

**THE UNITED STATES AS A “SOCCER NATION”? STUDYING THE CORRELATION
BETWEEN HOSTING AN INTERNATIONAL SOCCER TOURNAMENT AND
PROFESSIONAL SOCCER ATTENDANCE**

A College of Business Research Grant Proposal from Jeff Todd for Summer 2018

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ABSTRACT

I have published articles that explore the intersection of sports law and economics, in particular how Major League Soccer (MLS) and the U.S. Soccer Federation could bring legal actions related to corruption in the bidding process for the 2022 FIFA World Cup because of the loss of attendance at MLS games associated with the World Cup “bump.” With data gathered by a research assistant funded by a prior COB RGP grant, my co-author and I showed the possibility for such a bump by finding a correlation between increased attendance at MLS games and the U.S. hosting the regional 2016 Copa America soccer tournament. This attendance bump suggests that the U.S. is becoming a soccer nation comparable to European countries, which has implications for the U.S.-led bid to host the 2026 World Cup and for antitrust issues related to MLS restrictions on player salaries and transfers. In 2016, France also hosted a major regional tournament, the Euro Cup, so one way to measure the extent to which the U.S. has embraced soccer is to compare attendance at MLS matches with those at France’s Ligue 1. This COB-RGP proposes to secure funding for a research assistant who will locate and organize data about attendance for MLS and Ligue 1 in the seasons since 2016. Some of those funds will also be for office supplies and article submission costs. Because I do not need to do significant additional research, I do not need a summer stipend, so the COB-RGP is an appropriate grant for the research support needed.

I. INTRODUCTION

International soccer has attracted considerable interest from both legal and economics scholars. Legal commentators have addressed corruption in the bidding process for the 2022 FIFA World Cup that sent the tournament to Qatar rather than the U.S.,¹ and they have considered the unique entity status of Major League Soccer (MLS) that allows it to avoid antitrust violations on player salaries and transfers.² Economists analyze the economic impact on countries that host a sporting mega-event like the World Cup,³ and they study issues related to player salaries and prestige in the success of and demand for MLS.⁴ In a pair of recent articles in flagship law reviews, Todd Jewell and I brought the law and economics together by exploring how the U.S. Soccer Federation (USSF) and MLS could pursue legal claims for tortious interference with prospective economic advantage against those who engaged in the corrupted bid because MLS lost the significant boost in attendance (and related revenue) that tier-one professional leagues receive when their nations host a major international tournament.⁵

Our argument suffered from one potential flaw: given that the U.S. has four other major professional sports and that MLS may not offer the same quality “product” as European leagues, MLS might not see a bump in attendance similar to the European leagues that two sports

¹ E.g., Samuel Morris, *FIFA World Cup 2022: Why the United States Cannot Successfully Challenge FIFA Awarding the Cup to Qatar and How the Qatar Controversy Shows FIFA Needs Large-Scale Changes*, 42 CALIFORNIA WESTERN INT’L L.J. 541 (2012); Kate Youd, *The Winter’s Tale of Corruption: The 2022 FIFA World Cup in Qatar, the Impending Shift to Winter, and Potential Legal Actions Against FIFA*, 35 NORTHWESTERN J. INT’L L & BUS. 167 (2014).

² E.g., Tim Bezbatchenko, *MLS Antitrust and Designated Player Rule*, 76 UNIV. CINCINNATI L. REV. 611 (2008); Tyler A. Coppage, *Taking the Training Wheels Off MLS: Why the Single Entity Antitrust Exemption Should No Longer Apply*, 25 MARQUETTE SPORTS L. REV. 545 (2015).

³ E.g., Swantje Allmers & Wolfgang Maennig, *Economic Impacts of the FIFA Soccer World Cups in France 1998, Germany 2006, and Outlook for South Africa 2010*, 35 E. ECON. J. 500 (2009); Brian Sturgess & Chris Brady, *Hosting the FIFA World Cup*, 7 WORLD ECON. 145 (2006).

⁴ E.g., Dennis Coates, Bernd Frick, & Todd Jewell, *Superstar Salaries and Soccer Success: The Impact of Designated Players in Major League Soccer*, 17 J. SPORTS ECON. 716 (2016); R. Todd Jewell, *The Effect of Marquee Players on Sports Demand: The Case of US Major League Soccer*, 18 J. SPORTS ECON. 239 (2017).

