SHAKE DOWN *at the* SNACK COUNTER

THE CASE FOR STREET PRICING

by Emily DiVito, Alex Jacquez & Elizabeth Pancotti

GROUNDWORK COLLABORATIVE

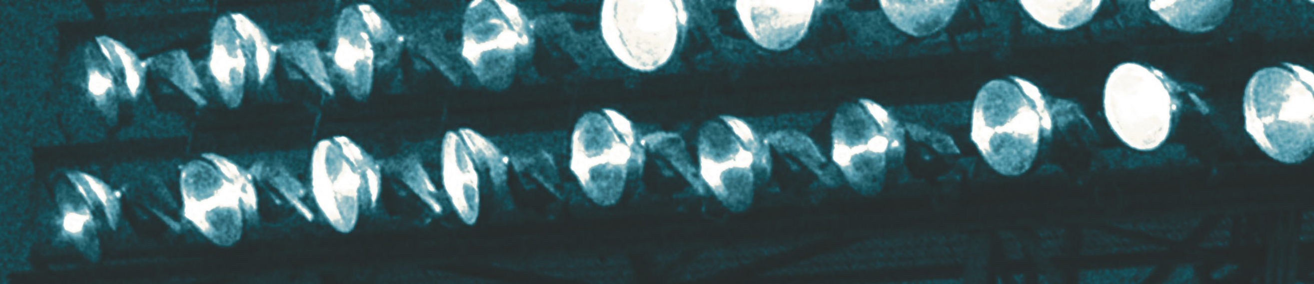
IN THE IMMORTAL WORDS OF HUMPHREY BOGART,

"A hot dog at a ballgame beats a roast beef at the Ritz." When America's national pastime returns for the 2025 season, some 20 million hot dogs will be consumed at baseball stadiums throughout the United States, according to the National Hot Dog & Sausage Council. Those dogs will be washed down by nearly 15 million beers. Concessions are big business, generating approximately $20 billion from almost 300 million fans annually.

In 1985, a reporter covering the Major League Baseball (MLB) All-Star Game in Minneapolis noted that the average fan spent about $5 on beer and other concessions (a little less than $15 in today's dollars). Today, that would not even cover one can of domestic beer at a Washington Nationals game. The typical cost to take a family of four to a ballgame today is – between tickets, parking, and concessions – $240, and if you want to get out to Fenway Park, it will run you $366. Taking in a National Hockey League (NHL) game will set a family back an average of $430, and a National Football League (NFL) game a whopping $631.

While most of these venues are underwritten by taxpayer funding at the local, state, and federal levels – through direct grants, state and local tax breaks, economic development incentives, and tax-exempt bonds – the cost of a single outing to a ballgame is not affordable for the average American family. Most teams are owned by billionaires and wealthy investment groups that look for every opportunity to squeeze more revenue out of their fans.

Publicly funded venues should not serve solely private interests. In fact, sports stadiums were once public enterprises designed for the public good. Multi-purpose landmarks like the Los Angeles Memorial Coliseum and Chicago's Soldier Field were erected after WWI as symbols of civic pride. These venues were intended to be more than just homes for professional sports teams. They served as public gathering spaces where presidents, civil rights leaders, and international dignitaries addressed the masses.



Around the 1950s, municipalities began constructing stadiums specifically to accommodate a growing number of popular, professional sports teams. By the 1980s, declining federal revenues squeezed municipal budgets that depended on federal grants. In response, government officials justified stadium funding as a tool for economic development, arguing that these venues could revitalize cities by attracting new commercial activity and tax revenue.

But the promised economic benefits never materialized. Instead, publicly funded stadiums became a financial boon for privately owned sports teams and their billionaire investors, who were able to offset their development costs at taxpayers' expense. What began as a public investment in civic spaces evolved into a system where private interests reaped the rewards – while the public footed the bill.

In 1978, the San Francisco Recreation and Park Commission raised hot dog and beer prices by 5 cents, to 80 cents and 90 cents, respectively, to pay for new concession machinery. An avid baseball fan and economist, Ron Gordon, calculated that the price hike would more than pay for the upgrade and deliver windfall profits for the concessionaires. In a 1979 article entitled, "Irate Sports Fan Succeeds in Bid To Roll Back Price for Hot Dogs," the New York Times wrote, "[i]n an era of constantly rising prices and giant corporations, [Gordon] had set out to prove that a lone individual could make a difference." Ron Gordon prevailed and the ballpark lowered their prices – for a time.

