

The State Of Soccer In Hampton Roads



THE STATE OF SOCCER IN HAMPTON ROADS

Soccer isn't the same as Bach or Buddhism. But it is often more deeply felt than religion, and just as much a part of the community's fabric, a repository of traditions.

– Franklin Foer, "How Soccer Explains the World: An Unlikely Theory of Globalization"

It has been called "The Beautiful Game" (a nickname popularized by Pelé, the legendary Brazilian footballer) and "The World's Game." With apologies to soccer purists, the second name is probably more accurate. The scope and size of the sport of soccer – football to most of the world – are undeniably large. Soccer is played by the young and old, men and women, believers of different (or no) faiths, the poor and rich, from Afghanistan to Zimbabwe. It is becoming increasingly popular in the United States, ranking fourth among all sports in terms of popularity in a recent Gallup survey.¹ While American football dominated the list of favorite sports in the U.S., with 37 percent of respondents saying it was their favorite sport to watch, soccer, at 7 percent, was only 2 percentage points behind baseball (9 percent) and 4 percentage points behind basketball (11 percent) in terms of popularity.

To say that soccer has an avid global fan base would be an understatement. The 2018 World Cup in Russia drew an estimated 3.6 billion viewers, nearly half of the world's population.² The top professional soccer clubs are among the most valuable sports franchises in the world. In 2018, soccer clubs occupied three of the top five spots on Forbes' annual listing of the most valuable sports teams.³ Manchester United (\$4.12 billion), Real Madrid (\$4.09 billion) and Barcelona (\$4.06 billion) not only were the second, third and fourth most valuable teams, but each of these teams also posted double-digit gains in value from the previous year.

Soccer's popularity from a participation and fan perspective is unique in the United States. Millions of children play youth soccer, sharing orange slices and juice boxes, an experience in common with most of the world. The U.S. Women's National Team (with a far superior record of success compared to the U.S. Men's National Team) has been a contributing factor in the growth of the sport. The women's team has not only played in all eight Women's World Cups, it is also the most successful team, with eight top-four finishes and a

record four championships, including the 2-0 victory over the Netherlands in the finals earlier this year. The 5-2 victory over Japan in the 2015 FIFA Women's World Cup final was the most-watched soccer match in U.S. history, with more than 25 million viewers.

Compared to the rest of the world, however, the United States is considered somewhat of a soccer backwater. According to a recent study by the Sports and Fitness Industry Association, from 2011 to 2017, the number of children in this country ages 6 to 12 participating in outdoor soccer dropped from 6.2 million to 4.4 million.⁴ The increasing expense and competitiveness of youth soccer are often cited as reasons for the recent declines in participation. In interviews for this chapter, parents told us that their family's soccer costs were thousands of dollars a year per player. Lower-income families are literally priced out of the "beautiful game," in stark contrast to the ideal where soccer requires only a ball and an open space in which to play.

¹ <https://news.gallup.com/poll/224864/football-americans-favorite-sport-watch.aspx>.

² FIFA Activity Report 2019, available at <https://img.fifa.com/image/upload/yjibhdqzfwvz5onqszo0.pdf>.

³ Kurt Badenhausen, *Forbes* (2018), "Full List: The World's 50 Most Valuable Sports Teams of 2018."

⁴ <https://medium.com/@sfia/soccer-participation-in-the-united-states-92f8393f6469>.

Not all the news, however, suggests a sport in decline. Participation in high school soccer was at its highest recorded level in the 2017-18 academic year. Major League Soccer (MLS), the highest tier of professional soccer in North America, also recently experienced its most successful year. In 2018, the league's total attendance was 9.05 million, up from 8.72 million the year before. Ticket revenue per game rose by 10 percent to the highest level in the league's 23-year history. The average attendance of 20,000 per game ranked MLS third among U.S. professional sports leagues. Viewership for the league championship, the MLS Cup, was the highest since 1997. Steve Jolley, who is a broadcaster for the New York Red Bulls, and a Virginia Beach native, noted this growth in a recent interview: "The MLS is the fastest-growing sporting enterprise in the history of the United States."

Jolley has been involved in soccer his whole life, and in the MLS for almost his entire adult life. A graduate of Kempsville High School in Virginia Beach, Jolley was a scholarship soccer player at William & Mary, and the ninth pick in the 1996 MLS draft. After his playing career ended, and following a brief stint on Wall Street, Jolley was hired by MLS to help grow its business and media presence. Jolley said that these efforts are now bearing fruit. "People aren't aware of just how much money is pouring into soccer in this country. You have multibillionaires lining up to build stadiums and bid on MLS franchises."

This chapter explores the state of soccer in Hampton Roads. We will look at the unexpected developments that have spurred the growth of the game and spotlight examples of our region's soccer successes. We highlight some of the numerous leagues, organizations and individuals connected to the sport and estimate the contribution of the organizations to the regional economy. Finally, in light of the fact that Hampton Roads is one of the largest metropolitan statistical areas in the country that is not home to a major league sports franchise, we ask whether it is time for our region to get in the match and compete for an MLS franchise.

