

US ECONOMICS ANALYST

The Impact of the World Cup on the US Economy

- The 2026 World Cup will take place in the US, Mexico, and Canada from June 11 to July 19. An estimated 5-6 million fans will attend 78 matches in the US. More matches will occur in June, but the audience for each match is likely to be much larger during the knockout stage that mostly occurs in July. The matches in the US will be hosted by 11 metropolitan areas that together account for roughly one third of US GDP and one quarter of US employment and the CPI index.
- We use historical data from the 1994 US World Cup, 20 years of Super Bowls, and the Olympic Games in Los Angeles, Atlanta, and Salt Lake City to estimate the impact on upcoming economic data releases including payrolls, retail sales, consumer spending, GDP, and CPI and PCE inflation.
- The effects of major sporting events tend to be short-lived, reversing in the months following the event. Even so, having a sense of the magnitude of their impact will be useful for distinguishing temporary World Cup effects from changes in underlying economic trends in coming months.
- Payroll employment rose 80k above trend in host cities during the 1994 US World Cup and 40k during past Summer Olympics in the event months, before mostly reverting to trend thereafter. The increases were concentrated in leisure and hospitality, retail trade, and transportation around the event, while business services saw earlier hiring in the preceding months for support activities. Scaling to the size of the current World Cup and allowing for some impact already, we estimate a 40k boost to payroll growth in June, a 10k boost in July, a 15k drag after the Cup ends in August, and further gradual reversals in subsequent months as temporary positions end.
- GDP should also get a small boost concentrated in consumer spending and exports of services to foreign tourists, an extra ½-1mn of whom are likely to arrive in June and July. We use tourist spending data from the 1994 World Cup and state-level GDP during past Super Bowls to estimate the impact on activity, rescaling to the larger size of the current World Cup. We estimate a boost of 0.3pp in June and 0.1pp in July to retail sales growth, which does not distinguish between spending by residents and foreigners. We expect modest boosts of 0.1pp in Q2 and 0.05pp in Q3 to annualized GDP growth, which should then give way to a small drag in Q4.
- Prices for hotels have already spiked, and city-level CPI data show that prices for

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restaurant meals and transportation also tend to jump in host cities around major sporting events. But the effects of past events on inflation have varied widely, which makes the impact of the World Cup more uncertain. We estimate that it will provide a boost in June of 0.03pp to core CPI inflation and 0.04pp to core PCE, which includes restaurant services, unlike core CPI. We expect a 1bp incremental boost in July, followed by a drag of 1bp in August that continues in later months.

The Impact of the World Cup on the US Economy

The 2026 FIFA World Cup will take place in the US, Mexico, and Canada from June 11 to July 19. An estimated 5-6 million fans will attend 78 matches in the US. More matches will occur in June, but the audience for each match is likely to be much larger during the knockout stage that mostly occurs in July. As Exhibit 1 shows, the matches in the US will be hosted by 11 metropolitan statistical areas (MSAs) that together account for roughly one third of US GDP and one quarter of US employment and the CPI index.

Exhibit 1: World Cup Matches Will Take Place in 11 Metropolitan Areas Representing One Third of US GDP

2026 FIFA World Cup in the US	
Basic Facts	
US Metropolitan Areas Hosting the Matches*	11
Dates	June 11 - July 19
Number of Matches	78
Estimated Number of Match Attendees	5-6 Million
Economic Facts About the 11 Host Metropolitan Areas	
Share of US GDP	32%
Share of Total US Employment	23%
Weight in the CPI Index	26%

* Matches will be played in the following metropolitan areas: Atlanta, Boston, Dallas, Houston, Kansas City, Los Angeles, Miami, New York City/New Jersey, Philadelphia, San Francisco Bay Area, and Seattle.

