

Assessment of Economic Impact of Sport in Ireland

Submitted to

The Irish Sports Council

Prepared by

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Consultants**

**In association with the Sport Industry
Research Centre, Sheffield-Hallam University**

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Foreword

The benefits of sport to individuals and the community are well established. The recently published *Children's Participation and Physical Activity Study* demonstrates the clear contribution of sport to health and wellbeing. Almost 75% of all children participate in sport twice a week, a remarkable level of engagement. Previous studies have shown that more Irish adults are participating in sport than at any other time in our country's history.

Recent years have witnessed a remarkable series of performances at international championship level across many sports with Olympic, Paralympic, World and European success achieved by Irish sports people. In 2010, in international championships benchmarked by the Council, 19 medals have been won compared with 9 in 2006, the mid-year in the four year Olympic and Paralympic cycle.

We know at a national level that such high participation levels and successes in elite competition have a value. We have a tendency to express this value in intangibles such as a feel good factors and quality of life measures. It is vital that the Council demonstrates the real, tangible economic benefits of sport in Ireland. **This report sets out in clear, precise terms the value of sport to the community.**

The sports sector delivers value for money and identifiable returns on investment for Government funds. On a total state investment in 2008 of €618.3 million, the Exchequer received €922.7 million in taxes generated by the sports sector. For every €100 investment by the Government, it received €149 in sports related taxes.

The report shows that more than 38,000 people are employed in the sports sector, 2% of the total national workforce. This professional workforce complements the contribution of the 270,000 volunteers whose contribution in economic terms is between €322 and €582 million annually.

Irish households spent a total €1,886 million on sport and sport related goods in 2008, equivalent to 2% of the overall value of consumer spending in the Irish economy. Sport related spending contributes €1,830 million to the Irish economy value-added, equivalent to 1.4% of economy wide-GDP.

Sport plays a central part in Irish life. It provides a number of socio economic benefits through a contribution to health, wellbeing and social capital. The INDECON research demonstrates how this activity in sport translates into a very significant contribution to the Irish economy in terms of spending, output and employment.

The important contribution of sport to the economy has not, to date, been fully acknowledged. The Council believes that this report, robust and comprehensive in its analysis, will address that deficiency. It is essential that we understand fully the potential benefits of increased investment in sport.

The Council believes that in current economic and social circumstances people need encouragement, success and engagement. Now is the time to continue our investment in sport and keep our population, at all ages, involved in community sporting clubs and related leisure/recreational activities.

Kieran Mulvey

Chairman

Irish Sports Council

Executive Summary

Introduction and Highlights from Research

This report, prepared for the Irish Sports Council by Indecon International Economic Consultants in association with Sheffield-Hallam University, establishes that sport and sport-related activities generate a very significant contribution to the Irish economy, while also playing a vital role in supporting the development of social capital and contributing to the health and quality of life of the Irish population.

The assessment identified the following key impacts and benefits of sport in Ireland:

- ❑ **Sport and sport-related activities contribute very significantly to the Irish Economy**, in the form of household/consumer spending on sport and sport-related goods and services, value-added/GDP and employment supported directly and indirectly across the economy;
- ❑ **Volunteering plays a key role in Irish sport**. Organisationally, it is estimated that there are close to 12,000 sports clubs and associations in operation across 64 sports and with approximately 1.7 million members in the Republic of Ireland. The vast majority of these organisations operate on a voluntary basis. It is also conservatively estimated that **over 270,000 people participate in some form of sport-related voluntary activity in Ireland**;
- ❑ There are important **wider social capital, health and well-being benefits arising through participation in sport and sport-related volunteering**; and
- ❑ There is a **very significant net overall return on government investment in sport** in Ireland.

The quantified economic impacts of sport in Ireland are summarised in the table below.

Summary of Components of Overall Economic Contribution Sport and Sport-related Activities	
Component of Economic Impact	2008
Consumers' Expenditure on Sport/Sport-related Goods & Services - € Million	1,885.6
<i>% of Total Irish Economy Consumers' Expenditure</i>	2.0%
Contribution of Sport/Sport-related activities to Value-Added/GDP - € Million	1,830.3
<i>% of Total Irish Economy Value-Added/GDP</i>	1.4%
Employment Supported through Sport and Sport-related activities – FTEs	38,225
<i>% of Total Irish Economy Employment</i>	2.0%
Economic Value of Volunteering in Sport - € Million per annum	322 – 582
<i>Source: Indecon assessment</i>	

Based on the latest available comprehensive data:

- ❑ **Irish households spend a total of €1,885.6 million on sport and sport-related goods and services**, equivalent to 2% of the overall value of consumer spending in the Irish economy;
- ❑ **Sport-related spending contributes €1,830.3 million to Irish economy value-added**, equivalent to 1.4% of economy-wide value-added or GDP;
- ❑ **Sport and sport-related activities support over 38,000 full-time equivalent jobs**, or over 2% of the overall level of employment in Ireland; and
- ❑ **Sport-related volunteering activity is estimated to have an economic value equivalent to between €322 million and €582 million annually**.

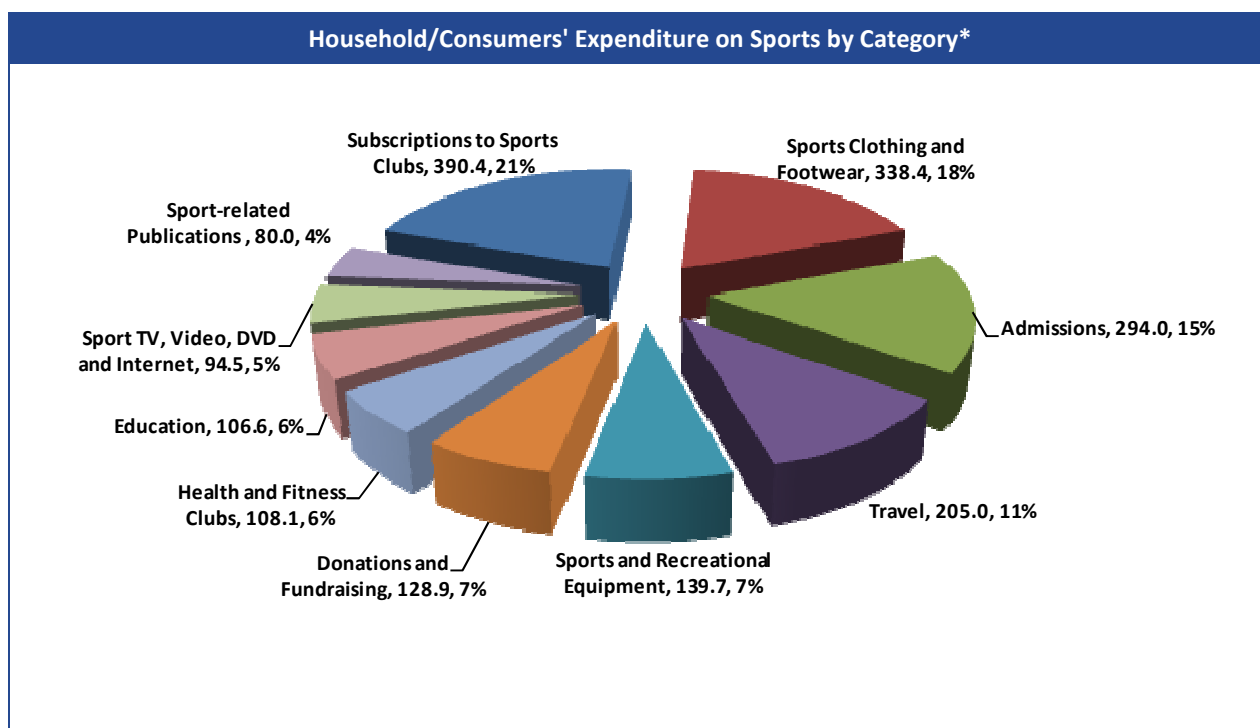
The above impacts include the **significant contribution of the sport-related tourism/overseas sector**, in which inflows to Ireland amount to €200.8 million in gross terms, giving rise to €188.6 million in Gross Value Added (GVA) and supporting approximately 2,859 Full-Time Equivalent (FTE) jobs in the domestic economy.

The economic impacts of sport would be further increased if the sport-related gambling/betting industry were included in the assessment. However, the majority of gambling/betting activity in Ireland relates to the horseracing and greyhound racing industries and these sports do not form part of the remit of the Sports Council. We have therefore excluded the economic impact of the sport-related gambling/betting industry from this assessment.

We consider each aspect of the overall economic contribution in more detail below.

Household/Consumer Spending on Sport

A pictorial description of the breakdown of household/consumer spending on sport-related goods and services is presented below. Of the overall contribution of sport to household spending of €1.9 billion per annum, the primary contributory items of expenditure are subscriptions to sports clubs, sports clothing & footwear, admissions to sports events and sport-related domestic and international travel.

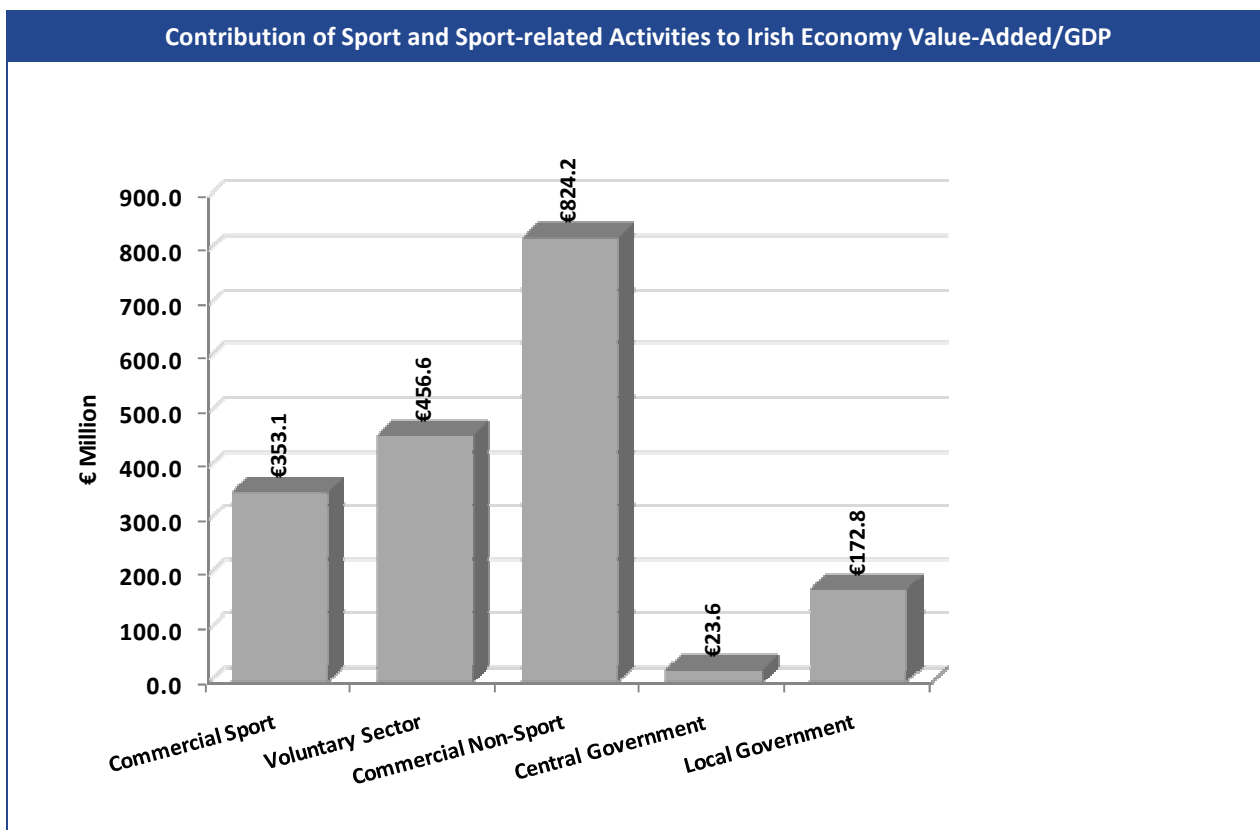


Note: Figures refer to 2008 and are in € million

Source: *Indecon*

Contribution to Value-Added/GDP

This assessment also identified the breakdown by sector of contribution of sport to the overall value-added or Gross Domestic Product (GDP) of the Irish economy. The figure overleaf highlights the contribution from the commercial sport, voluntary sports and commercial non-sport sectors, accounting for €353 million, €456 million and €824 million respectively of the overall sport-related value-added impact of €1.8 billion in 2008. The government sector (including central and local government) also plays a significant role, representing almost €200 million of the overall value-added impact.

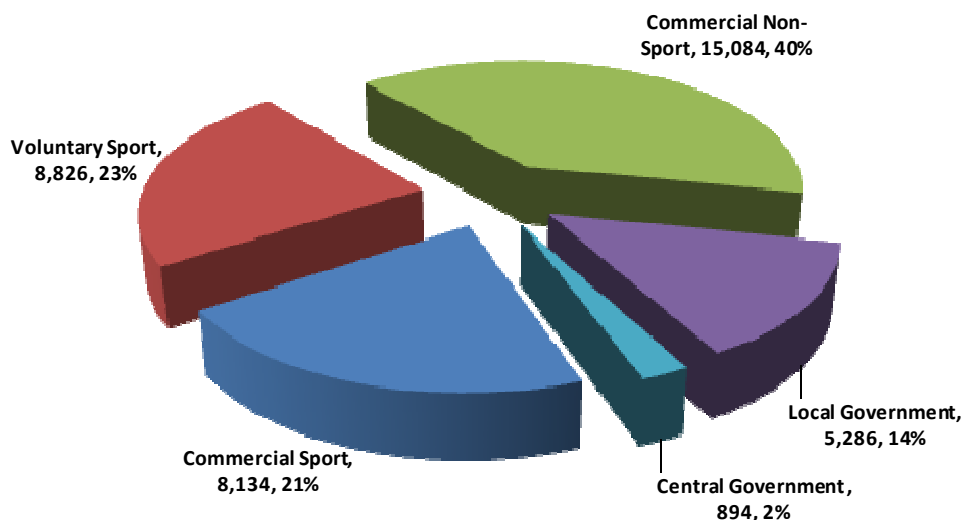


Note: Figures refer to 2008 and are in € million
 Source: Indecon

Employment Supported through Sport and Sport-related Spending

The sectoral breakdown of the very significant contribution of sport and sport-related spending to employment across the Irish economy is highlighted below. Of the overall employment impact of 38,225 full-time equivalent jobs supported directly and indirectly through sport and sport-related spending, the commercial non-sport sector (which supplies goods and services into the sports sectors) accounts for close to 15,000 jobs or 40% of the total, while the voluntary sport sector contributes 8,826 jobs (23% of the total) and the commercial sport sector supports 8,134 jobs or 21% of the overall impact. Sport-related activities and spending supported a total of 6,180 full-time equivalent jobs (16% of the total) in the central and local government sectors.