⁵ Jeff Todd & R. Todd Jewell, *Reclaiming Economic Legacy: One Legal Strategy for a 2022 FIFA World Cup USA*, 44 CAPITAL UNIV. L. REV. 245, 254 (2016); Jeff Todd & R. Todd Jewell, *Major League Soccer and the Corrupted 2022 FIFA World Cup Bidding: Proving Harm and Recovering Damages*, 41 VERMONT L. REV. 23, 33–34 (2016).

economists had studied.⁶ With data on MLS attendance that was gathered with the help of a student assistant paid through a McCoy College of Business Research Grant Program award, we found that MLS saw a significant attendance bump when the U.S. hosted the 2016 Copa America Centenario, a tournament similar to the World Cup but featuring national teams from North, Central, and South America and the Caribbean. Those findings and a discussion of the implications for law and for economics are forthcoming in one of the top business law reviews.⁷

I propose to expand upon the finding of a Copa America “bump” by gathering additional attendance data for MLS as well as the French Ligue 1. Attendance grows in each season for five years following a nation hosting a soccer mega-tournament; accordingly, MLS attendance for the seasons since 2016 can reveal whether the Copa America continues to have an effect. In 2016, France hosted the Euro Cup, a tournament similar to the Copa America but for top European national teams. Comparing the attendance bump (if any) for MLS and for Ligue 1 related to their respective tournaments can reveal the extent to which the U.S. has become a “soccer nation”⁸ like France, England, and Germany. This has implications for the success of the U.S.-led effort to host the 2026 World Cup⁹ as well as for MLS as it continues to expand and confront tougher questions about player salaries and transfer rights.¹⁰ Gathering and organizing data for attendance at every home game for every team in two leagues for the past two years is a large

⁶ E.g., Mark W. Lenihan, *Major League Soccer Scores an Own Goal: A Successful Joint Venture Attains Market Power in an International Sport*, 62 DEPAUL L. REV. 881 (2013); Diana C. Taylor, *Aimed at the Goal?: The Sustainability of Major League Soccer’s Structure*, 9 WILLAMETTE SPORTS L.J. 1 (2011); see Bastien Drut & Stefan Szymanski, *The Private Benefit of Public Funding: The FIFA World Cup, UEFA European Championship and Attendance at Host Country League Football* (Apr. 2014) (unpublished manuscript) (on file with the University of Michigan Department of Kinesiology) (studying the attendance boost following the Euro Cup and World Cups primarily in European countries).

⁷ Jeff Todd & R. Todd Jewell, *A 2016 Copa America Bump for Major League Soccer? Strengthening the Case for Legal Action Arising from the Corrupted 2022 World Cup Bid*, 9 WM. & MARY BUS. L. REV. ___ (forthcoming 2018).

⁸ *Major League Soccer Attendance Is Up, but TV Ratings Lag as U.S. Soccer Mulls Future*, USA TODAY (Nov. 17, 2017, 8:50 PM) (quoting MLS commissioner Don Garber).

⁹ See Andrew Das, *North American Bid for World Cup Includes 23 Cities*, N.Y. TIMES (Mar. 15, 2018) (noting that Vancouver and Chicago both withdrew as potential host cities because of “unknowns” about cost overruns).

¹⁰ E.g., Remo Decurtins, *Major League Soccer’s Exceptionalism in FIFA’s Transfer System: For How Much Longer?*, 27 MARQUETTE SPORTS L. REV. 331 (2017).

undertaking, so I require a McCoy College grant to hire and pay a student research assistant and to pay for expenses related to data collection.

II. PROJECT METHODOLOGY

Both Prof. Jewell and I have an excellent grasp of the relevant legal and economic scholarship related to the 2022 World Cup as well as the USSF and MLS; accordingly, we do not need a summer stipend for research. The one thing we do need, however, is data about tier-one soccer attendance, not just for MLS (which has been the focus of our research) but also for Ligue 1. This comparison and contrast allows for several conclusions that should be of interest to an economics journal, such as the effect of a regional tournament on an American and a European league and the effect of a regional tournament compared to the global World Cup. Additional articles based upon this research could be based in law—such as considering antitrust issues with MLS—or in economics—such as measuring attendance bumps in non-Western-European nations that host the World Cup like South Africa, Brazil, and Russia.