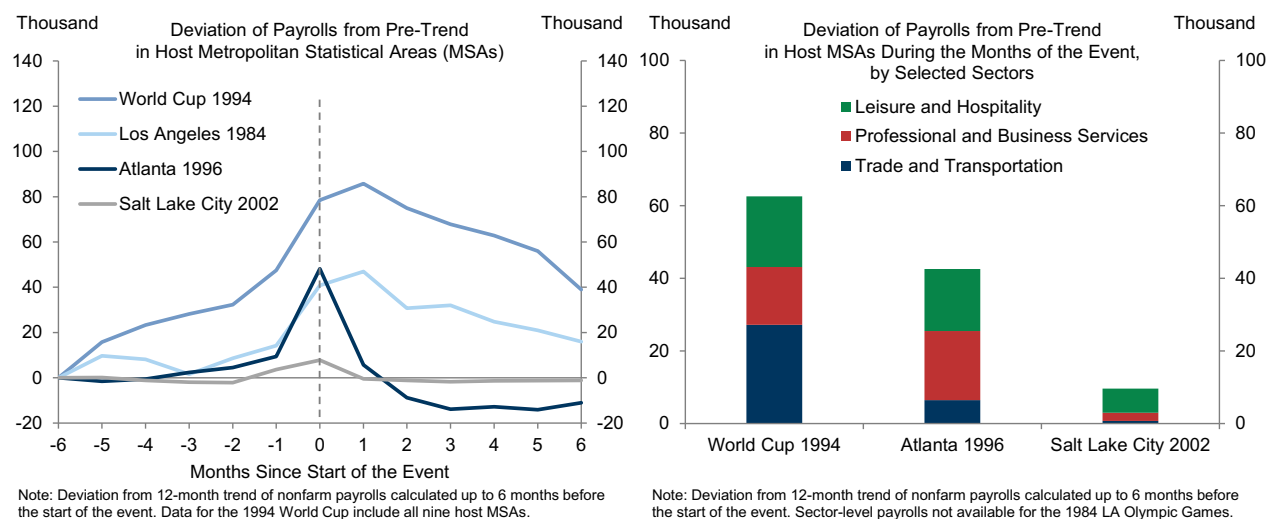
Source: Goldman Sachs Global Investment Research, Bureau of Economic Analysis, US Bureau of Labor Statistics, FIFA

In this week's *Analyst*, we draw on historical data from the 1994 US World Cup, two decades of Super Bowls, and the Summer Olympic Games held in Los Angeles (1984), Atlanta (1996), and Salt Lake City (2002) to estimate the tournament's impact on upcoming economic data releases, including payrolls, retail sales, consumer spending, GDP, and CPI and PCE inflation.

The economic effects of major sporting events tend to be short-lived, largely reversing in the months following the event. Even so, knowing the rough size of these effects will be important for distinguishing temporary World Cup-related distortions from shifts in underlying economic trends in the months ahead.

Impact on Payrolls

Payroll employment rose 80k above trend in host cities during the 1994 US World Cup and 40k on average during past Summer Olympics in the event months, before largely reverting to trend in the following months (Exhibit 2). Job gains during the events were concentrated in leisure and hospitality, retail trade, and transportation, while professional and business services hiring tended to accelerate in the months preceding the event to support logistics and operations. Consistent with this pattern, business services employment in the 11 host metropolitan areas rose about 20k in each of March and April, while it was little changed in the rest of the US. While city-level data are not yet available for May, some of the strength in May payroll growth might also have reflected hiring ahead of the World Cup.

Exhibit 2: Payroll Employment Rose More Than 80k Above Trend in Host Cities During the 1994 World Cup, With Job Gains Largely Concentrated in the Leisure & Hospitality, Trade, and Business Services Sectors


Source: Goldman Sachs Global Investment Research, US Bureau of Labor Statistics

To estimate the impact of the 2026 World Cup on payrolls, we scale up the trajectory of job gains observed around the 1994 tournament by roughly 30% to reflect the larger number of matches and attendees. Accounting for some hiring that has likely already occurred through May, we estimate a boost to monthly payroll growth of 40k in June and 10k in July, followed by a 15k drag in August as temporary positions wind down, with further gradual reversals throughout the rest of the year.