Contribution of Sport to Irish Economy – Employment Supported by Sector



Note: Figures are for 2008 and refer to Full-Time Equivalent persons

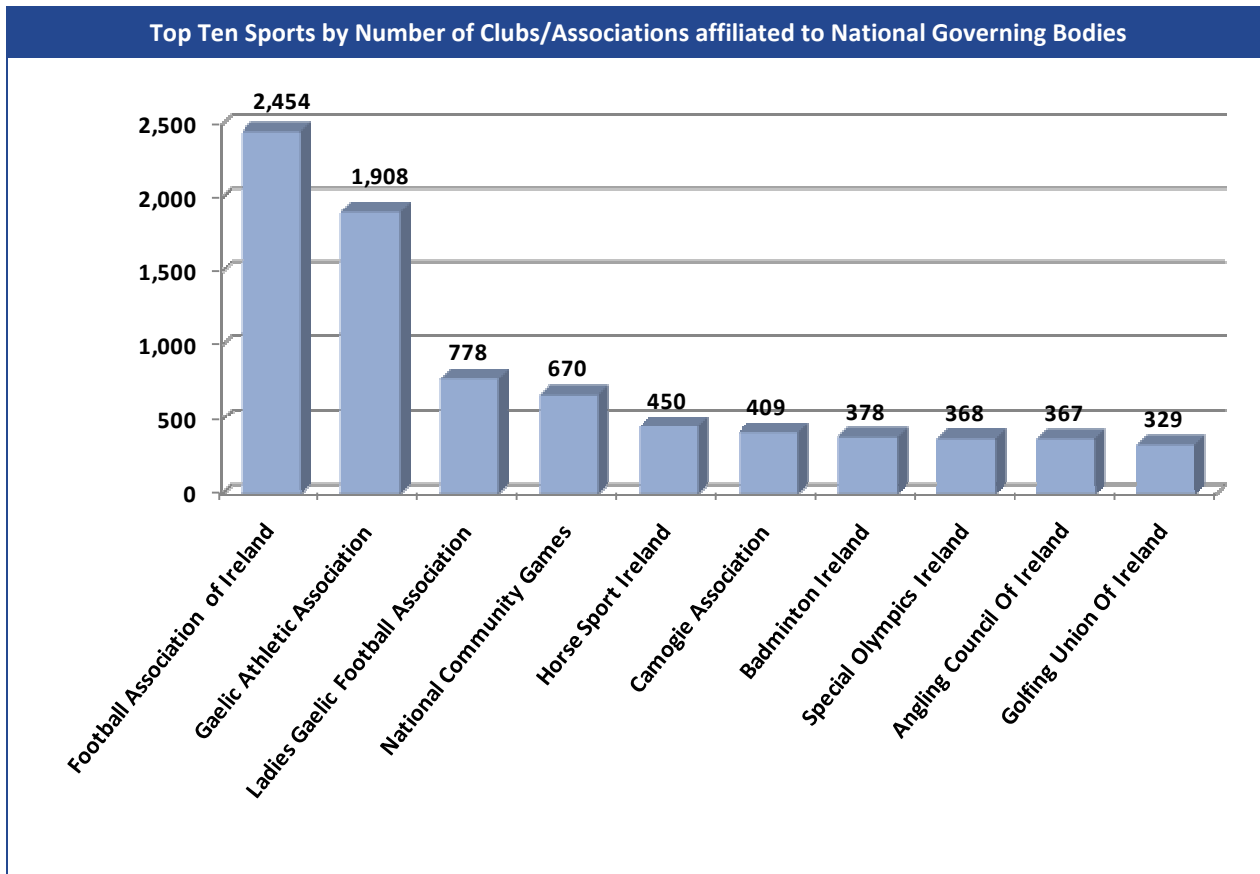
Source: *Indecon*

The Sports Voluntary Sector and Volunteering in Sport

This study has undertaken extensive new research on the sports voluntary sector and the role of volunteering in sports – aspects of the economic impact of sport which we believe have previously been underestimated.

It is estimated that there are approximately 12,000 clubs across 64 sports and with approximately 1.7 million members in the Republic of Ireland. The vast majority of these clubs/organisations operate on a voluntary basis. In addition, there are 64 National Governing Bodies of sport, the majority of which also operate primarily on a voluntary basis, and 33 Local Sports Partnerships, which exist to serve and promote the voluntary sport sector.

The top ten sports, based on information on the numbers of clubs/associations affiliated to their associated National Governing Bodies, are highlighted in the figure below.



Source: Indecon analysis of Sports Council data on National Governing Bodies of sport
 * Figures refer to National Governing Body data on affiliated club/association numbers

Economic Value of Volunteering Activity

It is estimated that almost **270,000 people participate in some form of sport-related voluntary activity in Ireland**. On an annual basis, it is estimated that approximately 37.2 million volunteer-hours are spent on sport-related activities. The annual value of this volunteering ranges between a lower-bound estimate of €322 million and an upper-bound estimate of €582 million annually, underscoring the important role and value played by volunteering in Irish sport.

Government Spending on Sport

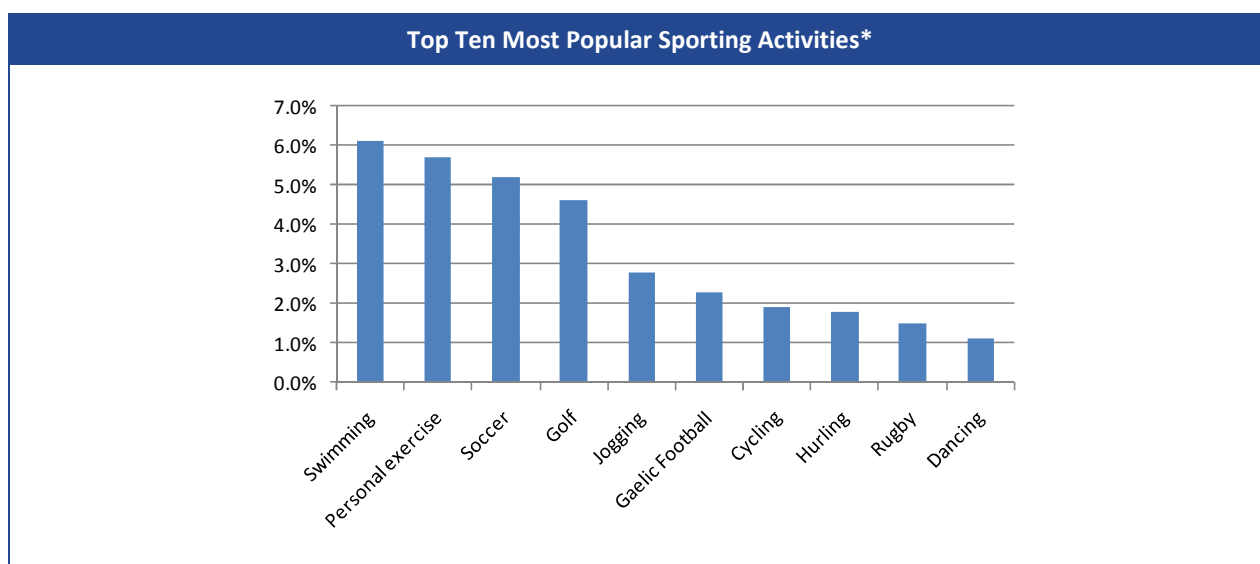
Government investment plays an important role in supporting and driving the wider economic benefits of sport. Importantly, this assessment demonstrates that there is a **very significant return on government investment and expenditure on sport in Ireland**. Based on figures for 2008, it is estimated that overall (central plus local) government expenditure on grants, capital investment and other sport-related expenditures amounted to €618.3 million. However the government sector as a whole received a total of €922.4 million in revenues from taxes on sport-supported expenditures and incomes, in addition to revenues from sports facilities. This implies a **net income to the government sector arising from the sport economy amounting to €304.1 million**. For every €100 of government expenditure, the government receives approximately €149 in the form of taxes and other income arising from sport-related economic activity.

Wider Socio-Economic Benefits of Sport

In addition to the direct and indirect economic impacts of sport, there are a number of important wider socio-economic benefits arising from participation in sport and sport-related volunteering. Key benefits include:

- ❑ The benefits for well-being through participation in sport;
- ❑ The particular benefits for health through increased physical activity;
- ❑ Through sustaining a healthier population, sport reduces the costs of health service provision;
- ❑ Increased productivity with associated economic benefits;
- ❑ Community benefits, including the contribution to social capital and social cohesion arising from participation and volunteering more generally;
- ❑ The wider impacts on the Irish population arising from investment in success of elite sport, incentivising further participatory and community-related benefits; and
- ❑ The financial benefits for the Exchequer through increased economic activity and reduced health service costs.

The ten most popular sporting activities in Ireland, based on research undertaken as part of the ongoing Irish Sports Monitor series, are highlighted in the figure below.



Source: ESRI-Irish Sports Monitor

* Data refers to 2008 figures and indicates % of adults engaging in each sport

Summary of Overall Conclusions

A number of implications for government policy on the development of sport in Ireland and recommendations for future research in this area arise from the detailed work undertaken as part of this study, which are summarised in the table overleaf.

Implications for Policy and Research	
Implications and Recommendations	
1.	The very significant contribution of sport in the Irish economy, in terms of spending, output and particularly employment supported, has not been fully acknowledged and should be highlighted to policy-makers and the wider population
2.	The vital role played by sport and sport-related volunteering in supporting the development of social capital and local communities, and contributing to the health and quality of life of the Irish population must also be highlighted
3.	It is important that government policy takes into account the important finding of this study that government investment in sport generates a strong positive return for the Exchequer, while participation in sport also reduces the risk of obesity and lifestyle-related costs facing the health service
4.	There are deficiencies in both the collation and dissemination of data/information at the level of individual sports and sporting organisations in Ireland that should be addressed as part of the ongoing development of information systems. This should include an annual census of sports clubs and associations across all National Governing Bodies
5.	Further research is required in relation to the economic and other benefits of sport at regional and local level in Ireland
<i>Source: Indecon assessment</i>	

This assessment highlights the very significant contribution provided by sport to the Irish economy. It also demonstrates the vital role played by sport in supporting the development of social capital and in contributing to the health and quality of life of the Irish population. Importantly, the assessment also demonstrates that there is a very significant net overall return on government investment in sport in Ireland.

Acknowledgements and Disclaimer

Indecon was assisted during the course of completion of this study by a number of individuals and a wide range of organisations which provided detailed inputs to the analysis and we would like to acknowledge their contribution. We would particularly like to thank members of the council and staff in the Irish Sports Council including, in particular, John Treacy, Peter Smyth, Frances Kavanagh, Tony Cunningham, Sheila O’Flanagan, Colm McGinty, Fiona Coyne and Marie Ahern for valuable advice and assistance which they provided throughout the course of the assignment.

We would like to thank the National Governing Bodies of sport in Ireland for their valuable contribution to the data collection, and we are particularly grateful to Kieran Leddy (GAA), Scott Walker (IRFU), and Gerry McDermott (FAI) for their assistance in gathering data on the voluntary clubs in their respective sports. We acknowledge the inputs of Onside Sponsorship for providing data in relation to sports sponsorship.

We would also particularly like to thank the numerous sports clubs and associations who assisted us and completed our detailed information request.

Finally, we would like to express our profound appreciation for the assistance of our partners on this study, the Sports Industry Research Centre at Sheffield Hallam University, in particular Professor Chris Gratton, Themis Kokolakis and Simon Shibli. The usual disclaimer applies and the analysis in this report remains the sole responsibility of Indecon.

1 Introduction, Background and Methodology

1.1 Introduction and background

This study is submitted to the Irish Sports Council by Indecon International Economic Consultants in association with Sheffield-Hallam University and concerns an independent evaluation of the economic impact of sport and sport-related activities in Ireland.

The background to the study is that, as part of its statutory remit and in line with strategic commitments, the Irish Sports Council has undertaken to commission and publish research which contributes to the understanding of the sports sector in Ireland and which informs effective policy- and decision-making. While the economic consequences are not and should not be the main rationale for support of sports, an understanding of the economic impacts is an important component of the value of sports.

1.1.1 Objectives and terms of reference

The overall objective for this study set out by the Council was to carry out a robust assessment of the economic impact of sport in Ireland where sport is as defined in the Irish Sports Council Act 1999 Council Act 1999, i.e.:

- ❑ “Competitive sport” – meaning all forms of physical activity which, through organised participation, aim at expressing or improving physical fitness and at obtaining improved results in competition at all levels; and
- ❑ “Recreational sport” – meaning all forms of physical activity which, through casual or regular participation, aim at expressing or improving physical fitness and mental well-being and at forming social relationships.

Sport also includes organised sporting activities along with recreational walking, exercise, gym-based activities (commercial and non-commercial), as well as activities such as jogging and yoga. Reflecting the remit of the Irish Sports Council, horse racing and greyhound racing are not included in the assessment, although other equestrian sports such as show jumping, dressage and 3-day eventing are included in the analysis.

The study examines the following specific aspects:

- ❑ Consumer expenditure on sport, including items such as sports club subscriptions, sports clothing and footwear, recreational equipment, donations and fundraising, fitness clubs, education, TV/DVD and internet, sport-related travel, and sport-related publications;
- ❑ The numbers employed in sport in a full-time and part-time capacity, including those in the sport and non-sport commercial sectors, in the voluntary sector, in local government and in central government.
- ❑ An estimate of the economic value of volunteering and the number of volunteers in sport;
- ❑ An estimate of the total value added to the economy by sport in Ireland; and
- ❑ A comparison of the contribution that sport makes to Ireland’s economy with that to other countries.

The study presents findings from the assessment in relation to the above aspects at both summary level but also by appropriate categories / sectors, as follows:

- Household / Consumer sector;
- Commercial sport sector;
- Voluntary sport sector;
- Commercial non-sport sector;
- Central Government;
- Local Government; and
- Overseas sector.

This expands upon the categories used in previous research in Ireland and is consistent with the sectoral focus applied in other jurisdictions, thereby enabling a comparison of results.

1.2 Methodological Approach to Assessment

Sport and sport-related activities have wide ranging economic effects ranging from direct employment, the production of equipment and facilities, benefits to tourism and catering, to the promotion of good health and volunteering. In order to capture all of these economic effects, a four-phased methodological approach and work plan was applied to the completion of this assessment. A schematic summary of the methodology and work plan is presented in the figure overleaf.

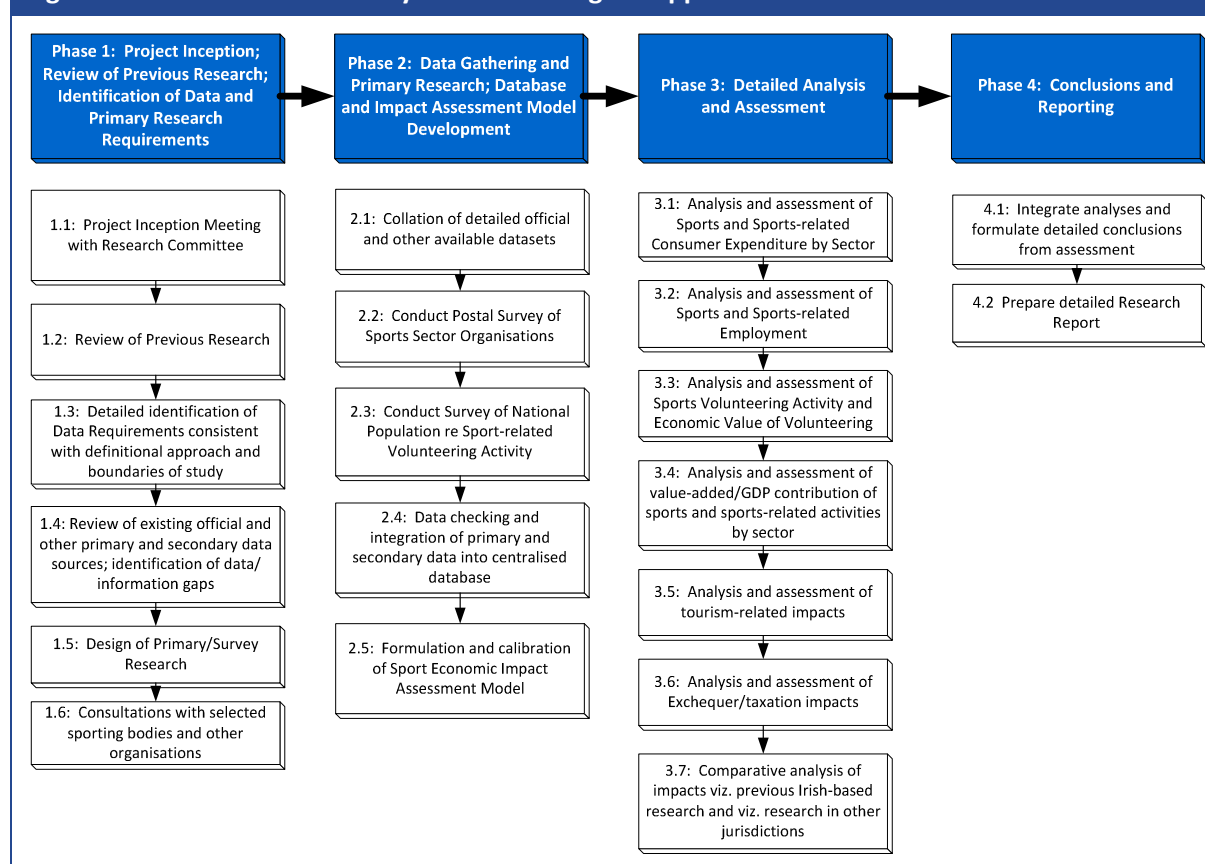
In Ireland, while several studies on aspects of the economic and social impacts of sport have been undertaken in recent years, the last in-depth study of this nature was undertaken by the Irish Sports Council's predecessor, Cospoir, in 1994.^{1,2} The previous study, however, lacked the detailed national income accounting methodology for sport impact assessments which has been developed since 1994 and which is used in the present report. The previous report also was unable to distinguish between sport organisations that operated in the voluntary and the commercial sectors with the result that only one sport sector was used in the analysis. This was mainly due to the limited nature of the data that was obtained on the activities of the voluntary sports clubs and the other voluntary organisations, such as the National Governing Bodies of sport.

While activities and economic impact of commercial entities can be estimated based on existing official sources, no official data exists on voluntary activity-based organisations. This means that activities of largely voluntary-based sports organisations such as the GAA are under-recorded in the official statistics. The lack of availability of any information on the voluntary sector in sport is a long-standing problem and indeed not one that is peculiar to Ireland. Virtually all the studies conducted in the UK regions and around the globe have attempted to bridge this gap in the data with primary research using questionnaires.

¹ Cospoir and Department of Education. (1994). *The Economic Impact of Sport in Ireland*.