Nearly half a century later, little has changed. Giant corporations wield extraordinary – and growing – power to gouge families and consumers at every turn. However, families should not have to rely on the crusades of individuals to enjoy an affordable day at the ballpark, stadium, or arena. State, local, and federal policymakers can crack down on price-gouging and excessive charges at captive audience venues across the country, drawing lessons from and improving on a model known as street pricing, ensuring that the prices you pay inside the gate are the same as you'd pay outside across the street.

STREET PRICING

While serving very different purposes, airports and other transit centers share many of the same dynamics inside the gate as sports stadiums. In 2024, more than 1 billion passengers passed through U.S. airports. Because of security protocols, travelers often arrive at stadiums hours before departure and face restrictions on bringing in outside food and beverages, leaving them with little choice but to pay the prices vendors charge. These concessionaires – with effectively captive audiences – hold and exploit the power to impose extreme markups, with few meaningful restrictions in place.

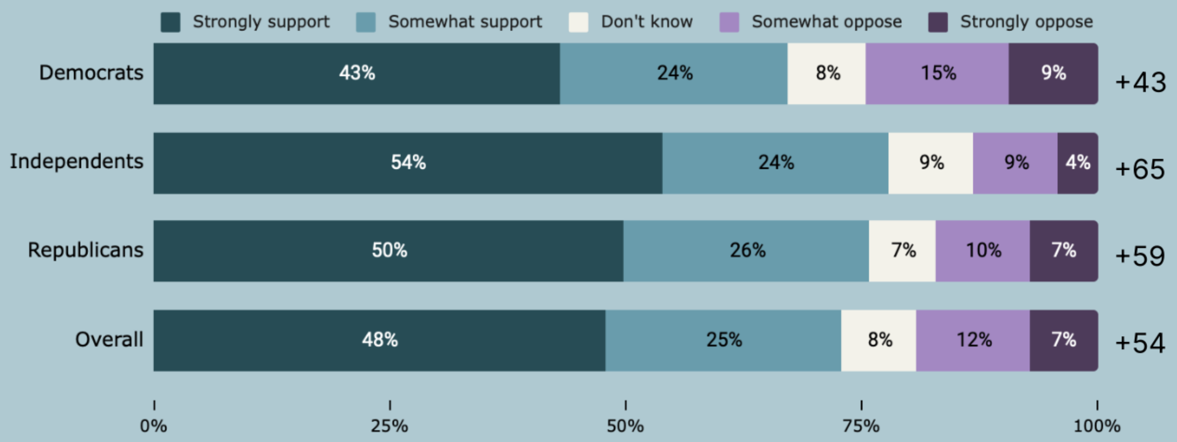
Most major U.S. airports have some form of a so-called "street pricing plus" policy to curb price gouging, but these policies still give vendors discretion to set their prices and allow markups as high as 18% above off-airport prices. Stadiums, meanwhile, have no such regulations at all. While a handful of professional sports venues have voluntarily reduced concession prices in recent years, these efforts are exceptions to the norm. As a result, price-gouging remains widespread: a $27 beer at LaGuardia Airport, an $8 hotdog at a San Diego Padres game, a $12 bag of Hershey's Kisses at San Francisco International, or a $13 bag of Chex Mix at Chicago O'Hare. These inflated costs – piled on top of already expensive tickets – can add up to hundreds of dollars at venues funded by American taxpayers: It will run a family of four more than $350 for a Yankees game this season.

Publicly funded spaces should serve the public – not exploit them.

To fix this injustice and lower costs for millions of consumers, lawmakers should enact a street pricing policy for all publicly funded venues. Under this rule, concessionaires would be required to charge the same prices they do outside the venue – no excessive markups, no shrinking portion sizes, just fair prices for travelers and fans alike.

Federal, state, and local policies to reduce these inflated costs would put money back into the pockets of almost every family in America, as virtually everyone in the U.S. will fly or attend a game or concert at a large stadium in their lifetime. Unsurprisingly, these policies are overwhelmingly popular across the political spectrum. An exclusive poll found that **73% of voters – including 78% of Independents and 76% of Republicans –** support policies that restrict vendors from overcharging for concessions at venues receiving subsidies.

