U.S. TRENDS IN TEAM SPORTS
FALL 2011

The SGMA’s Annual Report on the Health of Team Sports in America
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Concepts To Keep In Mind...

Research by SGMA Research powered by Sports Marketing Surveys

Unless otherwise indicated, all data is from a national online survey conducted for a consortium of trade associations and governing bodies by Sports Marketing Surveys USA. A panel of more than 38,000 derived from 15,000+ individuals and 23,000+ households were surveyed in the first quarter of 2011.

Participation Frequency. Participants in each activity are grouped into two categories: total participants and core. Core participation consists of those defined as frequent and regular. We focus on core participants because this group contains people most likely to buy equipment & services. These folks have also shown a tendency to pay user fees related to their chosen sport or activity. The number of participation days used to define a regular or frequent participant varies according to the activity and is determined by a statistical process. For example, it takes 100 days of participation for an individual to be categorized as a frequent participant in fitness activities. For some team sports, 52 days are required for frequent participation; in others, 25. All charts and tables remind the reader of these requirements. Additional data on casual participants, regular participants and frequent participants are available in the SGMA Single Sport Reports or as part of a custom report from SGMA Research.

Companies interested in additional consumer data can go back to the survey panelists with follow-up questions. These secondary surveys can produce important insights about such topics as motivation to participate, purchasing habits, purchase intentions, and depth of commitment to a given activity. For additional information please contact Neil Schwartz, Director of Business Development at Sports Marketing Surveys USA, at neil.schwartz@sportsmarketingsurveysusa.com or 561-427-0647.
Welcome to the 2011 edition of the U.S. Trends in Team Sports report. Team Sports are a huge part of the fabric that makes up this country. Young and old, people, elite athletes and weekend warriors enjoy their team sports all across this nation.

On a macro level, in the past 12 months, we have seen a turnaround in some of the negative participation trends that have been a part of our industry for the previous three years. Baseball, Basketball, Soccer and Tackle Football all saw single digit increases in participation. While working from a small base in some cases, niche sports like Lacrosse, Rugby, Track and Field and Ultimate Frisbee are seeing double digit increases in participation. This growth scenario can be used as part of a foundation for future participation growth. The more we learn about Team Sports participants, the more we can help guide our industry with some of the new trends in up and coming sports like Lacrosse. Team Sports participation has something for almost everyone. As an industry, how do we properly convey this message in our collective efforts to keep the positive participation trends moving in the right direction?

As you will read in this year’s report, younger teens are a main driver for some of this increase. They are gravitating to organized sports programs which will bode well for many of the local Recreational oriented programs that are established throughout this country. Rec programs need to turn part of their attention to these early teens, to bring them back to Team Sports in some cases, or keep them playing after their elementary school years. As we continue to see budget cuts in Middle School Sports programs, do these Rec programs as well as elite player teams have the potential to become the key conduit for varsity level high school sports?

With increasing pressure on school and municipal budgets nationwide, the SGMA is monitoring the impact on Team Sports programs on all venues of play. The evidence so far suggests that while budget cuts are real, booster clubs and other innovative fundraising activities are filling gaps so most sports remain accessible in most communities. America’s commitment to sports, especially in high schools and elite clubs, remains energized. A growing concern, however, is for economically disadvantaged communities without access to private resources to contribute to these programs.
From a sales and revenue standpoint, manufacturers of equipment, footwear and apparel for Team Sports saw high single digit increases thanks to some minimal price increases as well as increased demand. Some of this demand might have been brought on in some part by the increase in participation. We also see consumers finally making some purchases they have put off as a result of the uncertain economy. However, in this year’s study, consumers are telling us they do not plan on spending any more on equipment for their athletic endeavors this year than they did the previous year. That means the industry will be dependent on some additional participation growth to facilitate revenue growth.

The SGMA will continue to aggressively pursue our agenda in Washington in support of PEP funding as well as the pending PHIT bill. In addition, The SGMA will stay at the forefront of all discussions that pertain to product liability and player safety. As always, you can count on the SGMA to be the voice of the manufacturers and others interested in growing the Team Sports segment of our business.

This year’s report also features interviews and observations for a number of key interested parties throughout the Team Sports world. Congressman Michael McIntyre provides observations from Capitol Hill while Wayne Ryan adds some perspective from the position of a High School Athletic Director. Allen Krebs offers up some industry insight from the position of the team dealer and Steve Viarengo from The Active network gives us his analysis from the frontlines of sport and event enrollment. Finally we hear from Todd Miller. Todd is the Founder and President of a new web based service called flyBurst. FlyBurst is an online tool designed to help parents decide which local team sports programs are best for their child.