Soccer In The United States And Virginia

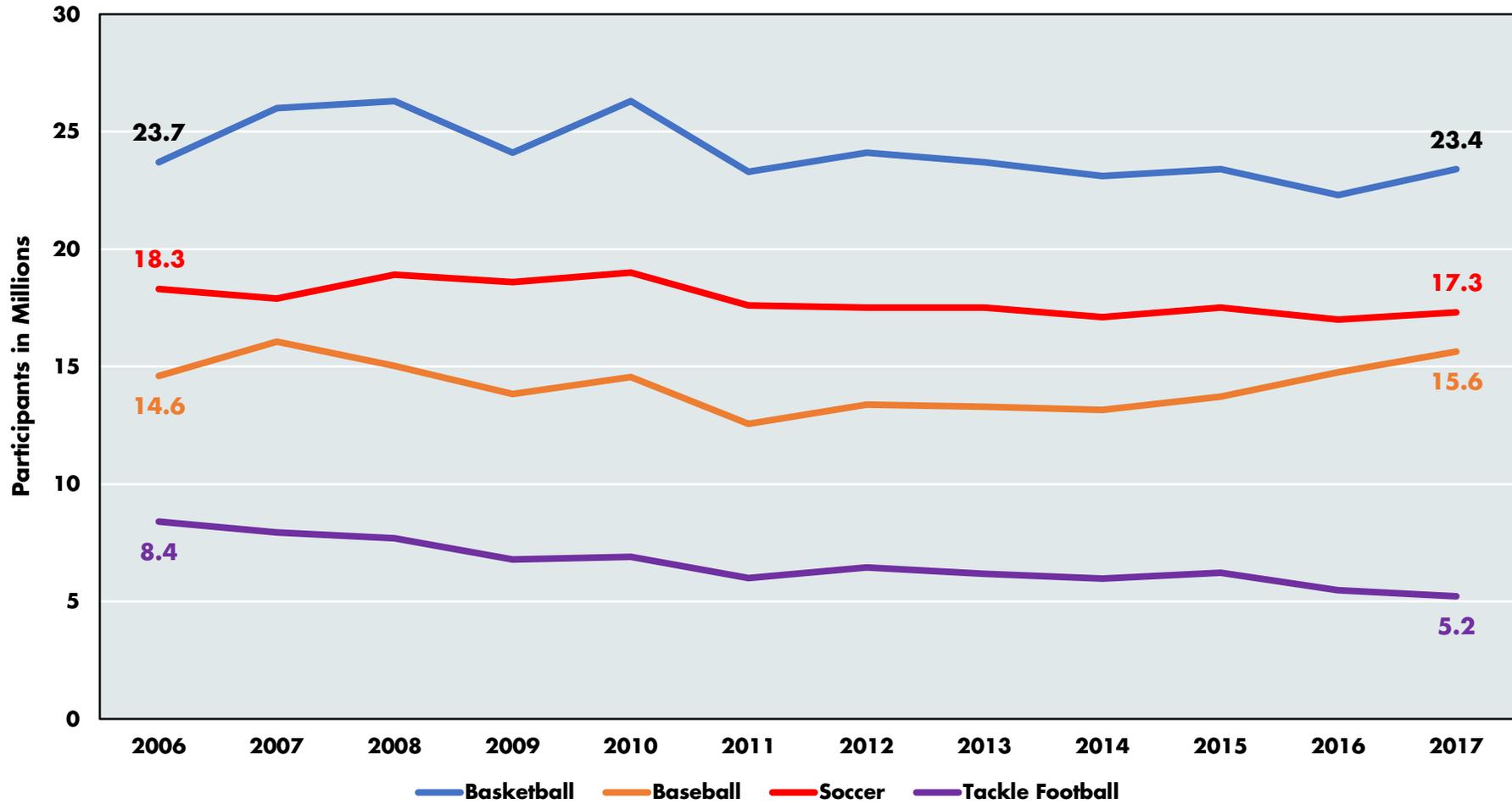
Football remains the most popular sport at the professional level in the United States; however, the number of youngsters actually playing tackle football has declined over the last decade, in part due to increased fears of concussions and other injuries. While tackle football is a cultural touchstone for many, especially on Saturdays and Sundays in the fall, more Americans have played or play basketball, baseball and soccer (Graph 1). Even though more Americans have run up and down a soccer pitch than a football field, this fact has not yet translated into ratings for soccer games, contracts for players and valuations for teams that approach those of professional basketball, baseball and football.

Perceptions that soccer is only accessible to those with high incomes also continue to plague the sport. In a 2018 report on soccer participation in the United States, the Sports & Fitness Industry Association estimated that 53 percent of households with an outdoor soccer player had incomes greater than \$75,000 and more than one-third of households had incomes greater than \$100,000 (Graph 2). Hope Solo, the former goalkeeper for the U.S. Women's National Team, linked the high cost of youth soccer to the poor performance of the U.S. Men's National Team. "You have to look at why have our U.S. men not qualified for the World Cup? And it goes back to our youth system. And it's because we are alienating so much talent in the youth system, and it breaks my heart because these kids are passionate about the game and they are filled with great skill, yet they're being told if you don't have the money, you can't represent your country."⁵

⁵ <https://www.usatoday.com/story/sports/soccer/2018/06/28/hope-solo-youth-soccer-united-states-cost/741378002>.

