

# Allocation Decisions and Competitive Balance in the FIFA World Cup

## Lesson Author

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## Lesson Description

In this lesson, students explain how incentives determine allocation decisions using the FIFA World Cup as an example. First, students describe the various allocation methods and explain the incentives influencing how FIFA determines which countries participate in the World Cup. Then, students construct their own FIFA World Cup groups using teams from the 2022 tournament and are introduced to the concept of competitive balance. Finally, students provide recommendations for how World Cup slots should be allocated. To obtain an answer key for the assessment in this lesson, create an account on [FederalReserveEducation.org](https://www.federalreserveeducation.org).

## Grade Level

Grades 6–12

## Standards and Benchmarks

See page 7.

## Concepts

Allocation methods  
Competitive balance  
Negative incentives  
Positive incentives

## Lesson Essential Question

How do incentives affect allocation decisions in the FIFA World Cup?

## Objectives

Students will be able to:

- Analyze the costs and benefits of various allocation methods.
- Explain how incentives affect allocation decisions.
- Define competitive balance.
- Evaluate the current methods FIFA uses to allocate slots in the World Cup tournament.

## Time Required

45–60 minutes

## Materials

- Slides
- Handout 1: 2022 World Cup Teams, one copy for each student
- Handout 2: Your Groups, one copy for each student
- Handout 3: 2022 World Cup Groups, one copy for each pair
- Handout 4: The World Cup Draw, one copy for each student
- Optional Modification: 2026 World Cup Visuals and Handouts (see end of document)

## Procedure

1. Ask students:
  - a. What is the FIFA World Cup? (*The FIFA World Cup is a global soccer [football] tournament that occurs every four years.*)
  - b. How many national teams participate in this international competition? (*In 2026, 48 national teams will participate, although many more attempted to qualify for the event. In previous tournaments, fewer teams participated.*)
  - c. Who should be allowed to participate in the World Cup? (*Answers will vary, but students may suggest the most highly ranked teams or the teams with the best records.*)
  - d. How did you make the decision that these national teams should be able to participate? (*Answers will vary. Students may suggest it is the fairest way to allow teams to compete.*)
2. Display Slide 2 and explain that in today's lesson, they will be considering the **allocation methods** that FIFA uses for World Cup slots. Allocation methods are ways in which to distribute goods, services, or resources.
3. Read the allocation methods. Have volunteers explain each allocation method. If students have difficulty explaining an allocation method, provide the relevant definition. Suggested answers for the definition of each allocation method are:
  - a. *Authority: A person or group (e.g., a government) decides who gets what goods, services, or resources, usually without any input from the people who want the goods, services, or resources.*
  - b. *Contest: A type of competitive activity from which the winner receives a good, service, or resource.*
  - c. *First-come/first-served: A good, service, or resource is given to the first person who wants it and takes it.*
  - d. *Force: A good, service, or resource is taken through physical damage or intimidation.*
  - e. *Lottery: A good, service, or resource is given to one person who is randomly selected.*
  - f. *Majority rule: People vote to decide who gets a good, service, or resource.*
  - g. *Personal characteristics: People are selected to receive (or excluded from receiving) the good, service, or resource based on certain traits (e.g., gender, race, age).*

- h. *Price: Those who are willing and able to pay the price for a good, service, or resource get it.*
  - i. *Sharing equally: A good, service, or resource is distributed equally to all or shared equally among people who want it.*
- 4. Display Slide 3. Define a **positive incentive** as a reward that encourages people to behave in a certain way. Ask students:
  - a. What is an example of a positive incentive that influenced a decision you made recently? (*Answers will vary. Students might suggest wanting to get a good grade on a test or doing well at an activity as an incentive to study or practice.*)
- 5. Display Slide 4. Define a **negative incentive** as a penalty that discourages people from behaving in a certain way. Ask students:
  - a. What is an example of a negative incentive that influenced a decision you made recently? (*Answers will vary. Students might suggest write-ups for tardiness to school or work.*)
- 6. Display Slide 5 and review the background information on how teams qualify for the World Cup. Tell students that confederations are groups of associations (typically countries) recognized by FIFA that belong to the same continent.
- 7. Display Slide 6 and review the six FIFA confederations. Draw attention to the differences in how many slots each confederation was given in 2022. Ask students:
  - a. What incentives were there to allocate World Cup slots in this way? (*Answers will vary, but students might suggest geographical diversity, many of the best teams in the world are able to play, allows teams with weaker confederations to play against better teams.*)

NOTE: If you choose to use the 2026 tournament, substitute Slide 11.