² Economic and Social Research Institute (ESRI), 2005, *Social and Economic Value of Sport in Ireland*.

Figure 1.1: Schematic Summary of Methodological Approach – Overview of Phases of Work Plan



Source: Indecon

Primary research

This study has entailed extensive new primary research, particularly in relation to the sports voluntary sector, the role of which has been underestimated in previous studies on the economic impact of sport in Ireland.

In particular, this study has benefited from inputs provided by a representative sample totalling 160 voluntary sports clubs and associations who submitted a detailed breakdown of their financial activities, in addition to submissions and financial statements from the 64 National Governing Bodies of Sport and the 33 Local Sports Partnerships. This provided an unprecedented level of detail on the activities of the sports voluntary sector.

Our approach to addressing this element of the research was based on contact with voluntary entities via the representative bodies. All of the 64 National Governing Bodies were contacted with the request to obtain information on the voluntary clubs in their sport. The research was carried out at a difficult time of year due to summer recess, holidays and a number of large international sporting competitions which diverted the resources of some of the National Governing Bodies and clubs from participating in our data collection.

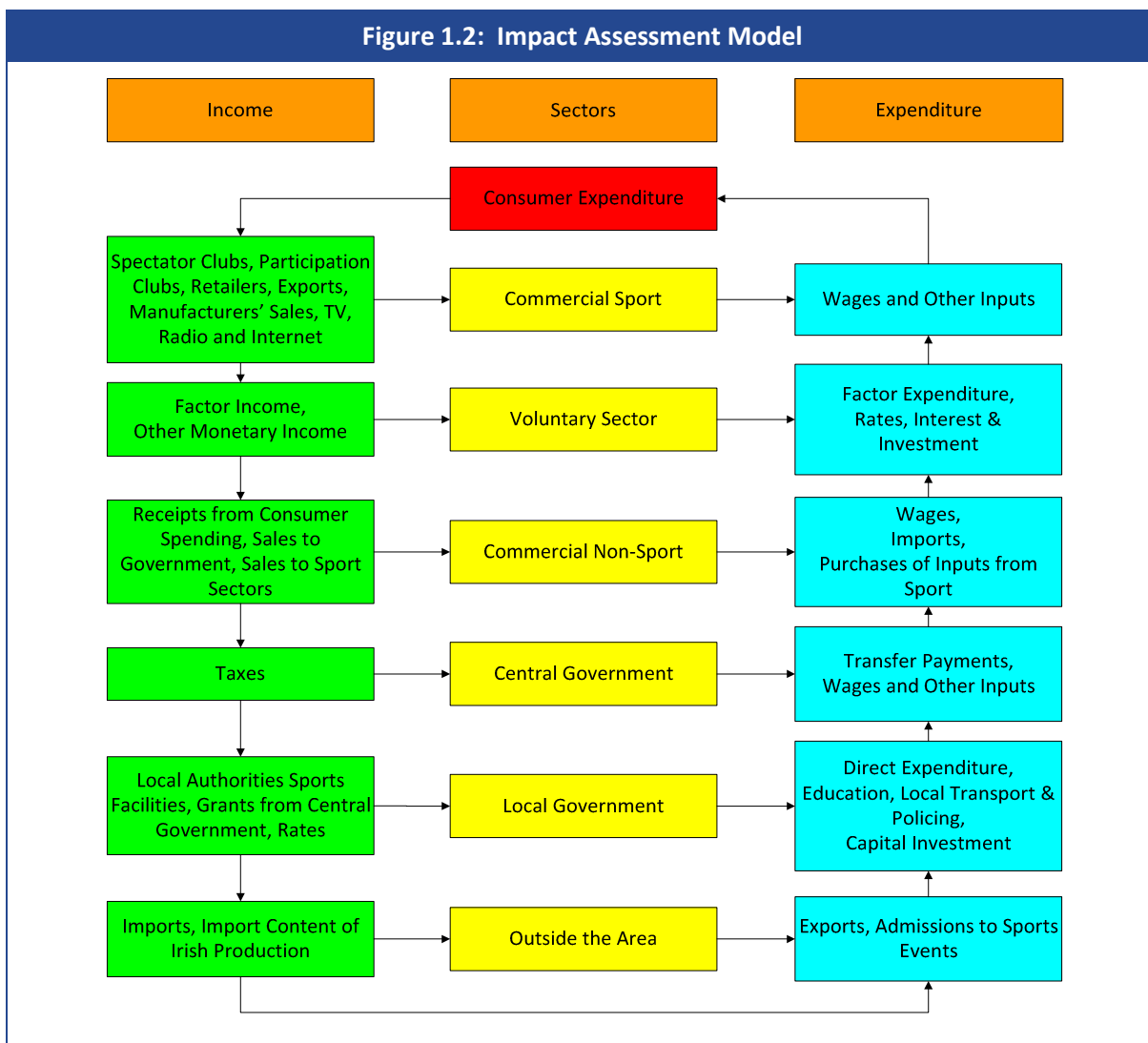
Using the data from the representative sample of clubs and associations collated, appropriate grossing up procedures were applied to estimate financial, including expenditure, characteristics of all clubs in these sports. This was then combined with benchmarking to estimate overall economic impacts of the voluntary sports sector.

Sport-related Gambling/Betting Industry

The economic impacts of sport would be increased if the sport-related gambling/betting industry were included in the assessment. However, the majority of gambling/betting activity in Ireland relates to the horseracing and greyhound racing industries and these sports do not form part of the remit of the Sports Council. We have therefore excluded the economic impact of the sport-related gambling/betting industry from this assessment.

Impact Assessment Model

The methodology employed in this report is based on national income accounting and the income and expenditure flows between sub-sectors of the economy (see figure below). The principle applied in this approach is that accounting equality exists between total output, total income and total expenditure.



Source: Indecon

The most common definitions of total output in the economy as a whole are the Gross Domestic Product (GDP) and Gross Value Added (GVA).³ GDP is obtained by valuing outputs of goods and services at market prices and then aggregating. Note that all intermediate goods are excluded and no adjustment is made for indirect taxes and subsidies.

Box 1: Note on National Income Accounting

The concepts of National Income Accounting were developed for macro-economic analysis in the 1930s and 1940s. The basic principle is that accounting equality exists between total output, total income and total expenditure. The most common definitions of total output in the economy as a whole are the Gross Domestic Product (GDP) and Gross Value Added (GVA). For example, assume that the total output in a factory producing football boots is €10m. This is equivalent to the income generated as wages (say €6m) as profits (say €1m) and as flow to the companies selling inputs (€3m) required in the production. In this example GVA is the sum of wages and profits. Further, total income will also be identical to total expenditure because output that is not sold in the current financial year is treated as investment expenditure.

Source: Indecon

This model allows for a division of the sports economy into the six sectors below:

- ❑ **Household/Consumers** – including the personal or household sector. Shows mainly sport-related expenditure, e.g. spending on sports clothing and footwear.
- ❑ **Commercial Sport** – including spectator sport clubs, gymnasiums, health and fitness centres, sports good manufacturers and retailers.
- ❑ **Commercial Non-Sport** – including suppliers for the production of sport-related goods and services. This sector includes all companies of the commercial sector that do not provide a sport product, but they assist through supply of inputs or revenue in its production.
- ❑ **Voluntary Sport** - voluntary entities, such as voluntary sports clubs, as well as the National Governing Bodies of sport and the Local Sports Partnerships.
- ❑ **Local Government** – including income from local government sport facilities, sport-related grants from the Central Government and rates from the commercial and voluntary sector. The sector has expenses such as wages for labour (a flow towards consumers) and grants to the voluntary sector.
- ❑ **Central Government** – including taxes, grants and wages on sport-related activities. For example a person buying a ticket for a football match, records two flows: one towards the government sector as VAT and another towards the commercial sport sector for the remainder of the price.
- ❑ **Overseas tourism sector** – including transactions with economies outside the region, such as spending of overseas sports tourists, exports of equipment, clothing and footwear, and sport competition prize income.

This sectoral delineation is consistent with the previous research undertaken by Cospoir and is also consistent with international methodologies in this area.⁴

³ GVA is the difference between total income (based on wages and profits) and the cost of inputs used in the production process (raw materials and services). Alternatively it can be expressed as: $GVA = GDP - \text{taxes on products} + \text{subsidies on products}$. GVA shows the contribution of the sports sector to the economy as a whole.

⁴ See, for example, Sport England (2007), *The Economic Importance of Sport in England 1985-2005*, completed by the Sport Industry Research Centre at Sheffield Hallam University.

Income and expenditure flows between the six sectors above are recorded, and a set of income and expenditure accounts for each sector is developed. The 'double entry' accounting principle is applied, so every expenditure flow from sector A to sector B is also an income flow in the sector B accounts. The income and expenditure accounts are then used to derive estimates for the following economic impact indicators of the sport economy:

- Sport-related consumer expenditure
- Sport-related employment⁵
- Sport-related value added

Sport-related value added is the most comprehensive statistic of economic value as it corresponds to the gross value added (GVA) in the economy as a whole. It shows the contribution of the sport industry to the economy and is measured as the sum of wages and profit surplus in the sector.

1.2.1 Delineation of sport-related activities

Indecon adopted the following delineation of the boundaries of sports and sport-related activities, to include:

- Direct sports activities pertaining to expenditures on, and output and employment (including voluntary activity) supported by participation in competitive and recreational sports and attendance at sports events consistent with the definition set out by the ISC.
- Sports-related activities, relating to expenditures on, and output and employment supported by, sectors and businesses who depend in whole or in part on direct sports activities to generate their outputs.

The primary rationale for inclusion of the above categories relates to consistency with best practice international research in this field and, notably, is also consistent with the move towards the development of Sports Satellite Accounts across EU Members States including the UK, France, Germany and Austria as a result of the work of the EU Working Group on Economics and Sport.⁶

1.2.2 Data sources

Given the comprehensive scope of this study, it was necessary to exploit a wide range of data sources. The sources utilised include, but are not limited to, the following:

- Existing primary/survey research, including:
 - Survey of Sports and Physical Activity (2003), undertaken by the ISC and the ESRI
 - Survey research on volunteering, including volunteering in sport
 - Survey on social capital by the National Social and Economic Forum
 - Irish Sports Monitor (2007, 2008), undertaken by the ISC and the ESRI
 - CSO Quarterly National Household Survey – Special Module on Sport and Physical Exercise, Autumn 2006

⁵ This is full time equivalent (FTE) jobs. In this case two half-time jobs are measured as one full time equivalent.

⁶ See http://ec.europa.eu/sport/library/doc484_en.htm#economics.

- ❑ Official CSO datasets, including:
 - Household Budget Survey (latest 2004/05)
 - Census of Industrial Production (latest 2007)
 - Annual Services Inquiry (latest 2007)
 - National Income and Expenditure Accounts (latest 2009)
 - Input-Output and Supply and Use Tables for the Irish economy (latest 2005)
 - PRODCOM database (detailed data on retail sales and trade by product)
 - Census of Population, including Volume 8: Occupations
 - Household Travel Survey (latest 2009)
 - External trade data
 - National Employment Survey
 - Earnings, Hours and Employment Costs survey
 - Statistical Yearbook of Ireland
 - Community Involvement and Social networks – including data on participation in community and voluntary sports groups (QNHS Q3 2006)

- ❑ Government data, including data from Department of Tourism, Culture and Sport, Department of Finance and Department of Environment, Heritage and Local Government, in relation to numbers of persons employed in sport-related activities in central and local government;
- ❑ Data held by the Revenue Commissioners on tax receipts from sport-related activities;
- ❑ Annual reports and financial accounts of sports bodies, such as GAA, IRFU, FAI and other sports federations, membership and representative bodies/associations
- ❑ Data on economic value of sports tourism held by Fáilte Ireland;
- ❑ Data held by the Irish Sports Council, including previous research studies;
- ❑ Data held by National Governing Bodies for sport;
- ❑ Data held by Local Sports Partnerships;
- ❑ Data held by other bodies, e.g. Institute of Leisure and Amenity Management; and
- ❑ Existing Indecon databases and research.

1.3 Report Structure

The remainder of this report is structured as follows:

- ❑ **Section 2** sets the context for the assessment by describing the level of participation in sport in Ireland. The section also considers the size of the voluntary sport sector in Ireland;
- ❑ **Section 3** examines in more detail the role of the sports voluntary sector, based on the extensive primary research conducted for this study, and traces the income and expenditure flows of the voluntary clubs, the National Governing Bodies, and the Local Sports Partnerships;
- ❑ **Section 4** sets out the findings of the study in relation to the components of the economic impact of sport. Specifically, these components relate to (a) sport-related consumer expenditure; (b) sport-related value-added/GDP and (c) the extent of employment supported through the sports economy;
- ❑ **Section 5** presents an economic valuation of volunteering in sport in Ireland;
- ❑ **Section 6** outlines the health, social and other benefits of sport; and
- ❑ **Section 7** brings together the detailed analyses and assessment completed in the preceding sections to summarise the overall economic and social contribution of sport in Ireland and to consider the implications for government policy in this area.

1.4 Acknowledgements and Disclaimer

Indecon was assisted during the course of completion of this study by a number of individuals and a wide range of organisations which provided detailed inputs to the analysis and we would like to acknowledge their contribution. We would particularly like to thank members of the council and staff in the Irish Sports Council including, in particular, John Treacy, Peter Smyth, Frances Kavanagh, Tony Cunningham, Sheila O’Flanagan, Colm McGinty, Fiona Coyne and Marie Ahern for valuable advice and assistance which they provided throughout the course of the assignment.

We would like to thank the National Governing Bodies of sport in Ireland for their valuable contribution to the data collection, and we are particularly grateful to Kieran Leddy (GAA), Scott Walker (IRFU), and Gerry McDermott (FAI) for their assistance in gathering data on the voluntary clubs in their respective sports. We acknowledge the inputs of Onside Sponsorship for providing data in relation to sports sponsorship.

We would also particularly like to thank the numerous sports clubs and associations who assisted us and completed our detailed information request.

Finally, we would like to express our profound appreciation for the assistance of our partners on this study, the Sports Industry Research Centre at Sheffield Hallam University, in particular Professor Chris Gratton, Themis Kokolakis and Simon Shibli. The usual disclaimer applies and the analysis in this report remains the sole responsibility of Indecon.

2 Overview of Sport-related Activities in Ireland

2.1 Introduction

This section sets the context for the assessment by describing the level of participation in sport in Ireland. The section also considers the nature and size of the voluntary sport sector in Ireland.

2.2 Participation in Sport in Ireland

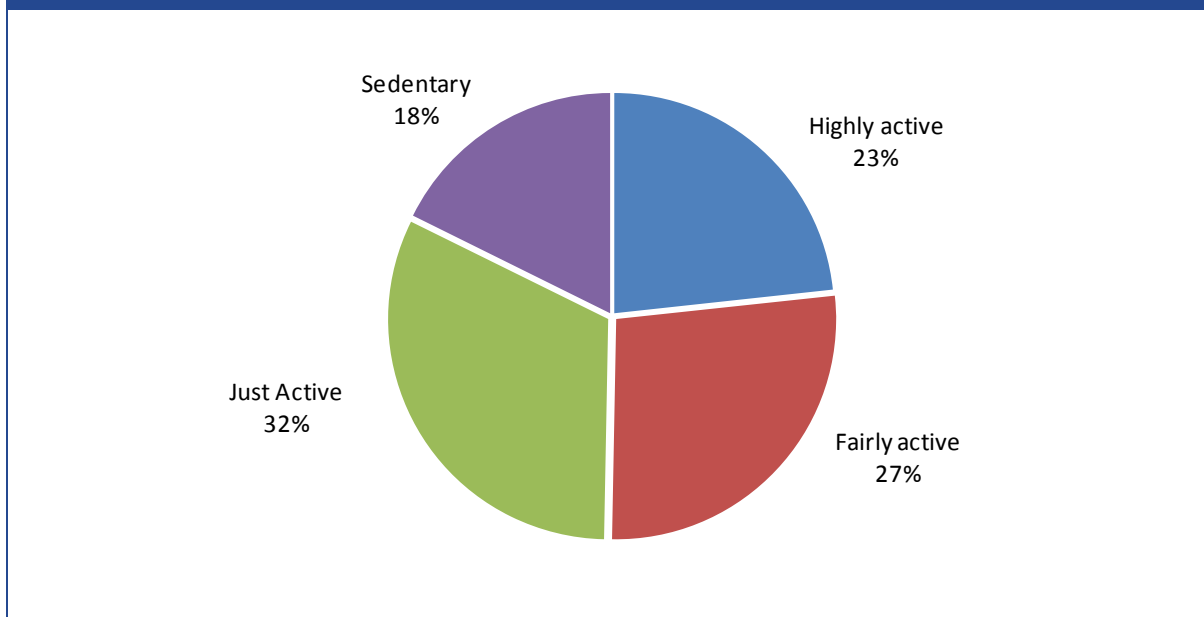
2.2.1 Participation among adults

The Irish Sports Monitor, conducted annually by the ESRI on behalf of the Sports Council, is based on regular interviews with adults aged 16 and over. The reports use a four-way classification, ranging from highly active to sedentary, to describe the activity level of Irish adults aged 16 or over. The classification combines detailed information on sport and exercise activity with that for walking for recreation, walking for transport and cycling for transport, as outlined in the table below.

