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Australian Sports Commission

Subject
**Review of Junior Sport Framework
Draft Briefing Paper: Cost of
Participation**

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Title

Junior Sports Framework Review – Draft Briefing Paper Topic: Cost of Participation

Author's Declaration

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Junior Sport Framework (JSF) Project

The Cost of Participation

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1. BACKGROUND

This briefing paper reviews the evidence base for the cost of junior sport participation, specifically what is known of the true costs of participating in junior sport and the impact of these costs on sport participation by children aged 5 to 17 years. It draws on a number of empirical studies from around the world and a limited number of previous reviews of this topic undertaken by agencies such as Sport England and an Independent Task Force commissioned by the Victorian State Government. It identifies what is not yet known of the costs of junior sport participation and their effect on participation rates. It concludes by providing some advice to the Australian Sports Commission.

2. WHAT WE KNOW

2.1 What is the true cost of participating in junior sport?

There is very little substantive published research that has, in whole or in part, sought to identify the true costs incurred by junior aged sport participants. One of the first research attempts was by Lamb et al. (1992) who included 16 to 24 year olds in their study of expenditure by people of all ages on specific sports and general sport activity in the UK. They concluded that overall, males spent more money on sport than females, but the limitations of their study design prevented them from analysing relative expenditures, in other words, what portion of personal or family income or expenditure was spent on sport participation.

A study conducted by Kirk et al. (1997, p.27) was the first Australian study that attempted to measure the financial commitment made by families in supporting their children's involvement in sport, specifically the:

- direct and indirect costs to parents and children and adolescents, including travel, uniforms, coaching, and equipment;
- social effects of financial costs associated with junior sport participation; and
- financial barriers and limitations experienced by families to further participation of children and adolescents in junior sport.

In relation to annual spending on junior sport, Kirk et al. (1997) concluded that it varied greatly according to the nature of the sporting activity and was determined by the specific costs for key items such as uniforms, competition fees, travel, coaching, training and equipment. Very few junior sport participants received any sponsorship or subsidisation of these core costs.

This study also found that many parents did not consider such costs as a financial burden and treated them more as an investment in their family's recreation. The additional costs of children being selected to play representative sport were, however, found to be a concern for a considerable number of parents. In some cases these additional costs were so high that parents were unable to pay, thus participants were prevented from taking up these opportunities, a finding supported by a later UK based study by Kay (2000).

Kirk et al. (1997) also found that dual income families often found it easier to meet the financial costs for their children's sport but having both parents at work often made it impossible to actually get them to training or competition. Families on a relatively high single income with one parent at home were also found to be the ones "most likely to contribute to the voluntary administrative, fund raising and coaching tasks that keep clubs afloat" (Kirk et al., 1997, p. 31). Given that families make a substantial contribution to both the direct and indirect costs of their children participating in junior sport, Kirk et al. (1997, p.32) concluded that there were substantial financial barriers to some young people's access to and participation in junior sport.

... there is evidence from this study to suggest that club and representative sport is realistically available mainly to the children of parents who are in reasonably well paid employment [and that] there can be no question, on the basis of the findings of this study, that there remain substantial socio-economic barriers to children's participation in club and representative sport. (Kirk et al.,1997, p.32)

Some 15 years later, there have been no further published Australian studies that have directly sought to identify the true costs incurred by junior aged sport participants. As noted by Hardy

et al. (2010, p.202) “there are no publicly available data on the average cost of children’s sporting activities”.

2.2 The impact of cost on junior sport participation

One of the earliest attempts to explore the effect of price on sport participation (for juniors and adults) was conducted by Coalter (1993). The premise of his study of prices at indoor sport centres was that:

Whatever the motive, a major tenet of public policy for sport and physical recreation has been that price is a major obstacle to participation, and that the policy objective of increased participation can be assisted by the use of subsidized entrance charges. The corollary of this is that participation in sport and physical recreation is price sensitive and that levels will respond to decreases or increases in the cost of entrance (Coalter, 1993, p. 172).