- 8. Display Slide 7 to provide background information on the 2022 World Cup format. Tell students that the World Cup is a multi-stage tournament that begins with teams playing in groups. The group stage is a round robin tournament where the teams play each other and earn points based on the outcome of the game. In 2022, the top two teams in each group advanced to the knockout stage of the tournament.

NOTE: This procedure step provides additional context for students who may not be as familiar with the World Cup. If you choose to use the 2026 tournament, substitute Slide 12 for the format.)

- 9. Tell students that they will now have an opportunity to create groups for the World Cup as if it were 2022.

NOTE: This activity uses the draw from the 2022 World Cup. Some students might already be familiar with how the associations were grouped. That is fine. Distribute one copy of *Handout 1: 2022 World Cup Teams* and one copy of *Handout 2: Your Groups* to each student. Have students work in pairs to organize the 32 teams into eight groups.

- 10. After all pairs have created their groups, discuss the activity:

- a. How did you decide on the groups? *(Answers will vary. Possible answers may include random assignment, organizing by confederation, organizing by rank, or organizing by alphabetical order.)*
  - b. What are the benefits of that method? *(Answers will vary.)*
  - c. What are the costs of that method? *(Answers will vary.)*
  - d. Did you want additional information to help you make your decision? *(Answers will vary.)*
  - e. Would your groups have changed if Australia, Costa Rica, or Wales had lost? *(Answers will vary depending on how the groups were organized.)*
11. Distribute *Handout 3: 2022 World Cup Groups*. Allow time for students to compare their groups to the results of the draw in 2022. Ask students to identify anything they notice about the groups. *(Students may notice that the groups include one association from each quartile of the rankings except for Qatar, who was the host. UEFA is the only confederation that might have more than one of its associations in a single group.)*
12. Distribute *Handout 4: The World Cup Draw* to each student. Tell students that FIFA determines how countries are distributed across groups. Have volunteers read Handout 2 aloud.
13. Discuss the following:
- a. Why do you think the host nation is placed in the first pot? *(Answers will vary. By being placed in the first pot, the host nation will automatically avoid the top-ranked teams in the tournament, allowing for a potentially easier path to the knockout round.)*
  - b. Why do you think pots are determined by FIFA rankings? *(Answers will vary.)*
  - c. How are groups determined? *(Combination of geographical location [confederation] and ranking.)*
  - d. What incentives are there to create groups in this manner? *(Allows for associations who may not play each other often to play a different opponent. Offers a preventative measure to keep higher-ranked teams in the tournament for later rounds.)*
14. Display Slide 8. Define **competitive balance** as the measurement of how the probability of winning is distributed across teams in a league, tournament, or other sporting event. Explain that a league that is dominated by a few successful teams would indicate a high degree of competitive imbalance. One way to measure competitive balance is by calculating the concentration of championships by team. For example, Major League Soccer (a professional soccer league in North America) is considered to be one of the most competitively balanced soccer leagues in the world because of the number of unique teams that have won the championship, and the Scottish Premiership (a professional soccer league in Scotland) is considered to be one of the least competitive leagues because two teams have won 85% of the championships since inception. However, competitive balance can also be measured by

examining the share of points teams earn throughout a season. Competitively imbalanced leagues would have a significant number of points concentrated among few teams.

NOTE: There are multiple ways to calculate competitive balance, but that goes beyond the objectives of the lesson.

15. Discuss the following:

- a. If you were a spectator, would you prefer to watch a game with teams that were more or less evenly matched? *(Answers will vary.)*
- b. If teams are evenly matched, does that indicate competitive balance or competitive imbalance? *(Competitive balance)*
- c. Why might competitive balance be desirable in sports? *(Gameplay might be more exciting [less predictable], no one team dominates)*
- d. Why might perfect competitive balance be undesirable in sports? *(If all teams are equally likely to win, a bad call can determine winners and losers more often. Outcome could come down to chance.)*

16. Display Slide 9. Discuss the following:

- a. Is there competitive balance in the group round of the World Cup? *(During the group round, there is less competitive balance. The difference in FIFA rankings between associations within each group can be great. For example, the average difference in 2022 across all groups was approximately 20 spots. Although the group composition changes from tournament to tournament, the same countries tend to advance.)*
- b. Is there competitive balance in the knockout rounds of the World Cup? *(As the World Cup continues, there tends to be more competitive balance. The differences in rank tend to converge, but upsets still do occur. For example, the difference in rankings in the 2022 finals was one spot, but four years earlier, the difference was 11 spots when Croatia [then ranked 18] made it to the finals against France [then ranked 7].)*
- c. Is there competitive balance in the World Cup? *(Answers will vary. The World Cup has been dominated by only a few teams, specifically from the UEFA and CONMEBOL confederations, suggesting that there is a lack of competitive balance.)*

