



Economic value of sport in England

June 2013



1 Introduction

Sport benefits individuals and society.

It is an important part of the national economy, contributing significantly in terms of spending, economic activity (measured using Gross Value Added) and employment. For those who participate there are health and well-being (or happiness) impacts. The 2012 Olympic and Paralympic Games showcased the wide-ranging positive effects that watching sport can bring.

However, few studies in the past have sought to assess the full economic benefits of sport. This work presents the first comprehensive assessment of the economic impact (in relation to the real world economy) and economic value (in terms of welfare or utility) of sport in England. It shows that sport has very substantial benefits.

This research was undertaken by AMION Consulting.



2 Key findings

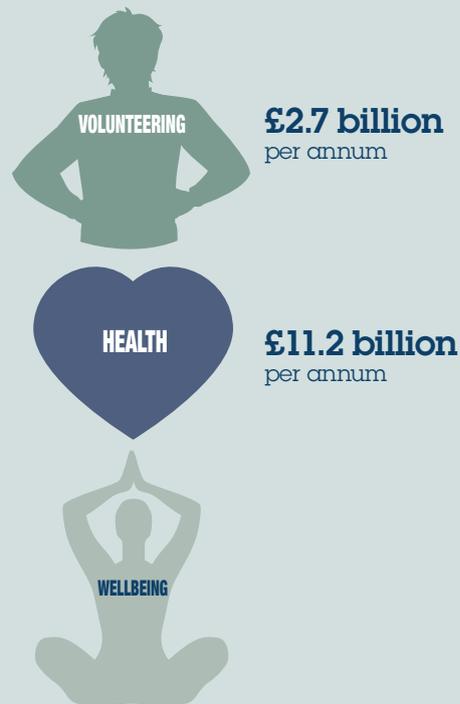
Sport makes a huge contribution to the lives of individuals, to the economy and to society. Sport England has undertaken research to examine the economic value of sport in England.

The main conclusions are:

- In 2010, sport and sport-related activity generated Gross Value Added (GVA) of £20.3 billion – 1.9% of the England total.** This placed sport within the top 15 industry sectors in England and larger than sale and repair of motor vehicles, insurance, telecoms services, legal services and accounting
- Sport and sport-related activity is estimated to **support over 400,000 full-time equivalent jobs** – 2.3% of all jobs in England
- The economic value of sport in terms of **health** and **volunteering** in England is estimated in 2011-2012 to be:

Sport also generates a range of wider benefits, both for individuals and society:

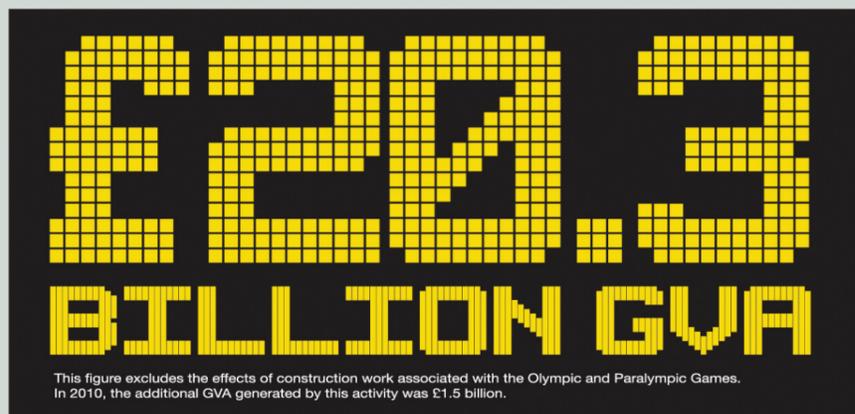
- The benefits of playing sport include the **well-being/happiness** of individuals taking part, **improved health** and **education**, a **reduction in youth crime**, **environmental benefits**, **stimulating regeneration** and **community development**, and benefits to the individual and wider society through **volunteering**
- Consumption of sport benefits include the **well-being/happiness** of spectators, and the **national pride/feel good** factor through sporting success/achievement



¹ Gross Value Added (GVA) is a key measure of economic performance. It is defined by the Office of National Statistics as, "the difference between output and intermediate consumption for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production."