Overwhelming majorities support ending concession price gouging



Publicly funded spaces should serve the public – not exploit them. With federal street pricing, working families will finally be able to trust that the development deals their tax dollars help fund aren't gouging them at the sales counter.

PUBLIC DOLLARS ENABLE PRIVATE PROFITS AT STADIUMS & AIRPORTS

Airports and sports venues receive billions of federal, state, and local dollars – though how and from what sources depend on the particular development project.

Game Day Gouging: High Prices and Private Profits at Sports Stadiums

The U.S. has more than 400 sports stadiums with at least 10,000 seats, and several more are either in development or expected to break ground soon. New arenas are planned for the Las Vegas Athletics, the Tennessee Titans, the Buffalo Bills, the Chicago Bears, the Jacksonville Jaguars, the Tampa Bay Rays, and the Minnesota Wild, as well as for the as-yet-unnamed National Women's Soccer League, Women's National Basketball Association, and MLB expansion teams.

While these stadiums don't receive direct federal funding, they still benefit from significant public investment. Virtually all major stadium projects are subsidized by state or local governments, often through Private Activity Bonds (PABs) issued to finance private construction or redevelopment projects. PABs are federally tax-exempt if they are issued for infrastructure projects that meet certain criteria.[1] Moreover, since many large arenas sit on publicly owned land that

[1] To be considered a PAB (as opposed to another type of bond), the bond must meet both Private Business Tests (26 U.S.C. §141(b)) and the Private Loan Financing Test (26 U.S.C. §141(c)), which, combined, set thresholds for how much of the bond proceeds are for private business use, how much of the debt service is secured through private payments, and how much of the bond proceeds are used for private loans. 26 U.S.C. §142, 26 U.S.C. §146, and 26 U.S.C. § 149 outline additional criteria to be tax-exempt, including what constitutes a qualified project (like for airports, highways, and other infrastructure improvements), appropriate bond approval processes, and qualifications under state volume caps.

is leased for decades at a time to private teams (often via "Master Leases"), they are also frequently exempt from property taxes.[2]

> *Despite this hefty public investment, there is little empirical evidence that stadiums boost local economies.*

Though these projects receive public funding under the rationale that they benefit the economies of local communities, they often cost their host communities more than they return in economic development. Depending on the agreements made between team owners and their host communities, local and state governments usually bear a substantial portion of the development costs. Between 2020 and 2023 alone, taxpayers contributed $750 million – nearly 40% of total construction costs – for five new stadiums. Over the past half-century, state and local governments have spent approximately $33 billion in public funds to build major-league sports venues across the U.S. and Canada.

Despite this hefty public investment, there is little empirical evidence that stadiums boost local economies. Research consistently shows that they do not drive local employment or income growth. Decades of evidence from stadium development deals across the U.S. show that they generally fail to generate new or increased spending from locals or tourists, meaning that cities often see little to no increase in tax revenue. Instead, these projects cost communities – in forgone property tax collections and federal tax revenues.

At the same time, stadium concession pricing is a free-for-all – even though concessions aren't the main revenue driver (as most professional teams make their money on media rights, sponsorships, and ticket sales). Plus, some team owners, who often own or have multi-decade master leases for their teams' stadiums, are outright billionaires. For example, Jerry Jones of the Dallas Cowboys, who has a 30-year lease on AT&T stadium, is worth $17 billion. Thomas Ricketts, whose family owns both the Chicago Cubs and their home stadium Wrigley Field, is worth more than $4 billion. Unlike airports, where some pricing policies at least attempt to limit price gouging, stadium vendors operate with no restrictions.

[2] Though some stadium projects are issued PILOT ("payment in lieu of taxes") bonds as an offset for property tax-exemption.

This dynamic results in steep upcharges: A beer at a New Orleans Saints game could set you back $12, while a hotdog at a Los Angeles Rams game runs you $8.50 – on top of rising ticket prices. Over the past year, the average price of admission for sporting events has increased by more than 12%. An average ticket to an NBA game is $53, and attending an NFL game could cost you more than $130 per person.

