



AN EARLY LOOK AT THE ECONOMIC IMPACT OF FIFA WORLD CUP 26™ ON THE STATE OF GEORGIA

Out-of-state visitor spending estimates

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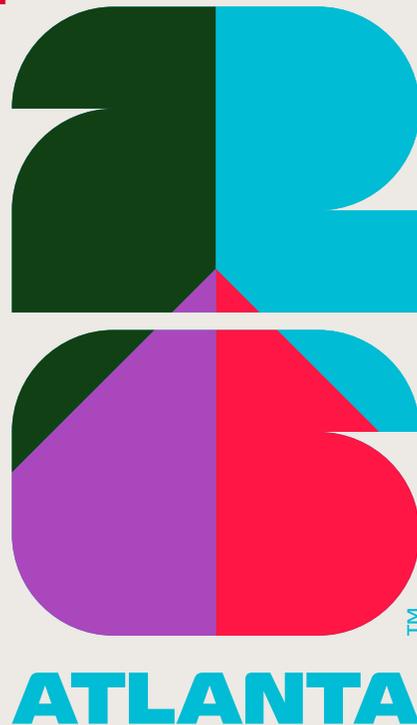
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EXECUTIVE SUMMARY

FIFA WORLD CUP 26™ WILL BE THE LARGEST SPORTING EVENT IN HISTORY.

ATLANTA AND GEORGIA WILL EXPERIENCE AN UNPRECEDENTED IMPACT ON THE LOCAL AND STATE ECONOMY WITH AN ESTIMATED ECONOMIC IMPACT OF \$503.2 MILLION.

Accurately estimating the projected impact is made difficult by many unknown factors. The value of earned media, for example, is not estimated here, but its importance cannot be overstated as the FIFA World Cup 26™ generates extraordinary reputational exposure, tourism, and future business opportunities for its hosts.



OVERVIEW

Atlanta was named a FIFA World Cup 26™ host city in 2022. The large influx of passionate soccer fans and highly visible matches during those four weeks will drive a significant economic impact on our state's economy.

Atlanta is slated to host eight matches beginning in June, including five in the group stage, one in the Round of 32, one in the Round of 16, and a semi-final on July 15th. Forecasting the economic impact of an event that is still two years in the future is challenging, but this analysis serves as an early look at the economic impact we might expect for the state of Georgia.

OVERVIEW

BASED ON OUR ANALYSIS, HOSTING FIFA WORLD CUP 26™ MATCHES IN ATLANTA WILL HAVE AN ESTIMATED ECONOMIC IMPACT OF **\$503.2 MILLION ON THE STATE OF GEORGIA.**

This analysis serves as a conservative, well-reasoned projection of the economic impact that only accounts for spending by out-of-state attendees. There is great uncertainty in estimating the number of spectators who will attend matches, where they will come from (out-of-state visitors have a higher economic impact), and how much visitors — and companies — will spend before and during the matches in Atlanta. Only an “after-the-fact” review will fully capture the total economic impact.

Other FIFA World Cup 26™ host cities have released estimates of the economic impact of the FIFA World Cup™ highlighting its significant potential benefits. Most of the estimates for other host cities are \$300 million and higher, with one estimate reaching as high as \$2 billion.



Atlanta and **Los Angeles**, two major economic hubs, will host the second-greatest number of matches with eight apiece, led only by **Dallas** with nine.

Los Angeles' economic impact is projected to be \$594 million, after accounting for those visitors that would avoid coming to Los Angeles because of the higher hotel prices during the FIFA World Cup 26™.

THERE ARE SEVERAL METHODS TO CALCULATE **THE ECONOMIC IMPACT OF THE FIFA WORLD CUP 26™**:

One approach is to estimate the increased room rates and food and beverage spending that would occur due to the eight matches. Another method is to estimate the total spending during FIFA World Cup™ matches and subtract from the “normal” amount.