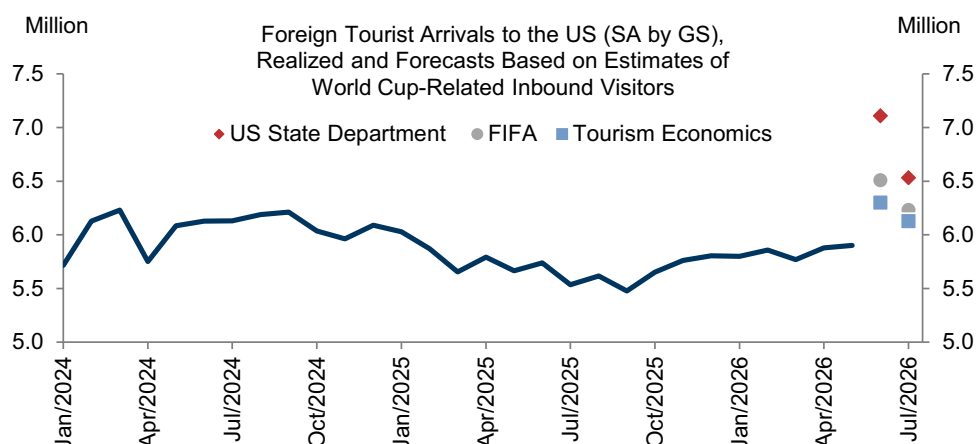
Impact on GDP

Economic activity should receive a modest boost from the tournament. Spending on food and beverages by foreign tourists, domestic tourists, and locals will boost retail sales, which does not distinguish between spending by residents and foreigners. In the GDP statistics, all spending by domestic fans will boost consumer spending, and spending by foreign fans will boost exports of tourist services.

Drawing on estimates from the US State Department, FIFA, and Tourism Economics, and assuming that roughly two-thirds of World Cup-associated arrivals represent net additive inflows—with the remaining one-third displacing other tourism due to capacity constraints and elevated prices in host cities¹—we estimate that foreign arrivals will run ½-1mn above trend in June and July (Exhibit 3).

¹ A similar displacement share is assumed by Tourism Economics in its estimate of the impact of the 2026 World Cup on foreign arrivals and is consistent with estimates from the academic tourism literature reviewed in Fourie and Santana-Gallego (2011), "The Impact of Mega-Sport Events on Tourist Arrivals," *Tourism Management*.

Exhibit 3: The World Cup Should Provide a Tailwind to Foreign Tourism into the US in June and July



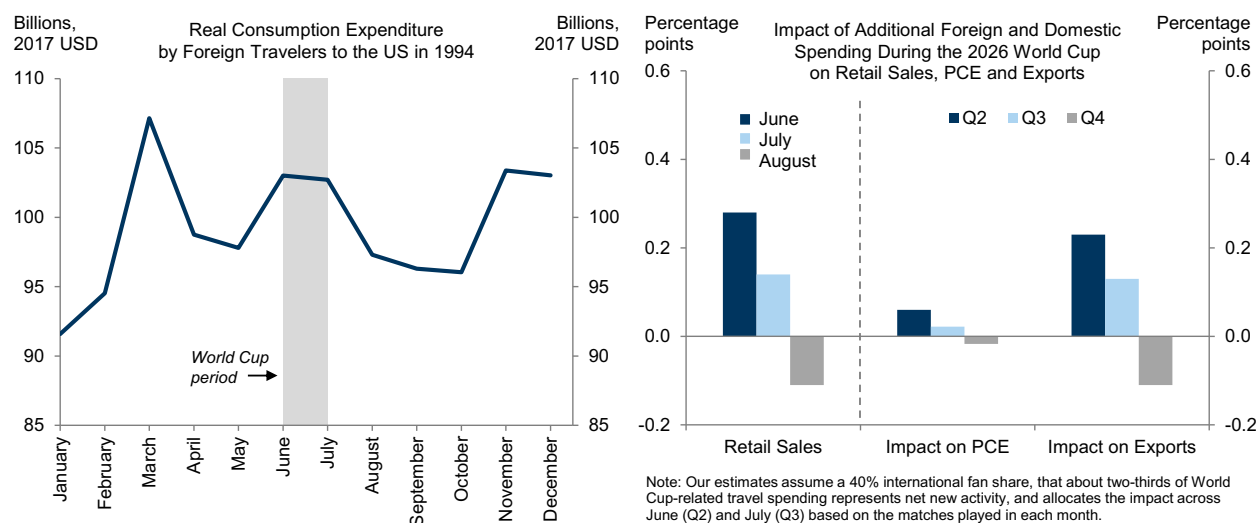
Note: We assume that two thirds of World Cup-associated inbound visitors represent additive demand, with one third displacing alternative tourism due to capacity constraints and price effects in host cities.

