



## Special Message From SFIA Research

For the past 107 years, the Sporting Goods Manufacturers Association (SGMA) has been the leading source of research-based knowledge for the sports and fitness industry. As you will note by the new logo above, the Sporting Goods Manufacturers Association has recently transitioned to a new name for our organization: ***Sports & Fitness Industry Association***, with the acronym **SFIA**. The foundation of our trade association and the core constituents who benefit from an affiliation with our organization remains the same. However, we believe the new name represents a much clearer reflection of our current and future membership. This is not a shift in philosophy for our organization. It is simply a more accurate and transparent indication of the broader industry segments that we serve.

This cover page serves to make you aware of our new name and simultaneously explains why you will see references to SGMA throughout research reports that pre-date our transition from SGMA to SFIA.

For more information related to the rebranding process, please visit the SFIA website at [www.sfia.org/about/sfiafaqs](http://www.sfia.org/about/sfiafaqs) to review our FAQ's. You may also contact SFIA Headquarters at 301.495.6321.

2012 PREVIEW



# TRENDS IN TEAM SPORTS

FALL 2012

THE SGMA'S ANNUAL REPORT ON THE HEALTH  
OF TEAM SPORTS IN AMERICA

**"WE'RE BULLISH ABOUT THE FUTURE."**  
Kevin Davis, President & CEO, Bauer Hockey

**"I'D LIKE TO THINK THAT WE ARE AS PROACTIVE AS WE CAN BE."**  
Stephen D. Keener, President & CEO, Little League International

**"THE SPORT MUST CONTINUE TO EVOLVE."**  
Scott Hallenbeck, Executive Director, USA Football

**"SCHOOLS CUTTING SPORTS IS BOTH A CONCERN AND AN OPPORTUNITY."**  
Jon Butler, Executive Director, Pop Warner Football

# 2012 PREVIEW

# CONTENTS

Message from Tom Cove	1
Methodology	2
How To Read The Data	5
Executive Summary	6
Team Sports Participation Trends -- All Participants	10
Children's Team Sports Participation Summary	11
Participation Detail: Overall	
Overall Participation by Age	12
Overall Participation by Gender	16
Overall Participation by Income	17
Overall: Organized vs Casual Play	18
Participation Detail: Core	
Core Participation Overall Trends	20
Core Participation by Age	21
Core Participation by Gender	22
Core Participation by Income	23
Core: Organized vs Casual Play	24
Churn Rate -- 2011	27
Childhood Participation in Non-Team Sport Activities	28
New Interest in Non-Team Activities Among Participants	33
Spending on Sports	39
Manufacturer's Sales of Team Equipment: 2007 -- 2011	44
Special Section: Impact of the 2012 Summer Olympic Games	46
Industry Interviews	
Scott Hallenbeck, Executive Director, USA Football	49
Stephen D. Keener, President & CEO, Little League International	52
Jon Butler, Executive Director, Pop Warner Football	54
Kevin Davis, President & CEO, Bauer Hockey	56

# 2012 PREVIEW



## A MESSAGE FROM TOM COVE

**PRESIDENT AND CEO OF THE SPORTING GOODS MANUFACTURERS ASSOCIATION**

Welcome to the 2012 edition of the Team Sports in America report from SGMA Research. The team sports category is a key part of the DNA that makes up the SGMA. In this country more than 67 million people play at least one team sport. On average, each team sport participant plays 1.8 sports. To put that into a little bit of perspective, there are over 4 billion player occasions when it comes to team sports participation. As one might guess, young people make up the vast majority of those playing team sports. In addition to being a significant category on their own, team sports effectively serve as the foundation and gateway for many Americans to take up other physical activities as they grow older and their personal capabilities and interests change.

This year's report does a comprehensive job of looking at the strengths as well as the challenges to growing this very important part of our business. The strong participation levels in team sports reflect core strength in the category, yet the paradoxical realities of increasing obesity and inactivity on one hand and overspecialization and increasing injury concerns on the other may signal clouds on the horizon for future growth.