Category	Definition
Highly Active	Participated in 30 minutes moderate physical activity at least five times during the previous 7 days (i.e. met WHO guidelines)
Fairly Active	Participated in 30 minutes moderate physical activity at least twice during the previous 7 days
Just Active	Participated in a sporting activity or recreational walking for 20 minutes at least once during the previous 7 days, or regularly cycles or walks for transport (at least once-a-week)
Sedentary	Did not participate (20 minutes) in recreational activity during the previous 7 days and does not cycle or walk regularly for transport

Source: ESRI

Figure 2.1 provides a breakdown of the population aged 16 plus into the four physical activity categories.

Figure 2.1: Levels of recreational physical activity among populace - 2008

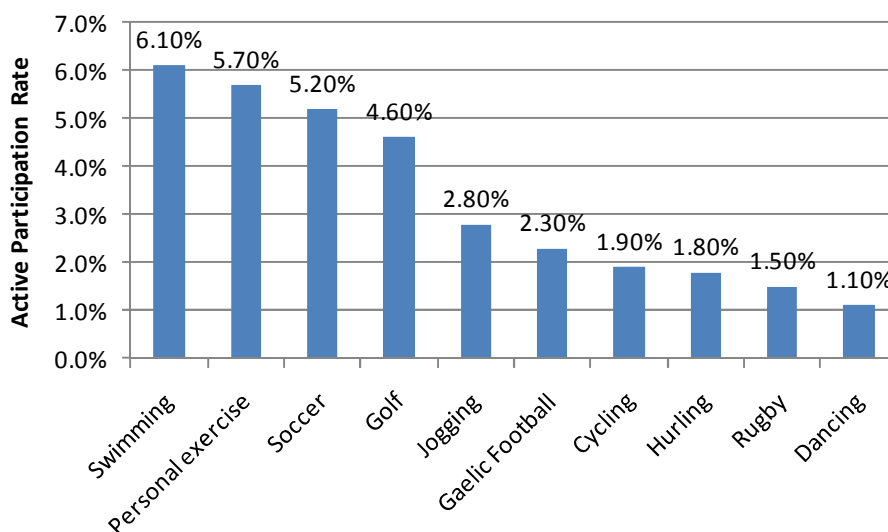
Source: ESRI

The above four-way classification only counts activities which last 30 minutes or more, in accordance with international guidelines from the WHO. Based on the population aged 16 or over in 2008, this implies that approximately 805 thousand adults were highly active; 932 thousand were fairly active; 1.1 million were just active; and 611 thousand were sedentary. Employing a lower duration threshold of 20 minutes duration for the analysis of playing sport and recreational walking, the ISM reports that 30.8% of Irish adults participated in sport (excluding walking) in 2008, while 57.5% of Irish adults participated in recreational walking.

The ISM 2008 also noted a significant year-on-year fall in the proportion of adults who were engaging in sport from 32.9% in 2007 to 30.8% in 2008. This fall equates to one in every 16 participants giving up sport at a time when policy is explicitly aiming to increase participation. However, there has not been a rise in sedentarism due to the concurrent increase in the proportion of people walking and cycling for transport. The ISM finds that the proportion of people who engage in cycling or walking for transport at least once a week has risen from 41% to 50% for walking and from 10% to 14% for cycling, between 2007 and 2008. It has been hypothesized that these changes in transport choices are linked to the decline in sport participation. The impact of the economic recession in 2008 in terms of lower incomes and more leisure time may have led to more people walking and cycling than before. It is also possible that some of the people who ceased participating in sport have decided to substitute different kinds of physical activity into their daily routines.

The ten most popular sports in 2008 are: swimming, personal exercise, soccer, golf, jogging, Gaelic football, cycling, hurling, rugby, and dancing. Active participation rates for the ten most popular sports are given in Figure 2.2.

Figure 2.2: Top Ten Most Popular Sporting Activities - 2008



Source: ESRI-Irish Sports Monitor

Swimming is now the most popular sporting activity, with 6.1% of adults participating regularly, followed closely by personal exercise with 5.7% of the populace participating. Among the big team sports, soccer is the most popular with 5.2% of adults participating regularly, Gaelic football and hurling follow with 2.3% and 1.8% respectively, while rugby is regularly played by 1.5% of the adult populace.

2.2.2 Participation among children

The Sports Council's report, The Children's Sport Participation and Physical Activity Study (Woods *et al.*, 2010), contains the most recent research on participation in sport and recreational physical activity among primary and post-primary students in Ireland. The report finds that 19% of primary and 12% of post-primary school children met the Department of Health and Children physical activity recommendations – at least 60 minutes daily of moderate to vigorous physical activity. Significantly, Children who met the Department of Health and Children's physical activity recommendation of at least 60 minutes of moderate to vigorous physical activity daily had the best health profile of all children.

Highlighting the importance of the voluntary sector, the report also found that the number of days per week that primary children reached the required 60 minutes of physical activity increased significantly if they took part in extra-school sport or physical activity, or if they actively commuted to school. Involvement in extra-curricular sport was also a significant determinant of minutes of physical activity for girls. On a positive note, 63% of primary and 73% of post-primary school pupils were found to participate in extra-curricular sport at least one day a week, which is an increase since 2004. Yet, boys are still more likely to engage in extra-curricular sport than girls, which illustrates a persistent gender gap in sports participation. Differences in social class were also found to be present, with participation rates in extra-school sport being lower among children from lower social classes than children from higher social classes.

2.3 Voluntary Organisations in Sport

The non-commercial or voluntary sports sector represented the most challenging sector in terms of data/information gathering. This has been the experience in nearly all countries where official data on voluntary sector is sparse (with exception of Germany where government does collate detailed data).

The Gaelic Athletic Association (GAA) is the biggest sports body in Ireland and is the strongest representative of the voluntarist, community-based model of sports organisation. The GAA represents a significant proportion of the total voluntary sports organisations.

The study includes the following voluntary sectors:

- Voluntary clubs, associations, branches and leagues;
- National Governing Bodies; and
- Local Sports Partnerships.

The table below shows the findings of extensive primary research which includes a robust estimation of the contribution of the voluntary sector (a full list of NGBs can be found in Annex 2).

It is estimated that there are approximately 12,000 clubs across 64 sports and with approximately 1.7 million members in the Republic of Ireland. The vast majority of these clubs/organisations operate on a voluntary basis.

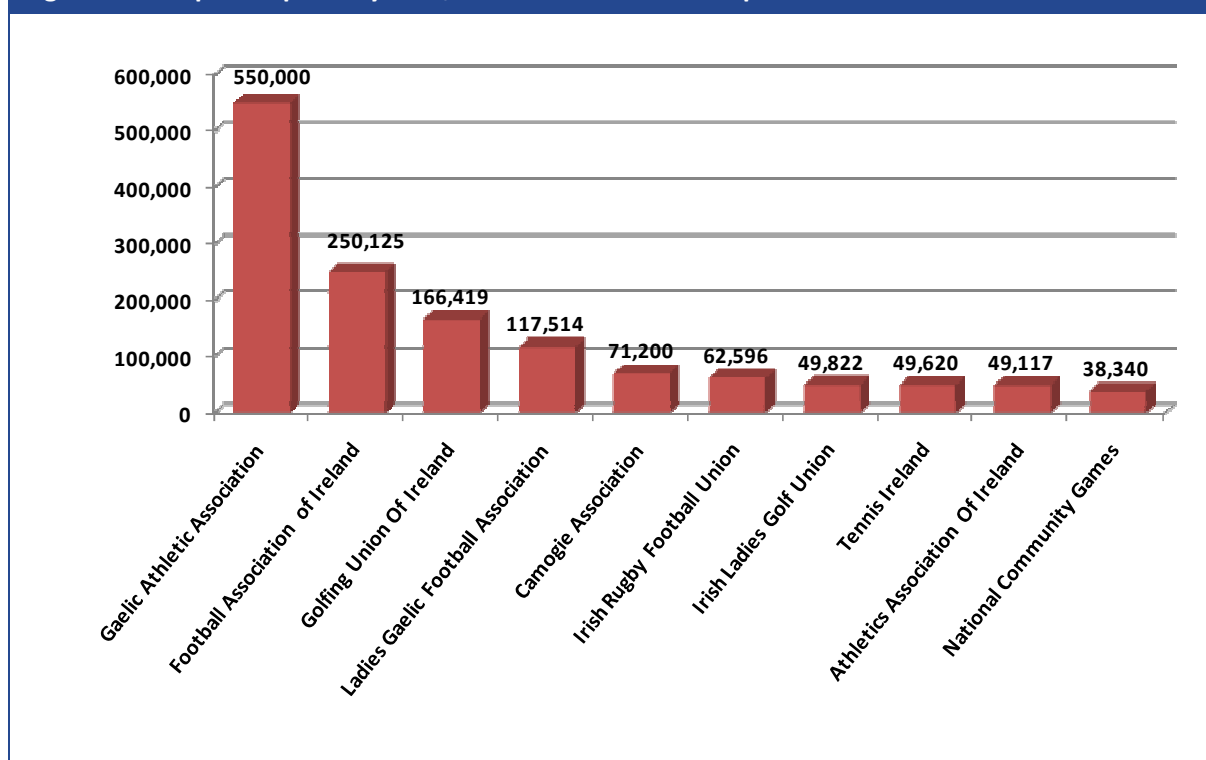
Table 2.2: Overview of National Governing Bodies, Clubs and Membership in Ireland - 2008

	Number of National Governing Bodies	Number of Clubs	Estimated Number of Members	Average Club Size - Members
Total	64	11,978	1,695,029	142

Source: Indecon

The table below indicates the ten National Governing Bodies of sport with the largest club membership bases in 2008. These are: Gaelic Athletic Association (GAA), Football Association of Ireland (FAI), Golfing Union of Ireland, Ladies Gaelic Football Association, Camogie Association of Ireland, Irish Rugby Football Union (IRFU), Irish Ladies Golf Union, Tennis Ireland, Athletics Association of Ireland, and National Community Games. As expected, the GAA represents the largest NGB in Ireland with 550,000 members. The next largest NGB is the FAI with 250,125 members, while the Golfing Union of Ireland is the third largest and has 166,419 members⁷.

Figure 2.3: Top Ten Sports by Club/Association Membership*



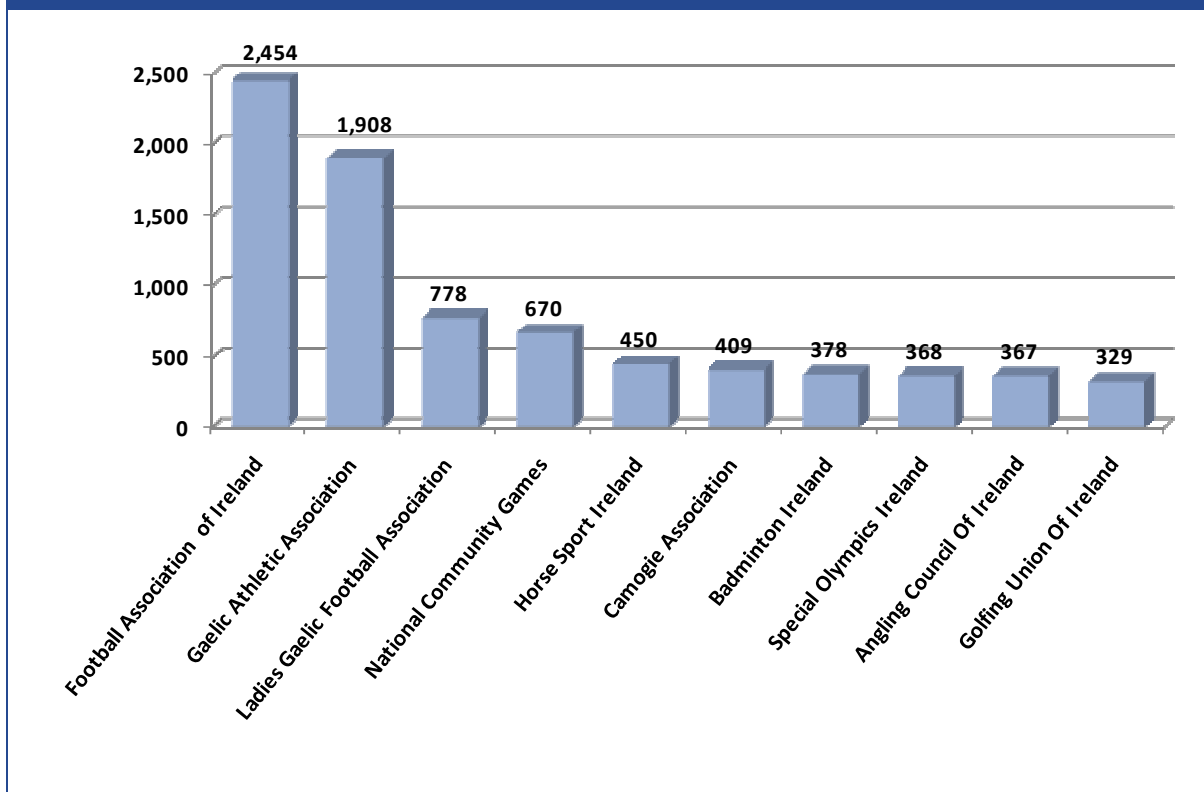
Note: * Figures refer to National Governing Body data on club-association membership numbers

Source: Indecon analysis of Sports Council data on National Governing Bodies of sport

The table below shows the National Governing Bodies with the highest number of clubs in Ireland. These are: GAA, FAI, Ladies Gaelic Football Association, National Community Games, Horse Sport Ireland, Camogie Association, Badminton Ireland, Special Olympics Ireland, Angling Council of Ireland, and Golfing Union of Ireland. The two most prominent bodies are again the FAI with 2,454 clubs and the GAA with 1,908 clubs nationally.

⁷ It should be noted that NGBs apply varying definitions of club membership. For example, the variation between the GAA and FAI in relation to club membership numbers reflects in part the inclusion by the GAA of members who do not currently participate in playing either hurling or gaelic football but who are nonetheless members of a club, whereas the FAI figure relates strictly to registered players only.

Figure 2.4: Top Ten National Governing Bodies by Number of Clubs - 2008



Source: Indecon analysis of Sports Council data

2.4 Summary of Findings

This section set the context for the assessment by describing the level participation in sport in Ireland. It also described the scale of the voluntary sports sector in Ireland. The key findings were as follows:

- ❑ Over 30% of Irish adults participate in some form of sport or recreational exercise;
- ❑ 57.5% of Irish adults participate in recreational walking;
- ❑ Swimming is the most popular sport in Ireland in terms of active participation rates among adults, followed by personal exercise;
- ❑ The Gaelic Athletic Association is the largest sports organisation in Ireland in terms of membership, followed by the Football Association of Ireland and the Golfing Union of Ireland; and
- ❑ The organisation with the largest number of affiliated clubs is the FAI, with 2,454 clubs in Ireland, followed by the GAA with 1,908 clubs.

3 The Sports Voluntary Sector

3.1 Introduction

This section builds on the overview of the voluntary sector presented in the previous section by examining the impact of the following groups of sports voluntary organisations:

- ❑ Voluntary clubs, associations, branches and leagues;
- ❑ National Governing Bodies; and
- ❑ Local Sports Partnerships.⁸

Detailed analyses of the income and expenditure for each voluntary sector are presented which demonstrate the strength and vibrancy of the voluntary sector in Ireland, and illustrate how interconnected it is with the other sectors of the economy. The results of this section include the first detailed, rigorously researched estimates on the overall financial activities of the voluntary clubs in Ireland. These estimates are based on a large, representative sample of clubs who participated in our primary research and submitted financial statements on their activities for use in this study.

3.2 Voluntary Sports Clubs and Associations

Table 3.1 shows the breakdown of income sources for the voluntary clubs sector. Based on the primary research undertaken as part of this study, it is estimated that overall revenue/income across the voluntary sports clubs sector amounted to €886.9 million during 2008. The primary source of income is subscriptions and match fees, at €251.0 million. The bar and restaurant business of the clubs is another major source of revenue for the voluntary sector, which illustrates the social dimension of the sports voluntary sector and alludes to its important role in creating social capital and social cohesion.

⁸ Other voluntary organisations, such as the Olympic Council of Ireland, Paralympic Council of Ireland, Federation of Irish Sports, and Sport for Older People Programme, also make a contribution to the sports voluntary sector. However, the focus in this report is on the NGBs and clubs as the dominant players within the sector.