It is important to note that the FIFA World Cup™ demand during those weeks may lead to the displacement of some events that would typically take place in a normal year due to substantially higher hotel and lodging rates.

The FIFA World Cup™ is a unique event based on the large number of international visitors that typically attend. Except for the 1996 Summer Olympic Games, the FIFA World Cup™ is unlike any other major sporting event Atlanta has hosted. This series attracts wildly enthusiastic, international fan bases who travel to see their teams compete. We know international visitors stay longer and spend more. We also know that FIFA World Cup™ fans will likely use their vacation time and budgets to see their favorite team — and we will see many of those fans in Atlanta and across the state.

This estimate only includes spending from out-of-state visitors. It does not include the impact attributed to Georgians, as this would normally be considered a substitute for other activities that Georgia families would otherwise do. For example, instead of going to more Braves games, a family might spend that portion of their entertainment budget to attend one or more FIFA World Cup 26™ matches. This economic impact estimate would be substantially greater if spending by Georgia residents was included.

Some economists have argued against sporting events as an economic driver. Much of that criticism is concentrated on the construction of stadiums.

Atlanta already has a world-class facility that is home to Atlanta United — a Major League Soccer team that has the highest average attendance of any professional soccer team in the country.

FAN ATTENDANCE

FOR A SOCCER LAYOUT, THE CAPACITY OF MERCEDES-BENZ STADIUM IS LISTED AT 71,000 ATTENDEES. **WITH STANDING ROOM, THE STADIUM'S CAPACITY IS LISTED AT 73,019.**



FAN ATTENDANCE

THOUGH MATCH ATTENDANCE IS NOTORIOUSLY DIFFICULT TO ESTIMATE, VARYING BASED ON TEAMS PLAYING AND CONFIGURATION OF THE STADIUM, **PLANNERS FORECAST THAT THERE WILL BE AN ESTIMATED 65,000 SPECTATORS PER MATCH.**

Therefore, the eight matches should bring around 520,000 spectators. Some visitors will see more than one match while they are in Atlanta, **so a conservative estimate of 300,000 unique spectators, plus team members and staff, was used in this estimate.**

An estimated 75 percent of the attendees will be from other states or countries. **That leaves an estimate of 225,000 unique visitors from outside the state of Georgia.**

The number of days that fans will stay in the Atlanta area will vary widely. Some will come only for one match, while others may stay for days or weeks. There will also be an unknown number of fans who will come for the festivals and other events surrounding the matches without attending the matches themselves.

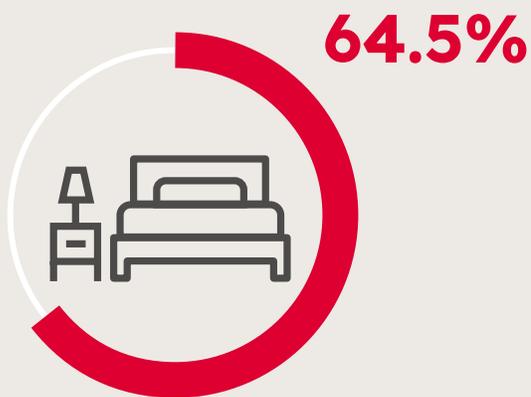
LODGING

MOST OF THE FIFA WORLD CUP 26™ MATCHES WILL BE PLAYED IN JUNE. **THE BEST COMPARABLE TIMEFRAME FOR AVERAGE HOTEL OCCUPANCY AND DAILY RATE IS THE SECOND QUARTER OF 2023.**

Colliers' 2023 Q2 Hospitality Report shows that **there are roughly 205,000 hotel rooms in the Georgia market.**

The average daily rate was \$121.26, yielding a revenue per available room (RevPAR) of

\$79.38.