GRAPH 1

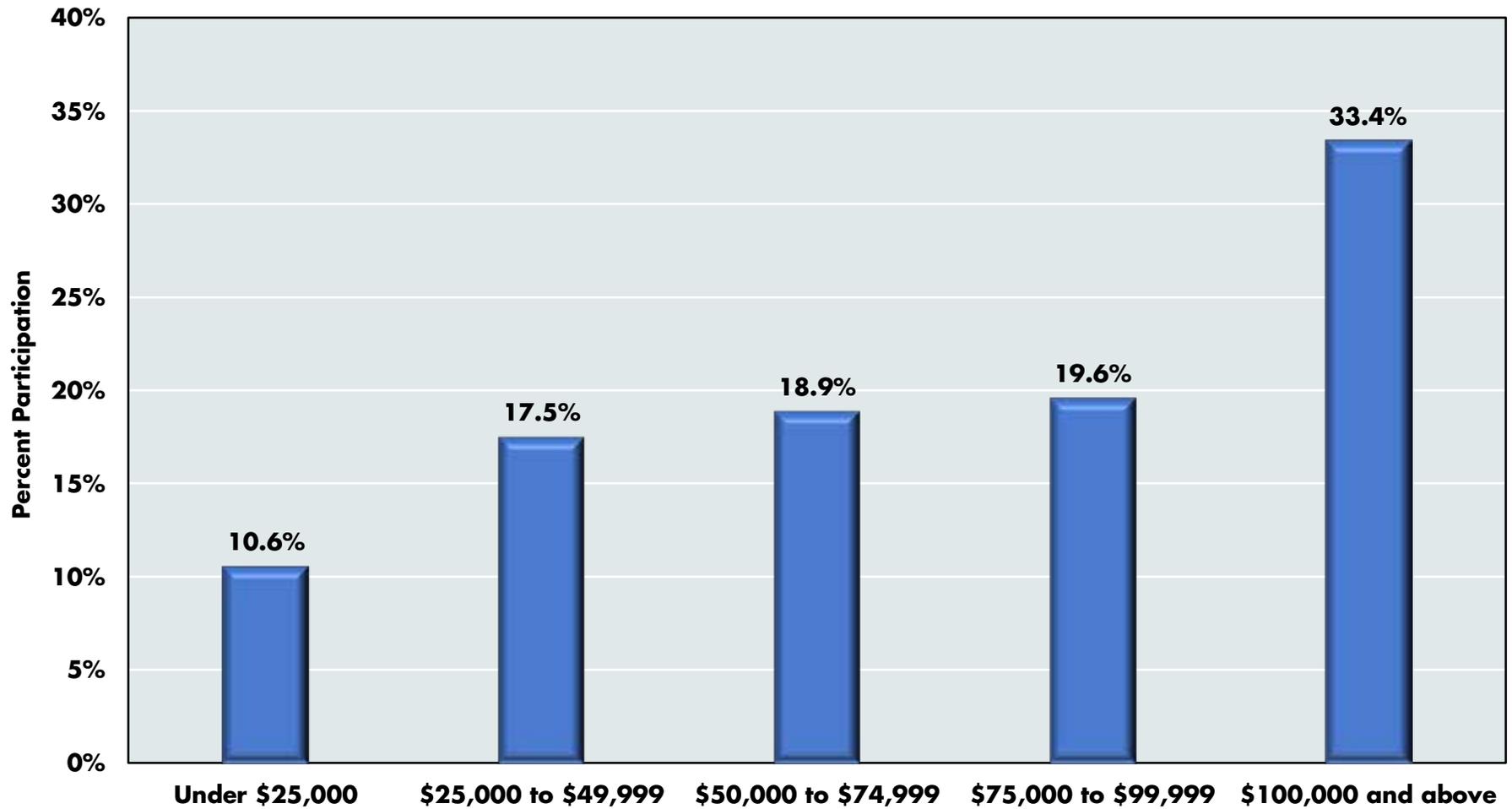
PARTICIPATION IN BASEBALL, BASKETBALL, SOCCER AND TACKLE FOOTBALL: UNITED STATES, 2006-2017



Sources: Outdoor Foundation and statista.com, age 6 or older. Soccer includes participants in outdoor and indoor soccer.

GRAPH 2

OUTDOOR SOCCER PARTICIPATION BY HOUSEHOLD INCOME



Source: Sports & Fitness Industry Association, "Soccer Participation in the United States, 2018"

While national-level data on who plays soccer by race are not readily available, the National Collegiate Athletic Association (NCAA) gathers data on student-athletes by sport. In Table 1 we compare the distribution of athletes by race and selected sport for 2010 and 2018. Compared to other major sports and the U.S. population, African Americans are underrepresented in NCAA soccer. While the number of black players grew from 1,487 in 2010 to 2,067 in 2018 for men’s soccer, for example, the number of Hispanic/Latino players jumped more dramatically, from 1,616 to 3,514. There appears to be some weight to the argument that costs at the youth level affect participation, which, in turn, reduces the talent pipeline flowing into colleges and universities.

In Virginia, soccer has increased in popularity at the high school level over the last two decades (Graph 3). Soccer was the third most popular sport for boys and the second most popular for girls in the 2017-18 school year. According to the most recent survey data from the National Federation of State High School Associations (NFHS), tackle football remained the dominant high school sport in Virginia, with 23,108 participants in 2017-18. The number of boys participating in tackle football exceeded that of the next two most popular sports, outdoor track and field (11,217 participants) and soccer (10,400 participants). For girls, outdoor track and field was the most popular sport, with 9,000 participants in the 2017-18 school year. Girls’ soccer, with 8,913 participants, was a close second. In high school, soccer appears to be on stable ground.

Soccer is in a curious place in the United States. The Women’s National Team is ranked first in the world, according to FIFA (the Fédération Internationale de Football Association, French for International Federation of Association Football, an international governing body of association football).⁶ The college player base is increasingly diverse and reflective of the popularity of the sport among the Hispanic population. The MLS recently concluded one of its most profitable seasons. Yet, there are winds blowing over the pitch that may derail future growth. Increasing equipment, club, travel and other costs may price more and more families out of the sport. Declines in youth participation, if sustained, may erode future

⁶ <https://www.fifa.com/fifa-world-ranking/ranking-table/women>.

competitiveness of the national teams and, to a lesser extent, the MLS. Finally, soccer, with its low scores and tie games, may just not be that appealing to the average American spectator. How the sport answers these challenges will, in large part, define its future.

