

ECONOMIC BENEFITS OF HOSTING THE WORLD CUP IN



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Economic Benefits of Hosting the World Cup in Nashville

Summary

This study examines the economic impact that construction, operation, and tourism associated with Nashville hosting four World Cup soccer matches during one month in 2026 would have on the Tennessee economy.¹ The games would be held at Nashville's Nissan Stadium, the current home of the Tennessee Titans. The economic impact from hosting the games would come from the construction of new/renovated facilities, operations of the games themselves, and tourism that arises as visitors come to Nashville to attend the World Cup games and associated events. Tourism will generate most of the World Cup's economic effects, but construction, and spending at the matches will also generate economic activity for the state. This analysis focuses on the one-time economic impact of hosting the World Cup in 2026, but the attention Nashville receives from being thrust onto the world stage could offer much longer-term economic gains.

Economic benefits arise from each of the three components, accruing directly to somewhat different economic sectors, but most components of the Nashville and Tennessee economies would benefit. First, construction, which is to be funded by private donors, is estimated to cost approximately \$15 million. While Nissan Stadium is an excellent facility, FIFA has specific requirements that all host cities must meet to host World Cup games. Workers will be hired, materials purchased, and so forth, and these add to Tennessee's economy. Second, economic impact is generated from operating the games themselves. Many people will work at the stadium taking tickets, selling merchandise, providing concessions, and so on. Lastly, and most important, tourism benefits the economy. Tourists will stay in hotels, eat in restaurants, take advantage of music and other entertainment, purchase gifts, and generally take advantage of the many attributes that Nashville and Tennessee offer. The economic impact occurs as money is expended for construction, operations, and tourism and this spreads throughout the Tennessee economy as these dollars are spent and re-spent in the economy.

¹ We assume that a winning bid by Nashville would result in hosting four games.

Table 1 summarizes the economic benefits in terms of incomes generated, employment created, and tax revenues. Assuming that Nashville hosts four games over the course of a month, we estimate that the World Cup would generate \$694.6 million in total economic output, which represents the value of producing the many services and goods linked to the World Cup activities. Additionally, hosting the World Cup would create 5,469 annualized jobs during the event period and would generate \$205.6 million in earnings for Tennessee workers. In addition, income would accrue through profits, rents, and other forms. We also find that Tennessee would see a one-time increase in state and local tax revenues of \$55.3 million.

Table 1: Summary of Economic Benefits Associated with Hosting the World Cup, 2026

Total Economic Output	\$694.6
Income Generated	\$205.6
Tax Revenue Generated	\$66.1
Employment Generated	5,469

* Dollar values in millions

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World Cup Highlights

The World Cup is one of the world's premier international sporting events, featuring elite soccer players from the 32 teams that qualify to compete for the championship. Over 200 countries broadcast the entirety of the World Cup and over half of the world's population watches at least some of the matches.² This sort of international reach has the potential to improve both the recognition and the perception of Nashville and Tennessee with international travelers and entities. The vast international exposure fostered by the World Cup would give Tennessee and Nashville a chance to extol the many reasons that these are essential tourist destinations and an excellent place to conduct business.

Not surprisingly, cities compete fiercely to host World Cup games.³ To even be considered, potential World Cup host cities must offer excellent facilities where the matches would be held, reliable infrastructure to accommodate the influx of spectators, sufficient accommodations and enticing entertainment. Nashville, with its thriving sports scene and world-class entertainment, is very well positioned to accept the large influx of visitors that the World Cup would attract and capture the significant visitor spending.

Construction

A World Cup host city must have facilities that meet FIFA and World Cup requirements. If Nashville were to host World Cup matches, the games would take place at Nissan Stadium, which is the current home of the Tennessee Titans. Relatively minor renovation and construction would be required at Nissan Stadium. Current estimates show about \$15 million of construction, renovation, and development is needed. Expenditures on workers and materials for bringing the facilities in line with World Cup standards would generate economic activity that creates income for workers, business owners, contractors, material suppliers, and others.

We assume that 100 percent of construction expenditures are in Tennessee. Those earning incomes from these construction expenditures will spend their incomes in Tennessee on items such as food, clothing, housing, and entertainment. This trickles through the economy and creates additional jobs and income in Tennessee through the so-called multiplier effect, where each dollar spent in construction can generate more than one dollar in economic activity in Nashville and throughout the state. We estimate that spending on construction will increase output by \$36.4 million (see Table 2), and incomes by \$13.3 million for Tennessee workers (see Table 3).

² <https://www.fifa.com/tournaments/mens/worldcup/2018russia/media-releases/more-than-half-the-world-watched-record-breaking-2018-world-cup>

³ <https://www.csmonitor.com/Business/Saving-Money/2014/0612/FIFA-World-Cup-Breakdown-of-viewership-statistics>

Table 2: Summary of Economic Impact by Source

Operations	\$18.9
Spectator Spending Off-Premises	\$639.3
Construction/Renovation	\$36.4

* Dollar values in millions

Operations

The World Cup is a major sporting event and each match played in Nashville would operate at full capacity in Nissan Stadium.⁴ Each hosted game represents economic activity in Tennessee as staff are hired and concessions and memorabilia are purchased. The revenue collected from ticket sales, concessions, merchandise sales, and other sources will be used to pay expenses of operating the games (such as hiring workers), thus creating jobs and income for Tennessee residents. Just like construction, additional jobs and income are generated through the multiplier effect as the money weaves through the local economy. FIFA retains a sizable portion of the revenue from merchandising and ticket sales, but revenues are still used to hire the many workers and to purchase memorabilia, food and drink for resale, thereby generating incomes for Tennesseans.⁵ After FIFA takes its cut, we estimate the operations of the event will generate \$6.9 million in earnings for Tennesseans.