In recent years, fan outrage at exorbitant food costs has led some notable individual teams and their owners – including the Phoenix Suns, the Utah Jazz and Utah Hockey Club, the Seattle Mariners, the Washington Nationals, the Baltimore Orioles, and the Baltimore Ravens – to voluntarily cut and cap prices on select concessions items. These teams have introduced some form of "value meal deals," offering a handful of basic items (such as bottled water, popcorn, and hotdogs) at lower prices. While these efforts have made certain concessions more affordable, relying on the goodwill of team owners is not a sustainable solution. Without a standardized, enforceable pricing policy, sports fans across the country remain vulnerable to unchecked price hikes. Stadium vendors who operate non-stadium locations massively inflate prices. For example, a bacon cheeseburger at the Shake Shack at Nats Park in Washington, D.C. could cost more than at the Shake Shack a block away.

Price of Passage: The Sky-High Costs of Airport Concessions

The federal government plays a central role in both regulating and funding our nation's aviation infrastructure. Ensuring that airports are safe and efficient for the nearly 1 billion people and $1.5 trillion worth of cargo that pass through the 3,300 public-use airports in the U.S. each year is of national importance for the federal government. Since the 1980s, the federal government has, via the nation's chief aviation regulator the Federal Aviation Administration (FAA), provided up to $3 billion in annual funding to U.S. airports through the Airport Improvement Plan,[3] and in recent years about $20 billion more in additional funding for airports has come from the Infrastructure Investment and Jobs Act of 2021 (IIJA).[4] Despite this recent influx of investments, experts estimate that U.S. commercial airports will require at least $150 billion in additional funding in the coming years to meet growing passenger demand and modernize outdated facilities and technologies.

[3] This federal funding often comes with stipulations set by Congress, including provisions pertaining to airport concessions. The Airport Concessions Disadvantaged Business Enterprise (ACDBE) is a program within the larger Disadvantaged Business Enterprise (DBE). It outlines contracting and subcontracting provisions for airport concessionaires to promote small and minority-owned business competition in airports that receive federal funding.

[4] To coordinate airport development and determine eligibility for federal funding, the government relies on the National Plan of Integrated Airport Systems (NPIAS). The Airport Improvement Plan is financed by the Airport and Airway Trust Fund. The IIJA, which injected another $20 billion into airport upgrades, introduced the Airport Terminals Program and the Airport Infrastructure Grant Program.

Although commercial airports receive direct federal funding, they are typically managed by local public entities – i.e., their respective airport or transit authorities. These governing bodies, often joint ventures between neighboring states or counties, oversee daily operations, including awarding vendor contracts to the businesses that operate inside airport terminals. Airport concession contracts are highly lucrative. While vendors do face higher operating costs than their outside counterparts – due to heightened security requirements, enhanced supply chain constraints, and Minimum Annual Guarantee (MAG) provisions that function as a form of rent – they reap massive benefits from a captive consumer base. Bored, delayed, or stressed, airport travelers have little choice but to patronize the businesses in front of them, allowing vendors to charge inflated prices compared to what consumers would pay outside the airport.

The profitability of airport concessions has attracted major corporate players, with many of the largest airport vendors backed by private equity groups or investment consortiums. While well-known brands like Starbucks and Dunkin' Donuts are common in airports, much of the concession market is dominated by companies such as private equity-backed OTG (owned by a private investor consortium that includes Oaktree Capital Management and Centerbridge Partners), Hojeij Branded Foods (acquired in 2018 by Lagardère S.A. from

Morgan Stanley Capital Partners), and HMS Host (owned by Swiss travel retailer giant Avolta AG). Collectively, these companies and their investors operate thousands of restaurants and convenience stores inside every major U.S. airport, including ubiquitous airport brands CIBO Express Gourmet Market and Hudson News.

Anyone who has traveled through an airport hungry has likely noticed the staggering price markups that these companies impose. Most large U.S. airports already have policies in place designed to curb excessive pricing – yet these regulations fall far short of their intended goal. The most common approach, known as "street pricing plus," permits vendors to charge usually between 10% and 18% more than off-airport prices. These policies, set by state and local transit authorities, create an inconsistent patchwork of protections that vary widely across airports. Additionally, what is considered the baseline "street price" across items and airports is not an exact science. Concessionaires want the comparables to be expensive so that the baseline is as high as possible. Negotiating over this kind of fine print – a process already opaque to the consumers it affects – is left to the discretion of the local transit authorities.