Source: Goldman Sachs Global Investment Research, US State Department, FIFA, Tourism Economics

The left side of Exhibit 4 shows that spending by foreign tourists rose about 5% during the 1994 World Cup. To estimate spending by foreign and domestic tourists in coming months, we combine estimates of the expected number of foreign and domestic attendees with US Travel Association estimates of per-traveler spending across transport, lodging, food, and match-related expenditures. We estimate spending by locals by scaling up estimates of spending on Super Bowl entertainment for a typical household from the National Retail Federation by an estimate that the average American watched 2-3 matches during recent World Cups. We supplement these bottom-up estimates with a top-down approach where possible by looking at, for example, food and beverage retail sales during prior events.

The right side of Exhibit 4 shows our estimates based on this approach. We expect a boost to retail sales of 0.3pp in June and 0.1pp in July followed by a drag of 0.1pp in August, a boost to consumer spending of 0.05pp in Q2 and 0.02pp in Q3 followed by a drag of 0.03pp in Q4, and a boost to exports of 0.2pp in Q2 and 0.1pp in Q3 followed by a drag of 0.1pp in Q4.

Exhibit 4: We Estimate That Spending by Foreign and Domestic World Cup Fans Should Provide a Peak Boost to Retail Sales Growth of 0.3pp in June and to Consumer Spending of 0.05pp in Q2

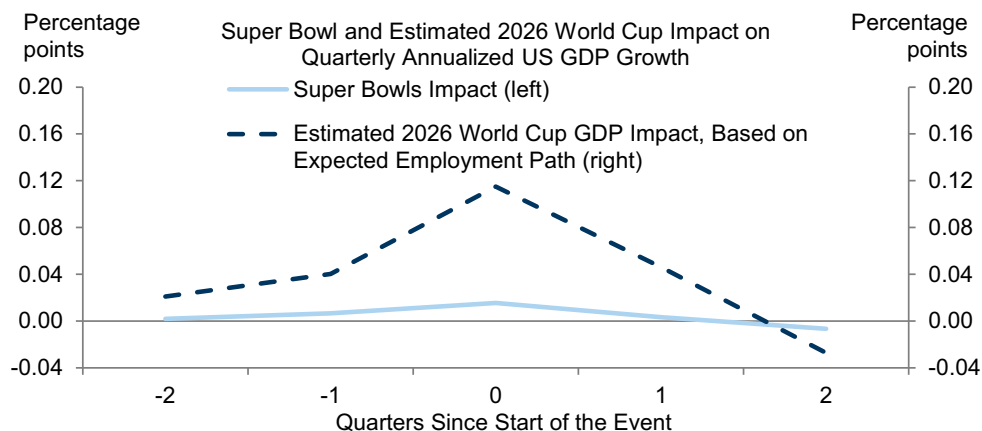


Source: Goldman Sachs Global Investment Research, Census Bureau, Bureau of Economic Analysis

Even after imposing the 1.5 multiplier effect estimate from the Bureau of Economic Analysis's Travel and Tourism Satellite Accounts, these fan spending estimates are unlikely to capture the full impact on GDP, which will also include other effects such as government spending on security.

We therefore also consider a top-down estimate of the impact on GDP by estimating the effects of past Super Bowls using Gross State Product data. We then rescale the estimated effect of the Super Bowl to a World Cup effect by assuming that the ratio of the events' GDP effects will be the same as the ratio of their cumulative effects on employment. Exhibit 5 shows that this approach implies a boost to annualized GDP growth of 0.1pp in Q2 and 0.05pp in Q3, which should then give way to a modest drag in Q4. These figures are close to but a bit larger than the bottom-up estimates above, as one would expect.