The value of sport in England



1.9%

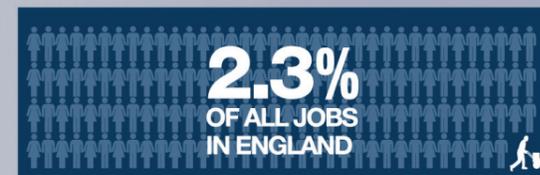


of total GVA in England

INDUSTRY SECTOR LEAGUE TABLE

▶ 14	SPORT
▶ 15	INSURANCE
▶ 16	SALE & REPAIR OF MOTOR VEHICLES
▶ 17	TELECOMS
▶ 18	LAND TRANSPORT (EXCL. RAIL)
▶ 19	ARCHITECTURAL & ENGINEERING SERVICES
▶ 20	MANAGEMENT CONSULTANCY
▶ 30	ACCOUNTING

440,000
full time sports related jobs



Economic impact

Wider value

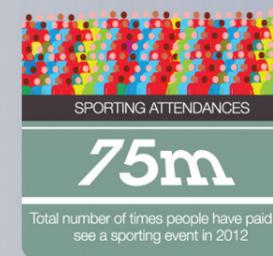
PARTICIPATION COMMUNITY
£11.78bn GVA



15.5m people play sport ONCE A WEEK
2m people play sport ONCE A MONTH

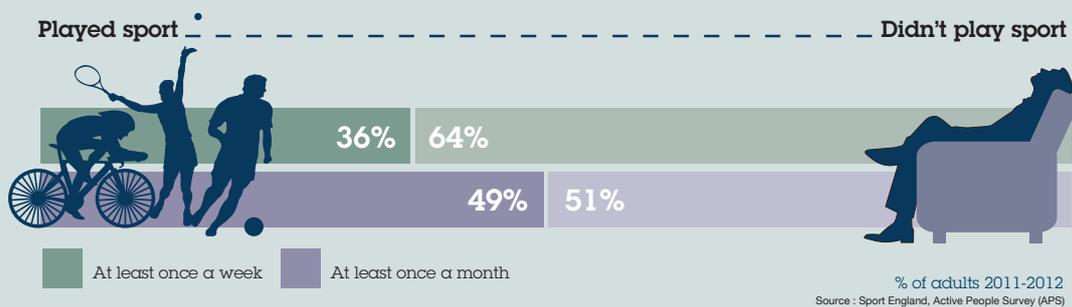


CONSUMPTION COMMERCIAL
£8.5bn GVA





3 Sporting activity



In 2011-2012, 15.5 million or 36% of adults (16+) played sport at least once a week at moderate intensity for at least 30 minutes. The number who played sport at least once a month was 21 million.

There are over 6,000 voluntary sport organisations in England and more than 3.2 million adults (3,265,300) – 7.6% of the population – contribute to volunteering in sport.

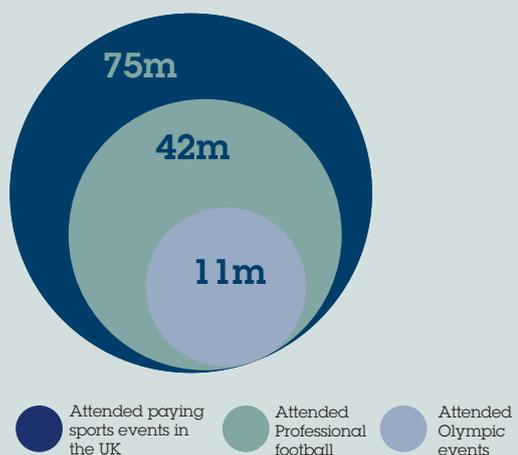
In 2012 there were over 75 million attendances to paying sports events in the UK. Of these, 11 million attendances were to Olympic and Paralympic Games events. Of the remaining 64 million attendances, 42 million were accounted for by professional football.