TABLE 1

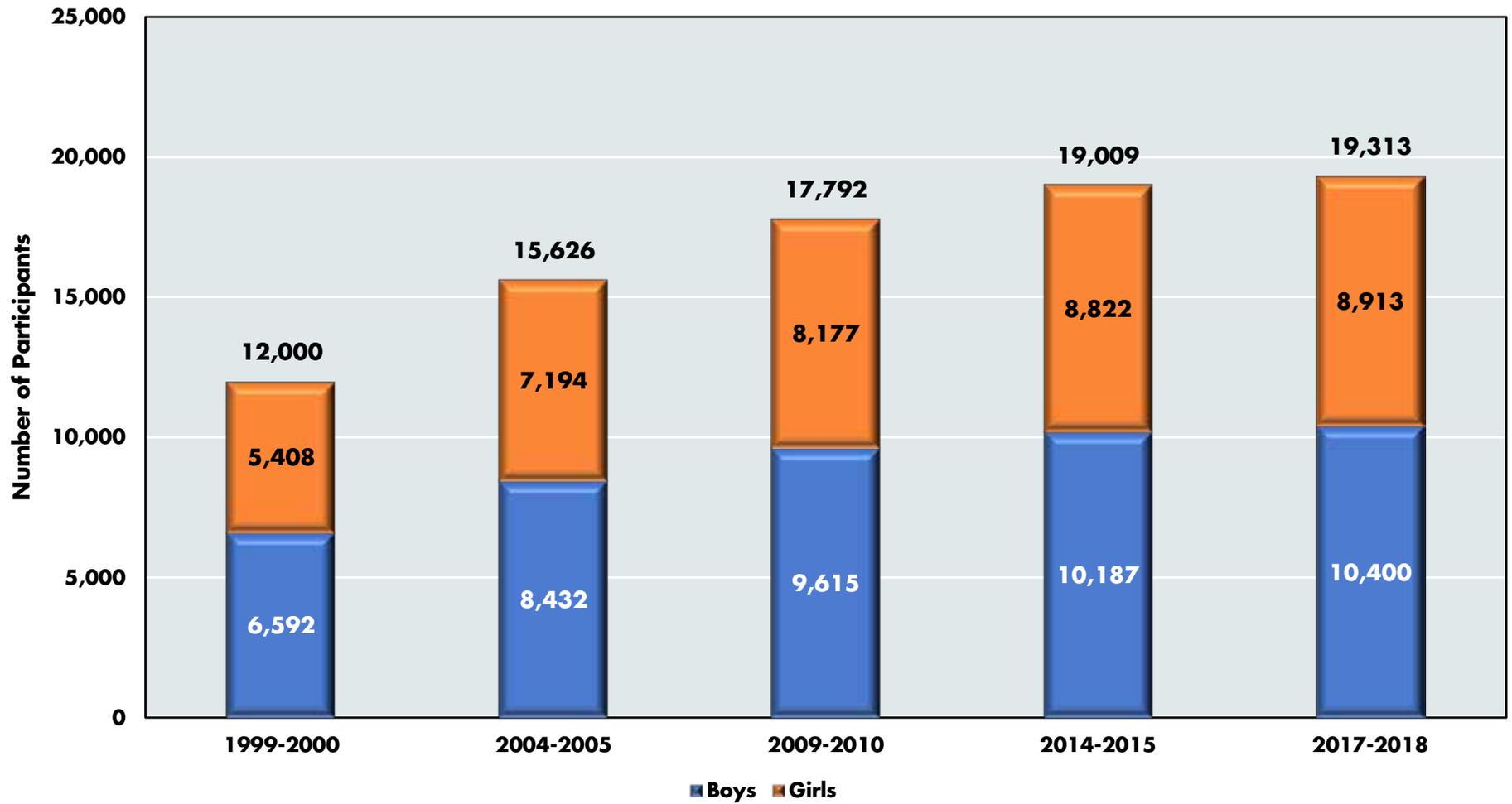
**STUDENT-ATHLETE DEMOGRAPHICS BY SELECTED SPORT:
2010 AND 2018, NATIONAL COLLEGIATE
ATHLETIC ASSOCIATION**

Sport	2010	2018	2010	2018
	Black or African American	Black or African American	White	White
Men’s Basketball	45.5%	44.9%	46.7%	39.3%
Men’s Football	34.4%	39.4%	57.5%	46.8%
Men’s Soccer	7.9%	8.4%	74.7%	57.1%
Women’s Basketball	32.7%	31.2%	58.9%	51.7%
Women’s Soccer	3.4%	4.6%	84.8%	74.7%
Women’s Softball	5.6%	5.1%	83.5%	76.7%
U.S. Population*	12.5%	12.7%	74.0%	73.0%

Sources: National Collegiate Athletic Association (2019) and the U.S. Census Bureau, 2013-2017 American Community Survey. *U.S. population data are for 2017. NCAA data are available at: <http://www.ncaa.org/about/resources/research/ncaa-demographics-database>.

GRAPH 3

PARTICIPANTS IN HIGH SCHOOL SOCCER BY GENDER: VIRGINIA, SELECTED SCHOOL YEARS



Source: National Federation of High Schools, High School Athletics Participation Survey, various years

Soccer In Hampton Roads

To assess the state of soccer in Hampton Roads, we interviewed more than a dozen leading figures in the local soccer community. These decision-makers and thought leaders shared their candid assessments of the state of soccer. Not surprisingly, what emerged was a story of a sport that is popular, competitive and possibly ready for the next step. Jon Hall, athletic director of Norfolk Collegiate, noted that the level of play has steadily improved over time. “If you were to put a good travel team from 1994 up against a good travel team from today, it would not be close.”

Virginia Beach-based Beach FC, one of the two largest club soccer teams in the region – along with Virginia Rush – has seen its roster of players swell to more than 3,500. To help meet demand, the club opened the Beach FC Futsal Center, a 23,000-square-foot facility that houses the club offices, as well as two fields dedicated to futsal, a smaller, faster version of indoor soccer. Executive director Steve Danbusky moved to Hampton Roads in 2003 to play for the Virginia Beach Mariners, the professional team that started out as the Hampton Roads Hurricanes in 1993. The club folded in 2006 after Danbusky had played for three different owners in four years. He said working in youth soccer coaching and leadership has provided the stability for many in the community that professional soccer ultimately did not. “I would say anybody who is involved in youth soccer in the area is doing their best to tell the story. Those of us that are passionate about the sport, that are former players, and now leaders in youth soccer, we want to pass on that love of the sport.”

There are also challenges associated with soccer today, many of which are not confined to Hampton Roads. Soccer has been heralded as an equal opportunity sport in much of the world, requiring only a ball and an open space to play. In the U.S., however, the rise of the travel, or competitive, soccer model means that participation is no longer solely determined by a player’s skill. A family’s financial means or lack thereof may ultimately decide whether a youth player can move from recreational soccer to more competitive leagues. The shift toward travel soccer has also generally led to a decline in volunteers, which, in turn, has prompted local clubs to merge. A nationwide shortage of referees compounds the issue.

Chuck Shockley of the Tidewater Soccer Referee Association, which provides soccer referees for most competitive games in the area, recently discussed this challenge. “I have somewhere in the neighborhood of 250 to 300 referees and could use twice that many.”