For example, the Port Authority of New York and New Jersey recently increased the street pricing plus policy that covers Newark, JFK, and LaGuardia airports from +10% to +15%, with an additional 3% "employee benefits and retention fee" to account for "the particular costs of doing business at the Airport as compared to off-airport locations." Other large airports with similar policies in place include: ATL (+15%), DEN (+15%), DFW (+10%), LAX (18%), OAK (+10%), SAC (+10%), SEA (10%), SFO (+11%), and TPA (+10%).[5] Under the

[5] In 2019, the Phoenix city council repealed their street pricing plus policy at PHX airport after corporate vendor groups HMS Host and SSP requested an increase from 10% to 15%. After the policy was rescinded, vendors raised prices. A consultant hired by the airport at the time determined that the two companies would make a profit even without the requested cap increase.

status quo, a traveler could be charged +10% in their home airport, only to return on a flight out of an airport that charges +18%.

These inflated concession prices compound the already high costs of air travel. Airlines, notorious for exercising their pricing power, have raised ticket prices in recent years. In 2024, a flight out of some of the nation's busiest airports cost as much as $425 – up from $380 pre-pandemic. U.S. airlines also rack up billions each year in "junk fees." A 2024 Senate report found that ancillary airline fees – for things like extra legroom or advance seat assignments – generated $12.4 billion in revenue between 2018 and 2023 for the five major U.S. airlines: American, Delta, United, Frontier, and Spirit. Fares are expected to keep rising, with analysts projecting a 25% increase in ticket prices through mid-2025, contributing to a 15% year-over-year jump in airline profits per passenger.

While airports are rightly classified as critical infrastructure, receive billions in federal funding, and are regulated by public entities, private businesses amass the bulk of the financial rewards. Consumers, meanwhile, are left to shoulder the burden on both ends – paying premium prices for tickets and concessions in airports that their tax dollars helped build.

Of course, commercial airports and sports stadiums serve different purposes and have different funding streams, but they rely on similar business models when it comes to concession pricing. Both secure substantial public funding, then contract out concessions to private vendors that exploit captive audiences.

FEDERAL POLICY SOLUTIONS TO LOWER PRICES FOR CONSUMERS

Given their distinct financing models, street pricing policies require tailored enforcement mechanisms to cover both airports and stadiums. To curb price gouging effectively, we propose the following measures:

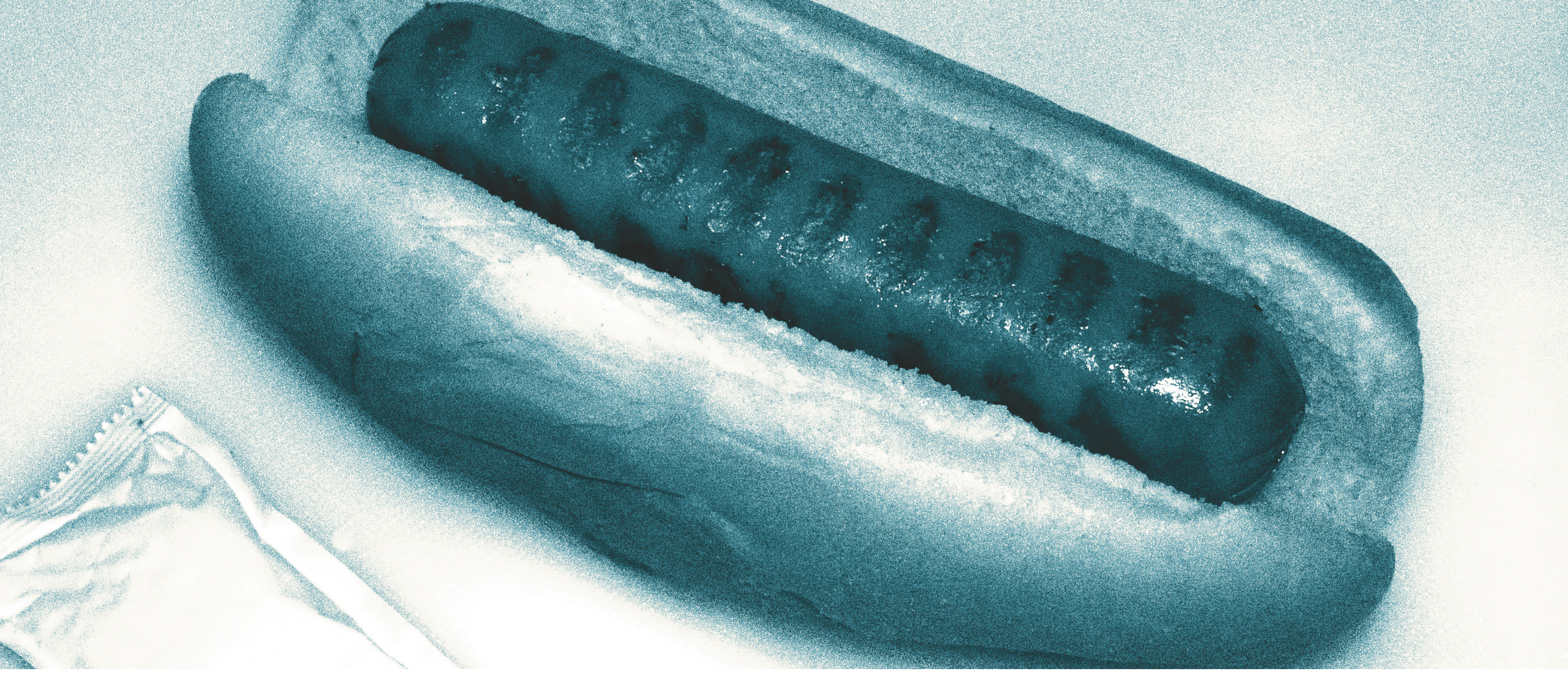
- Enact a provision requiring strict street pricing in concessions agreements for any airport project that receives funding from the Department of Transportation (DOT) under the Federal Aviation Authorization Act (49 U.S.C. § 47107(e)).
- Classify violations of that same street pricing policy for all concessionaires at other large venues as an Unfair, Deceptive, or Abusive Act or Practice (UDAAP) enforceable under section 5(a)(1) of the Federal Trade Commission (FTC) Act (15 U.S.C. 45(a)(1)).
- Require strict street pricing for any private venue receiving Private Activity Bonds that, when completed, will offer concessions to consumers in order for those bonds to be considered federally tax-exempt (26 U.S.C. § 141).

Further, to ensure consistent policy application across venues, the street pricing policy should establish clear guidelines for determining off-venue price baselines. Specifically:

- **Comparable Pricing Baselines:** Prices must be based on comparable nearby businesses (for airport-specific vendors like CIBO Express Gourmet Market) or identical brand locations (for chains like Chick-fil-A or Dunkin' Donuts).
- **Portion and Quality Standards:** Vendors must maintain the same portion sizes and product quality as their off-venue counterparts to prevent downsizing or dilution as a workaround to price caps.

To enforce the above, DOT and FTC should perform regular audits and annual Congressional reporting on compliance and be granted the authority to impose civil penalties on vendors found noncompliant.

Additionally, cities and states should attach strict pricing stipulations to master leases, contracts, and/or Community Benefits Agreements (CBA) as they negotiate stadium (re) development deals with sports teams and owners. These localities should also name and



authorize specific mechanisms for oversight and enforceability, including the appointment of a city auditor or other government entity to ensure CBA compliance.

Street Pricing Success Stories: Portland and Atlanta Leading the Way

A federal street pricing policy wouldn't only save consumers money – it would also be good for business. Lower concessions prices have led to higher sales, as customers are more willing and able to spend when they don't feel gouged.

PORTLAND INTERNATIONAL AIRPORT (PDX) & SALT LAKE CITY AIRPORT (SLC)

Portland International Airport (PDX) has been a pioneer in fair airport pricing, prohibiting vendor markups since the 1980s. While most major U.S. airports allow concession surcharges of 10% to 18%, PDX has maintained strict street pricing that disallows any price markups, and the results speak for themselves. In 2024, a PDX spokesperson told the *San Francisco Standard* that retail sales at the airport are "pretty significantly above the national average... We attribute this in large part to street pricing – passengers spend more money when they don't feel they're being price-gouged."

