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The Test Was the World Cup

What a mega-event measured on one method showed about demand, capacity, and the value a country keeps

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EXECUTIVE SUMMARY

The largest event a country can host, and what it could not do

The 2026 World Cup was staged in a country whose inbound visitor demand was falling for policy reasons. That made it a natural experiment of a kind economists rarely get: hand a country losing visitors the biggest sporting event ever held on its soil, 78 of 104 matches, and see whether the event can overcome the policy friction. Living Lab measured it, match by match and hotel by hotel, across 16 host markets, and measured a full year of US business events on the same method beside it.

The tournament delivered what a tournament can. It could not do what it cannot. The displacement of international demand held through the summer, which means it is structural rather than seasonal. And two failures nobody planned for, one in Boston and one that every Grand Prix host will recognise, showed where the value a country pays for actually goes.

68.3m	**6.81m**	**80%**	**+13%**
US international arrivals in 2025, down 5.5%	tournament attendance, against 6.5m projected	of host-city hotels below their booking projection	average host-city rate premium, and negative in two markets

- A mega-event cannot fix a structural demand problem. Ticket demand at roughly 30 times capacity changed nothing upstream of the border.
- Measured on one method, a year of business events matched the tournament on most measures and exceeded it on tax, every year.
- Where the rate premium appeared, and where it did not, was a property of each city, not of the event. A national average would have told all 16 cities the same thing, and it would have been wrong for most of them.
- The value leaks are predictable. Boston's bars ran dry and Monza's guests slept in Milan. Neither needed a model to foresee; both needed someone to be looking.

PART I

A clean experiment, by accident

Why 2026 was a test

International arrivals to the United States fell 4.2% in 2025 while worldwide travel grew about 4%. Measured on a full-year basis by the US Travel Association, inbound visits declined 5.5% by volume to 68.3 million, against 72.3 million in 2024 and 79

million in 2019. Inbound spending fell 2.4% to US$175bn, some 18% below the 2019 level once adjusted for inflation.

The causes were policy rather than weather. Visa issuance was suspended to 75 countries. Border device searches expanded by 18%. Tariff measures dampened sentiment and logistics. Western European overnight visits fell 17% in March alone and Canadian arrivals fell more than a fifth across the year. Living Lab had forecast a 9% rise in US international arrivals for 2025 and revised to a 9.4% decline, among the sharpest single-year corrections in the platform's history.

Into that fall came the World Cup. If a mega-event can overcome policy friction, this was where it would show.

The three questions it could answer

The experiment could settle three things that a normal year cannot. First, whether the displacement of US inbound demand was cyclical, and would reverse under a strong enough pull, or structural, and would persist regardless. Second, what a tournament does to a host city's hotel economy, measured per hotel rather than as a city average. Third, how a one-off event compares with the ordinary business calendar when both are measured the same way.

> **The World Cup was the test. It failed. Not as a tournament, which delivered, but as a remedy for a demand problem it was never able to reach.**

PART II

What we measured, and how

The panel

Living Lab's measurement covered 16 World Cup host markets and a full year of US business events on the same economic model. The model runs across 50 OECD ISIC sectors on Leontief Type I and Type II multipliers, states its counterfactual, and nets out displacement and deadweight before any figure is reported.

Hotel effects were measured per hotel, using fixed effects, rather than as a city-wide average. This matters because a city average hides the markets where the premium never appeared. It is the difference between telling a city that the tournament lifted rates, and telling it which hotels saw the lift, which saw none, and why.

Business events were measured from a panel of large US-based MICE events, adjusted for the travelling share of attendance: the proportion of attendees who came from outside the metropolitan area and therefore needed a room. The panel is current as of August 2026.

The correction, stated plainly

The first published version of the business-events figure was 3.5 million room nights. After the travelling-share adjustment was applied, the verified figure was about one million. That correction is reported here rather than buried because it is the method working. A measurement system that cannot say we were wrong, here is the fix, is marketing, not measurement.

Sources: US Travel Association; National Travel and Tourism Office; American Hotel and Lodging Association, April 2026; Cirium; Allianz Trade; Living Lab per-hotel panel, 16 host markets; Living Lab MICE panel, August 2026.

PART III

What the tournament delivered

The tournament itself

Final attendance reached 6.81 million against a pre-event projection of about 6.5 million, unusually accurate for an event of that scale. Ticket demand ran at roughly 30 times available capacity in requests. On its own terms the event performed.

The hotel economy, city by city

The international component did not. Four in five hotels in US host cities reported bookings below projection. European advance bookings for July 2026 were 15.3% below the prior year. US inbound arrivals for January to July 2026 were 4.7% down. Inbound demand kept falling through the tournament window.

Per hotel, the picture split three ways. Miami booked 382,025 tournament room nights with a rate premium of 30.3%. Dallas booked 491,175 with a premium of 19.8%. New York booked the most room nights of any host, 537,655, and its rate fell 4.5%: the city absorbed the largest event on earth without moving on price. Las Vegas did not host a match; its flagship expo in the same period ran a rate 4.4% below the prior year.

City	Tournament room nights	Rate change	Calendar room nights, verified
Miami	382,025	+30.3%	90,000–259,000
New York	537,655	−4.5%	about 27,000
Dallas	491,175	+19.8%	about 8,600
Las Vegas	did not host	−4.4% at flagship expo	243,000

The published pre-tournament forecast put host-city room rates up 7–25%. Living Lab measured each market on per-hotel fixed effects and found outcomes outside that band in both directions. The spread is the finding.