Before we can pursue these articles, however, we need to develop the economic analysis of the attendance increase related to the 2016 Copa America and the Euro Cup. The prerequisite to economic analysis is a sufficiently large set of relevant data about things like attendance; the win-loss records for the teams; the day of the week in which games are played; and other items of economic relevance like ticket prices, team salaries, and television and other licensing revenue. While we have attendance data through 2016, the tournament bump might last as long as five years, so we need to gather this data to test whether this bump did in fact occur. Data gathering is a time-consuming task that is typically performed by a research assistant. Accordingly, the COB-RGP is appropriate because it gives the necessary funds to pay an RA as well as for related expenses.

This summer, with the assistance of Prof. Jewell, I will orient the RA (our prior RA has graduated) to our research so that he or she can locate sources of relevant data, both those that are publically available such as on MLS.com and those that will need to be gathered through electronic databases or information requests. The RA will also need to gather and organize that data and create charts and other materials so that Prof. Jewell and I can analyze the data—and then follow up with additional research revealed by our analysis and article drafting. The RA will also be the fact- and cite-checker for the article we draft and eventually submit.

III. PROJECT DESCRIPTION

In light of the ongoing governmental and FIFA investigations of corruption in international soccer, the submission of the U.S.-led united bid to host the 2026 World Cup, the expansion of MLS, and continuing questions about MLS's exemption from antitrust law, this research will generate considerable interest in the academic community. Indeed, our first two articles have been viewed hundreds of times on SSRN. This research also has considerable practical implications: courts and other tribunals cite scholarly works, so this research could be the foundation for legal actions related to ML or the MLS Players' Association. A former law student of mine works in the legal office of the minor league United Soccer League, and he has shared our other articles with representatives of MLS and the USSF.

While one sports economist has developed the concept of the World Cup bump, it has not been explored in depth, nor has anyone considered the difference in attendance related to the World Cup versus regional tournaments, particularly by comparing the American MLS with a top European league. Indeed, the fact that the U.S. hosted the Copa America at the same time that France hosted the Euro Cup creates an excellent opportunity to compare two of the top 10 leagues in the world. While the immediate goal of the research is to write an article that focuses on economics, the data can be analyzed in additional ways to support other interdisciplinary

articles as described above. In addition, this research has pedagogical implications; I have already blended our articles into my International Business Law class.

I have the background to perform this research and publish the results, especially since I will be collaborating with Prof. Jewell. Consider that we have already published three articles in leading law reviews about the 2022 World Cup that deal with economics, economic torts, and transnational dispute resolution. I practiced transnational litigation for one of the world's leading law firms, and I have published on complex litigation as well as interdisciplinary pieces applying economics methodological scholarship. Prof. Jewell is an economist who has published numerous articles and book chapters on the economics of sport, in particular the economics of MLS. I have secured grants at Texas State and previous institutions that led to scholarly presentations and publications, and both Prof. Jewell and myself have directed graduate student research assistants.

IV. BUDGET JUSTIFICATION

The prevailing rate for a graduate research assistant is \$15 / hour, and based on my experience working with graduate assistants, the RA will spend approximately 140 hours on the project for a total of \$2,100. This includes initial orientation, locating and organizing sources, and creating charts and other materials (80 hours); follow-up research after initial analysis (40 hours); and potentially fact- and cite-checking the first article (20 hours). Non-RA expenses might include basic office supplies like paper, printing and mailing as well as paying to access news or other data sources (approximately \$200). This project will not require faculty stipends, travel, or incentives for research participants.

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EDUCATION

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| University of Texas School of Law
<i>Juris Doctor</i> , 2006 (Honors; Order of the Coif) | Austin, TX |
| Texas A&M University
<i>Ph.D. in English</i> , 1998 (Lechner Fellow) | College Station, TX |
| University of South Alabama
<i>M.A. in English</i> , 1995; <i>B.A. in English</i> , 1992 (Magna Cum Laude) | Mobile, AL |