Taking note of PDX's success, Salt Lake City's SLC Airport adopted the same policy in 2022. SLC's executive director reported a noticeable increase in concession sales, telling the *Salt Lake City Tribune*: "When people get the notion that they're not being gouged, or they're not paying significantly more for something than they might otherwise be, they'll buy it."

MERCEDES-BENZ STADIUM (ATLANTA, GA)

In the sports world, Mercedes-Benz Stadium, home to the Atlanta Falcons and Atlanta United FC, has led the charge toward fair pricing. Upon its opening in 2017, the stadium voluntarily introduced a "fan first pricing" model, offering significantly lower concessions prices – about 50% cheaper than those at its predecessor, the Georgia Dome. Fans can get $2 sodas with free refills and $5 beers. Since slashing concession prices at Mercedes-Benz after moving from the Georgia Dome, the stadium has seen a 30% increase in overall transactions, a 20% increase in merchandise sales, and a 20% increase in the number of items per transaction.

These case studies prove that a fair pricing policy isn't just feasible – it's a win-win for businesses and consumers. By implementing a federal street pricing policy, we can ensure that public spaces funded by taxpayers serve the public interest, and don't just pad private profits.

CONCLUSION

In the wake of the pandemic, American families have struggled to afford everyday essentials as corporate greed has outpaced inflation. Since 2019, corporate profits have driven roughly 30% of the rise in consumer prices. Across sectors – from overdraft fees to event ticket fees to auto dealer fees to rental application fees – corporations have used "junk fees," and other deceptive pricing mechanisms to squeeze every last dollar from their customer base, and bipartisan policymakers at all levels of government have taken them on. Federal, state, and local street pricing policies build on this body of work to rein in the corporate practices that harm consumers and undermine business competition.

When people visit airports or sports stadiums – venues supported by their tax dollars – they shouldn't have to worry about price markups. Whether traveling to visit grandparents or taking their kids to a ballgame, American families shouldn't be fleeced by corporate vendors already reaping the benefits of public subsidy. The cost of admission – whether for a flight or a game – is already high enough. American consumers deserve to enjoy these publicly funded venues without being nickel-and-dimed by corporate owners and vendors.

About the Authors

Emily DiVito is Senior Advisor for Economic Policy at Groundwork Collaborative. Prior to Groundwork, she was the Director for Finance, Corporate Regulation, and Consumer Protection at the Roosevelt Institute and a policy advisor at the U.S. Treasury Department. Her research has been featured in the Washington Post, the Guardian, American Banker, and Bloomberg. Emily has a BA from Wellesley College and an MPA from Columbia University.

Alex Jacquez is the Chief of Policy and Advocacy at Groundwork Collaborative. Prior to joining Groundwork, he served as Special Assistant to the President for Economic Development and Industrial Strategy at the White House National Economic Council where he advised President Biden on issues spanning labor and competition to clean energy and manufacturing. He previously served as a Senior Policy Advisor for labor and economic issues for Senator Bernie Sanders (I-VT) on the Senate Budget Committee and on his 2020 presidential campaign, and has held policy, communications, and engagement positions for Senate Democratic Leadership, the Obama White House, the U.S. Department of Agriculture, and federal and state campaigns. Alex graduated from Lehigh University, where he lettered in baseball.

Elizabeth Pancotti is the Managing Director of Policy and Advocacy at Groundwork Collaborative. Prior to Groundwork, she advised Sen. Bernie Sanders (I-VT) on economic policy and researched economic policy at the Roosevelt Institute, Employ America, and the National Bureau of Economic Research. Her research has been featured in the New York Times, the Washington Post, and the Guardian. Liz has a BS in economics from American University.

Acknowledgments

The authors thank Pat Garofalo, Ron Gordon, Carol McCarthy, Aria Sundberg, and Katie Wells for their feedback and insights throughout the development of this brief. Matt Ingram provided graphic design.

About Groundwork Collaborative

Established in 2018, Groundwork Collaborative is an economic think tank that transforms the way people understand the economy. To win policies that create strong, broadly shared prosperity and true opportunity for all, we advance new narratives about what a good economy looks like. Groundwork's unique tripartite structure – part communications shop, part think tank, and part issue advocacy organization – allows us to drive economic narratives with credibility, expertise, and impact.