During Q2 in 2023, **overall occupancy was 64.5 percent.**

Revenue per available room =

REVPAR

LOGGING

FOR THE DOWNTOWN ATLANTA AREA, THERE WILL BE APPROXIMATELY 15,000 HOTEL ROOMS AVAILABLE IN JUNE 2026. **DURING THE SECOND QUARTER OF 2023, THE REVPAR FOR THIS AREA WAS \$130.68 WITH AN AVERAGE DAILY RATE OF \$191.78.**



Occupancy during that time was **68 percent.**

These numbers indicate that there is typically unused capacity for lodging in the Atlanta area during this time of year.

Of course, we should see substantial increases in hotel rates and minimum stay requirements during FIFA World Cup 26™. Spectators will pay higher rates — which might discourage some travelers who would have otherwise come to Atlanta during that time. It is not known whether those people will still come to Atlanta at a different time of the year. It is likely that some conventions will choose other times of the year to come to Atlanta, but it is possible that they would choose another city to avoid the expected high hotel rates and long minimum stay lengths required by hotels.

ESTIMATED SPENDING PER PERSON

THIS REPORT ASSUMES **THE AVERAGE OUT-OF-STATE SPECTATOR SPENDS \$1,070 MORE DURING THEIR STAY IN ATLANTA** THAN WOULD HAVE BEEN SPENT IN THE ABSENCE OF FIFA WORLD CUP 26™ MATCHES.

This includes approximately:



\$670 on hotel



\$260 on food and beverage



\$90 on merchandise



\$50 on entertainment

Corporate spending on entertainment is estimated at

\$20 million.

These averages were input into IMPLAN, a commonly used economic impact model, to estimate the total economic impact. Those impacts include not only the direct impact but also the *indirect impact* (sometimes referred to as the impact on the supply chain), and the induced economic impact – which refers to the increased wages derived from the direct and indirect impacts. This estimate does not account for ticket sales to the matches, because every host city has waived sales taxes on tickets for FIFA World Cup 26™ matches.

ESTIMATED SPENDING PER PERSON

ANOTHER SOURCE OF SPENDING THAT WAS NOT INCLUDED IN THIS ESTIMATE IS **THE COST OF TRANSPORTATION GETTING TO ATLANTA.**

It is highly likely that Delta Air Lines will add extra flights and transport many of the spectators and teams to Atlanta. However, it is difficult to estimate how much extra revenue will be generated by Atlanta's hometown airline and other carriers this far in advance of the FIFA World Cup 26™. **Ground transportation by visitors is also not estimated, but organizers expect substantial increases in the use of MARTA, rental cars, and rideshare services.**



ANALYSIS

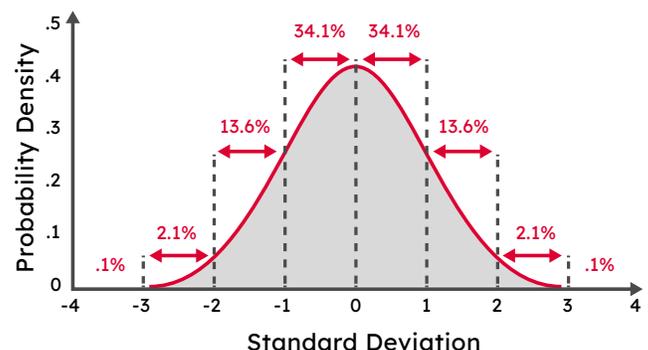
BECAUSE OF THE UNCERTAINTY OF FORECASTING AN EVENT AS FAR INTO THE FUTURE AS FIFA WORLD CUP 26™, **ESTIMATES WERE MADE IN RANGES FOR VARIABLES SUCH AS ATTENDANCE, LENGTH OF STAY, AND SPENDING BY VISITORS FROM OUTSIDE GEORGIA FOR THE EIGHT FIFA WORLD CUP 26™ MATCHES IN ATLANTA.**

Since we cannot be certain of future events, the appropriate way to estimate the variables needed to calculate the economic impact is to provide a range, rather than determining a certain amount or even projecting an average. Those probability distributions of all the input variables are the estimates that were used in a Monte Carlo simulation model.