Thomas J. Cove
President & CEO
Sporting Goods Manufacturers Assoc.
Methodology

This overview report is produced by a partnership of seven of the major governing bodies and trade associations in U.S. sports and leisure. Each partner produces more detailed reports on their specific areas of interest but this overview report summarizes “topline” data about levels of activity. The overall aim of this report is to establish levels of activity and identify key trends in sports, fitness and recreation participation in the U.S. For more detailed results, please contact the relevant partner, listed below.

During January 2011/early February 2011 a total of 38,742 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel operated by Synovate. A total of 15,086 individual and 23,656 household surveys were completed. The total panel has over 1 million members and is maintained to be representative of the U.S. population. Over sampling of ethnic groups took place to boost response from typically under responding groups.

A weighting technique was used to balance the data to reflect the total U.S. population ages 6 and above. The following variables were used: gender, age, income, household size, region, and population density. The total population figure used was 283,743,000 people aged 6 and above.

The 2011 participation survey sample size of 38,742 completed interviews provides a high degree of statistical accuracy. All surveys are subject to some level of standard error—that is, the degree to which the results might differ from those obtained by a complete census of every person in the U.S. A sport with a participation rate of 5% has a confidence interval of plus or minus 0.21 percentage points at the 95% confidence level. This translates to plus or minus 4% of participants.
Sample Volatility. All research is subject to sample volatility, also known as sample error. It is the degree to which any survey may differ from the results that would be obtained from a complete census of every person in the U.S. As a general rule, larger sample sizes provide greater accuracy. For an example, sports with about 14 million participants have a standard error of plus or minus 2.9% of participants and those with 2.7 million or fewer participants have a standard error of plus or minus 6.7%. Therefore, caution should be used in dealing with data on smaller sports, especially those with 1 million or fewer participants. The questionnaire and methodology was developed by Sports Marketing Research, located in Jupiter, FL, under the cooperative sponsorship of the Sporting Goods Manufacturers Association (SGMA), the National Golf Foundation (NGF), the Outdoor Foundation (OF), Snow Sports Industries Association (SIA), International Health and Racquet Sports Association (IHRSA), Tennis Industry Association (TIA) and the United States Tennis Association (USTA.) The survey was conducted during late January 2010. Over sampling of minority and specific ethnic groups took place to boost response from groups that typically under-respond to such surveys. A weighting technique was used to balance the data to reflect the total U.S. population ages 6 and older, numbering 279,110,000. The participation estimates for the year 2000 were based on historical year-by-year percentage changes that occurred between 2000 and 2005 as found by previous national studies sponsored by the SGMA. Because the questionnaire and methodology have changed, readers should not make direct comparisons between this report and data collected prior to 2007. However, we believe trend data continues to be beneficial to determine general trends.

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Nate Heckman, Principal, Stitch Marketing + Research

For more information about team sports and the sporting goods industry visit:
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Executive Summary

Team Sports are a significant part of the fabric of American culture. Team Sports bring us together as young children, teaching us to socialize, solve problems, resolve disputes, experience the benefits of hard work, understand different personalities and gain self-confidence and direction. As we grow into adulthood Team Sports remain a part of the lives of many, on a myriad of levels, from video games and fantasy leagues to fandom, media consumption and, indeed, continued participation.

The U.S. Trends in Team Sports research gives us an unprecedented glimpse into what it’s like to be a participant in not only the Team Sports themselves, but in the culture that surrounds the sports, in consumerism and attachments to professional sports heroes, and what it means to evolve our participation and play over time and a variety of activities. Across all ages, males and females, residents of diverse geographies, Americans are known for seeking out competition wherever it can be found. From Baseball traditions across centuries to Paintball traditions in the recent decades, the spirit for Team Sports is as strong as ever.
Participation

After two years of negative participation growth for most of the mainstream Team Sports, this past year we have seen a turnaround in participation for sports like Tackle Football, Soccer, Basketball and Baseball. All have shown increases in the low single digits with respect to both total and core level participation.

Lacrosse and other niche team sports like Rugby and two of the three versions of Volleyball are experiencing continued strong growth with Lacrosse leading the way with 33% growth among the core participants. Given their growth trajectory, Lacrosse is likely to go over the one million core level participants mark in next year’s report. Rugby is another of the niche team sports that is also growing with just over 20% growth.

After two years of strong participation performance, Indoor Team Sports like Ice Hockey and Indoor Soccer have cooled off. Both sports are very dependent on facility availability and given the participation growth of the past two years, the ice time, fields and court time may not be available to accommodate any new growth at the current time.