> **A national average would have told all 16 cities the same thing, and it would have been wrong for most of them.**

The flood and the tide, on one method

Set the tournament beside a full year of the business-events calendar, measured the same way, and the comparison is close on most measures.

Measure	Business events, per year	World Cup, once
Hotel room nights	979,000–1.69m verified	about 5.2m ticket-days
Direct visitor spend	about US$2.2bn	about US$2.55bn
Economic contribution	about US$827m	about US$968m
Jobs supported	about 7,600	about 8,900
State and local taxes	about US$194m, every year	about US$227m, once
Rate premium	event by event	+13% average, −5% to +30%

The tournament matches a full year of the calendar on most measures, which is the argument for treating them as one portfolio rather than a league table. The flood earns the headline once. The tide pays the taxes every year.

Food and beverage figures in the source decks are estimated at US$120 per person-night, an industry-typical delegate pattern, and are not panel-measured.

PART IV

What the tournament could not do

Why events cannot fix borders

A traveller forms intent 6–18 months out. Sentiment, visa reputation, and perceived welcome are priced in at that stage, long before any event markets itself. Below intent sit entry, cost, product, and reputation, and each is a filter through which fewer travellers pass. A tournament acts on the product layer. It cannot reach the entry layer, and it cannot repair reputation in a season.

That is why demand at 30 times capacity changed nothing upstream. The people who wanted tickets were already inside the funnel. The people the country had lost were outside it, and the event had no lever on them.

The displacement is structural

Living Lab's earlier work identified roughly US$50bn in forgone US visitor spending in 2025, of which about US$10.6bn was contestable by the five economies absorbing most of it, with Qatar standing to gain most as a share of its base, at 11.2%. The question the World Cup answered was whether that displacement would hold under the strongest pull a country can apply. It held.

A displacement that survives the largest event a country can host is not a cycle. It is a new baseline. And each of the destinations receiving that demand is limited by a different constraint: facilities and last mile in Saudi Arabia, hotel headroom in the UAE, calendar size in Qatar, security perception in Mexico, long-haul air beyond the gateways in Canada. A binding constraint is the first thing that stops you, not the worst thing about you. Relieve it and the modelled capture becomes reachable.

PART V

The two leakages nobody planned for

Boston

On 13 June 2026 Scotland played Haiti at Gillette Stadium. Around 50,000 Scottish supporters travelled. Boston's bars sold beer at roughly four times the volume of a Fourth of July weekend, and the Samuel Adams taproom alone went through about 70 kegs. Some venues ran dry.

None of this was a surprise in kind. It was a surprise in scale, and the scale was knowable. Origin-market data on Scottish travelling support, flight bookings into Boston, and hotel occupancy for the match week were all visible weeks ahead. The supply chain that did not see them was the one holding the kegs.

> **Predictable. Nobody predicted it.**

Monza

The second leakage is older and every Grand Prix host will recognise it. At Monza, the fleet of guest vehicles arrived on German plates with German drivers. The hospitality guests did not sleep in Monza, which paid for the race; there are too few hotels. They slept in Milan, which did not. The town that hosted the event captured a fraction of what the event generated, and the traffic between the two cities cost it again.

Scale that pattern to a national economy and it is the difference between a visitor economy that grows the country and one that grows its neighbours. The concept behind both cases is absorptive capacity: how much demand a place's supply chain can take on before the value leaks to imports, to the next city, or to the operator who flew in for the week.

Boston figures: Boston Beer Company and NBC10 Boston, June 2026. Monza: the founder's own account from Formula One operations.

PART VI

What a government should take from it

Three lessons

The first is that the flood proves hosting power once and the tide pays every year. A country that can only measure the flood will keep bidding for floods. A country that measures both, on one method, can decide what the next one is worth, and what to ask for it.

The second is that the measure has to be per hotel, per event, per route, or it is not a measure. A city-wide average of 13% was true and useless. The cities that gained 30% and the city that lost 4.5% needed different decisions, and the average would have given them the same one.

The third is that the binding constraint decides the strategy. The tournament's value in each city was capped by something specific: beds in one, air access in another, the size of the calendar in a third. Name the constraint before the bid, and the bid becomes a case. Discover it afterwards, and the study goes in a drawer.

What should exist before the next bid

A per-hotel, per-event measurement of the current calendar, so the flood can be compared with the tide. A demand scenario for the event under base, downside, and supported assumptions, with the counterfactual stated. A named binding constraint. And a view of absorptive capacity by supply chain, so that the beer, the beds, the drivers, and the flights are sized before the fans arrive rather than counted after.

That is what Living Lab measured in 2026. It is what a government can now have before the decision, rather than after it.

METHODOLOGY

How the figures were produced

Economic contribution is calculated across 50 OECD ISIC sectors using ISIC Rev.4 classification and Leontief Type I and Type II multipliers, giving direct, indirect, and induced effects. Multipliers are calibrated to the host economy rather than borrowed from comparators.

Hotel rate effects were measured per hotel using fixed effects against a counterfactual period, across 16 host markets. Room nights for business events were verified against published attendance and adjusted for travelling share. Displacement and deadweight are netted before reporting. Every figure carries its basis, its confidence, its as-of date, and its model run. Observed, derived, and inferred values are kept visibly separate.

The measurement discipline follows the OECD Recommendation on Global Events and Local Development, which calls for early evidence, consistent ex-ante and ex-post evaluation, and transparent public investment. Figures attributed to third parties are cited where used and remain their property.

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