There has also been significant upheaval for every youth soccer club since U.S. Soccer changed its development model for players in 2007. To make American soccer teams more competitive globally, U.S. Soccer created the Development Academy. The result has been a tiering of soccer clubs across the United States, forcing clubs to make tough decisions about what opportunities to provide to young players and what additional costs to pass on to parents. Unlike Steve Jolley, who played high school soccer in Virginia Beach, college soccer at William & Mary and professionally in the MLS, some promising local players have left Hampton Roads in search of development opportunities. Jack De Vries of Virginia Beach, for example, moved at age 14 to play for the Philadelphia Union, one of the top development clubs on the East Coast, and was recently called onto the U.S. under-17 men’s national soccer team.⁷

These challenges have led to an unexpected by-product: real cooperation among rival soccer groups in the past decade. Given the somewhat parochial nature of communities in Hampton Roads, this increasing cooperation among soccer clubs in the region may bode well for other sports and activities. Steve Danbusky reflected on the shift in attitudes. “I would think it has evolved to be less toxic here. We’re all fighting the same fight, whereas a decade ago, it was probably more difficult to get on the same page.” The whole, not surprisingly, has turned out to be greater than the sum of its parts. Let’s take a look at some of the developments in soccer in Hampton Roads.

⁷ <https://www.ussoccer.com/us-under17-mens-national-team#tab-1>.

The “Hub”

In 1994, the southern end of Princess Anne Road in Virginia Beach featured just a few planned developments and a lot of swampy green space. Twenty-five years later, one square mile of that portion of Virginia Beach acts as a hub for soccer for much of the region. Within that space are the Hampton Roads Sportsplex (built in 1997), the Hampton Roads Soccer Complex (opened in 1997), the Virginia Beach Field House (opened in 2010) and headquarters of the two largest soccer clubs in Hampton Roads – Virginia Rush and Beach FC. Adjoining these facilities is the Princess Anne Athletic Complex, a multisport facility that often hosts soccer matches.

The Sportsplex was the first soccer-specific stadium built in the United States. It played host to the Virginia Beach Mariners professional team until the franchise folded in 2006. Since 2009, Hometown Sports Management has managed the facility and the regional training center for U.S. Field Hockey. Managing partner Chuck Thornton said efforts to promote the facility and host different events have raised its annual attendance to more than 500,000 spectators per year.

Right across the parking lot from the Sportsplex is the largest indoor soccer facility in Hampton Roads, the Virginia Beach Field House. The 175,000-square-foot facility opened in 2010 and caters to adult indoor soccer leagues. General manager Chuck Stollery observed how much indoor soccer has changed in recent years: “We had nothing like this when I grew up here. Indoor was played on a hard surface – a school gym or a church gym – with a soft ball, if you could even find a league that was running.”

The Hampton Roads Soccer Complex (HRSC), which opened the same year as the Sportsplex, currently consists of 22 grass and two turf soccer fields. Affiliates of the HRSC include Beach FC,

Southeastern Virginia Women’s Soccer Association, the Over-30 Soccer League and Virginia Rush. HRSC executive director Lauren Bland highlighted the competition for resources and how cooperation improves the bottom line. “There is competition for everybody. I hate saying this, but every player is a dollar amount to the bottom line. But I think they all realize that everybody has to come together, especially here at the Soccer Complex. If one club uses fewer hours or rents fewer fields here, it affects the other clubs.”

After moving to Newport News six years ago, Mike Vest, co-founder of Lionsbridge FC, found a great neighborhood feel and connection, in part through soccer. When he witnessed his kids’ passion for the sport, however, he and his future business partners noticed something was missing.



Hampton Roads Soccer Complex



“What we realized was they were playing soccer in leagues. They were watching the Premier League on television. They were playing it on the Xbox. They were making YouTube videos in the backyard. But we weren’t going to soccer games and watching them as spectators.”

Finding no such experience in the Hampton Roads market, Vest and his business partners decided to create one, modeling the experience of semi-pro soccer around the family-friendly experience offered at minor league baseball games. “We wanted to have fireworks. We wanted to have bounce houses. We wanted to have food trucks. We wanted to have a beer garden. That kind of creative approach to appealing to the widest possible audience, which minor league baseball has done really well, has not happened in soccer to a large degree. But you’re seeing it pop up in pockets of the country, and it’s not going to take long for that to be imitated.”

The result of this effort was Lionsbridge FC, which began play in 2018 at Christopher Newport University. Lionsbridge FC plays in USL League Two, the fourth tier of professional soccer behind MLS, USL Championship and USL League One. In its inaugural season, the club averaged 1,340 fans per home game and, at the time of this writing, was in the midst of its second season.

Ivan Militar, a former four-year scholarship player at Old Dominion University who is now director of coaching with Beach FC, also plays for Lionsbridge FC. Militar said mimicking minor league baseball was the perfect approach for the league. “Now I’m bringing my beach chair, here’s my vodka and soda in a coffee mug that I’m pretending is coffee, I forget what the score is and then I go home. Lionsbridge is hitting that spot. We spend more time signing autographs for little kids than we do anything else, because so many families are coming out.”

2019 saw a new team emerge as a local rival to Lionsbridge, Virginia Beach United. Virginia Beach United is co-owned by local clubs Beach FC and Virginia Rush and plays in USL League Two. As with Lionsbridge FC, the goal is to spark interest in professional soccer by creating a family-friendly environment at reasonable prices. Adult season tickets, which include entry to all seven home games, are only \$56. The question now is whether there is enough appetite for soccer in Hampton Roads to sustain two professional teams.

The North American Sand Soccer Championships

When the idea of a big soccer tournament on the sand at the Virginia Beach Oceanfront was first suggested, the local soccer community thought it was bizarre. It wasn’t what you would call a runaway success initially. Twenty-six years later, however, the idea of combining soccer and the Virginia Beach Oceanfront seems visionary. The North American Sand Soccer Championships (NASSC) feature more than 900 soccer teams, 300 teams for other sports, 200,000 participants and 30 blocks of sand along the oceanfront. Held the second weekend in June, the NASSC is the largest sand soccer tournament in the world.

