



## Policy Brief 8

Niagara Community Observatory

# More than Fun and Games: Sport's Contribution to Niagara's Economy and Community Wellbeing

Sport participation is an important part of living in Niagara. It's difficult to miss the player and spectator-filled soccer fields, lawn bowling greens, golf courses, and baseball diamonds on a summer's evening. Children play, parents congregate, seniors socialize, and volunteers contribute: all through community sport. For many of Niagara's residents, sport is their source for friendships, purpose, and meaning.

The Niagara region encompasses over 250 community sport organizations (CSOs) that deliver sport programs to an estimated 100,000 children, adults and senior citizens. Local CSOs host over 150 small to medium-size sporting events annually that are central to positioning the Niagara region as one of Ontario's choice sport destinations for tournaments, competitions, and multi-sport games.



Thousands of volunteers make huge contributions to their community by coaching, officiating, and administering sport programs, yet CSOs are chronically under-funded and struggle for resources and institutional support. As a population of organizations, local sport leagues operate in a "kitchen table" fashion that is largely dependent upon the goodwill of parents and local business to support their efforts to deliver sport programs. Accessing resources such as funding, facilities, and equipment consumes valuable volunteer hours; this is time beyond that spent coaching or officiating sport programs.



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### ► Benefits of Community Sport



The promise of sport as an economic engine has been widely recognized across Canada and

beyond. In 2006, sport's economic impact in Canada reached over \$15 billion (Conference Board of Canada, 2005). Sport tourism, the fastest growing segment of the sport industry, generated over \$2.8 billion in 2005 alone (Conference Board of Canada, 2005). Research conducted between March and August 2009 was undertaken to gauge the economic impact of Niagara's sport events in 2009 and reached out to over 230 sport clubs in the region using telephone or on-line surveys to determine what events were being hosted in the region, the number or participants attending, and the duration of the events among other questions. The data from the 73 clubs that responded to this survey were analyzed using the Sport Tourism Economic Assessment Model (STEAM) developed by the *Canadian Sport Tourism Alliance*. The results of this research estimated that the economic impact of the events hosted by Niagara's sport clubs included in this research in 2009 was over \$7 million.

Beyond the economic contribution of sport event hosting, community sport provides health and social benefits to the residents of Niagara.

Yet, the benefits of sport participation for Niagara's children in particular extend beyond those associated with reducing chronic diseases such as diabetes, heart disease, and cancer through early life participation in physical activity.

#### Case Example:

Each year, the Niagara AcroCats hosts two events that bring over 800 gymnasts and their families, coaches, and judges to Niagara for at least three nights. The direct economic benefit to the hotels and restaurants is over \$120,000 with the multiplier that encompasses taxes and revenue to restaurants and local retailers this economic impact is approximately \$305,202. Yet, this volunteer-led group struggled to secure gym space to host the event and received no support from local business despite over 150 requests for in-kind donations for prizes. "Sport clubs struggle to attract corporate sponsors" says Stephanie Mallett, chairperson of the Niagara AcroCats. Mallett emphasizes that sport events pay dividends for our hotels, restaurants, and attractions, "but a coordinated effort is needed to ensure longer-term benefits for our local economy and for the children who participate in sport." This event exemplifies the contributions sport organizations are making not only to Niagara's economy, but also to its children and families.



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Sport is also recognized as a means to build children's cognitive and social abilities; to enhance their academic achievements, to prevent youth crime and gang involvement, and to teach positive values and life skills. The involvement of young people in sports leads to positive transitions from adolescence to adulthood, and creates feelings of empowerment. Young athletes are less likely to smoke, use drugs, or engage in sexual activity (True Sport Report, 2010).

Recognizing sport as both an economic engine to create new jobs, to attract new business, and to secure Niagara as Ontario's most liveable region will take leadership, strategic planning, and political will.

### ► Challenges of Providing Community Sport in Niagara

The professionalization of sport, including community sport, has created an increasingly centralized, specialized, and standardized structure from which to operate resulting in silos of sport-specific organizations.

A goal of the most recent *Canadian Sport Policy* (Sport Canada, 2002, p.19) is to “increase collaboration, communication, and cooperation amongst the partners in the sport community, government and the private sector, which, in turn, will lead to a more effective sport system.” For example, linkages among sport organizations are acknowledged as a means to access tangible resources such as facilities, funding, insurance, and technology, together with intangible resources such as expertise, knowledge and political power for lobbying. Yet, community sport clubs are



often unaware, unwilling or unable to implement many strategies associated with increasing coordination among providers even though strategic rationales for same-sport collaboration include access to funding, jointly hiring staff, shared training opportunities, and enhanced program delivery (Shaw & Allen, 2006).

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Efforts to deliver high-quality programs to the residents of Niagara cannot be undertaken in isolation from key resource providers in the Niagara region.

In an effort to understand this issue, a Sport Canada research project was undertaken by Professors Laura Cousens, Martha Barnes and Joanne MacLean using surveys and interviews with over 23 local



sport clubs to identify the nature of collaboration in Niagara. More specifically, reasons for linkages in this study included links to share information, resources, marketing, and fundraising – all activities related to providing community sport.



Results confirm a fragmented network of sport providers suggesting that many organizations are working independently rather than fully exploiting opportunities for collaboration with other organizations. While there was some evidence that information and resource sharing occurred among community sport groups, marketing and fundraising linkages were not apparent. This suggests that sport groups operates autonomously despite the strategic financial benefits of collaboration.

Reasons for this lack of cooperation include the need for control over decision making, the lack of specialized staff to manage partnerships, the lack of initiative to forge new relationships and secure buy-in from club administrators, and rivalry among clubs for scarce resources, including athletes, facilities, and sponsors. We were able to identify facilitators and barriers to collaboration related to community sport in the Niagara Region.