PUBLICATIONS

Recent Law Review Publications

- Jeff Todd, *An Interdisciplinary Perspective on Economic Models in Complex Litigation*, 46 HOFSTRA L. REV. __ (forthcoming 2018).
- Jeff Todd & R. Todd Jewell, *A 2016 Copa America Bump for Major League Soccer? Strengthening the Case for Legal Action Arising from the Corrupted 2022 World Cup Bid*, 9 WM. & MARY BUS. L. REV. __ (forthcoming 2018).
- Jeff Todd & R. Todd Jewell, *Dubious Assumptions, Economic Models, and Expert Testimony*, 42 DELAWARE J. CORP. L. __ (forthcoming 2018).
- Jeff Todd, *Trade Treaties, Citizen Submissions, and Environmental Justice*, 44 ECOLOGY L.Q. (U.C. BERKELEY) 89 (2017).
- Jeff Todd & R. Todd Jewell, *Major League Soccer and the Corrupted 2022 FIFA World Cup Bidding: Proving Harm and Recovering Damages*, 41 VERMONT L. REV. 23 (2016).
- Jeff Todd & R. Todd Jewell, *Reclaiming Economic Legacy: One Legal Strategy for a 2022 FIFA World Cup USA*, 44 CAPITAL UNIV. L. REV. 245 (2016).
- Jeff Todd, *Satire in Defamation Law: Toward a Critical Understanding*, 35 REVIEW OF LITIGATION (U. TEXAS) 45 (2016).
- Jeff Todd, *Genre Theory for Product Instructions and Warnings*, 54 WASHBURN L.J. 303 (2015).
- Jeff Todd, *Ecospeak in Transnational Environmental Tort Proceedings*, 63 UNIV. KANSAS L. REV. 335 (2015).

Other Publications & Scholarship

- Eight other law review articles, notes, and comments
- Eight peer-reviewed humanities / interdisciplinary articles
- One conference proceeding, two short stories, two magazine features, & eight book reviews
- Approximately thirty conference presentations, colloquia, and working groups

PROFESSIONAL EXPERIENCE

Texas State University, Dep't of Finance & Economics, 2014-present San Marcos, TX
Assistant Professor of Business Law

- Teaching: Legal Environment of Business; International Business Law; Sustainability Law
- Grant Recipient: "Assumptions Underlying Economic Models: A Law & Economics Comparative Analysis," Research Enhancement Program Grant, Texas State University, \$8,000 (2017), that resulted in forthcoming article (Jeff Todd, *An Interdisciplinary Perspective on Economic Models in Complex Litigation*, 46 HOFSTRA L. REV. __ (forthcoming 2018)).
- Grant Recipient: "Litigation and the Corrupted 2022 World Cup Bidding Process: The Need to Collect & Analyze Economic Data," College of Business Research Grant, Texas State University, \$2,500 (2016), that resulted in forthcoming article (Jeff Todd & R. Todd Jewell, *A 2016 Copa America Bump for Major League Soccer? Strengthening the Case for Legal Action Arising from the Corrupted 2022 World Cup Bid*, 9 WM. & MARY BUS. L. REV. __ (forthcoming 2018)).
- Grant Recipient: "Environmental Justice, Environmental Rhetoric: Citizen Participation Under U.S. Trade Treaties," Research Enhancement Program Grant, Texas State University, \$7,075 (2015), that resulted in article (Jeff Todd, *Trade Treaties, Citizen Submissions, and Environmental Justice*, 44 ECOLOGY L.Q. (U.C. BERKELEY) 89 (2017)) that was also a finalist for two best paper awards at the national 2017 Academy of Legal Studies in Business Conference.

Florida Coastal School of Law, 2011-2014 Jacksonville, FL
Assistant Professor of Law

- Courses: Torts I and II, Products Liability, Civil Procedure, Int'l Law, Int'l Civil Litigation, Int'l Environmental Law
- Grant Recipient: "Legal Rhetoric in the Recognition and Enforcement of Foreign Money Judgments," Faculty Summer Research Grant, Florida Coastal School of Law, \$8,500 (2012-13), that resulted in article (Jeff Todd, *The Rhetoric of Recognition*, 45 MCGEORGE L. REV. 209 (2013)) that was cited in a petition to the U.S. Supreme Court.

Gibson, Dunn & Crutcher LLP, 2007-2011 Irvine, CA
Litigation Associate, in global AmLaw A List law firm

- Practice Groups: Environmental Litigation and Mass Tort; Transnational Litigation

Supreme Court of Texas, Chambers of Hon. Don Willett, 2006-07 Austin, TX
Judicial Clerk

PROFESSIONAL LICENSURE: LAW

California State Bar: Admitted October 2007

Federal Courts: Admitted to Ninth Circuit Court of Appeals and the Central and Southern Districts of California