The overall finding from the study was that higher charges had little impact on the aggregated level of use of centres or on the frequency of use by existing users. Further, in the same study, Coalter (1993) found that only 1% of current non-participants in sport centres cited cost as a barrier to participation. He concluded that “for most participants and non-participants [in sport], the costs of the entrance to a range of common sport and physical recreations has a relatively low salience in the decision to participate or not” (Coalter, 1993, p. 180).

As discussed in the previous section, the study by Kirk et al. (1997) was one of the first to explicitly explore the impact of direct and indirect costs of sport on participation by children. Some 12 years later, a further Australian study sought to describe sports participation by adolescents (Olds, et al. 2009). It found, in part, that the rate of participation in sport was lower among adolescents from lower income households compared with adolescents from higher income households. These results support those found in an earlier related study of British secondary school children (Duncan et al., 2002) that children of higher socio-economic status were found to undertake more physical activity than children of lower-socioeconomic status.

The most recent Australian study focusing on the impact of cost on junior sport participation was conducted by Hardy et al. (2010). In their review of the literature, they concluded that parental decisions regarding their child’s participation in organised sports are not solely determined by factors such as attitudes and awareness of health benefits and safety concerns

[Sallis et al., 2000]. Structural and social issues including the cost, availability, accessibility of sporting activities and parent's time constraints may also influence parents' decisions to allow their children to participate in organised sports, yet few studies have examined these factors.

Hardy et al. (2010, p.197) cited the Kirk et al. (1997) conclusions that "for most children, parents need to provide direct assistance for their participation in organised sports including paying for fees, uniforms and equipment, and transportation to and from venues" as the rationale for undertaking their study into the effects of these costs (financial and time) on children's participation in sport.

Hardy et al. (2010, p.199) concluded that "the importance of parent's time as a barrier to children's participation, particularly for parents of younger children in this study, probably not only reflects the time requirements associated with organised sports but also the extent to which many parents are simply 'time poor'". However, "travelling time in this study was not a factor which influenced parents' decision about their child's participation in organised sports" (Hardy et al., 2010, p.202). Unsurprisingly, the most common direct costs for junior sport participants were identified to be sportswear, equipment and entry fees to sporting facilities. The study noted that "replacing children's sports shoes is an unavoidable expense because of children's growth and the wear and tear which occurs; however, uniform costs can potentially be defrayed with the establishment of 'second hand' uniform shops as most children grow out, rather than wear out sports uniforms" (Hardy et al., 2000, p. 202).

The study also concluded that lower financial costs of participation were a determining factor for families of lower income; a finding that also supports that of Aitken et al. (2008) who completed a study of household expenditure on active versus screen (i.e. passive) recreation, and concluded that expenditure varied by income and socio-economic status, and was influenced by cultural and social factors. Similarly, in Wright and Macdonald's (2010) six year study into Australian young people and physical activity, there were many accounts of young people not being able to afford to maintain involvement in organized junior sport or limiting their involvement according to the sharing of resources with siblings.

In their review of participation in sport in England, Sport England (2005, p. 5) identified that "a number of studies reported participant concerns with the cost of joining sporting clubs and fitness gyms" and that perceptions of costs were considered a barrier for participation in sport, especially among people of lower socioeconomic status. Their report noted the potential for the use of fiscal policy, including tax benefits, to increase participation rates.

2.3 What is the cost of delivering junior sport?

The only substantive published work on the cost of delivering junior sport is the Report of the independent task force into the cost of delivering sport and recreation to the Victorian Community (Vicsport, 2001) that was commissioned by the Victorian Government. The Taskforce reviewed the impact of items including insurance and legal costs, water charges and local government pricing policies on sporting organisations. The report concluded that:

- The environment within which sport and recreation services are delivered has changed significantly in recent years.
- The time commitments expected of those responsible for delivering sport have increased while many of the associated costs have also risen significantly. These changes have occurred at a time when traditional methods of fundraising are less effective and local sponsors are more difficult to attract as they seek greater demographic value for their contributions.
- The cost of delivering sport to Victorians is not merely a financial concern. Victorians have long provided these services as part of a lifestyle valuing physical activity and the social benefits associated with sport and recreation.
- As the demands on those delivering sport increase, the support offered to them by the participants and their network of family and friends is decreasing. The financial impact of insurance, water charges, statutory requirements and legal costs ranges from significant to devastating.
- Sporting and recreational organisations are seen to have a responsibility to the broader community as a service provider; however they are also required to operate as a small business might. While some community organisations have embraced a professional approach, others have been forced to severely reduce the services offered in order to survive.