Exhibit 5: Scaling Up the GDP Impact of Past Super Bowls Using the Estimated Effects on Employment Suggests That the 2026 World Cup Could Add 0.1pp to Annualized GDP Growth in 2026Q2



Note: Super Bowl GDP effects are estimated using state-level quarterly GDP data from 2005. The 2026 World Cup GDP impact is derived by scaling the Super Bowl effect by the ratio of employment gains estimated for the 2026 World Cup to those associated with Super Bowls.

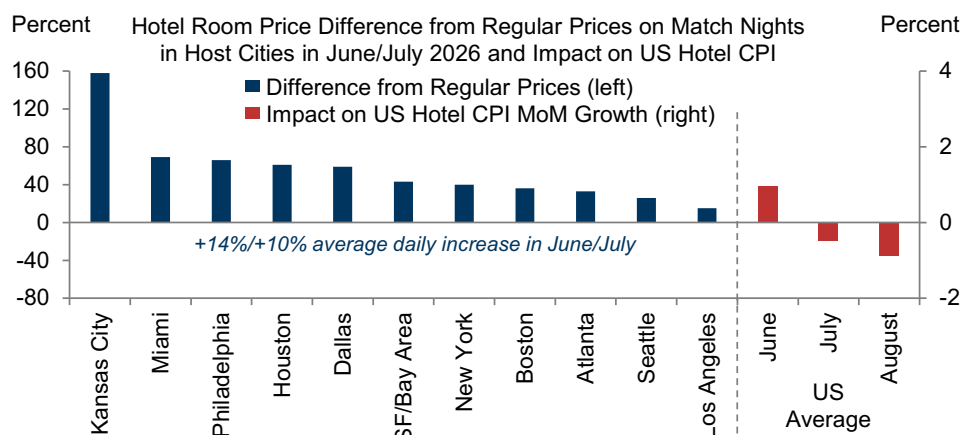
Source: Goldman Sachs Global Investment Research, Bureau of Economic Analysis, US Bureau of Labor Statistics

One downside risk to our estimate is that many World Cup matches, unlike the Super Bowl, will take place during work hours and could reduce the productivity of distracted workers.

Impact on Inflation

Prices for hotel rooms on match nights have already spiked, as Exhibit 6 shows. We assume that prices will increase by half as much on each of the two nights before and after the match night, and by a quarter as much on the two nights before and after those nights. Accounting for the fact that the official price statistics measure hotel prices at the time of reservation and for the weight of the host MSAs in the CPI, we estimate that the World Cup will boost national average hotel prices by about 1% in June, following increases in April and May. We expect hotel prices to begin to normalize slightly by July, a bit ahead of other prices, because most hotel reservations for the World Cup will already have been made by June and because the smaller number of matches is likely to outweigh the effect of a larger per-match impact, whereas the opposite is likely to be true for activity and prices at bars and restaurants.

Exhibit 6: Sharply Higher Hotel Prices in Host Cities Around Match Days Imply a World Cup Boost to Average US Hotel Prices of About 1% in June