Unknown to many, the tournament started as a suggestion to raise funds for local soccer club Beach FC. In 1994, Beach FC president Dick Whalen had an idea for a soccer tournament on sand. Matt Whalen, the current director

of operations for the NASSC and Dick Whalen's son, has played in all 26 tournaments. He has seen the tournament grow from 26 teams playing in a torrential downpour during the first tournament to nearly 1,000 teams in 2018. "When I first played in the event in 1994, I was just a 17-year-old high school junior looking to have a good time with my club team playing this new game. Within a few years, it was apparent that we had something special."

The NASSC now includes a U.S. Open professional division, as well as "sidekick" sports like flag football, beach field hockey and kickball. Matt Whalen played some professional beach soccer in his career but is honored now to help run the event his dad started. "There is no other tournament in the world that does what we do. And that is a testament to all of our staff, volunteers and soccer families. *They* have created this event."



North American Sand Soccer Championships, youth play

Lauren Bland, executive director of the HRSC, recently said the NASSC has appeal across the entire local soccer community. Sixty percent of the teams that participate come from within an hour's drive of Virginia Beach. There is extra motivation for the Virginia Beach clubs to participate, promote and volunteer in the event – it's the largest single fundraiser in support of the HRSC. Without the revenue from the NASSC, Bland estimated in a recent interview that field fees for clubs in Hampton Roads would likely double. Sand soccer is not just an excuse to gather at the oceanfront, it's serious business that lowers the cost of playing soccer in Hampton Roads.



Dick Whalen, who was instrumental in founding the NASSC, died in August 2019. He played a significant role in the building of the HRSC complex and was a respected figure in the Hampton Roads soccer community. Like many parents, he became involved in the local soccer community by watching his sons play for high school teams. Kevin Denson, a soccer coach at Norfolk Academy, aptly summed up the passing of Whalen: "He's going to be sorely missed by the soccer community."⁸

8 https://www.pilotonline.com/sports/article_c1efd49c-be97-11e9-8e91-ffbdc19c73c0.html.

Soccer In Hampton Roads: One Family's Experience

Kaiden Scanlon of Virginia Beach, a recent high school graduate, is now a freshman at Mary Baldwin University in Staunton, Virginia, where she is playing soccer this fall. Scanlon played eight years of travel soccer in Hampton Roads for Virginia Rush, as well as two years for Green Run Collegiate. Misty Scanlon said her daughter loved the sport from the time she came to her brother's recreational soccer practices and took to the competitiveness of travel soccer right away. "Kaiden loved being part of a team. She really loved the close friendships that she made with her teammates. She also loved the 'win' and loved the celebrating with teammates when they got the wins."

Playing travel soccer involved a commitment of time and money. In Table 2 Misty Scanlon shares an annual breakdown of the costs for Kaiden to play travel soccer, noting that many teams provide financial support through fundraising and scholarships. We observe that these costs are not atypical, in that more than 60 percent of American families spend between \$1,200 and \$6,000 annually per child on youth sports. Twenty percent of families spend more than \$12,000 a year per child in support of their children's sports dreams.⁹

Misty Scanlon stresses that, for her family, the expense of travel soccer was a worthy investment. But she cautions that parents need to know what to expect. "Kaiden has made memories that will be with her for a lifetime – memories she never would have had, had she not played travel soccer. The money and time are a lot, but the benefits and rewards are priceless."

Type	Average Expense
Club Dues	\$1,600
Team Budget Dues	\$1,600
Uniform Costs	\$250
Fitness Events/Training	\$2,000
Travel for Soccer Tournaments	\$1,000
Miscellaneous Expenses	\$1,200
Total	\$7,650

Source: Misty Scanlon (2019)



Kaiden Scanlon

⁹ <https://www.chicagotribune.com/business/yourmoney/sns-201807051901--tms--kidmoneyctnsr-a20180706-20180706-story.html>.

The Soccer Economy In Hampton Roads

A report on soccer in this region would be incomplete without some attempt to assess the economic impact of the sport. Such a tally is difficult, because soccer has so many tentacles across the region. The estimates discussed in this chapter are illustrative; that is, we want to provide the reader a sense of the size of soccer activity rather than the more typical estimates of economic impact. Data from several key areas of soccer spending, including soccer at the high school level (because it is rolled into school budgets), are not readily available. We also exclude spending of Hampton Roads parents on travel to tournaments and league games outside the region, because that is money leaving the local economy.

To examine the impact of soccer in Hampton Roads, we rely on data from the Internal Revenue Service (IRS). Every organization in the U.S. that has received tax-exempt status from the IRS must file a Form 990 annually, unless an organization falls below certain income thresholds. A Form 990 (for larger organizations) or Form 990-EZ (for organizations with less than \$200,000 in revenue and less than \$500,000 in assets) requires information on revenues, expenses, assets and liabilities.¹⁰ Nonprofit organizations that earn less than \$50,000 annually are not required to file with the IRS, which means that booster clubs for schools and travel teams are not included in the data. The data also do not capture the thousands of volunteers who make recreational soccer at all levels possible in the region. While not a complete picture of direct spending on soccer in the region, the IRS data provide a lower bound with which we can estimate the sport's local economic impact.