Table 3.1: Voluntary Clubs Income – by Category - 2008

Income Category	Estimated 2008 - € Million
Players'/Members' subscriptions and match fees	251.0
Event admission fees/gate receipts	88.3
Hire of equipment to players/members	42.1
Advertising and Sponsorship	67.5
Lotteries & raffles; gaming machines	90.5
Bar and Restaurant/catering receipts	168.9
Donations and fundraising	38.3
Competition/Sport Event Income	20.6
Other – all other non-grant income	38.1
Grants (e.g. from NGBs, other agencies, local and central government, including sports capital grants)	81.6
Total Income	886.9

Source: Indecon

Table 3.2 below describes the expenditure of the voluntary clubs. It is estimated on the basis of the primary research that overall expenditure in these clubs totalled €818 million during 2008. The main expenditure items of the sports voluntary sector are staff costs and expenses associated with organising and hosting sporting events and competitions.

Table 3.2: Voluntary Clubs Expenditure by Category - 2008

Expenditure Category	Estimated 2008 - € Million
Wages & Salaries	188.0
Grounds hire and rents	43.6
Local Authority Rates	15.8
Equipment (e.g. hire of sports equipment or other equipment)	116.5
Utilities (e.g. Heat & Light, Telephony/Communications etc.)	45.3
Bar supplies and Restaurant/Catering supplies	88.8
International Ticket Expenses	24.0
Insurance Expense	23.9
Administration Expenses (print, photocopying, postage, etc.)	16.5
Travel expenses	25.4
Competition/Sport Event Expenses	146.5
Non Sport Event Expenses	29.0
Interest and Bank Charges	21.6
Other – all other current expenditures	33.0
Total Current/Ongoing Expenditure	818.0

Source: Indecon

In addition, we also estimate that the capital expenditure of the voluntary clubs was €110.5 million

3.3 National Governing Bodies of Sport

Table 3.3 shows the breakdown of income for the National Governing Bodies (NGBs) of sport, of which there are 64 (see Annex 2). The main source of income for the National Governing Bodies is entry fees and gate receipts, followed by income from specific sporting competitions that the NGBs may organise throughout the year. Sports Council Grant income is another important source of income for the NGBs, who are the main recipients of the National Governing Bodies grant, the High Performance grant, and the Women's Participation in Sport grant.

Table 3.3: National Governing Bodies Income – by Category - 2008

Income Category	Estimated 2008 - € Million
Sports Council Grant Income	32.6
Central Government Grants	1.7
Registrations and Affiliations	7.1
Entry Fees/Admission Fees/Gate receipts	81.1
Sponsorship/advertising	21.5
Interest Receivable	3.2
Other/International Grants	1.9
Fundraising	3.1
Specific Competition/Sport Event-related Income	30.3
Non-sport-related Income	4.1
Coaching, Courses and Seminar Fees	15.6
Insurance Income	7.5
Other Income	0.7
Total Income	210.5

Source: *Indecon*

Table 3.4 shows the breakdown of expenditure by the National Governing Bodies. As expected, the National Governing Bodies main expenditure is on covering the costs of specific sporting events and competitions organised within their sport, at a level of €58.7 million in 2008. Expenditure on sporting events also has the largest impact on the economy, through the attraction of overseas participants and spectators who contribute net additional spending to the domestic economy. The second largest expenditure for the NGBs is on coaching and training and development of its players/athletes, which amounted to €30.9 million in 2008. This expenditure is especially important as the quality of coaching and training today will influence Ireland's ability to develop players/athletes who can compete at the international level in the future.

Table 3.4: National Governing Bodies Expenditure – by Category - 2008

Expenditure Category	Estimated 2008 - € Million
Wages & Salaries	27.4
Office rents	7.8
Insurance Expenditure	3.3
Grants paid out	24.3
Coaching and Training Expenses	30.9
Local Authority Rates	0.8
Utilities (Heat & Light, Telephony, Internet etc.)	1.8
Interest Payable and Bank Charges	1.0
Media and Marketing Costs	4.4
Staff/committee/delegates expenses (incl. travel)	9.6
Meetings expenses	1.8
Professional Services (Audit, Legal etc.)	15.7
Administrative expenses (Postage, Stationary, Printing etc.)	5.2
Specific Competition/Sport Event-related Expenditure	58.7
Non-sport-related Expenditure (e.g. Gala dinner/banquet)	14.1
Staff training	1.5
Depreciation	14.3
Other Expenditure	2.4
Total Expenditure	224.9

Source: Indecon

3.4 Local Sports Partnerships

There were 33 Local Sports Partnerships in Ireland in 2008, of which 20 were set up under the aegis of the local authority (county, city or town council), while the remaining 13 were incorporated as limited companies, as shown in Table 3.5. There is now one LSP in every local authority area in Ireland.

This report considers the LSP network as a part of the Sports Voluntary Sector. The rationale for this approach is that the LSPs exist primarily to serve the voluntary sports sector.

Table 3.5: List of Local Sports Partnerships – 2008

Under Local Authority in 2008	Limited Company in 2008
Carlow	Clare
Cavan	Cork County
Cork City	Donegal
Dublin City	Kildare
Dun Laoghaire Rathdown	Kilkenny
Fingal	Laois
Galway City	Limerick City
Galway County	Meath
Kerry	North Tipperary
Leitrim	Roscommon
Limerick County	Sligo
Longford	Waterford
Louth	Westmeath
Mayo	
Monaghan	
Offaly	
South Dublin	
South Tipperary	
Wexford	
Wicklow	

Source: *Indecon*

Table 3.6 shows the income of the Local Sports Partnerships (LSPs) in 2008. The lower level of income for the LSPs set up under the aegis of the local authorities reflects the fact that these LSPs receive relatively more by way of benefits-in-kind than direct grant funding. For both types of LSP, the majority (55%) of funding is sourced from the Sports Council, and the remaining 45% is raised by LSPs from partner agencies with the Local Authorities being the next most significant source of funding in 2008.

Table 3.6: Local Sports Partnerships Income – by Category - 2008

Income Category	Limited Companies - € million	Under Aegis of Local Authority - € million	Total - € million
Irish Sports Council Funding	2.5	2.6	5.1
County Council Funding	0.4	0.9	1.3
Other grant funding	1.1	0.4	1.5
Other	0.9	0.4	1.3
Total	4.9	4.3	9.2

Source: Indecon

Table 3.7 shows the expenditure of the LSPs in 2008. The lower expenditure for the LSPs under the aegis of local authorities reflects the fact that these LSPs do not incur the same level of external costs as the LSPs set up as limited companies, which is again due to receiving a relatively larger proportion of benefits-in-kind from the local authorities.

Table 3.7: Local Sports Partnerships Expenditure – by Category - 2008

Income Category	Limited Companies - € million	Under Aegis of Local Authority - € million	Total - € million
Staff (inc. PRSI and Pensions)	2.5	2.1	4.6
Non-Staff	0.5	0.4	0.9
Communications Plan	0.1	0.3	0.4
Education & Training	0.2	0.5	0.7
ISC Programmes	0.5	0.1	0.6
Challenge Funding Projects	0.1	0.2	0.3
Other	0.7	0.5	1.2
Total	4.7	3.9	8.6

Source: Indecon

The main costs for the LSPs are staff-related. The Local Sports Partnerships employed over 98 full-time and 73 part-time staff in 2008. In addition to these employees, the LSPs contracted over 121 tutors to deliver programmes, courses and initiatives within the LSP structure, in which some 17,000 people participated. Although the level of income and expenditure of the LSPs is small relative to the voluntary sector as a whole, the LSPs play an important role in the social and economic impact of sport. In this regard, the achievements of the LSPs in 2008 included:

- ❑ Over 75,000 individuals contacted the LSP network in order to access general or specific sport-related information;
- ❑ 1,982 information resources were produced by LSPs;
- ❑ LSPs provided 7,119 clubs, groups and organisations throughout the country with important information and advice in the area of funding;
- ❑ 2,541 clubs and groups were supported in the delivery of their activities;

- ❑ 9,614 people participated on a range of locally planned and delivered training courses;
- ❑ 2,851 primary school teachers in 289 schools received Buntús Generic training;
- ❑ 1,208 childcare practitioners in 381 childcare centres received Buntús Start training;
- ❑ 3,542 participants completed 250 Code of Ethics courses;
- ❑ 167 participants completed 14 Club Children’s Officer courses;
- ❑ 69,843 people participated in 433 locally delivered participation programmes;
- ❑ 151 networks and forums were facilitated by LSPs;
- ❑ LSPs actively participated in 148 local committees and other networks; and
- ❑ LSPs presented at 186 conferences, seminars and policy related meetings.

3.5 Summary of Findings

This section examined the impact of the sports voluntary sector based on extensive new primary research undertaken as part of this study. The key findings were as follows:

- ❑ Ireland’s 12,000 voluntary clubs, leagues and branches contribute very substantially to the Irish economy. In particular, these organisations spend €818 million annually in the Irish economy on goods & service inputs to their operations;
- ❑ Voluntary clubs also undertake very significant additional expenditures on an ongoing basis in the form of capital investment. In 2008, voluntary clubs and associations invested €110.5 million in new capital assets, of which €36.6 million was funded through the government’s Sports Capital Programme;
- ❑ Ireland’s 64 National Governing Bodies are a significant component of the economic impact of sport in Ireland, spending well over €200 million annually (based on 2008 figures); and
- ❑ The 33 Local Sports Partnerships also play an important role in the development of Irish sport at community level. In fulfilling their sport-promoting functions LSPs contribute almost €9 million annually in expenditure in the Irish economy at local level.

4 The Sport Economy – Analysis of Impact

4.1 Introduction

This section sets out the findings of the study in relation to the components of the economic impact of sport. Specifically, these components relate to (a) sport-related consumer expenditure; (b) sport-related value-added/GDP and (c) the contribution of the sports economy to employment.

4.2 Household/Consumers' Expenditure

Through analysis of the CSO's Household Budget Survey (HBS) and other sources of data/information, Indecon estimated the sport and sport-related content of household/consumers' expenditures. This section describes the study's main findings on the sport-related consumer expenditure flows in Ireland. The overall expenditure on sport and sport-related activities is presented and a breakdown of this spend is also examined in terms of category and percentage.

4.2.1 Overall expenditure

The table below presents the estimates developed for 2008 using National Accounts data on personal consumption. The total shows that consumers spent almost €1.9 billion on sport and sport-related activities in Ireland in 2008. This accounted for 2% of the total economy wide consumer expenditure in 2008.

Table 4.1: Household/Consumers' Expenditure on Sports – 2008	
	Estimated 2008 - € Million
Total Consumers' Expenditure on Sport-related Goods & Services	1,885.6
% of Total Irish Economy Consumers' Expenditure	2.0%

Source: Indecon

4.2.2 Expenditure by category

The table overleaf describes the breakdown of the €1,885.6 million consumer expenditure on sport and sport-related activities in Ireland in 2008. The largest categories of expenditure are €390 million for subscriptions to sports clubs, €338 million for clothing and footwear, and €294 million for admissions, including participation and spectator admissions.

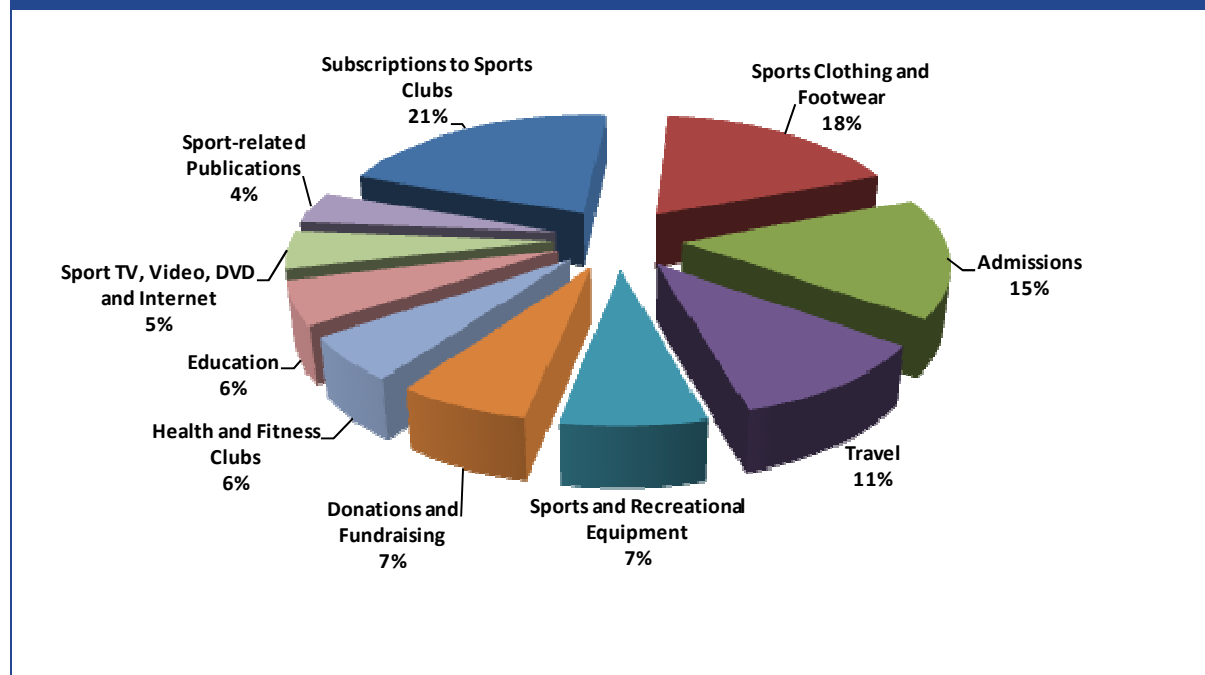
Table 4.2: Household/Consumers' Expenditure on Sports – by Category - 2008

Expenditure Category	Estimated 2008 - € Million
Subscriptions to Sports Clubs	390.4
Sports Clothing and Footwear	338.4
Admissions	294.0
Travel	205.0
Sports and Recreational Equipment	139.7
Donations, Fundraising, Raffles and Gaming Machines	128.9
Health and Fitness Clubs	108.1
Education	106.6
Sport TV, Video, DVD and Internet	94.5
Sport-related Publications	80.0
Total Consumers' Expenditure on Sport-related Goods & Services	1885.6

Source: Indecon

The chart below illustrates the percentage of the total expenditure for each category. Subscriptions for sports clubs accounted for 21% of the total spend on sport and sport-related activities in Ireland in 2008, clothing and footwear accounted for a further 18%, and 15% of the total expenditure is on admissions.

Figure 4.1: Percentage of Household/Consumers' Expenditure on Sports - 2008



Source: Indecon

4.3 Contribution to Value-Added/GDP

Estimates of the contribution of sport and sport-related activities to Irish economy GDP are calculated by reference to the value-added contribution by the sport sector, with value-added equating to the sum of wages and profits in each sector.

This section sets out the study's main findings on the sport-related contribution to value added/GDP in Ireland. The overall contribution of sport and sport-related activities to value added/GDP is presented and a breakdown of this contribution is also examined in terms of category and percentage.

4.3.1 Overall Contribution of Sport to Value-Added/GDP

The overall contribution of sport and sport-related activities to Irish economy value-added/GDP amounted to over €1.8 billion annually in 2008, equivalent to 1.4% of economy-wide value-added/GDP. Note: this compares with an estimate in the previous 1994 study of 1.1% of GDP.

Table 4.3: Contribution Sport and Sport-related Activities to Irish Economy Value-Added/GDP - 2008

	Annual € Million – 2008
Total Value-Added/GDP Contribution	1,830.3
% of Economy-wide Value-Added/GDP	1.4%

Source: Indecon

4.3.2 Contribution by Sector

The table below shows the breakdown of the €1,830 million value added by sport and sport-related activities in 2008. The largest sector is commercial non-sport, which accounted for just over €824 million of the total value added, and the voluntary sector accounted for €457 million. The commercial sector accounts for €353 million in 2008.

Table 4.4: Contribution Sport and Sport-related Activities to Irish Economy - by Sector – Value Added/GDP - 2008

Sector of Impact	Annual € Million – 2008
Commercial Sport	353.1
Commercial Non-Sport	824.2
Voluntary Sector	456.6
Central Government	23.6
Local Government	172.8
Total Value-Added/GDP Contribution	1,830.3

Source: Indecon

As is evident from Table 4.4, the sector which generates the largest amount of sport-related GVA is the commercial non-sport sector, which generates €824 million in value added. An important component of the commercial non-sport sector's impact on sport is through sponsorship. One of the challenging aspects of the study brief was to identify the level of sport-related sponsorship, which is one of the services which the commercial non-sport sector purchases from the sports sectors in Ireland.