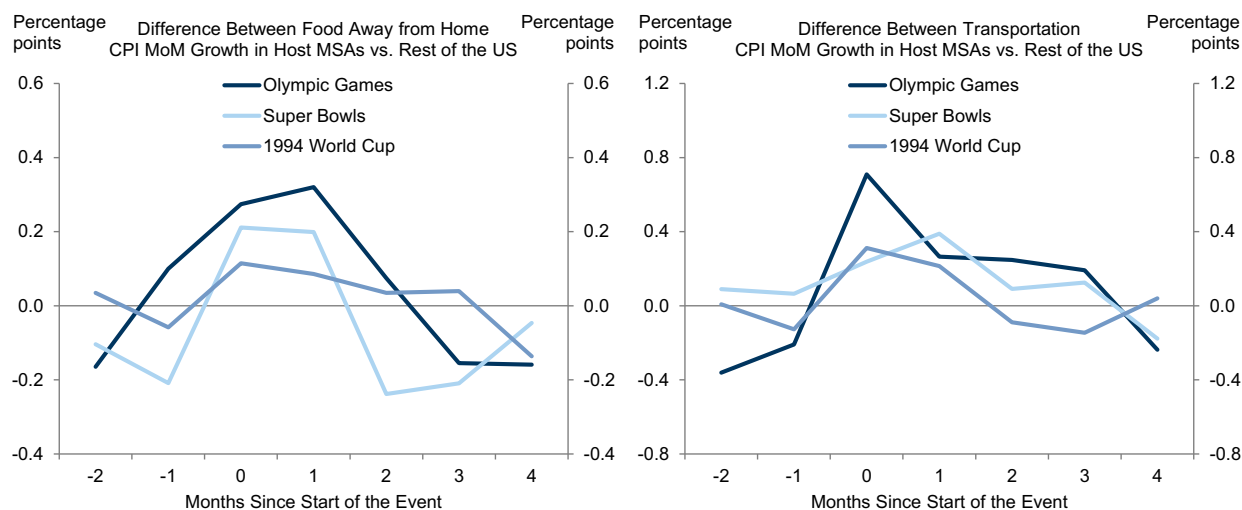


Note: Hotel room price premiums for each host city are based on estimates provided by the New York Times, derived from data on major hotel chains. We assign the price premiums to June and July based on the number of matches played and obtain average effects using the CPI weights for each MSA.

Source: Goldman Sachs Global Investment Research, US Bureau of Labor Statistics, New York Times

MSA-level CPI data show that prices for food away from home and transportation also tend to jump in host cities around major sporting events, as shown in Exhibit 7. These data also show that while some payback appears to occur in the months following the event, it is less than complete. This seems plausible—restaurant price increases sparked by the event might not fully reverse immediately after and might instead be undone only gradually and undetectably by smaller price increases well after the event.

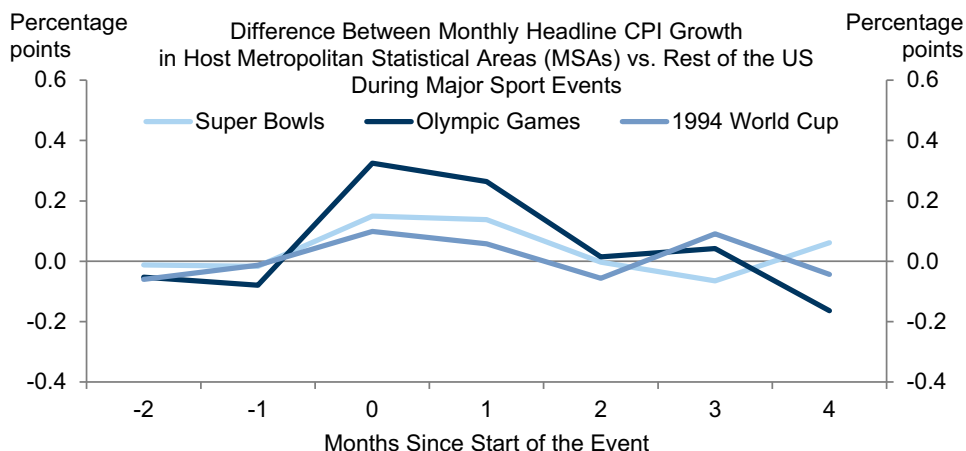
Exhibit 7: Past Sporting Events Drove Temporary Prices Hikes for Restaurants and Transportation Services



Source: Goldman Sachs Global Investment Research, US Bureau of Labor Statistics

The MSA-level price data do not provide a complete breakout of all of the relevant price categories, but most of the impact of the World Cup on prices should come from hotels, restaurants and bars, and transportation services. For a top-down complement to our bottom-up approach, Exhibit 8 compares headline CPI inflation in host vs. non-host cities during major sporting events. The effects vary widely across events but on average suggest an impact of the World Cup similar to the bottom-up estimate.

Exhibit 8: Past Major Sporting Events Boosted Monthly CPI Inflation by 0.1-0.4pp in the Host Cities in Event Months; a Similar World Cup Impact Would Boost National June CPI Inflation by 0.03-0.1pp



Note: Olympic Games include Los Angeles 1984 and Atlanta 1996 (MSA-level CPI data are not available for Salt Lake City 2002); Super Bowls include all matches played since 2000 in MSAs for which CPI data are available.