Table 3 provides Form 990 data for selected soccer organizations in Hampton Roads. Three organizations (Beach FC, Virginia Rush and Williamsburg Soccer Club) had revenues greater than \$1 million in the latest available filing year. Beach FC generated most of its revenue through membership dues, while the Williamsburg Soccer Club earned revenue from fees, sponsorships, concession sales and other activities related to running soccer events. On the other hand,

¹⁰ An organization that earns less than \$50,000 is not required to file a Form 990-EZ but must still inform the IRS that the organization remains active via a Form 990-N.

the Hampton Roads Soccer Council's revenue stream depended slightly more on fundraising than providing services. There is no common model for soccer organizations in Hampton Roads: some focus on member services while others focus on the infrastructure required for soccer play to occur. **In 2018 dollars, the soccer organizations in Hampton Roads listed in Table 3 generated almost \$7.7 million in revenue, spent \$7.4 million and had more than \$4.1 million in net assets.**

To estimate the economic impact of soccer in Hampton Roads, we must explore the direct economic impact and, from that, the indirect and induced economic impacts. One can think of these impacts as an economic chain, where a jolt in one part of the chain is transmitted to each link in the chain. Let's say, for example, soccer organizations in Hampton Roads decide to spend more on balls, uniforms and referees due to an increase in the number of players. The direct spending on soccer balls, uniforms and referees, however, does not occur in a vacuum. Suppliers of soccer equipment will see an uptick in business activity. This is what is known as the indirect economic impact. Finally, those directly and indirectly affected by the increase in soccer spending start to spend more money in the local economy. This third-order effect is known as the induced impact. In summary, we estimate that for every dollar of direct expenditure on soccer in Hampton Roads, another \$0.35 is generated in indirect spending and an additional \$0.24 in induced spending. In other words, \$1 of direct spending leads a \$1.59 increase in economic activity.¹¹

¹¹ We employ JobsEQ from Chmura Economics to estimate the overall economic impact. We focus our analysis of the annual impact on "Performing Arts, Spectator Sports, and Related Industries" (a Bureau of Labor Statistics subsector).

TABLE 3

IRS FORM 990 DATA FOR SELECTED SOCCER ORGANIZATIONS IN HAMPTON ROADS

	Fiscal Year Ending	Contributions and Grants	Program Service Revenue	Total Revenue	Total Expenses	Net Income	Total Assets	Total Liabilities	Net Assets
Beach FC	2016	\$1,825,057	\$133,794	\$2,188,584	\$1,994,469	\$194,115	\$1,242,597	\$7,120	\$1,235,477
Chesapeake Soccer Club	2018	\$551	\$87,481	\$88,118	\$88,288	-\$170	\$87,878	\$0	\$87,878
Chesapeake United Soccer Club	2018	\$7,600	\$272,907	\$293,485	\$243,817	\$49,668	\$114,504	\$70,374	\$44,130
Churchland Soccer League	2017	\$1,190	\$151,837	\$152,041	\$134,723	\$17,318	\$260,988	\$0	\$260,988
Hampton Roads Soccer Council	2017	\$49,505	\$377,272	\$809,131	\$720,409	\$88,722	\$2,466,107	\$677,007	\$1,789,100
Neptune Soccer Classic	2017	\$0	\$56,088	\$56,088	\$55,455	\$633	\$30,186	\$0	\$30,186
Norfolk Youth Soccer League	2015	\$22,357	\$313,317	\$335,679	\$435,618	-\$99,939	\$56,291	\$2,107	\$54,184
Old Dominion Soccer Club	2018	\$0	\$157,592	\$161,261	\$152,373	\$8,888	\$72,531	\$0	\$72,531
Portsmouth Soccer Club	2017	\$4,330	\$62,845	\$69,541	\$67,520	\$2,021	\$31,415	\$0	\$31,415
Tidewater Advanced Soccer League	2015	\$0	\$183,121	\$183,121	\$119,934	\$63,187	\$128,007	\$0	\$128,007
Virginia Rush Soccer	2017	\$0	\$1,762,513	\$1,872,279	\$1,764,196	\$108,083	\$503,922	\$696,819	-\$192,897
Western Branch Soccer Club	2017	\$1,768	\$95,115	\$96,933	\$100,243	-\$3,310	\$9,252	\$0	\$9,252
Williamsburg Soccer Club	2016	\$33,161	\$1,247,986	\$1,281,634	\$1,297,266	-\$15,632	\$278,313	\$2,433	\$275,880
Williamsburg Soccer Foundation	2017	\$83,600	\$0	\$100,673	\$33,166	\$67,507	\$348,013	\$0	\$348,013

Sources: Propublica.org Nonprofit Explorer and the Internal Revenue Service. Most recent filing year available as of June 2019.

TABLE 4

ESTIMATED ECONOMIC IMPACT OF SELECTED SOCCER ORGANIZATIONS IN HAMPTON ROADS, MILLIONS OF 2018 DOLLARS

	Direct	Indirect	Induced	Total
Employment	37	18	12	67
Output (Millions)	\$7.4	\$2.6	\$1.8	\$11.8
Compensation (Millions)	\$2.1	\$0.8	\$0.6	\$3.5

Sources: JobsEQ, Chmura Economics and the Dragas Center for Economic Analysis and Policy, Old Dominion University. Data as of 2018 Q4. Estimates for the selected soccer organizations in Table 3. Direct expenditures for filing year obtained from IRS Form 990 and converted to 2018 dollars using Consumer Price Index for All Urban Consumers.

We estimate that the largest soccer organizations in Hampton Roads added almost \$12 million in additional economic activity in 2018. About \$3.5 million of the increase in economy activity was personal compensation; that is, increased incomes for Hampton Roads residents. Our estimate is conservative, as it does not account for the thousands of volunteer hours and spending by booster organizations and public and private educational organizations. Soccer is not just orange slices and juice boxes for young players on a weekend; it's real business.

Is The MLS Coming To Hampton Roads?

Lionsbridge FC and Virginia Beach United are not the first professional soccer clubs to play in Hampton Roads. The Virginia Beach Mariners played in the USL First Division (the second tier of professional soccer in the U.S.) from 1994 to 2006. Ownership turmoil characterized the life of the club, with six ownership changes in 12 seasons. Do Lionsbridge FC and Virginia Beach United represent the first steps toward an MLS franchise or will our region be left behind?

Hampton Roads, by population, is one of the largest metropolitan areas in the U.S. without a major professional sport franchise in basketball, baseball, football, hockey or soccer. While some would lay part of the blame on the small number of Fortune 500 headquarters, other metro areas with only a few Fortune 500 headquarters have or will have professional teams (Austin, Texas, for example, has two Fortune 500 headquarters). Others will point to a transient population because of the military, yet Jacksonville, Florida, which is actually smaller in population than Hampton Roads, is home to the Jacksonville Jaguars. San Diego, which is larger than our region, is home to the San Diego Padres, but also saw the San Diego Chargers depart for Los Angeles in 2017. As for bridges and tunnels, one only need drive around Boston, Los Angeles or Washington, D.C., during rush hour to understand that Hampton Roads' traffic is not as bad as we often think it is. The culprit may be what many in the region consider a four-letter word: collaboration.