Team sports participation is part of the core fabric that makes up this country, made ever more evident by the tremendous interest in the recently concluded Olympics Games. From the pool to the track, and sand courts to indoor venues, the USA showed the world that we place a high value on our team sports, and judging by the television ratings, a high level of interest from fans back home.

In this year's report we sought out some of the key decision makers who deal every day with cutting-edge issues around various team sports. Our first interview is with Scott Hallenbeck, the Executive Director of USA Football. Tackle football is facing a number of challenges as it looks to maintain its hold on participants. Scott talks about USAF's dedication to player safety and education as keys to growing the sport of football in the future. Take note of USA Football's "helmet exchange program," an innovative partnership supported by SGMA and our helmet manufacturing member companies that will deliver new football helmets to thousands of economically deprived young people playing football across the country. In our next interview, we stay with tackle football as we speak to Jon Butler, Executive Director of Pop Warner Football. Jon's organization is being progressive about dealing with challenges as varied as the cost of outfitting a young football player to training coaches and volunteers. We caught up with Steve Keener, President and CEO of Little League International just as their annual World Series was about to begin in Williamsport, PA. For Little League, it is more than just a game. It is about core values and lessons learned for these young ballplayers. Steve has a lot to say about youth participation in baseball specifically and team sports in general. And finally, we were happy to get the chance to talk with Kevin Davis, President and CEO of Bauer Hockey. This has been a big year for Bauer with the acquisition of Cascade and Bauer's entrance into the Lacrosse category. Kevin is an ideal illustration of how market information from the SGMA can lead to valuable strategic decisions.

We hope you enjoy this report. As always, there is good news and some not-so-good, strengths of the category to go along with challenges and a variety of solutions to overcome barriers our industry faces. At SGMA we remain committed to providing you balanced, honest and well documented insights and data to assist you in growing your business. Please let us know how we're doing.

A handwritten signature in black ink that reads "Thomas J. Cove". The signature is fluid and cursive, written over a light grey background.

Thomas J. Cove  
President & CEO  
Sporting Goods Manufacturers Association

# 2012 PREVIEW

## METHODOLOGY

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.**

A panel of more than 38,172 derived from 15,113 individuals and 23,059 households were surveyed during January and February of 2012.

**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, at [neil.schwartz@sportsmarketingsurveysusa.com](mailto:neil.schwartz@sportsmarketingsurveysusa.com) or 561-427-0647.

**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

# 2012 PREVIEW

late January 2011. Over sampling of minority and specific ethnic groups took place to boost response from groups that typically under-respond to such surveys. 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.

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 and February of 2012, a total of 38,172 online interviews were carried out with a nationwide sample of individuals and households from the US Online Panel of over one million people operated by Synovate. A total of 15,113 individual and 23,059 household surveys were completed. The total panel is maintained to be representative of the US population for people ages 6 and older. Over sampling of ethnic groups took place to boost response from typically under responding groups.

The 2011 participation survey sample size of 38,172 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 US. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.21 percentage points at the 95 percent confidence level. This translates to plus or minus four percent of participants.

A weighting technique was used to balance the data to reflect the total US population ages six and above. The following variables were used: gender, age, income, household size, region and population density. The total population figure used was 285,753,000 people ages six and older.

In this year’s report we have adopted a slightly revised projection methodology that provides an even higher degree of accuracy. The technique of using a “two-year rolling average” measurement is commonly used in research as a way to effectively double the sample size to provide a stable base for all projections that derive from the data. This is particularly beneficial for the sports with participation rates of less than one percent. Consequently, with this change, we have gone back and re-projected all participation totals beginning with the 2008 participation collection to reflect this change.

If you have specific questions regarding this change in methodology, please get in touch with Sports Marketing Surveys USA at [usa@sportsmarketingsurveysusa.com](mailto:usa@sportsmarketingsurveysusa.com) or (561) 427-0647.