A Monte Carlo simulation is a model that uses probabilities for each of the input variables to simulate an outcome.

Each distribution for the input variables is sampled many times, and the model produces a range of outcomes. Then, probabilities can be assigned to how often the output range falls between two outcomes.

Standard Normal Distribution



ANALYSIS

ALTHOUGH THIS STUDY ADDRESSES OUT-OF-STATE ATTENDEES, **GEORGIANS ARE ALSO PREDICTED TO SPEND MORE THAN THEIR TYPICAL EXPENDITURES.**

Often, a once-in-a-lifetime event like the FIFA World Cup 26™ will spur spectators to use their savings to pay for the chance to attend such a unique event. Although that type of spending on FIFA World Cup 26™ events in Atlanta is highly likely, it is not estimated nor accounted for in this analysis.

Spending is another variable that is uncertain until after the event. While this study ignores spending by Georgia residents, there certainly is a range of spending that will take place by teams and spectators from outside Georgia. Some spectators will travel on a limited budget; others will have substantial budgets and will spend freely while in Atlanta. Of course, there will be some who spend less than this range, and some will spend more.

The average spend is estimated to be

\$1,070

per person.

ANALYSIS

OUR SIMULATION MODEL USED A DISTRIBUTION FOR EACH OF THE VARIABLES AND WAS ITERATED 10,000 TIMES. **THE ESTIMATED ECONOMIC IMPACT OF THE SPENDING BY TEAMS AND SPECTATORS FOR THE FIFA WORLD CUP 26™ MATCHES IN ATLANTA WAS SHOWN AS \$503.2 MILLION.**



Additional labor income due to the influx of spectators is estimated at \$171.6 million. Hotel tax receipts will increase, as well as sales taxes on merchandise and meals. Other taxes — like fuel taxes — are expected to increase as many spectators may drive to Atlanta, use rideshare services, or rent cars in Atlanta while they are here for the FIFA World Cup 26™ matches.

VALUE OF EARNED MEDIA

MORE THAN 5 BILLION PEOPLE ENGAGED WITH FIFA WORLD CUP QATAR 2022™, AND ATLANTA WILL UNDOUBTEDLY ATTRACT SIGNIFICANT ATTENTION DURING THE MATCHES IN 2026.

Although the value of free media exposure for the city and region will be large, that is not accounted for in this estimate. Los Angeles estimated that the city would receive more than \$133 million in value from media coverage during its eight matches.

The media coverage of the 1996 Summer Olympic Games was a catalyst that raised Georgia's international profile and led to an expansion of global business recruitment and attraction for the state. Hosting the FIFA World Cup™ will once again put Atlanta on the international stage.

Although it is true that the media will highlight Atlanta, the region, and the state, no attempt has been made to quantify the element of earned media exposure. However, positive media exposure during the matches will lead to increased international tourism after the FIFA World Cup 26™ concludes.

Additional consideration for corporate expansions or relocations from companies across the globe, just as we saw with the Olympic Games, may also be expected.

CONCLUSION

FIFA World Cup 26™ will be unlike any event Atlanta has hosted since the 1996 Olympic Games. The economic impact itself will be substantial, and an additional, intangible impact will propel Atlanta and the state further onto the world stage.

The FIFA World Cup 26™ teams and most of the spectators will arrive from other states and countries, and their spending will have a substantial economic impact on Georgia. Given the intense loyalty of soccer fans all over the world, we know that matches will be attended by many people who have never been to Atlanta. When they have a positive experience visiting the city and region, and fans at home see what Georgia has to offer, some of them will return, and some will consider expanding or relocating a business to our state. **The Metro Atlanta Chamber and our partners will be ready to help them with their move, while realizing the economic benefit that serves the city, region, and state.**



THANK YOU

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