Team Sports Participation Does Not Happen by Accident

New sections in this year’s report demonstrate that children participating in active lifestyles outside of a team are more likely to end up participating in Team Sports at some point in their life. Part of explanation for this tendency is the correlation to general physical fitness and an enjoyment of any type of play centered around physical motion/activity, and part is a result of exposure to a diverse mix of activities. Team Sports participants tended to enjoy P.E. more as school children, and also tended to be involved in health club activities or even something as simple as being exposed to running or jogging as a child.
Team Sports Participation Opens up a Whole World of Activities

Participants in Team Sports are more willing and enthusiastic to try other physical and fitness activities, even if wholly unrelated to their sport of choice. The difference is striking with Americans who have never played a Team Sport, 61% of whom had no interest in any of the 38 physical/sport activities tested in the survey, while 82% of Team Sports participants had an interest in trying some new activity for which they had not previously shown an affinity.

Hockey Players are Great Sports Fans

A special report this year on overall spectator sport fandom, and fandom among Team Sport participants specifically, sheds some light on the popularity of major college and professional sports and how the participants might interact with the ubiquitous major leagues in 2011. The survey shows that Ice Hockey participants, in particular, are among the strongest fans of nearly all the major sports leagues, not just the NHL. Major League Soccer, MLS still has challenges ahead in capturing significant fandom in the U.S. (as compared to NFL, NBA, MLB, NHL), as even Soccer participants are not rating themselves as strong MLS fans in high numbers.
SGMA Membership Benefit Research Reports
Annually SGMA publishes a series of reports on various aspects of the sporting goods & fitness industries ranging from participation trends to the industry’s marketplace.

**THESE REPORTS ARE ALL FREE TO SGMA MEMBERS.**
These reports and more can be ordered at www.sgma.com/research. For more information about our SGMA Research contact Neil Schwartz at neil.schwartz@sportsmarketingsurveysusa.com or 561.427.6047.

- **Sports & Fitness Participation Topline Report**
  **RELEASED - April 2011**
  This SGMA Participation report covers 117 different sports and activities each year with a mega sample size of over 40,000 Americans, ages 6 and older. The goal of the report is to determine activity levels and establish participation trends in sports, fitness, and recreational activities in America.

- **State of the Industry Report**
  **RELEASED - May 2011**
  Our State of the Industry report contains essential up-to-date information about the state of the diverse sporting goods and fitness market. It combines data from the annual Participation Study along with market size data and industry projections in a detailed analysis. The report also includes individual sport participation rates, business & demographic trends and much more.

- **Manufacturer’s Sales by Category Report**
  **RELEASED - May 2011**
  If there is a specific market you are trying to analyze, to see where your windows of opportunity are, this report is your solution. It reveals how the industry has performed during the year, and it provides the latest sales figures on over 30 categories of sporting goods and fitness equipment.

- **Tracking the Fitness Movement Report**
  **RELEASED - July 2011**
  The Tracking the Fitness Movement Report investigates all aspects of the fitness & exercise category from core participation to sales of equipment and health club membership.

- **U.S. Trends in Team Sports Report**
  **RELEASED - September 2011**
  Our U.S. Trends in Team Sports takes an in depth look at the trends in participation and shipment sales specific to team sports. A Grassroots report on sports participation in the U.S. is also featured, to reveal what inspires young athletes to participate in sports and what motivates them to continue playing.
About SGMA
The SGMA is the global business trade association of manufacturers, retailers and marketers in the sports products industry. The SGMA was founded in 1906 by a group of athletic equipment makers that wanted to reduce injuries from football and other sports. Today the SGMA is located in Silver Spring, MD, a suburb of Washington, DC where it serves as the industry’s advocate on trade and business policy issues and promotes legislation that increases opportunities for participation in sports, fitness and other physical activities. In addition, The SGMA offers extensive research services through its partnership with Sports Marketing Surveys and other programs and events that help members improve their operating effectiveness and profitability. More information about The SGMA can be found at www.SGMA.com. More information about Sports Marketing Surveys can be found at www.sportsmarketingsurveysusa.com or contact Neil Schwartz at neil.schwartz@sportsmarketingsurveysusa.com or 561-427-0647.

Throughout the year, The SGMA publishes a series of reports on various aspects of sports participation and the sporting goods marketplace. These, and other reports, may be ordered at www.SGMA.com/research.


U.S. Trends in Team Sports. Participation trends and demographics of team sports participants. Includes data on play in youth sports leagues, high schools and on NCAA teams.

Tracking the Fitness Movement. Annual report on participation trends, demographics, equipment sales. Review of industry trends.

Single Sports Reports. A comprehensive look at each of the activities covered by the Physical Activity Coalitions’ Sports and Fitness Participation Study.

Disclaimer
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SGMA Research, powered by Sports Marketing Surveys is the sole provider of marketing research and analysis for the Sporting Goods Manufacturers Association (SGMA). This partnership places SMS at the forefront when it comes to marketing research for all things sport, sports participation and current trends in sports. Sports Marketing Surveys USA has been in business since 1985, providing quantitative and qualitative marketing research and information for many of the leading manufacturers and retailers in the sports products industry.