Expenditure on sports related broadcasting in England was estimated to be some £2.3 billion in 2010. Some £3.9 billion was spent on sports equipment and £3.8 billion on sports clothing and footwear, with 72% of sales on clothing and 28% on footwear. Total sports related gambling spend in 2010 is estimated at £4.9 billion.

Sports participation by frequency (October)



Attendances



4 Economic impact

Based on the National Accounts definition of sport and taking into account wider sport-related activity such as television/satellite broadcasting and sports gambling, in 2010 sport is estimated to have generated GVA of £20.3 billion – 1.9% of the England total. That places sport within the top 15 industry sectors in England. It makes a greater contribution to the economy than motor vehicles, telecoms services, legal services, accounting, publishing, advertising and the utilities.

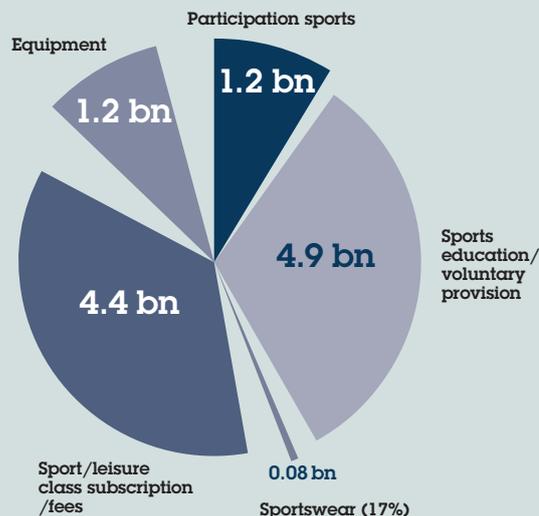
As part of the analysis further economic modelling has been undertaken to identify how much of the total economic impact is accounted for by participation in sport and how much by the consumption of sport.

Participation in sport (i.e. playing sport and related expenditure) is estimated to be responsible for some 58% of sports related GVA, with consumption-related activity (i.e. watching sport, gambling and consumption of sportswear and equipment for recreational use) responsible for 42%.

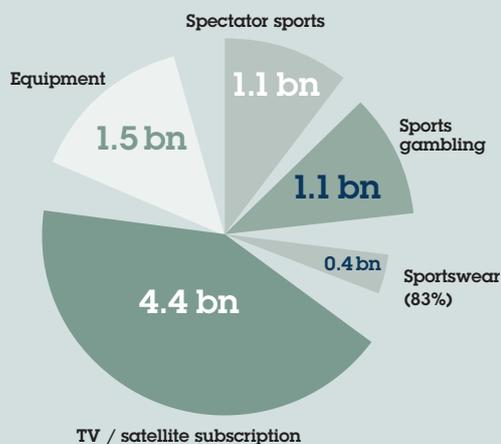
In terms of employment, sport is estimated to support over 440,000 full-time equivalent jobs - 2.3% of all jobs in England. Participation in sport accounts for 65% of total sports related employment, with consumption of sport responsible for 35%.

Participation and consumption of sports - GVA contribution (£bn) - 2010

Participation TOTAL £11.78bn



Consumption TOTAL £8.5bn



Spectator sports include the attendances at sporting events/admission charges. Participation sports include one off payments for a sports session.





5 Economic value

The economic impact of sport in terms of GVA and employment is substantial. However, these measures only capture part of its economic value. For those who participate in sport there are health and well-being (or happiness) impacts, while those who watch sport can derive beneficial psychological effects. The 2012 Olympic and Paralympic Games showcased the wide-ranging positive effects that watching sport can have.

