The economic value of social benefits provided by community club sport

A joint project by the Australian Sports Commission and the Griffith Business School at Griffith University, Queensland. From the project report “Economic value of community club-based sport in Australia.”

The why
The literature on social benefits from sport has a substantial history, but attempts to measure and value these benefits have been limited.

The what
The Australian Sports Commission, together with the Griffith Business School at Griffith University, developed a valid model that provides an economic estimate (in Australian dollars) of the broader social benefits associated with the provision of, and participation in, club-based community sport to Australians.

The values presented are called income compensation values. They represent a theoretical value that would be needed to compensate the sport participant if he or she was unable to take part in sport and would not maintain the same level of subjective well-being or social capital.
The how

We looked at social benefits from sport participation (using a nationally representative sample of Australian residents 15 years and older) in terms of subjective well-being and social capital. These benefits and their economic value are summarised below:

Subjective well-being

That is:
> ‘Life satisfaction’ (how satisfied are you with your life nowadays);
> ‘Experienced well-being’ (how happy did you feel yesterday);
> ‘Meaningfulness’ (how worthwhile are the things that you do in your life).

$\text{\textbf{Life satisfaction}}$

$\text{\textbf{\$26.4 billion}}$

(or $\text{\textbf{\$8,385 per individual}}$)

$\text{\textbf{Meaningfulness}}$

$\text{\textbf{\$20.7 billion}}$

(or $\text{\textbf{\$6,570 per individual}}$)

Experienced well-being

$\text{\textbf{\$30.9 billion}}$

(or $\text{\textbf{\$9,825 per individual}}$)

Social capital

Given the many dimensions of social capital, an average value of social capital was obtained by averaging across the values for seven variables:
> ‘Community engagement’ (I have taken part in a local community project in the last 12 months or not) (I have volunteered for local community organisations or causes in the last 12 months or not) (I have been an active member of local community organisations in the last 12 month or not);
> ‘Personalised trust’ (I feel safe walking in my local community after dark);
> ‘Generalised trust’ (I think that most people can be trusted);
> ‘Community identification’ (I identify with my local community);
> ‘Reciprocity’ (If there was a serious problem in my local community, the people here would come together to solve it).

$\text{\textbf{\$18.7 billion}}$

(or $\text{\textbf{\$5,932 per individual}}$)

*The total annual value of the two social benefits of (at least once a week) community club-based sport participation taking into account an estimate of 3.1 million club sport weekly 15 years and older participants (AusPlay 2016).

It is clear that subjective well-being generates the highest economic value followed by social capital.

There is an overlap between subjective well-being and social capital. This is also true among the three subjective well-being measures. Because of this we cannot add the estimates to get a total economic benefit.

Regardless:

“The income compensation values are high, adding to the evidence of the overwhelming value of sport to the Australian community.”

Throughout the analysis (and consistent with other international studies), organised (club-based community) sport generated higher values of subjective well-being and social capital than other sport participation, and much higher values than non-participation. It can therefore be concluded that:

“More Australians participating in organised sport will generate higher values of subjective well-being and social capital (than otherwise).”