Source: Goldman Sachs Global Investment Research, US Bureau of Labor Statistics

Putting some weight on both approaches, we estimate that the World Cup will provide a boost in June of 0.03pp to core CPI inflation and 0.04pp to core PCE, which includes restaurant services, unlike core CPI. Exhibit 9 below shows that we expect a 1bp incremental boost in July, followed by a drag of 1bp in August that continues in later months.

The Impact of the World Cup on Upcoming Data Releases

Exhibit 9 summarizes our estimates of the effect of the World Cup on payrolls, retail sales and consumer spending, GDP, and CPI and PCE inflation. We expect to see the largest effects in June, followed by small positive incremental effects in July, when the knockout stage will present fewer matches but much larger audiences for each match. Payback effects should be visible in August and should continue in subsequent months, though they might be too gradual and modest to see clearly.

Exhibit 9: We Expect the Largest Effects of the World Cup on Payrolls, Retail Sales, and Inflation to Show Up in June, with Small Incremental Positive Effects in July, When Most of the Knockout Stage Takes Place

Estimated Economic Impact of the 2026 World Cup			
MoM Growth			
	June	July	August
Nonfarm Payrolls	40k	10k	-15k
Retail Sales	0.3	0.1	-0.1
Headline CPI	0.04	0.01	-0.01
Core CPI	0.03	0.01	-0.01
Headline PCE Inflation	0.04	0.01	-0.01
Core PCE Inflation	0.04	0.01	-0.01
Quarterly Annualized Growth			
	2026Q2	2026Q3	2026Q4
Real GDP	0.1	0.05	-0.05
Real PCE Consumption	0.05	0.02	-0.03

Source: Goldman Sachs Global Investment Research

Our analysis above provides estimates of the effect of hosting the World Cup. Our colleagues also found suggestive evidence that winning the World Cup might give a boost to GDP, which implies that the impact could be larger if the US team prevails, a possibility that our model gives a 1-in-200 chance.

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The US Economic and Financial Outlook

THE US ECONOMIC AND FINANCIAL OUTLOOK

(% change on previous period, annualized, except where noted)