# 2012 PREVIEW

## Special thanks

*Special thanks to the following for their contributions:*

*Mark Graff, Director of On Field, Under Armour*

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*Dan Arment, President & CEO, Riddell Sports*

*Thad Ide, VP Research & Product Development, Riddell Sports*

*Nate Heckman, Principal, Stitch Marketing + Research*

For more information about team sports and the sporting goods industry visit: [www.sgma.com](http://www.sgma.com).

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## HOW TO READ THE TEAM SPORTS DATA

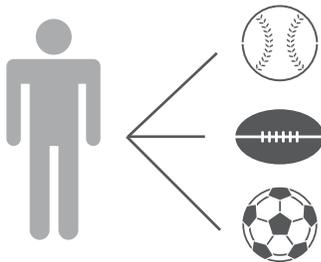
### PARTICIPANTS

Individual people (could be members of multiple teams). This is the number of people playing team sports.



### PARTICIPATION

(Participant) x (Number of sports each participant plays). This is the count of players occupying a spot on a team (one participant could be a team member in multiple team sports).



### PARTICIPATION RATE

Percentage of the general population that participates in a particular team sport.



### **Data Induces Simultaneous Concern & Hope**

Combining the 23 team sports that make up the focus of this report (excluding competition swimming – measured for the first time in this year’s survey), 2011 saw a 4.4% decrease in total participation\* from 2010 (or a loss of 1.3 million participants and 6.1 million team members). Taking a look back three years, when all 23 team sports were first tracked as part of this research initiative, 3.6 million participants (13.2 million team members) have been lost. But the vast majority of this loss is on the adult side, with strength in some areas of youth – females in particular.

Where have the players gone? Will they come back? Is this part of a demographic cycle? Is this all budget cuts, and can we still blame the economy? These questions and others may be answered with data, through proactivity in the marketplace, and through vigorous debate. Totals and averages can sometimes be deceiving. The story, in fact, is quite different by age and gender.

### **The Team Sports Participation Story Driven by Age, Gender and Lifestyle Decisions**

We must look at the macro trends in this country, beyond just team sports. For instance, 2011 participation research (SGMA: “2012 Sports, Fitness and Leisure Activities Participation Report”) showed the highest rate of inactives on record: 24% of people ages six and older. In that report we saw a preview of what was to be uncovered in this Trends in Team Sports analysis: *“Inactivity rates among children ages six to 12 fell slightly from 16.6 percent in 2010 to 16 percent in 2011. This may be an early indication that efforts to get children off the couch and outside started to have an effect on their level of activity. Conversely, inactivity increased among young adults aged 18 to 24 and adults aged 35 to 54.”*

Most striking, though, is the significant difference when age and gender are combined in the analysis. Younger girls (ages 6-12) make up the fastest growing market for participation in team sports (although from a smaller base) – and we can see tremendous ground made up and momentum built in this area. Adult males, at the opposite end of the spectrum, are leaving team sports in large numbers. Team sports participation is declining overall *mostly* because adult males are not playing, but there is also a decline in younger boys’ participation and participants, and the latter will drive the meat of our markets going forward.

# 2012 PREVIEW

The graphic below shows the three key measures (Participants, Participation, resulting Sports played per participant) for the four main segments of consumers to watch. (Note: 'Participants' = number of people playing; 'Participation' = sum of all sports played by all participants)

		2008	2011	change		
	<b>Females 6-17</b>	Participants	10,590	12,110	14.40%	
		Participation	20,931	23,060	10.20%	
		Sports/participant	1.98	1.90	-3.70%	
	<b>Females 18+</b>	Participants	11,309	10,071	-10.90%	
		Participation	21,233	21,295	0.30%	
		Sports/participant	1.88	2.11	12.60%	
	<b>Males 6-17</b>	Participants	16,538	16,125	-2.50%	
		Participation	39,517	37,386	-5.40%	
		Sports/participant	2.39	2.32	-3.00%	
	<b>Males 18+</b>	Participants	26,997	23,478	-13.00%	
		Participation	63,670	50,407	-20.80%	
		Sports/participant	2.36	2.15	-9.00%	

- > Overall, we are losing more participation (-9.1%) than participants (-5.5%).
- > Adult males account for nearly all the losses in participation.
  - > Males 18+ are not only reducing their number of participants, they are not playing as many sports per participant.
- > Team sports are taking strong root among adult women, who have increased their sport-per-participant number each of the past three years, offsetting small losses in raw number of participants.
- > Although, on average, they play fewer sports per participant, the 6-12 year old girls demographic is adding significant numbers (participant growth outpaces participation growth).