Box 2: Sports Sponsorship Estimates – Ireland – 2005-2009

Total sponsorship activity in Ireland amounted to €133 million during 2009, of which sports sponsorship was 57%, or €75 million. This is up €29 million in just four years from €46 million in 2005. Several major developments in sports sponsorship which led to this growth can be identified. The GAA created a multi-sponsor Championship model, moving from just two to six partners across the Senior Championship. The fast growth of rugby's popularity resulted in additional sponsors and increased revenue for the IRFU and the Provinces, with O2 replacing Permanent TSB as main sponsors of the national team. Soccer's huge appeal was demonstrated by a large decade-long sponsorship deal struck with Umbro. The Ryder Cup in 2006 at the K-Club was one of the major international sporting events of the year and had significant impact on the sponsorship market, while horse racing sponsorship enjoyed popularity with 'the developers' during the earlier years in this period.

Source: Indecon and Onside Sponsorship

4.4 Contribution to Employment

This section outlines the study's main findings on the sport-related contribution to employment in Ireland. The overall contribution of sport and sport-related activities to employment is presented, along with a breakdown of this contribution by sector.

4.4.1 Employment Supported By Sector

The employment contribution of sport and sport-related activities is calculated on basis of wage payments and average wages/salaries by sector.

Sport and sport-related activities support employment in the Irish economy of 38,225 persons (2008), equivalent to approx. 2.0% of total employment. The largest sector is commercial non-sport, which supports the employment of 15,084 persons, while the voluntary sport sector supports the employment of 8,826 persons and the commercial sector supports the employment of a further 8,134 persons. The government sector (both central and local) accounts for over 6,100 sport-related full-time jobs.

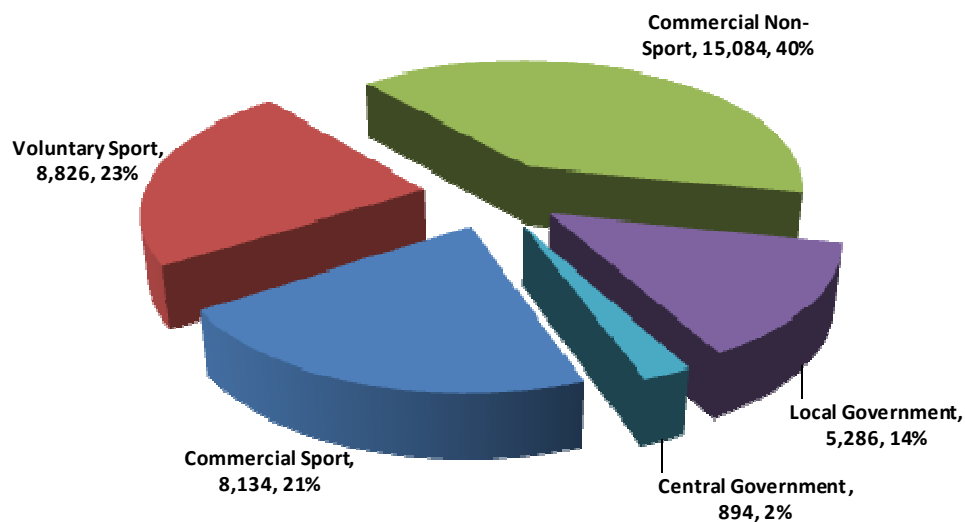
Table 4.5: Contribution Sport and Sport-related Activities to Irish Economy – by Sector - Employment - 2008

Sector	Employment (FTEs)
Commercial Sport	8,134
Commercial sports clubs	5,197
Retailers	1,974
Manufacturing (exports)	355
TV and Radio	609
Voluntary Sport	8,826
Commercial Non-Sport	15,084
Local Government	5,286
Central Government	894
Total Employment Supported	38,225
<i>% of Total Irish Economy Employment</i>	<i>2.0%</i>

Source: Indecon

The chart overleaf describes the percentage of employment supported by each sector. The commercial non-sport sector accounts for 40% of the employment supported by sport and sport-related activities in Ireland. The voluntary sector accounts for 23% of the employment supported by sports and the commercial sector accounts for a further 21%.

Figure 4.2: Sectoral Breakdown of the Contribution Sport and Sport-related Activities to Irish Economy - Employment - 2008

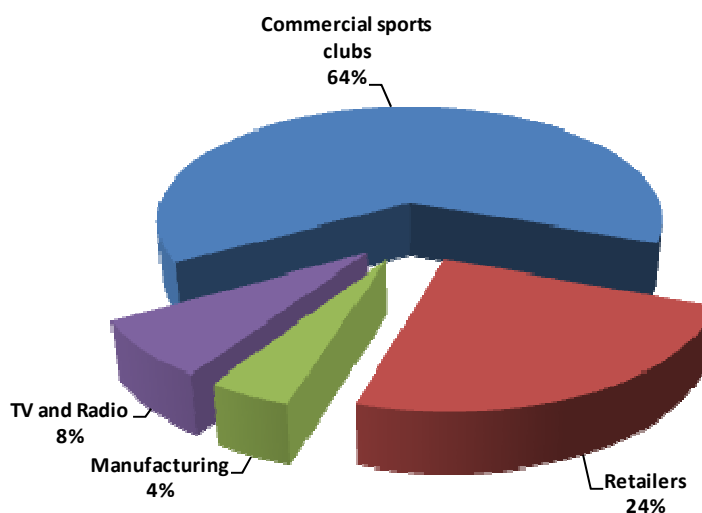


Note: Figures refer to Full-Time Equivalent persons

Source: *Indecon*

The chart overleaf describes the percentage breakdown of the commercial sector supported employment. Commercial sports clubs account for 64% of the total employment supported by commercial sport, while retailers account for a further 24%.

Figure 4.3: Sectoral Breakdown of the Commercial Sport Sector - Contribution Sport and Sport-related Activities to Irish Economy – Employment - 2008



Source: Indecon

4.5 Summary of Findings

This section set out the findings of the study in relation to the components of the economic impact of sport. Specifically, these components relate to (a) sport-related consumer expenditure; (b) sport-related value-added/GDP and (c) the contribution of the sports economy to employment. The key findings from the detailed modelling and assessment were as follows:

- ❑ Irish households spend a total of €1,885.6 million per annum on sport and sport-related goods and services;
- ❑ Consumer expenditure on sport-related goods and services amounts to 2% of total consumer spending in Ireland in 2008;
- ❑ The largest categories of sport-related spending are subscriptions to sports clubs (21%), sports clothing and footwear (18%), and admissions to sporting events (15%);
- ❑ Sport contributed €1.8 billion to Irish gross value added/GDP in 2008;
- ❑ Sport's share of economy-wide gross value added/GDP has risen from 1.1% in 1994 to 1.4% in 2008;
- ❑ Sport and sport-related activities support employment in the Irish economy of 38,225 persons (2008), equivalent to approximately 2.0% of economy-wide employment;
- ❑ The largest sector is commercial non-sport, which supports the employment of 15,084 persons (40%), while the voluntary sport sector supports the employment of 8,826 persons (23%) and the commercial sector supports the employment of a further 8,134 persons (21%); and
- ❑ Commercial sports clubs account for 64% of the total employment supported by commercial sport, while retailers account for a further 24%.

5 Economic Value of Volunteering in Sport

5.1 Introduction

The estimates on the economic importance of sport in Ireland presented in the previous chapters are more detailed and comprehensive than previous estimates due to the extensive, new primary research that has been undertaken as part of this study. However, these figures alone certainly underestimate the true economic value of sport due to the exclusion of the informal economy. That is, the estimates in the previous chapters, while consistent with international approaches to measuring the economic impact of sport, only look at the income and expenditure accounts of voluntary clubs. They take no account of the unpaid labour services of volunteers, which is the essential resource element of the voluntary sector. A true estimation of the resources involved in sport would include these unpaid services. This chapter gives new estimates on the value of these unpaid volunteer services.

5.2 Overview and Previous Research

Volunteering in sport is deeply rooted in the history of sport in Ireland; mainly through the Gaelic games organised by the Gaelic Athletic Association (GAA). This culture within the GAA has resulted in a high volunteer ethos within sports in Ireland. Owing to its unpaid nature, volunteering is not recorded in official statistics on economic activity. However, the activities of volunteers represent an important component of the overall impact of the sports sector.

While the activities and economic impact of commercial entities can be estimated based on existing official sources, no official data exists on activity of volunteers in voluntary-based sports organisations. This means that the activities of largely voluntary-based sports organisations, such as the GAA, are under-recorded in official statistics.

Three sources of research have been examined to underpin the methodology, which are described below.

Volunteers and Volunteering in Ireland (2004)⁹

This report used surveys conducted in 2002 for the National Economic and Social Forum (NESF), which found that 17.1% of all adults questioned were “taking a regular part in any type of unpaid voluntary activity or service outside the home or workplace.” Based on a looser definition of volunteering, the NESF survey found that 21.7% of the adult population were volunteers. This can be contrasted with the Reaching Out surveys which report that the percentage of volunteers was between 38.9% in 1993, falling to 33.3% in 1997 (Ruddle and Mulvihill, 1999). The report also used the average time spent volunteering figure of 1.2 – 2.8 hours per week found in Ruddle and Mulvihill (1999). The report, however, did not deal with sport volunteering specifically, but with all forms of volunteering, although it is believed that sport accounts for the majority of all volunteering in Ireland.

⁹ DKM (2004), *Volunteers and Volunteering in Ireland*

The Social and Economic Value of Sport in Ireland, 2005

This report, completed by the ESRI, is based on data from the Survey of Sport and Physical Exercise (SSPE), 2003, which finds that 15% of adults had voluntary involvement in sport – 18% of men, and 12% of women. This equates to over 420,000 volunteers. This is larger than previous estimates of Ruddle and Mulvihill (1999), who estimated that 33% of adults were volunteers in 1997, of which almost one third was devoted to sport. Applying this share to all volunteers implies that approximately 11% of adults volunteered for sport. The study conducted by NESF for the European Values Study suggests that 13.5% of adults volunteer for sport in Ireland, which is similar to the proportion suggested by the SSPE.

It is also important to point out that previous reports based on the SSPE estimated that 20% of the adult population played sports (Fahey et al., 2004, p. 19). In combination with the 15% of the population estimated to regularly engage in sport volunteering, this means that for every four people who play sport regularly, there are three people who volunteer. This demonstrates the relative importance of sports volunteering compared to physical participation in sport.

Irish Sports Monitor 2007 and 2008

The ISM is an annual report produced by the ESRI for the Sports Council, which is based on regular telephone interviews throughout the year with adults aged 16 and over. The latest report for 2008 (Sports Council 2010), which is based on a sample of nearly 7,000 adults, states that 7.8% of respondents volunteered in sport at least once a week during 2008.

5.3 Estimates of Economic Value of Volunteering

The SSPE is unique in that it allows us to estimate not only the overall proportion of volunteers, but also to see the number of sporting activities for which people are volunteering. The results of the SSPE suggest that 14.4% of the population volunteers for one or more forms of sport activity, 4.5% volunteer for two or more forms of sport activity, and 1.5% volunteer for three or more forms of sport activity. Using the conservative assumption that each session of volunteering lasts one hour, this implies that volunteers spend an average of 1.7 hours per week volunteering for sport. However, this contrasts with the finding of the Irish Sports Monitor 2007 – 2009, which reports that the average amount time spent volunteering each week is 5.2 hours. Although we believe the true figure could be as high as that found in the ISM, given the wide variation between the ISM and SSPE estimates we have adopted a prudent approach based on the average of the two estimates, indicating that people spend on average 3.45 hours per week engaged in volunteering activities.

Combining the evidence on the rate of volunteering in sport and the typical time spent on volunteering with data on average earnings, Indecon has estimated the economic value of sport-related volunteering.

Estimates are presented in the table overleaf. It is estimated that almost 270,000 people participate in some form of sport-related voluntary activity in Ireland. On an annual basis, it is estimated that approximately 37.2 million volunteer-hours are spent on sport-related activities. The annual value of volunteering in sport ranges between a lower-bound estimate of €322 million annually and an upper-bound estimate of €582 million annually. This underscores the important role and value played by volunteering in Irish sport.

Table 5.1: Economic Value of Volunteering in Sport	
	2008
Population aged 16 years and over (CSO)	3,453,220
Rate of volunteering (Irish Sports Monitor, 2008)	7.8%
Average Industrial Wage (CSO) - €/hr	15.66
Minimum Wage - €/hr	8.65
Volunteering Hours per Person per Week (ESRI (2005))	3.45
Volunteering Weeks per Person per Year (ESRI/Indecon)	40
Estimated per Week Value of Sport-related Volunteering - High - € Million	14.6
Estimated per Week Value of Sport-related Volunteering - Low - € Million	8.0
Estimated Annual Value of Sport-related Volunteering - High - € Million	582.1
Estimated Annual Value of Sport-related Volunteering - Low - € Million	321.5

Source: Indecon

In economic terms, volunteers act as an input (of labour) into the conduct of amateur community sport and elite professional sport. Without them, there would be fewer sports activities and / or they would be more expensive to produce. Volunteers, then, play a major role in sustaining the high level of sporting activity in Ireland, with all the associated health and social benefits, and also contribute significantly to the development of elite level sport in Ireland, which has done so much to enhance the international prestige of Irish sport.

Volunteering itself appears to have health and social benefits for the people involved. Society derives value from these personal benefits in the same way as it does from the improved health outcomes that come from participation in sport – increased economic activity/productivity, reduced health service costs, and greater social capital and social cohesion.

5.4 Summary of Findings

The key findings of this chapter are:

- ❑ Volunteering plays a key role in Irish sport;
- ❑ It is estimated that there close to 12,000 sports clubs and associations in operation across 64 sports and with approximately 1.7 million members in the Republic of Ireland, with the vast majority of these organisations operating on a voluntary basis;
- ❑ It is also conservatively estimated that almost 270,000 people participate in some form of sport-related voluntary activity in Ireland;
- ❑ It is conservatively estimated that volunteers in sports provide over 37.2 million hours of unpaid volunteer labour each year; and
- ❑ The value of sport volunteering is estimated to be between €322 million and €582 million in 2008.

6 Health, Social and Other Benefits of Sport

6.1 Introduction

In recent years, a large body of academic scholarship has emerged which highlights the wider benefits of sports, particularly the health and social benefits of participation. This chapter presents an overview of these benefits. The health and social benefits of sport also have an economic dimension. It is clear that government spending on sport is a good social, health and economic investment.

6.2 Health Benefits of Sport

The basic rationale for state support of sport is that it confers significant health benefits on those who participate in it, as well as social benefits for the wider community. It is well-documented in international academic literature that people who play sport are healthier and enjoy reduced risk of various serious diseases. Among the health benefits of sport for which there is an abundance of evidence are (See Delaney *et al*, 2004, for details and references):

- Halve the risk of getting type 2 diabetes;
- Help to control diabetes and prevent long-term complications for those who already have the condition;
- Halve the risk of developing coronary heart disease;
- Increase levels of HDL ('good' cholesterol);
- Reduce high blood pressure;
- Promote bone density to protect against osteoporosis;
- Beneficial effects for those with arthritis and lower back pain;
- Reduce the overall risk of cancer, prevent bowel cancer and reduce the risk of breast cancer in women after the menopause;
- Help to maintain a healthy weight in combination with a balanced diet;
- Reduce the risk of death or poor health for those who are already overweight or obese;
- Reduce the risk of depression and dementia in later life;
- Treat depression;
- Reduce stress and improve self-esteem and self-image;
- Improve sleep;
- Help to promote healthy growth and development in children, as well as maintaining their energy balance, psychological well-being and social interaction;
- Improved blood lipid levels;
- Reduced risk of stroke and heart attack;
- Strengthen immune system; and
- Promote better mental health.

Although it seems obvious that there is a relationship between sport and health, the exact relationship is not simple. For example, poor diet and smoking can negate the positive benefits of sport to a certain extent. Similarly, extremely high levels of participation in sport can cause health problems as well. Health benefits may also depend on the type of exercise and the level of exertion. However, there is a large body of research which suggests that the largest health differences occur between people who do at least some exercise and those who do none at all. Although athleticism and fitness may require high levels of effort, it has been shown that individuals can obtain health-related benefits from more moderate levels of activity. The World Health Organisation currently recommends at least 30 minutes of moderate intensity physical activity five days per week as a minimum level required to maintain and promote health.