Visitor Spending

Most of the economic activity associated with hosting the World Cup will come from visitor spending and tourism that takes place outside of the event itself. In fact, visitor spending accounts for 92 percent of the economic activity that hosting the World Cup will generate. Out-of-area visitors will not only attend the World Cup but will also partake in Nashville's world-class hospitality. Incomes are created for workers and owners in industries like leisure and hospitality, retail, and others when out-of-area visitors spend money on food, accommodations, and other items.

We anticipate that 160,000⁶ fans and tourists will visit Nashville, staying an average of five nights⁷ at the excellent hotels in and around Nashville with an estimated cost of \$300 per night. Many of these visitors will indulge in Nashville's various entertainment, dining, and retail offerings. We estimate that each visitor will spend \$150 a day on average enjoying Nashville's abundant amenities outside of the stadium.

⁴ The current seating capacity for Nissan Stadium is 67,700, however we assume that only 65,000 people will attend the event due to scalping, potential seating changes from converting the stadium, and general inefficiencies.

⁵ FIFA retains 100 percent of the ticket sales revenue and 80 percent of the revenue from merchandise sales.

⁶ This estimate may be conservative as many individuals, who do not attend the matches, will travel from city to city following their favorite team. Furthermore, festivities and events outside of the match itself will create additional tourism to host cities.

⁷ We assume that only 120,000 rooms will be booked, as many individuals will elect to share rooms.

Once again, these expenditures ripple throughout the economy via the multiplier effect, generating additional jobs and income for Tennesseans. We estimate that visitor spending generated by the World Cup would increase output by \$639.3 million and create \$185.5 million in earnings for Tennessee workers.

Table 3: Summary of Income Effects by Source

Operations	\$6.9
Spectator Spending Off-Premises	\$185.5
Construction/Renovation	\$13.3

* Dollar values in millions

Employment Effects

Hosting of the 2026 World Cup will generate new employment in and around Nashville through the same channels where income arises. We estimate that hosting the World Cup will support 5,469 annualized jobs in Tennessee (see Table 4). Again, most of the jobs that are created in the local economy will arise in leisure and hospitality and retail, although nearly every industry sees new economic activity through the multiplier effect. Tourism accounts for over 5,000 of the annualized jobs through the direct and multiplier effects together. Further, substantial staff will need to be hired for World Cup operations and for construction, with each accounting for over 200 annualized jobs.

Table 4: Summary of Employment Effects by Source

Operations	215
Spectator Spending Off-Premises	5,015
Construction/Renovation	239

Tax Effects

The World Cup has the potential to create a significant amount of one-time tax revenue for the state of Tennessee and its local governments. However, the details of specific tax agreements with FIFA are unknown at this time. Thus, we estimate the potential tax revenues from hosting the World Cup.

Tennessee will see tax revenue arising from sales taxes on ticket sales, concessions, souvenirs, and merchandise. In addition, tax revenues will occur throughout the economy as incomes earned from tourism, construction spending, and visitor spending are spent and respent. Also, Davidson County will collect \$10.8 million in hotel/motel taxes. We estimate that hosting the World Cup will generate \$66.1 million in tax revenues of which, \$45.9 million will come from sales tax revenues, \$10.8 million from hotel/motel tax revenues, and \$9.4 million will be from other tax revenue sources (Table 5).

Table 5: Summary of Tax Benefits

Sales Tax Revenue	\$45.9
Hotel/Motel Tax Revenue	\$10.8
Other Tax Revenue	\$9.4
Total State & Local Tax Revenue Generated	\$66.1

* Dollar values in millions

Conclusion

Hosting of the 2026 World Cup would generate significant economic activity in Tennessee, creating jobs and increasing earnings for residents. Beyond these quantifiable impacts hosting the World Cup would provide substantial value in areas that are more difficult to quantify, but are still very important. The 2026 World Cup would bring thousands of visitors from across the world and the U.S., many of whom may otherwise never visit Nashville and Tennessee, if not for the World Cup. Additionally, the World Cup is broadcast all over the world and watched by the majority of the world's population. Effectively, the city and state are advertised as each match is played and as the results are discussed for some time afterwards. This type of international reach has the potential to elevate Nashville on the world stage and continue the trend of Nashville becoming one of the world's premier tourist destinations, and does so without an explicit attempt to promote the city. The benefits parallel some of those arising from having the country hear about Tennessee and Nashville every time Titans games are broadcast, results announced and games talked about, except the World Cup truly operates on a worldwide scale. Existing residents would also benefit from having the opportunity to attend the World Cup, partake in the festivities that such an event includes, and participate in the excitement that the World Cup would bring to Nashville. While difficult to quantify, these many qualitative benefits may be the most important outcomes from hosting the World Cup.

The quantifiable benefits to Tennessee and the Nashville area arising from hosting the World Cup in 2026 include an estimated \$694.6 million in total economic output, creating 5,469 jobs and generating \$205.6 million in earnings for Tennessee workers.