	2023	2024	2025	2026	2027	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4
OUTPUT AND SPENDING														
Real GDP	2.9	2.8	2.1	2.0	2.0	0.5	1.6	1.9	1.9	1.8	2.0	2.1	2.2	2.3
Real GDP (annual=Q4/Q4, quarterly=yoy)	3.4	2.4	2.0	1.8	2.1	2.0	2.6	2.1	1.5	1.8	1.9	2.0	2.0	2.1
Consumer Expenditures	2.6	2.9	2.6	1.8	1.7	1.9	1.4	1.4	1.3	1.3	1.9	2.0	2.1	2.2
Residential Fixed Investment	-7.8	3.2	-2.2	-4.2	1.4	-1.7	-6.3	-6.9	1.5	1.5	2.2	2.2	2.2	2.2
Business Fixed Investment	7.3	2.9	4.1	6.4	5.7	2.4	10.1	6.8	7.5	6.9	4.9	4.9	4.9	4.9
Structures	16.7	1.1	-5.3	-3.8	2.0	-6.6	-5.4	0.4	-1.0	-0.2	3.5	3.5	3.5	3.5
Equipment	2.9	3.5	8.3	10.4	7.0	4.3	17.2	11.9	11.0	9.5	5.0	5.0	5.0	5.0
Intellectual Property Products	6.2	3.5	5.6	7.9	6.2	5.4	11.6	5.0	8.2	7.8	5.5	5.5	5.5	5.5
Federal Government	3.3	3.8	-1.2	-1.0	0.9	-16.7	9.5	0.0	1.0	1.0	1.0	1.0	1.0	1.0
State & Local Government	3.6	3.8	2.5	1.3	0.9	1.5	1.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0
Net Exports (\$bn, '17)	-925	-1,033	-1,091	-1,136	-1,222	-969	-1,064	-1,140	-1,160	-1,182	-1,198	-1,214	-1,230	-1,246
Inventory Investment (\$bn, '17)	47	44	29	43	66	-16	-26	66	66	66	66	66	66	66
Nominal GDP	6.7	5.3	5.0	6.0	4.8	4.2	5.2	8.6	4.6	4.6	4.7	4.4	4.5	4.4
Industrial Production, Mfg.	-1.0	-1.0	0.8	3.1	3.6	-3.4	5.3	6.3	4.4	3.7	3.2	3.2	3.2	3.3
HOUSING MARKET														
Housing Starts (units, thous)	1,421	1,370	1,356	1,286	1,322	1,323	1,280	1,290	1,280	1,292	1,304	1,316	1,328	1,340
New Home Sales (units, thous)	666	684	671	670	644	680	690	690	662	638	626	632	649	670
Existing Home Sales (units, thous)	4,103	4,067	4,076	4,212	4,375	4,157	4,169	4,189	4,223	4,267	4,310	4,353	4,396	4,440
Case-Shiller Home Prices (%yoy)*	5.3	3.8	0.6	0.8	2.2	0.6	0.3	0.8	0.7	0.8	1.1	1.4	1.8	2.2
INFLATION (% ch, yr/yr)														
Consumer Price Index (CPI)**	3.3	2.9	2.7	3.9	2.0	2.7	2.7	4.0	3.8	3.8	3.5	2.3	2.3	2.1
Core CPI **	3.9	3.2	2.6	2.6	2.2	2.7	2.5	2.8	2.5	2.6	2.4	2.2	2.2	2.2
Core PCE** †	3.1	3.0	3.0	3.0	2.2	2.9	3.1	3.3	3.2	3.1	2.6	2.3	2.2	2.2
LABOR MARKET														
Unemployment Rate (%)*	3.8	4.1	4.4	4.4	4.3	4.4	4.3	4.3	4.4	4.4	4.4	4.4	4.3	4.3
U6 Underemployment Rate (%)*	7.2	7.6	8.4	8.3	8.0	8.4	8.0	8.1	8.3	8.3	8.3	8.3	8.1	8.0
Payrolls (thous, monthly rate)	210	122	10	72	92	-39	73	130	40	47	70	97	100	100
Employment-Population Ratio (%)*	60.1	59.9	59.7	59.1	58.9	59.7	59.2	59.2	59.1	59.1	59.0	58.9	58.9	58.9
Labor Force Participation Rate (%)*	62.5	62.5	62.4	61.8	61.5	62.4	61.9	61.8	61.8	61.8	61.7	61.7	61.6	61.5
Average Hourly Earnings (%yoy)	4.4	3.9	4.0	3.9	3.8	4.0	4.0	4.0	3.9	3.8	3.8	3.8	3.8	3.8
GOVERNMENT FINANCE														
Federal Budget (FY, \$bn)	-1,694	-1,833	-1,775	-1,950	-2,050	--	--	--	--	--	--	--	--	--
FINANCIAL INDICATORS														
FF Target Range (Bottom-Top, %)*	5.25-5.5	4.25-4.5	3.5-3.75	3.5-3.75	3-3.25	3.5-3.75	3.5-3.75	3.5-3.75	3.5-3.75	3.5-3.75	3.5-3.75	3.25-3.5	3.25-3.5	3-3.25
10-Year Treasury Note*	3.88	4.58	4.18	4.40	4.25	4.18	4.30	4.50	4.45	4.40	4.35	4.30	4.25	4.25
Euro (€/€)*	1.11	1.04	1.17	1.18	1.20	1.17	1.15	1.16	1.19	1.18	1.19	1.20	1.20	1.20
Yen (\$/¥)*	141	157	157	158	141	157	159	158	158	158	156	141	101	141

* Weighted average of metro-level HPIs for 381 metro cities where the weights are dollar values of housing stock reported in the American Community Survey. Annual numbers are Q4/Q4.

** Annual inflation numbers are December year-on-year values. Quarterly values are Q4/Q4.

† PCE = Personal consumption expenditures. ^ Denotes end of period.

Note: Published figures in bold.

Source: Goldman Sachs Global Investment Research

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