6.3 Evidence for Health Benefits of Sport

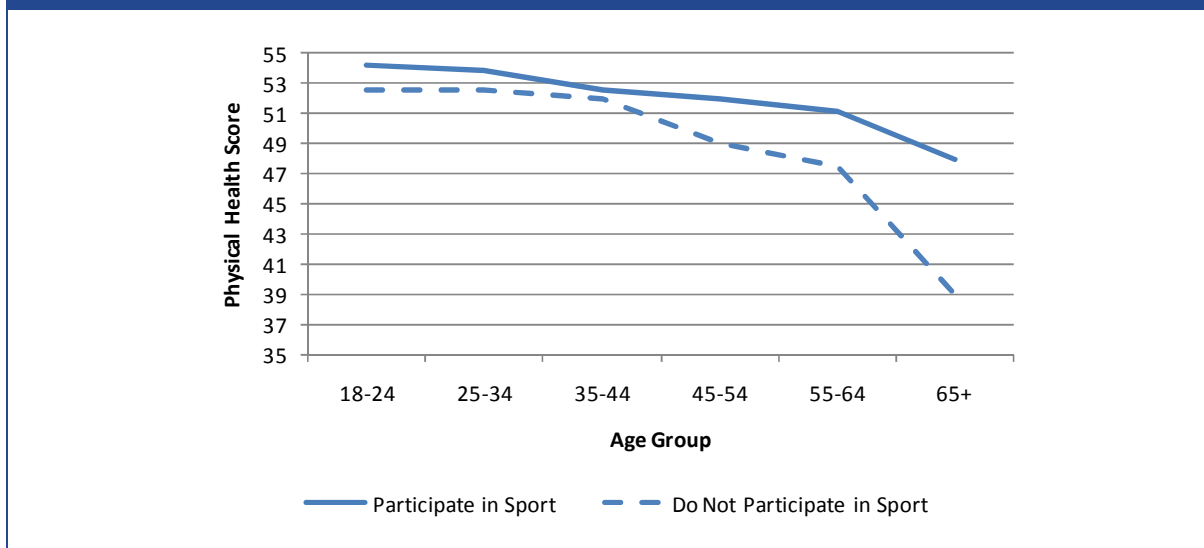
There appears to be a strong correlation between health and participation in sport, but there is also cause for caution before jumping to the conclusion that playing sport improves health. It could be that the relationship runs in the other direction: healthier people are more able to play sport. This question of reverse causality has been investigated in the Irish context by Lunn and Layte (2008). They use the Survey of Sport and Physical Exercise (SSPE) to examine the link between people's current health status and their past involvement with sport. This allows much greater confidence that the relationship between sports and health runs in the direction from sports to health, rather than vice versa.

There exists extensive literature which suggests that there is a positive relationship between participation in sport and health over the life course. This relationship was tested in the Irish case by Lunn and Layte. One difficulty encountered was measuring the "health" of a population. It is clear from the WHO definition of health that health is not just the absence of disease. Actually measuring such a complex concept is difficult. The SSPE uses 12 questions covering both physical and mental health and combines them into two scales, known as component scores: the Physical Component Score (PCS) and the Mental Component Score (MCS). The 12 questions come from the Short-Form 12, which is very well validated and tested measure that has been used internationally in wide-range of academic publications (Layte and Jenkinson, 2001; Jenkinson and Layte, 1997). Both the PCS and MCS use a scale from 0 to 100, where 100 equals perfect health, but the average is set to 50 with a standard deviation of 10. This method of measuring health is useful because the measure is sensitive to subtle differences in health across the population and thus differentiates between groups well.

6.3.1 Physical Health

Figure 6.1 shows the physical health (PCS) scores by age group for those who report regularly participating in sport at the time of interview and those who do not, where 'regularly' means participating in a sport twelve or more times a year.

Figure 6.1: Physical Health Score by Age Group and Whether Participate Regularly in Sport



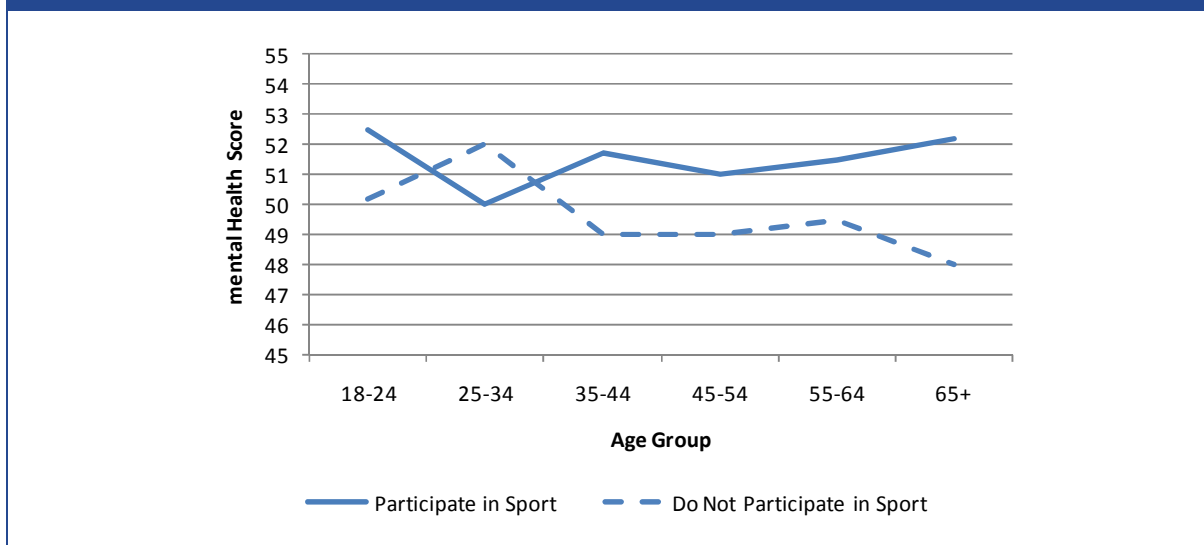
Source: Lunn and Layte (2008)

Figure 6.1 shows that while there is not much difference between those who play sport and those who do not in the physical health score of the younger groups, after the age of 35 there is a significantly steeper decline in physical health among those who do not participate.

6.3.2 Mental Health

Figure 6.2 shows the mental health (MCS) scores by age group for those who report regularly participating in sport at the time of interview and those who do not, where 'regularly' means participating in a sport twelve or more times a year.

Figure 6.2: Mental Health Score by Age Group and Whether Participate Regularly in Sport



Source: Lunn and Layte (2008)

The figure above indicates that while those who participate in sport have better mental health than those who do not participate in the youngest age group, this position is reversed in the 25-34 age group. After the age of 25, however, the two groups adopt very different trends. The mental health of participants is better at 65+ than at any age since 18-24. The mental health of non-participants continues to decline steadily after the age of 25 and reaches its lowest level in the 65+ age group.

6.3.3 Value of Health Benefits

The primary beneficiaries of the health benefits of sport are those who participate in sport and physical activity. However, there are positive 'externalities' or spill-over effects for the wider society through a number of channels. The most obvious channel is the reduction in health service costs for the government, costs which are ultimately borne by society as a whole through the system of taxation. Estimates of the cost saving due to sport vary greatly, and it is beyond the scope of this report to produce a new estimate, but there is every indication that the cost savings are substantial. Further cost savings could also be achieved by raising the level of participation in sport.

The other major channel through which individual participation in sport benefits society as a whole is through improvements in workforce productivity. It has been estimated by Medibank in Australia that a worker who commences regular sport and recreational physical activity will have a 4% increase in productivity. The Irish Sports Monitor reports that 18% of adult population is sedentary (less than 20 minutes physical activity per week) and 32% of the population is just active (getting 20 minutes exercise only once per week). This implies that there could be significant productivity gains that could be made if these members of the population were to begin regular exercise.

6.4 Social Benefits of Sport

There is also a significant and emerging literature on the social benefits of sport (See Coalter, 2005, for an overview and references).

6.4.1 Academic Performance

There exists a widespread belief that participation in sport and other form of physical activity results in improved academic performance. Among the possible channels through which sport could exert a beneficial influence of academic performance:

- Increased energy derived from fitness;
- Reduced disruptive behaviour;
- Improved cognitive functioning as a result of increased cerebral blood flow or improvement of brain neurotransmitters;
- Productive diversion from time spent in classroom; and
- Relationship between motor and mental skills and increased self-esteem (Ethnier et al, 1997; Lindner, 1999).

Selected research findings in this area include:

- ❑ Thomas *et al* (1994) conclude that the benefits of regular exercise on cognitive functioning are small but reliable for reaction time, sharpness and maths;
- ❑ Etnier *et al* (1997) found that both short-term and sustained exercise programmes resulted in small positive gains in cognitive performance (such as reaction time, perception, memory, and reasoning); and
- ❑ Inspections of specialist Sports Colleges in England have shown early signs that examination results in physical education and other subjects are improving since physical education and sport have become central elements of the colleges (Ofsted and the Youth Sport Trust, 2000).

Among the frequently heard criticisms of sport is that it distracts youth, especially boys, from school work and education, and may parents fear that participation in sport will lead to poor academic performance. Recent research, however, suggests that these fears may be misplaced. Research undertaken with control groups and using standardised tests suggests that devoting substantially increased school time to physical education and sport does not have a detrimental effect on pupils' academic performance (Sallis *et al*, 1999). In fact, case studies reported in Coalter *et al* (2000) demonstrate how the importance of sport in many young peoples' lives can be used to attract educationally underachieving young people to educational programmes.

6.4.2 Social Capital and Active Citizenship

The government is increasingly concerned with addressing issues such as community cohesion, social inclusion and active citizenship, or, in more general terms, social capital. Communities that are rich in social capital are defined by Putnam (2000) as those in which there are:

- ❑ Strong community networks/civic infrastructure;
- ❑ Widespread involvement in the organisational life of the community;
- ❑ A sense of local identity, solidarity and equality; and
- ❑ High levels of interpersonal trust and reciprocal support.

Sport is often pointed to in international research as a key generator of social capital. As the title of Putnam's best known book, *Bowling Alone*, suggests, the decline of collective participation in sport is interpreted in this approach as indicative of a weakening of social capital. There is some evidence in Ireland of the linkage Putnam has made between sport and social capital. The National Economic and Social Forum's report, *The Policy Implications of Social Capital* (2003), reported that volunteering for sport is the main form of volunteering in Ireland. According to survey data collected for the report, 13.5% of adults in Ireland in 1999-2000 volunteered for sport and recreation, compared to 7.7% who volunteered for the next largest category of activity (that associated with religion and church bodies) (NESF, 2003). Ruddle and Mulvihill (1999) also found that sport was the dominant form of volunteering in Ireland. In their study, 32% of all formal volunteering time was accounted for by sport and recreation, compared to 24% for social services and 11% for religion (Ruddle and Mulvihill, 1999).

6.5 Summary of Findings

The key findings of this section are:

- ❑ Well-documented physical health benefits to participation in sport, including:
 - reduced risk of diabetes, cancer, heart disease, osteoporosis; and
 - improved blood pressure, bone density, immune system, and body composition;
- ❑ Strong, recent evidence from Ireland that those who do not participate regularly in physical activity suffer much steeper declines in physical and mental health throughout the life course than those who do regularly participate;
- ❑ Health benefits have positive spill-over effects for wider society as a whole, including reduced health service costs and increased productivity; and
- ❑ Sport is a key generator social capital, which is important in achieving government objectives of community cohesion, social inclusion and active citizenship.

7 Overall Conclusions and Policy Implications

7.1 Introduction

This section brings together the detailed analyses and assessment completed in the preceding sections to summarise the overall economic and social contribution of sport in Ireland and to consider the implications for government policy in this area.

7.2 Summary of Components of Economic Impact

Bringing together the components of economic impact presented in the previous sections, the table below summarises the quantified economic impacts of sport in Ireland.

Component of Impact	2008
Consumers' Expenditure on Sport/Sport-related Goods & Services - € Million	1,885.6
<i>% of Total Irish Economy Consumers' Expenditure</i>	<i>2.0%</i>
Contribution of Sport/Sport-related activities to Value-Added/GDP - € Million	1,830.3
<i>% of Total Irish Economy Gross Value-Added/GDP</i>	<i>1.4%</i>
Employment Supported through Sport and Sport-related activities – FTEs	38,225
<i>% of Total Irish Economy Employment</i>	<i>2.0%</i>
Economic Value of Volunteering in Sport - € Million per annum	322 - 582

Source: Indecon assessment

The assessment demonstrates that sport and sport-related activities contribute very significantly to the Irish economy, in the form of household/consumer spending on sport and sport-related goods and services, value-added/GDP and employment supported directly and indirectly across the economy. Specifically, based on the latest available comprehensive data:

- ❑ Irish households spent a total of €1,885.6 million on sport and sport-related goods and services during 2008, equivalent to 2% of the overall value of consumer spending in the Irish economy;
- ❑ Sport-related spending contributes €1,830.3 million to Irish economy value-added, equivalent to 1.4% of economy-wide GDP; and
- ❑ Sport and sport-related activities support a total of 38,225 full-time equivalent jobs, or over 2% of the overall level of employment in Ireland.

7.2.1 Contribution of Sport-related Tourism/Overseas Sector

The economic impacts of sport described in this study include a significant contribution from the sport-related tourism/overseas sector. Table 7.2 shows the contribution of tourism and the overseas sector to Ireland in terms of flows into the domestic economy of €200.8 million per annum in 2008. This consists of overseas tourists expenditures on admissions to sport events and purchases of sports equipment, clothing and footwear. It also includes the contribution of the overseas sector to prize income in Ireland, and the purchase of Irish-made sports TV programmes and Irish-owned broadcasting rights by TV networks in the out-of-state sector.

Table 7.2: Contribution of Tourism/Overseas Sector to to Irish Economy - by Sector – Expenditure - 2008	
	Estimated 2008 - € Million
Sector of Impact	Annual € Million – 2008
Admissions	104.7
Sports equipment, clothing and footwear	52.8
TV exports	0.7
Prize income	42.6
Total Overseas Expenditure	200.8

Source: Indecon

The multiplier approach is the method most commonly used to estimate the economic importance of tourism in a specific region. The multiplier essentially refers to effects of an additional injection of spending into the economy. It shows the direct, indirect and effects of a specific change in expenditure. The above tourism and overseas sector expenditure is considered as an addition to the normal flow of expenditure in the domestic economy. Therefore, multiplier analysis is particularly appropriate for estimating the wider economic impact of sports tourism and overseas sector expenditure.

Using multiplier analysis, we estimate that these expenditures of €200.8 million generate additional spending of €454.4 million in the economy through direct, indirect and induced effects. These expenditures lead to 2,859 FTE jobs in Ireland, which result in additional wages/salaries of €101.5 million to Irish households. These overseas-sector/tourism-supported jobs create additional Gross Value Added of €188.6 million, which is the tourism/overseas-sector's contribution to the domestic economy. It is, however, important to note that the impact of overseas expenditure in Ireland in terms of employment and GVA is already included in the figures on sport-related GVA and employment presented earlier in Section 4. The GVA and the employment generated by these out-of-state expenditures are found in the sport and non-sport commercial sectors, the voluntary sector and the government sectors, both local and central.

Table 7.3: Contribution of Tourism/Overseas Sector to Irish Economy – Multiplier Impacts - Expenditure, GVA, Employment and Wages – 2008

Type of Impact on Domestic Irish Economy	Value of Impact
Direct spending of sport-related tourism/overseas sector (A) - € million	200.8
Indirect and induced spending (B) - € million	253.5
Total direct, indirect and induced spending ((C) = (A) + (B)) - € million	454.4
Total direct, indirect and induced wages/salaries - € million	101.5
Total direct, indirect and induced employment/FTE jobs	2,859
Total direct, indirect and induced gross value added contribution (GVA) - € million	188.6

Source: Indecon

7.3 The Sports Voluntary Sector and Volunteering in Sport

This study has undertaken extensive new research on the sports voluntary sector and the role of volunteering in sports – aspects of the economic impact of sport which we believe have previously been underestimated.

It is estimated that almost 270,000 people participate in some form of sport-related voluntary activity in Ireland. On an annual basis, it is estimated that approximately 18.3 million volunteer-hours are spent on sport-related activities. The annual value of volunteering in sport ranges between a lower-bound estimate of €322 million annually and an upper-bound estimate of €582 million annually. This underscores the important role and value played by volunteering in Irish sport.

