeles Times*, August 11, 2017, A1.

²⁴² Reyes and Zahniser, "Los Angeles, at starting line, has to hustle."

²⁴³ "2028 Summer Olympics coming to Los Angeles," *Los Angeles Times*, July 31, 2017.

²⁴⁴ "2028 Summer Olympics coming to Los Angeles," *Los Angeles Times*, July 31, 2017.

²⁴⁵ "2028 Summer Olympics coming to Los Angeles," *Los Angeles Times*, July 31, 2017.

the 2024 Games, when Los Angeles and Paris were the only interested cities. “The IOC wants to have as many cities competing against each other because they get to extract value out of a city. When you show up to an auction, and you’re the only bidder, and you know that the auctioneer has to auction the item, you get a very, very good break.”²⁴⁶

What could have been

Indeed, L.A. had been advised to use its leverage to demand to be exempted from covering additional costs, as it had in 1984. A 2015 study of the 1984 Games by Zev Yaroslavsky (former member of city council during 1984 Games who pushed for the charter amendment and later L.A. County supervisor, and father-in-law of current councilmember Katy Yaroslavsky) and two other members of the UCLA Department of History had recommended: “The most direct way to insulate the city from financial liability for the 2024 Olympics is to enact a Charter Amendment or voter-approved ordinance analogous to Charter Amendment N, the cost-control measure for the 1984 Games.”²⁴⁷ Other options included insisting on city council approval over any LA28 budget items that would raise the city’s costs beyond a set threshold; or using IOC Rule 33 to allow for financial guarantors other than the city such as the USOC, the State of California, private entities or insurance companies.²⁴⁸

None of this happened. Instead, the city agreed to the deal under which it would pay for the first \$270 million in losses, the state the next \$270 million, and the city anything above that. Alex Comisar, a spokesperson for Garcetti, explained that refusing to accept financial liability for the 2024 Games “would be a nonstarter for the IOC.”²⁴⁹

Whether the IOC would have accepted a 1984-style charter amendment is, of course, unknown. The last time an arrangement of this type was presented to the IOC was for the 1996 Atlanta Summer Games, for which the Georgia constitution prohibited the city from taking on some Olympic obligations. The state legislature worked around this by creating a semiautonomous governmental agency, the Metropolitan Atlanta Olympic Games Authority, that took on financial responsibility for the games. But as Yaroslavsky wrote, “The IOC allowed this approach, but was ultimately unhappy with it. According to Olympic historian Holger Preuss, quoting from an interview with IOC Executive Committee member and Los Angeles Olympian Anita DeFrantz, after Atlanta the IOC decided that ‘in the future, there would be no games again which would be completely financed by private bodies.’”²⁵⁰

As Livingstone notes, though L.A. and Paris were the only bidders for 2024, if L.A. had tried to force the issue, the IOC could have used the next four years to solicit more city bids instead of deciding on the 2028 host at the same time as 2024.²⁵¹ In any event, there is no way to know now what might have happened if city officials had pushed back more forcefully in 2017 as their predecessors did in 1978.

²⁴⁶ Walker, “How Boston brought the Olympics to LA.”

²⁴⁷ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²⁴⁸ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²⁴⁹ Smith, “Would an 11-year wait for the Olympics lead to greater risks for L.A.?”

²⁵⁰ Yaroslavsky, Katz, and Parker, “Lessons Learned from the 1984 Olympic Games & the Los Angeles Bid for 2024.”

²⁵¹ Email from Rob Livingstone, October 14, 2025.

Instead, L.A. officials held tight to the promise that, like in 1984, the 2028 Games would break even by being a “no build” games. Yet this, it soon turned out, might have been more accurately described as a “no *permanent* build” games: While Southern California offers many existing stadiums and arenas, no city is prepared to host spectators for the entire panoply of Olympic and Paralympic events, which include everything from beach volleyball to archery to cricket.

The need for new sport-specific venues has been noted by Olympic scholars for decades, and was well established before Los Angeles entered its winning Olympic bid in 2017. “Even modern cities in high-income countries may need to build or expand an existing velodrome, natatorium, ski-jumping complex, or speed skating oval,” noted Baade and Matheson in 2016.²⁵² Boston’s failed bid for the 2024 Olympics would have involved a \$400 million stadium to host track and field events, because none of the four existing large outdoor sports stadiums in the area were large enough to fit a full track.²⁵³

While L.A. is fortunate to have several major sports venues, including very new buildings constructed by the owners of the Rams and Clippers that will be used for swimming and basketball, it will still require many temporary venues, and many existing structures will still require upgrades, such as the Coliseum having a new temporary field installed above the existing one to make room for an Olympic track. (See Section 3c.) All Olympics require some construction, even before accounting for operational costs such as security and transit. When Mayor Garcetti and the city council took LA28 at its word that it could host the 2028 Summer Games and at least break even, something no other host city had done in over 30 years, they were taking a huge risk with the city’s finances. Whether it will blow up in the face of city residents unfortunately may not be known until it’s too late to do anything about.

6. Conclusion

“I don’t think it’s smart for cities to bid on the Olympics,” Boykoff said recently. “But if they’re going to, it should only be in extreme circumstances where they have all the leverage. I think L.A. had some leverage in 2017—but not as much as they had for 1984.”²⁵⁴

Yet those 11 days in August 2017, it turns out, were the best time for L.A. officials to hold a hard line on agreeing to write a blank check for Olympic costs. Given the history of escalating cost overruns, they could have demanded that the IOC do as it had in 1984 and agree to additional budget protections—knowing that the only risk would be to potentially have to face additional bids from other locations, in a world where cities across the globe were racing to rush out of the bid process. Instead, city officials chose to grab the brass ring they saw before them and hope for the best when it came to the costs.

Changing course now would be difficult, but it would not be impossible. Los Angeles still has some leverage—the IOC clearly does not want to risk the 2028 Games being cancelled—and could try to reopen talks on reining in costs. Whether that’s the best path depends not just on unknowns like how

²⁵² Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

²⁵³ Baade and Matheson, “Going for the Gold: The Economics of the Olympics.”

²⁵⁴ Walker, “How Boston brought the Olympics to LA.”

much the final public bill will come to (which likely won't be known until after 2028) and the possible legal fees associated with canceling (for which there is no precedent), but also on open questions like what local leaders and the IOC would decide is most feasible politically. This would be, to a large degree, a game of chicken, and the outcome is unknowable.

Even less than three years out from the start of the 2028 Olympics, thanks to “Etch-a-Sketch economics,” it is nearly impossible to estimate how much Los Angeles taxpayers will end up on the hook for at the conclusion of the Games, how much L.A. could recoup if it were to back out of hosting now, or how much it would end up having to pay if it forced an unprecedented legal case over cancellation. The public can and should demand more clarity from L.A. officials regarding the Olympic budget—in particular, LA28 should be required to present a detailed accounting of its projected spending, as well as off-the-books costs for items like security and transit. But ultimately, the best way to look at it may well be: ***L.A. is looking at a potential fiscal disaster either way, and the decision on whether to try to cancel or renegotiate the terms of Olympic hosting depends on which you prefer to risk: billions of dollars in losses on hosting the Games, or billions in penalties for not hosting them.*** It's not an ideal situation for L.A. officials and voters to find themselves in, but it also can't be avoided. Garcetti and other L.A. officials made this bed in 2017, and it's up to the present administration to decide whether it's worth lying in.



STRATEGIC ACTIONS FOR A JUST ECONOMY