Team sports participation trend conversations understandably often start with children. It's as children that we learn the sports, and learn to love the games, practices, and the connection that they build. And as children we first consume sporting goods products and build a foundation for brand loyalty, or aversion. We have clearly made progress with team sports among the female portion of the market. But the adult team sport participant is also driving an impactable consumer market, which needs education and validation at least as often as the younger crowd. And the data shows that the traditional "core of the core" sports fan and participant (males 18+) is the demographic that has turned into a drag on the market in recent years.

# 2012 PREVIEW

## Opportunity: Casual Builds the Base, Core Moves the Market

Do we want more casual participants or more core participants? Both. The former builds the base of interest and awareness while the latter drives revenue growth in all areas. Analyzing each team sport's participation changes by "casual" versus "core" (see definitions, pg 20) is key to finding opportunities and areas of concern. Since 2008, for instance, tackle football is twice as likely to have lost casual participation than to have lost core participation. For the long-term health of tackle football, keeping casuals in the game is important. Cheerleading has gained 19% in casual participation and lost 20% in core participation, potentially signaling an evolution in how cheer is structured, and/or what types of athletes choose to participate in cheer. Outdoor soccer is the most steady of the team sports, where changes in participation by frequency are not as common. Development of the casual/infrequent participants for movement up the pyramid of influence, and eventual avidity, should be the objective.

Team sports that are more resistant to fluctuations in participation (or the results of those fluctuations) are those with a higher percentage of core participants (e.g., Baseball, Basketball, Competitive Swimming all have north of 60% core participation, with Court Volleyball and Tackle Football close behind), while team sports with smaller core groups could be considered more fragile, or prone to extreme rises and falls along with external forces (e.g., Grass Volleyball, Beach Volleyball, Paintball and Ultimate Frisbee all have 30% or fewer core participants in their mix).

## To Learn From and Take Advantage of: Brightest Spots in the Market:

- > **Gymnastics** already had momentum, and the U.S. Women's Olympic team gold medal in London certainly won't slow this down
- > Two of the team sports with the highest participation rates – Baseball and Basketball – are also the **leaders in the proportion of their participants who are "Core" (69% and 67%, respectively)**. The more avid participants are less influenced away from their sport of choice by outside forces.
- > **Lacrosse** remains relatively strong - even coming off several growth years - maintaining a positive churn rate in 2011 (one of only three team sports to do so).
- > Children who participate in **outdoor activities** are significantly more likely to end up playing team sports as adults (true for both children ages 6-12 and ages 13-17).
- > Team sports participants are most likely to increase their spending on Travel to Take Part in Sport/Rec (38%) and Team Sports Outside of School (38%).

# 2012 PREVIEW

## 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](http://www.SGMA.com). More information about Sports Marketing Surveys can be found at [www.sportsmarketingsurveysusa.com](http://www.sportsmarketingsurveysusa.com) or contact Neil Schwartz at [neil.schwartz@sportsmarketingsurveysusa.com](mailto: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](http://www.SGMA.com/research).

State of the Industry Report. A review of the past year in sporting goods and an outlook for the future.

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

While proper due care and diligence has been taken in the preparation of this document, SGMA cannot guarantee the accuracy of the information contained and does not accept any liability for any loss or damage caused as a result of using information or recommendations contained within this document.

# 2012 PREVIEW



Non-Member Price is \$495  
SGMA Member - Free

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.

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