Arguably, most of these financial pressures are still faced by sport organisations in relation to delivering safe and enjoyable sporting opportunities to junior aged participants.

3. WHAT WORKS

Hardy et al. (2010, p. 197) recommended that government and sport organisations needed to do more to promote access, particularly for youth from lower-income families and communities, through:

- reducing participation costs,
- increasing variety,
- introducing sport libraries which allow children to borrow sporting equipment.

In an attempt to mitigate the financial burden of junior sport participation on families the Canadian Government implemented a Children's Fitness Tax Credit (CFTC) in 2007, which allowed a non-refundable tax credit of up to \$500 to register a child in an eligible physical activity (PA) program. Spence et al. (2010, p. 5) assessed the impact of this policy on Canadian families and concluded that:

Household income is an important determinant of whether Canadian children engage in organized PA [physical activity] and whether their parents are aware of and claim a tax credit to subsidize this participation. Basically, families at the lower end of the income continuum cannot afford the costs associated with organized PA and are less likely to be able to take advantage of a tax credit. If other countries and jurisdictions wish to implement a similar tax credit to encourage PA, then some consideration should be given to preventing the potential inequities that may arise. Though children may not be able to make rational choices about participation in PA...parents and governments do have influence over the environments in which these opportunities may exist.... Therefore, it is important that programs and policies that are implemented with the intent to encourage PA of children do not favor those who are already in an advantaged situation.

A further study by von Tigerstrom et al. (2011, p.14) supported these findings and also concluded that:

Even carefully designed tax based measures have structural limitations. For example, delays in receiving the benefit are inherent to income tax-based incentives, and neither income tax nor sales tax lend themselves to targeted programs so that they risk being both under inclusive and over inclusive in scope. The estimated costs of the tax-based

programs in Canada are substantial; therefore, it is important to consider whether those public funds are better spent on other strategies that could instead provide direct public funding to improve recreational facilities and active transportation networks or to enhance physical activity programs in schools.

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4. WHAT WE DON'T KNOW

As suggested, little is known about the costs of participating in or providing junior sport opportunities in Australia. Consequently, there is a dearth of knowledge in relation to the following issues and questions.

- The direct costs of both provision and consumption for specific sports for junior aged participants across Australia.
- The quantum and nature of the indirect costs of involvement in junior sport for families and care givers in terms of things such as travel time, volunteer support, opportunity costs, etc.
- The specific nature of the direct and indirect costs that represent a barrier to participation for specific sports for different people.
- The potential impact on junior participation rates of lowering the direct or indirect costs of participation – i.e. the nature of latent demand for junior sport that could be met by lowering costs.
- What are the effective subsidization models that could be utilised to lower the direct costs of participation in junior sport?

5. ADVICE TO THE ASC

There is a lamentable lack of evidence to support the development of comprehensive policies and initiatives in relation to the cost of junior sport.

The Australian Sports Commission should consider:

- Commissioning an independent study of the costs of junior sport participation in Australia aimed at investigating the issues listed in the previous section.
- Explicitly measuring junior sport participation rates to monitor the effect on participation of any future policies targeted toward the costs of participation.
- Along with state/territory departments, continuing to provide grant support and funding to sport organisations and individuals to support the involvement of children in junior representative sporting teams and events.

Sporting organisations should consider:

- Establishing a sport equipment and uniform “library” to defray the costs of purchasing equipment and uniforms.
- Assisting with the coordination and subsidy of travel.
- Actively seeking grants and subsidies to maintain costs at minimum levels.
- Providing flexible participation arrangements such as shorter seasons of training and competition.

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