7.4 Government Spending on Sport

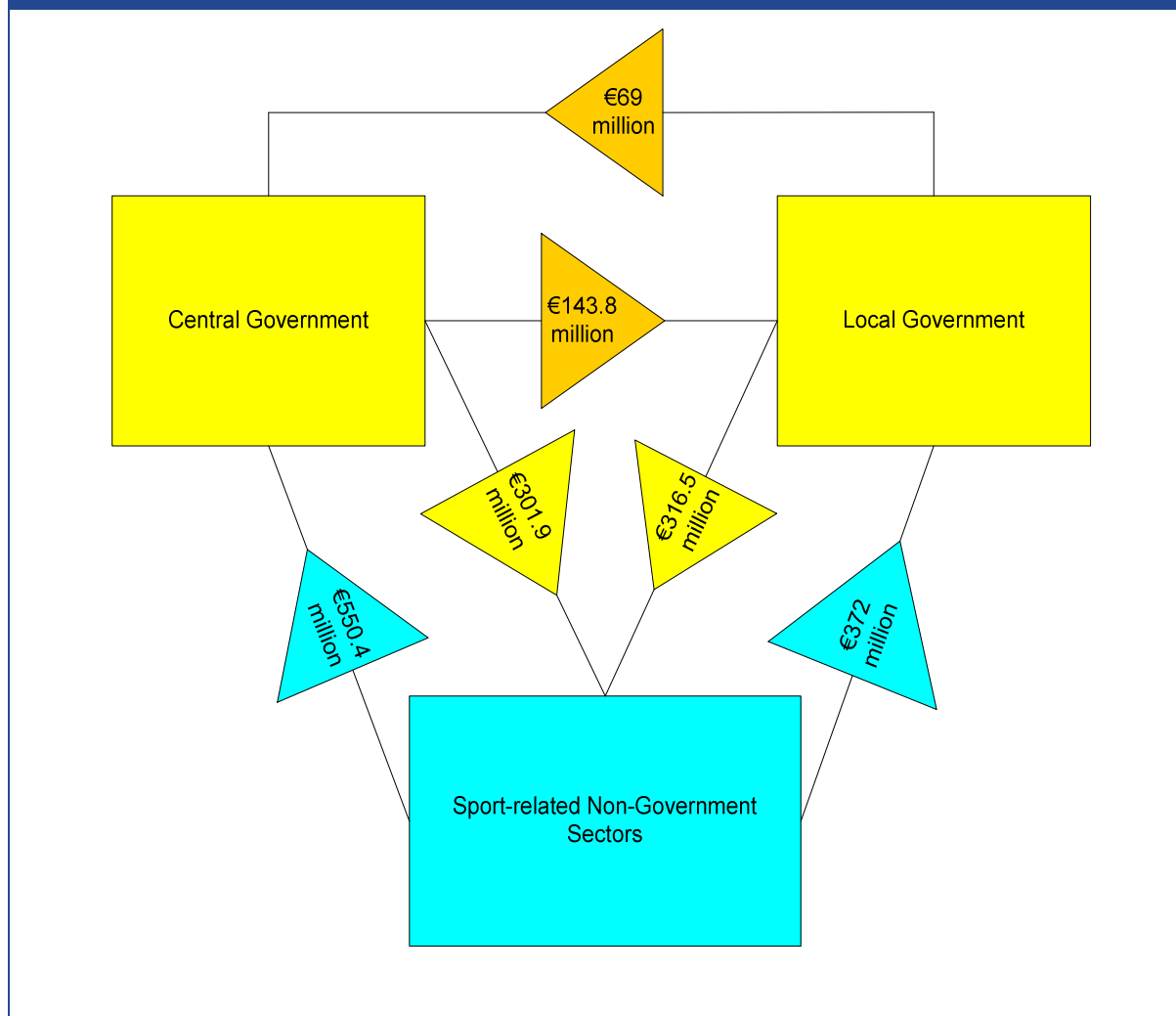
Government investment plays an important role in supporting and driving the wider economic benefits of sport. This assessment demonstrates that there is a very significant return on government investment and expenditure on sport in Ireland.

Based on figures for 2008, it is estimated that overall (central plus local) government expenditure on grants, capital investment and other sport-related expenditures amounted to €618.3 million. However the government sector as a whole received a total of €922.4 million in revenues from taxes on sport-supported expenditures and incomes, in addition to revenues from sports facilities. This implies a net income to the government sector arising from the sport economy amounting to €304.1 million. For every €100 of government expenditure, the government receives approximately €149 back in the form of taxes and other income arising from sport-related economic activity¹⁰.

The government's income from sport consists of taxes, rates and fees from use of public sports facilities. The main items of government expenditure on sport are grants to sports clubs, expenditure on the building and maintenance of sports facilities, and wages and other expenses of sport-related government agencies and semi-state organisations.

¹⁰ The figures €672.8 million and €916.7 million are calculated by summing the central and local government sectors, after cancelling internal relationships between the two. The central government supports total expenditure on sport of €445.7 million, of which €143.8 million goes to the local government and €301.9 million to other sectors. The local government has total expenditure of €385.5 million, of which €69 million goes to the central government and €316.5 million to the other sectors. Total government spending on sport is calculated as the sum of central government expenditure (€301.9 million) and local government expenditure (€316.5 million). Similarly, total government income is estimated as the sum of central government income from sport (€550.4 million) and local government income from sport (€372 million). This is illustrated in Figure 7.1.

Figure 7.1: Government Income from and Expenditure on Sport



Source: Indecon

7.5 Comparative Economic Impact of Sport in Ireland

To what extent do the scale of economic impacts of sport in Ireland compare with those evident in other countries? The table below compares the economic impacts of sport in Ireland in terms of the contributions of sport and sport-related to economy-wide levels of consumer spending, value-added/GDP and employment to the impacts evident in England, Wales, Scotland and Northern Ireland. Caution should be exercised in interpreting the figures presented as the impact of sport-related gambling is included in the figures for all countries except Ireland. The inclusion of gambling typically increases the impacts of sport by 10 to 25%. Given this difference, it is notable that there is broad similarity between Ireland and the different UK administrations in terms of contribution of sport to economy-wide consumers' expenditure and value-added/GDP. However, the contribution of sport to employment is noticeably higher in Ireland, at 2% of economy-wide employment, compared 1.8-1.9% of total employment in England, Wales, Scotland and Northern Ireland. This reflects the more employment intensive nature of Irish sport.

Table 7.4: Comparative Analysis of Economic Impact of Sport in Ireland*

Component of Impact	Sport-related Consumers' Expenditure - % of Total Household Expenditure	Sport-related Value-Added/GDP - % of Total Economy-wide Value-Added/GDP	Sport-related Employment - % of Total Economy-wide Employment
Republic of Ireland (2008)	2.0%	1.4%	2.0%
England (2008)	2.3%	1.5%	1.8%
Northern Ireland (2004)	2.8%	2.0%	1.9%
Wales (2004)	2.3%	1.8%	1.8%
Scotland (2004)	2.7%	1.9%	1.8%
Australia (2004)	1.6%	1.8%	1.0%
Canada (2004)	2.2%	1.2%	2.0%
Switzerland (2005)	N/a	1.8%	2.5%

Source: *Indecon*
 * Figures for countries except Ireland include the impact of sport-related gambling/betting

7.6 Wider Socio-Economic Benefits of Sport

In addition to the direct and indirect economic impacts of sport, there are a number of important wider socio-economic benefits arising from participation in sport and sport-related volunteering. Among the key benefits which this assessment has highlighted include:

- The benefits for well-being through participation in sport;
- The particular benefits for health through increased physical activity;
- Through sustaining a healthier population, sport reduces the costs of the health service;
- Increased productivity with associated economic benefits;
- Community benefits, including the contribution to social capital and social cohesion arising from participation and volunteering more generally;
- The wider impacts on the Irish population arising from investment in success of elite sport, incentivising further participatory and community-related benefits; and
- The financial benefits for the Exchequer through increased economic activity and reduced health service costs.

7.7 Overall Conclusions and Policy Implications

This assessment highlights the very significant contribution provided by sport to the Irish economy. It also demonstrates the vital role played by sport in supporting the development of social capital and in contributing to the health and quality of life of the Irish population. Importantly, the assessment also demonstrates that there is a very significant net overall return on government investment in sport in Ireland. A number of implications for government policy on the development of sport in Ireland and recommendations for future research in this area arise from the detailed work undertaken as part of this study, which are summarised in the table below.

Table 7.5: Implications for Policy and Research

Implications and Recommendations
1. The very significant contribution of sport in the Irish economy, in terms of spending, output and particularly employment supported, has not been fully acknowledged and should be highlighted to policy-makers and the wider population
2. The vital role played by sport and sport-related volunteering in supporting the development of social capital and local communities, and contributing to the health and quality of life of the Irish population must also be highlighted
3. It is important that government policy takes into account the important finding of this study that government investment in sport generates a strong positive return for the Exchequer, while participation in sport also reduces the risk of obesity and lifestyle-related costs facing the health service
4. There are deficiencies in both the collation and dissemination of data/information at the level of individual sports and sporting organisations in Ireland that should be addressed as part of the ongoing development of information systems. This should include an annual census of sports clubs and associations across all National Governing Bodies
5. Further research is required in relation to the economic and other benefits of sport at regional and local level in Ireland
<i>Source: Indecon assessment</i>

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Annex 1 Survey of Sports Clubs – Questionnaire

CONFIDENTIAL INFORMATION REQUEST TO SPORTS ORGANISATIONS RE ECONOMIC IMPACT OF SPORT

We would be very appreciative if you could assist in providing the information/data requested below on your organisation. Information/data provided will be treated as Strictly Confidential, will be aggregated in anonymised form along with the responses received from other sporting clubs/leagues and will be used only for the purposes of this research study for the Irish Sports Council. Please e-mail your completed response for the attention of William H. Batt at Indecon Economic Consultants, which is undertaking this study for the Sports Council, at e-mail: whbatt@indecon.ie, or alternatively please fax your response for the attention of William H. Batt at (01) 6777417 or post to William H. Batt, Indecon Economic Consultants, Indecon House, 4 Fitzwilliam Place, Dublin 2. We are very grateful for your assistance on this study, which will have important implications for the awareness of the economic importance of your sport and of other sports, and for Government decision-making on the funding of sports.

Background Information

- Please indicate the number of registered members in your club/league in 2009: No. of registered members in 2009: _____
- Please indicate the number of persons which your club/league currently employs (on a paid basis):
No. of Full-time persons in 2009: _____ No. of Part-time persons in 2009 (i.e. working less than 25 hours per week): _____

Organisation Income and Expenditures

- Please indicate the amount of **income** received by your club/league in 2008 and in 2005 under the following income headings:

Income*	2008 - €	2005 - €**
Players'/Members' subscriptions and match fees		
Event admission fees/gate receipts		
Hire of equipment to players/members		
Advertising and Sponsorship		
Lotteries & raffles; gaming machines		
Bar and Restaurant/catering receipts		
Other – all other non-grant income		
Sub-total – Non-Grant Income (above categories)		
Grants (e.g. from National Governing Bodies, Sports Council, Central or Local Government)		
Total Income		

* Some of the above categories may not match directly with the categorisations used in your accounts. However, please provide data on the closest matching categories

** Please also provide data for 2005, if available. However, data for 2008 (or latest year available) is of primary importance

4. Please indicate your club/league's total **current/ongoing expenditure** in 2008 and in 2005 under the following expenditure headings:

Current/Ongoing Expenditures*	2008 - €	2005 - €**
Wages & Salaries		
Grounds hire and rents		
Local Authority Rates		
Equipment (e.g. hire of sports equipment or other equipment)		
Utilities (e.g. Heat & Light, Telephony/Communications etc.)		
Bar supplies and Restaurant/Catering supplies		
Other – all other current expenditures		
Total Current/Ongoing Expenditure		

* Some of the above categories may not match directly with the categorisations used in your accounts. However, please provide data on the closest matching categories

** Please also provide data for 2005, if available. However, data for 2008 (or latest year available) is of primary importance

5. Please indicate the average amount which your club/league has spent in relation to capital expenditure on building construction and equipment over the last three years: capital expenditure – 2006-2008, average annual - €:

Annex 2 Details re Sports National Governing Bodies, Club and Membership Numbers

Club/Organisation Membership in Ireland - 2008			
National Governing Body	No. of Clubs by Sport	Estimated Members	Average Club Size - Members
Amateur Karate Association of Ireland	74	6,528	88
Angling Council Of Ireland	367	20,000	54
Athletics Association Of Ireland	266	49,117	185
Badminton Ireland	378	13,897	37
Basketball Ireland	223	16,500	74
Baton Twirling Sport Association of Ireland	21	951	45
Bowling League Of Ireland	31	2,343	76
Camogie Association	409	71,200	174
Cerebral Palsy Sport Ireland	19	305	16
Gaelic Handball Council	52	5,406	104
Cricket Ireland	8	222	28
Croquet Association of Ireland	1,908	550,000	288
Cycling Ireland	139	4,535	33
Football Association of Ireland	2,454	250,125	102
Gaelic Athletic Association	145	9,486	65
Golfing Union Of Ireland	329	166,419	506
Horse Sport Ireland	450	25,996	58
Horseshoe Pitchers Association Of Ireland	51	612	12
Irish Amateur Archery Association	30	510	17
Irish Amateur Boxing Association	211	10,550	50
Irish Amateur Rowing Union	55	3,537	64
Irish Amateur Weightlifting Association	18	507	28
Irish Amateur Wrestling Association	13	830	64
Irish American Football Association	20	985	49
Irish Blind Sports	14	393	28
Irish Canoe Union	85	6,220	73
Irish Clay Pigeon Association	35	1,075	31
Irish Deaf Sports Association	6	322	54
Irish Fencing	26	1,722	66
Irish Gymnastics Limited	84	6,826	81

Source: Indecon

Club/Organisation Membership in Ireland – 2008 - Continued

National Governing Body	No. of Clubs by Sport	Estimated Members	Average Club Size - Members
Irish Hockey Association	109	23,239	213
Irish Judo Association	41	894	22
Irish Ladies Golf Union	318	49,822	157
Irish Martial Arts Commission	238	13,000	55
Irish Olympic Handball Association	12	3,221	268
Irish Orienteering Association	21	2,464	117
Irish Road Bowling Association	96	2,964	31
Irish Rugby Football Union	167	62,596	375
Irish Sailing Association	104	25,391	244
Irish Squash	40	1,786	45
Irish Surfing Association	14	2,758	197
Irish Table Tennis Association	65	2,171	33
Irish Taekwondo Union	24	590	25
Irish Tenpin Bowling Association	20	2,568	128
Irish Tug Of War Association	58	560	10
Irish Underwater Council	69	2,468	36
Irish Waterski Federation	10	2,026	203
Irish Wheelchair Association	76	2,174	29
Ladies Gaelic Football Association	778	117,514	151
Motor Cycling Ireland	40	4,780	120
Motorsport Ireland	36	6,892	191
Mountaineering Ireland	112	9,308	83
National Community Games	670	38,340	57
Pitch & Putt Union of Ireland	118	10,309	87
Racquetball Association Of Ireland	28	1,910	68
Shooting Sports Association Of Ireland	37	3,745	101
Snooker & Billiards Association	43	500	12
Special Olympics Ireland	368	9,443	26
Speleological Union Of Ireland	17	179	11
Swim Ireland	105	10,130	96
Tennis Ireland	138	49,620	360
Triathlon Ireland	46	3,548	77
Volleyball Association Of Ireland	39	1,000	26
Total	11,978	1,695,029	142

Source: Indecon

Annex 3 Methodology – Consumers’ Expenditure

Consumer expenditures are the main drivers of the model, impacting as they do on every sector of the economy and amounting to over €1.9 billion per annum. We estimated sport-related consumer expenditures primarily using official CSO sources, particularly the Household Budget Survey (HBS), and where gaps existed, we utilised data from the sources listed in section 1.

In general, we used the State-level average weekly expenditure per household in 2005 from the HBS, and multiplied this by the total number of households in the State in 2005 (1,441,564). To bring the consumer expenditure to 2008 levels, we grew the amounts forward by expenditure growth from 2005 to 2008 shown in the National Accounts for each category of expenditure. Where it was necessary to estimate the sport-related content of a HBS category, we used an integrated approach which combined data from various sources as described in the table below.

Categories of Sport-related Household/Consumers’ Expenditure		
1	Spectating: admissions	100% from HBS
2	Participation: admissions	100% from HBS
3	Subscriptions to sports clubs	100% from HBS
4	Subscriptions to fitness clubs	Industry Estimate
5	Sport lessons	100% from HBS
6	Voluntary club raffles and gaming machines	Voluntary Clubs Survey - Income
7	Donations and fundraising	Voluntary Clubs Survey - Income
8	Sports and recreational goods	100% from HBS
9	Hire of sport goods	Voluntary Clubs Survey, combined with Local Authority provision of swimming pools and 40% of parks and recreational centres
10	Bicycles	100% from HBS
11	Yachts	100% from HBS
12	Sports clothing	100% from HBS
13	Sports footwear	16% of total footwear from HBS
14	Repairs and laundry	2% of repairs and 10% of laundry from HBS
15	Domestic sport event travel	2.8% of domestic travel
16	International sport event travel	2.3% of international travel
17	Rail	0.03% of domestic travel and 0.2% of international travel
18	Books & magazines	6% of books and magazines from HBS
19	Newspapers	15% of newspapers from HBS
20	Rent for TV/VCR/DVD players	6% of rent from HBS
21	TV: licence fee	14.7% of licence fee from HBS – based on RTE’s sports budget as percentage of total expenditure
22	Purchase & rental of video cassettes, DVDs	5% of purchase and rental from HBS
23	Satellite TV packages	15% of satellite TV from HBS
24	Communal TV subscription	15% of communal TV from HBS
25	Internet Subscription	15% of 15% of subscriptions from HBS
26	School fees (primary and secondary)	3% of fees from HBS (Henley centre used 1.7%)
27	University tuition fees	1% of fees from HBS
28	Dance instruction	33.3% of music/dance/language instruction from HBS

Source: Indecon