Sport has a range of wider benefits to individuals and to society as a whole. Both consumption of and participation in sport can result in significant wider impacts.

The key wider benefits are:

Participation in sport benefits

- The **well-being or happiness** of individuals through participating in sport – research reported by the Department for Culture, Media and Sport (DCMS) has identified the substantial benefit that

participating in sport has for the individual concerned in terms of their well-being or happiness.

- The benefit to individuals from **improved health** (both physical and mental) and, as a result of a healthier population, reduced costs to the National Health Service. Here again research has been undertaken to value the healthcare costs saved and the total economic value (a broader measure of the economic value of the health benefits). The annual value of health benefits generated by participation in sport are estimated to be £1.7 billion in terms of savings in healthcare costs and £11.2 billion in total economic value in 2011-2012.
- The improved **educational attainment** of those that participate in sport. Participation in sport can increase student’s motivation, improve their social relations with peers and persons in authority and can impact positively on self-discipline, time management and self esteem.

Wider economic value benefits of sport

	Participation in sport	Consumption of sport
Individual 	Educational attainment Health Option value (non-user benefits) Well-being – participation in sport	Well-being – consumption of sport
Society 	Crime Environment Regeneration & community development Volunteering	National pride / feel good factor

5 Economic value continued

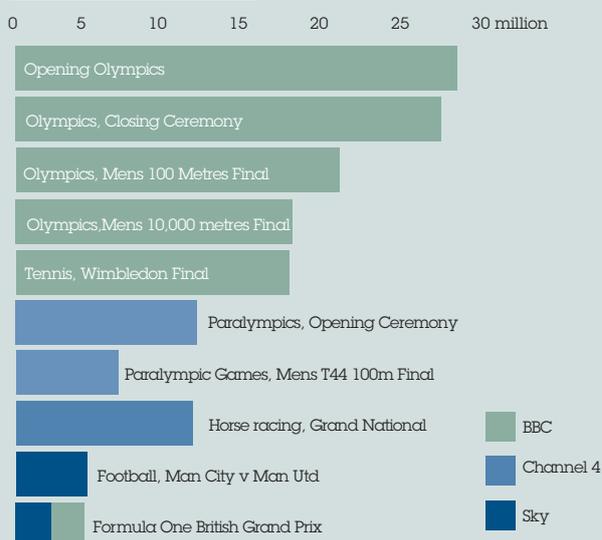
- The contribution sport can make to **reducing youth crime**. Participation in sport can contribute towards reducing crime and anti-social behaviour, particularly amongst young people.
- The net impact of sport on the **environment**. Sport can, for example, encourage more walking and cycling, which can reduce emissions and congestion, although this would be counterbalanced by those attending sports events.
- The use of sport-related projects to stimulate **regeneration and community development** – this can be as a result of a major commercial sport project or more local community sport activities.
- The benefits to the individual and to society more generally through **volunteering**. Voluntary work contributes to the wider charitable objectives of sports organisations the volunteers themselves derive a range of benefits from the experience and satisfaction of volunteering. The estimated economic value of sport-related volunteering was £2.7 billion in 2010/11.

Consumption of sport benefits

- The **well-being or happiness** of individuals through spectating/viewing sport.
- **National pride** and **a feel good factor** through sporting success/achievement.

Not all of the wider benefits can be easily measured and there are also issues of potential double counting, in particular, in relation to well-being. However, what is very clear is that the wider economic value of sport is very large indeed.

Viewing figures for selected UK sporting events (2012)



Source: Deloitte (2012)



6 Conclusion

Overall, both in terms of economic impact and broader economic value it is evident that sport and sport-related activities make a very substantial contribution to the economy and to the welfare of individuals and society. Its economic impact places it within the top 15 sectors in England and its wider economic benefits mean that it is a key part of society, which results in huge benefits to individuals and communities.



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