17. Assign each pair an allocation method from Slide 10. Have students create a list of benefits and costs for allocating World Cup slots using their method and share out. *(Benefits may include saving time, fairness, and offsetting costs. Costs may include corruption, the best teams being left out of the tournament, and causing international crises.)*

## Closure

18. Review the important parts of the lesson by asking students:

- a. What allocation methods are used throughout the World Cup? *(Authority– FIFA decides how many slots are granted to each confederation; Contest– Teams must play to earn their slot; Lottery– After teams are placed into pots, the assignment of groups is random; Personal characteristics– Confederation)*

- b. What incentives influence the decisions made by FIFA regarding World Cup slots and group allocation? (*A desire for geographical diversity, competition, revenue, market share*)
- c. What is competitive balance? (*The measurement of how the probability of winning is distributed across teams in a league, tournament, or other sporting event*)

### **Assessment**

19. How would you allocate World Cup slots and group assignments? Explain. (See Answer Key [available on [FederalReserveEducation.org](http://FederalReserveEducation.org)] for rubric and sample answer.)

## Standards and Benchmarks

### National Content Standards in K–12 Economics

#### Standard 2: Decision-Making

People usually respond predictably to positive and negative incentives. Effective decision-making requires comparing the additional costs of alternatives with the additional benefits.

2.H.1 Acting as consumers, producers, workers, savers, investors, and citizens, people respond to incentives in order to allocate their scarce resources in ways that provide them the highest possible net benefits.

2.H.3 Decision-making within different groups, such as small and large firms, labor unions, educational institutions, and nonprofit organizations, involves different goals and different rules and constraints. These goals, rules, and constraints influence the benefits and costs of those who work with or for those organizations, and, therefore, their behavior.

2.H.5 Evaluating the benefits and costs of various allocation methods to select the most suitable one for a specific problem can lead to better individual allocations and a more effective overall allocation system.

## Handout 1: 2022 World Cup Teams

Country	FIFA Ranking	Confederation
Argentina	4	CONMEBOL
Australia*	42	AFC
Belgium	2	UEFA
Brazil	1	CONMEBOL
Cameroon	37	CAF
Canada	38	CONCACAF
Costa Rica*	31	CONCACAF
Croatia	16	UEFA
Denmark	11	UEFA
Ecuador	46	CONMEBOL
England	5	UEFA
France	3	UEFA
Germany	12	UEFA
Ghana	60	CAF
IR Iran	21	AFC
Japan	23	AFC
Mexico	9	CONCACAF
Morocco	24	CAF
Netherlands	10	UEFA
Poland	26	UEFA
Portugal	8	UEFA
Qatar (Host)	51	AFC
Saudi Arabia	49	AFC
Senegal	20	CAF
Serbia	25	UEFA
Korea Republic	29	AFC
Spain	7	UEFA
Switzerland	14	UEFA
Tunisia	35	CAF
USA	15	CONCACAF
Uruguay	13	CONMEBOL
Wales*	18	UEFA

\* Team was not yet determined at time of draw. Qualifying games were scheduled after the draw.

Australian and Costa Rica were winners of inter-continental qualifying matches. Australia beat Peru (22) and Costa Rica beat New Zealand (101). In the playoffs of the UEFA qualifiers, Wales beat Scotland (39) and Ukraine (27) to secure the last spot.

**Handout 2: Your Groups**

Group A

Group E

Group B

Group F

Group C

Group G

Group D

Group H

### Handout 3: 2022 World Cup Groups

Group A
Qatar
Ecuador
Senegal
Netherlands

Group B
England
IR Iran
USA
Wales

Group C
Argentina
Saudi Arabia
Mexico
Poland

Group D
France
Australia
Denmark
Tunisia

Group E
Spain
Costa Rica
Germany
Japan

Group F
Belgium
Canada
Morocco
Croatia

Group G
Brazil
Serbia
Switzerland
Cameroon

Group H
Portugal
Ghana
Uruguay
Korea Republic

## Handout 4: The World Cup Draw

The results of “the draw” determine World Cup groups. The procedures for the draw have changed over the years, but the goal has been to create groups with geographical and skill diversity.

Teams that qualify for the World Cup are placed into four “pots.” As teams are drawn from the pots, they are assigned to a group. Each group is made of one association from each pot and includes only one association from the same confederation (the only exception is for UEFA, which is allowed no more than two per group).