To capitalize on the re-emergence of professional soccer in Hampton Roads will require collaboration among cities and counties that are often incentivized to look out for their own interests. Over the past decade, city and regional leaders have bemoaned the lack of a major sporting arena in Hampton Roads and there have been unsuccessful attempts to fill this gap. Whether the proposal was located at Scope, Military Circle, Town Center or the oceanfront, there were competing interests that ultimately led to each proposal's failure. These proposals failed, in some part, due to the problem of concentrated costs. If Virginia Beach built an arena, the taxpayers of Virginia Beach would

subsidize the entertainment of residents from Chesapeake, Norfolk and other cities. To solve this problem, Chesapeake, Norfolk, Virginia Beach and other interested cities could establish a special district that would have the ability to levy taxes, collect revenues and administer a new stadium. There are many special districts in Virginia (the Chesapeake Bay Bridge and Tunnel District is one of them) and this project would represent an opportunity for localities to improve their ability to plan and execute regional projects.

Proponents of a stadium often argue that such developments serve as a catalyst for economic development. The American Airlines Center-Victory Park project in Dallas, for example, generated more jobs than initially projected, almost doubled expected sales tax revenue and led to \$1 billion in economic activity. However, the success of such efforts in Dallas, Miami and Nashville is likely a spillover from local economic conditions instead of increased economic activity from a new stadium or arena complex. Improving economic and population growth led to the perception that these projects were economic catalysts instead of the realization that the projects prospered because of vibrant local economic conditions.

There is also very strong evidence that public funding of sports stadiums is not a wise investment of taxpayer resources. In 1997, Roger Noll and Andrew Zimbalist, in their book "Sports, Jobs, and Taxes," found that new sports facilities have extremely small (or negative) effects on overall economic activity and employment. James Bennett traced the history of public subsidies for private sports teams in his 2012 book, "They Play, You Pay." He argued that that public investments in sports stadiums result in a transfer of wealth from taxpayers to multimillionaire and billionaire owners of professional franchises. Sports economist Michael Leeds, when interviewed in 2015 about the economic impact of sports stadiums, put it succinctly, "If you ever had a consensus in economics, this would be it. There is no impact."¹²

The Bridgestone Arena in Nashville generated about \$17 million in sales tax revenue within its walls in 2017, more than the city's subsidy. A recent study, however, estimated that the arena needs an additional \$8 million to \$12 million a year for capital improvements over the next two decades to remain competitive. A new arena in Hampton Roads would likely lose money in its

¹² <https://www.marketplace.org/2015/03/19/are-pro-sports-teams-economic-winners-cities/>.

initial years as it worked to attract concerts, sporting teams and other events. Clear eyes would need to balance the full hearts to objectively determine the worth of any proposal.

Steve Jolley fears that top-level professional soccer may have already outgrown this region's potential to host it. With MLS expansion fees currently at \$200 million and no local facility ready to host a team, Jolley believes that Hampton Roads isn't even on the lengthy list of cities and regions trying to woo an MLS franchise. "I don't want to say that ship has sailed, but it would take so much cooperation. Such strong leadership. So much money."

Andy Smith was a high school teammate of Jolley's at Kempsville High School and helped launch professional teams across North America, most recently in Reno, Nevada. He said conversations locally have articulated what needs to happen for Hampton Roads to move up the ranks of prospective pro soccer franchise sites, including the development of a top-tier soccer stadium. A new stadium, however, is not enough. "First and foremost, you need an owner with deep pockets or a group of investors who are also influencers, because the price of admission is only going up."



Final Thoughts

While recent declines in youth registrations for soccer are concerning, soccer appears to be increasingly popular nationwide. Increases in Hispanic participation at the college level are a signal of the changing demographics of the sport. Soccer must, however, battle the reality that it has become a sport of the upper class in the United States. Outreach and scholarship programs are a part of the solution. Another is to question whether the travel model, which has taken over much of youth sports in America, is more a product of middle-class economic anxiety than the professional prospects of youth players.

There are numerous soccer organizations in Hampton Roads, ranging from the Hickory Hawks Soccer Booster Club (supporting the Hickory High School teams in Chesapeake) to the much larger Hampton Roads Soccer Council. While there is paid staff in some of the larger organizations, it is the love of “the beautiful game” that leads thousands to volunteer their time. From corralling kids at a small recreation field to working at the concession booth during the travel season, these volunteers make soccer in Hampton Roads a reality.

The ongoing collaboration among soccer organizations also continues to be a strength for the sport in our region. We found numerous examples of cooperation instead of competition, of recognition that a win for one club is a win for the region. Whether out of necessity or by choice, the ongoing efforts to cooperate and collaborate increase choices for players in Hampton Roads. Economically, these efforts reap economies of scale, lower costs to those involved in soccer and provide a worthwhile example to other private and public organizations in the region.

Whether or not soccer continues to grow here, however, may be more dependent upon local communities than soccer clubs and organizations. Field space continues to be at a premium. The Warhill Sports Complex in Williamsburg is an example of how investing in fields can generate significant economic activity. The Hampton Roads Soccer Complex, with its affiliations with several local clubs, is another example. Chesapeake, one of the fastest-growing cities in the region, continues to be mentioned as the locale for a sports complex development, but, so far, this remains just a rumor. Sober

analysis and, where warranted, wise investments in these facilities can be a boon to the sport and have positive spillovers to the regional economy.

The question now for soccer in Hampton Roads is: What is next? The sport has grown organically to date, with local organizations collaborating out of necessity. If Hampton Roads desires to up its game, it will need a concerted effort across the region to share the costs and benefits of attracting higher-tier professional teams. In the meantime, providing spaces to play, capitalizing on efforts to offer family-friendly professional soccer and finding ways to lower the cost to those who play may be the best way to continue to grow “the beautiful game” in our region.