For the 2026 tournament, the three host countries and the top nine qualifying teams were placed in Pot 1. The remaining teams were allocated to pots based on their rank, with Pot 4 including the lowest-ranked teams. Because not all qualifying games had yet been played before the draw, placeholders were put into Pot 4 for each qualification path. Another difference in 2026 was adding the constraint that the top four teams would not meet before the semifinals should they win their respective groups.<sup>1</sup>

In 2022 and 2018, the pots were created based on FIFA ranking (Pot 1 with the highest-ranking teams through Pot 4 with the lowest-ranking teams) with the host nation also being placed into Pot 1.

In 2014 and earlier draws, the top-ranked teams and the host (called seeds) were placed in Pot 1, and the remaining qualified countries were assigned pots based on confederation. See the table below for an example.

Pot 1	Pot 2	Pot 3	Pot 4
Host Top 7 Ranked Teams	CAF CONMEBOL	AFC CONCACAF	UEFA

Some earlier tournaments also included the defending champions in Pot 1 (1998, 2002), seeds determined by past World Cup performances (1990), or some combination of rankings and past World Cup performances (2006).

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<sup>1</sup> <https://inside.fifa.com/organisation/media-releases/procedures-final-draw-world-cup-2026-revealed>

## Handout 1B: 2026 World Cup Teams

Association	FIFA Ranking	Confederation
Algeria	35	CAF
Argentina	2	CONMEBOL
Australia	26	AFC
Austria	24	UEFA
Belgium	8	UEFA
Bosnia and Herzegovina*	71	UEFA
Brazil	5	CONMEBOL
Canada (co-host)	27	CONCACAF
Cabo Verde	68	CAF
Colombia	13	CONMEBOL
Congo DR*	10	UEFA
Croatia	82	CONCACAF
Curaçao	44	UEFA
Czechia	56	CAF
Côte d'Ivoire	42	CAF
Ecuador	23	CONMEBOL
Egypt	34	CAF
England	4	UEFA
France	3	UEFA
Germany	9	UEFA
Ghana	72	CAF
Haiti	84	CONCACAF
IR Iran	20	AFC
Iraq*	58	AFC

Association	FIFA Ranking	Confederation
Japan	18	AFC
Jordan	66	AFC
Korea Republic	22	AFC
Mexico (co-host)	15	CONCACAF
Morocco	11	CAF
Netherlands	7	UEFA
New Zealand	86	OFC
Norway	29	UEFA
Panama	30	CONCACAF
Paraguay	39	CONMEBOL
Portugal	6	UEFA
Qatar	51	AFC
Saudi Arabia	60	AFC
Scotland	36	UEFA
Senegal	19	CAF
South Africa	61	CAF
Spain	1	UEFA
Sweden*	43	UEFA
Switzerland	17	UEFA
Tunisia	40	CAF
Türkiye*	25	UEFA
Uruguay	16	CONMEBOL
USA (co-host)	14	CONCACAF
Uzbekistan	50	AFC

\*Team was not yet determined at time of draw. Instead, each qualification path was given a placeholder within the group. Qualifying games were scheduled after the draw in a two-round tournament format.

**UEFA Path A:** Bosnia and Herzegovina (70), Italy (12), Northern Ireland (69), Wales (32)

**UEFA Path B:** Albania (63), Poland (31), Sweden (43), Ukraine (28)

**UEFA Path C:** Kosovo (80), Romania (47), Slovakia (45), Türkiye (25)

**UEFA Path D:** Czechia (44), Denmark (21), North Macedonia (65), Republic of Ireland (59)

**IC Path 1:** Congo DR (56; CAF), Jamaica (70; CONCACAF), New Caledonia (149; OFC)

**IC Path 2:** Bolivia (76; CONMEBOL), Iraq (58; AFC), Suriname (123; CONCACAF)

## Handout 2B: Your Groups (2026)

Group A

Group E

Group I

Group B

Group F

Group J

Group C

Group G

Group K

Group D

Group H

Group L

## Handout 3B: 2026 World Cup Groups

Group A
Mexico
South Africa
Korea Republic
Czechia

Group E
Germany
Curaçao
Côte d'Ivoire
Ecuador

Group I
France
Senegal
Iraq
Norway

Group B
Canada
Bosnia-Herzegovina
Qatar
Switzerland

Group F
Netherlands
Japan
Sweden
Tunisia

Group J
Argentina
Algeria
Austria
Jordan

Group C
Brazil
Morocco
Haiti
Scotland

Group G
Belgium
Egypt
IR Iran
New Zealand

Group K
Portugal
Congo DR
Uzbekistan
Colombia

Group D
USA
Paraguay
Australia
Türkiye

Group H
Spain
Cabo Verde
Saudia Arabia
Uruguay

Group L
England
Croatia
Ghana
Panama