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### Facilitators of Collaboration Among Niagara CSOs

While it is important to recognize that a trigger event (either a crisis or opportunity) often spurs collaborative action, various factors were found to encourage collaboration between community sport groups. These included:

- Having an individual who could champion the collaboration
- Developing managerial competencies (i.e. conflict resolution) to manage relationships between partners
- Acknowledging a growing awareness of shared constraints between community sport groups
- Creating a culture of collaboration over time
- Engaging in successful joint activities (e.g. shared facility use, shared marketing strategies, joint programming)

### Barriers to Collaboration Among Niagara CSOs

While there was evidence of collaboration among Niagara community sport groups, the barriers to collaboration were often more reflective of the challenges associated with delivering sport to Niagara residents. In particular, the barriers included:

- Adhering to traditional practices and beliefs that see CSOs working in isolation from other organizations
- Fear of long-term resource (i.e. facilities, equipment) commitments.
- Rivalry among clubs for resources such as athletes, facilities, and sponsors.
- Power imbalances among potential partners (i.e. competing CSOs).
- Lack of formal organizational structures (e.g., specialized personnel, top-down decision making) to manage inter-organizational collaboration. As mentioned, much of the sport offering in Niagara is operated by volunteer run associations.
- Community sport organizations' reliance on informal and social relationships rather than formal linkages.



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### ► Fueling Niagara's Economy Through Sport

Understanding the economic impact of sport events and sport programs is central to creating sustained sources of revenue for Niagara's sport clubs, and to fueling Niagara's tourism industry. Sport events bring visitors to the region who fill Niagara's hotel rooms, restaurants, and attractions, yet little is known about the distribution of the revenue from these events. Mechanisms that ensure that the resources needed to host these events, and share their economic returns with sport clubs, are needed.



In an effort to capture the economic impact of large (international), medium (national or provincial championships) and smaller (community tournaments) events in the Niagara Region, the *Niagara Sport Commission* and the *Welland International Flatwater Centre* conducted economic impact assessments of seven sport events hosted during the summer of 2010. Surveys were distributed to athletes and spectators attending each of these events by a team of trained researchers. The data gathered from the surveys was analyzed using the *Sport Tourism Economic Assessment Model* (STEAM) software program (see Table 1). The results of the research revealed a total economic impact of \$8,351,998. The cities that hosted the seven events received a direct economic impact totaling \$5,530,924, with over \$350,000 in taxes shared among the host municipalities. Furthermore, 75 full-time jobs were created in the Niagara Region as a result of hosting these seven events.

Table 1: Economic Impact of Seven Sport Events in Niagara (Summer 2010)

	FISA World Masters Regatta (St. Cath)	Commonwealth Rowing Regatta (Welland)	Ontario Gymnastics Championships (St. Cath)	Teddy Bear Tournament (Niagara Falls)	Twenty Valley Niagara Wine Country Run (Lincoln)	Canadian Biker Buildoff (Welland)	Greg Campbell Memorial Lacrosse Tournament (Welland)
Initial Expenditure	\$2,426,998	\$449,782	\$201,885	\$197,993	\$182,189	\$88,942	\$63,937
Economic impact on the province	\$5,331,572	\$999,849	\$437,426	\$431,045	\$799,681	\$204,525	\$147,890
Economic impact on host city	\$3,667,457	\$681,806	\$305,202	\$286,267	\$354,754	\$136,298	\$99,140
No. of full-time jobs generated	59.6	9.1	3.6	3.9	9.3	1.7	1.3
No. of jobs in host city	51.6	6.8	2.9	3.1	8.2	1.3	1.1
Taxes generated:							
Federal:	\$512,967	\$94,207	\$42,670	\$18,039	\$115,188	\$41,337	\$14,602
Provincial:	\$428,232	\$71,120	\$34,492	\$18,556	\$84,048	\$19,485	\$11,771
Municipal:	\$225,637	\$28,608	\$68,489	\$7,163	\$37,853	\$15,204	\$6,141

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Additional research exploring Niagara's local sport economy will illuminate not only the economic impact of sport events and clubs, but will also allow for strategies to ensure that sport clubs benefit financially from their contribution to the local economy. This research will also facilitate the development of programs that enable local business in tourism and beyond to invest in sport as a means to enhance their profitability. Increased coordination and integration across Niagara's sport organizations, and between sport and tourism organizations, are also needed.

The Niagara Sport Commission (NSC) is working with Niagara's sport clubs to create partnerships, committees, inter-locking boards of directors, and communications tools that will facilitate collaboration across Niagara's sport clubs and local businesses. The NSC is spearheading efforts to link sport clubs and events using the web-based management system LeagueToolbox. It provides each league and all of their teams with a website, on-line registration, scheduling, volunteer management systems, and e-mail communications with parents and athletes. Sustained sources of revenue from corporate partners, grants, preferred suppliers, and apparel sales are also service extensions of LeagueToolbox. This web-based system eases the administrative burden on volunteers, provides new revenue sources for clubs, and enhances communication and convenience for athletes and their families. This web-based system is also linking sport events with tourism operators in Niagara such as the *Whirlpool Jetboat* and the *Maid of the Mist* among

those businesses that are increasing their revenue through LeagueToolbox and the NSC.

Efforts to coordinate and link local businesses that generate revenue from sport and ensure local sport clubs and events benefit financially from these linkages are central to the programs being launched by the Niagara Sport Commission.

The local basketball, tennis, lacrosse, and football clubs are among many that expend great effort to attract the resources needed to deliver quality programs to the residents of Niagara. Sport clubs need volunteers, training for administrators, coaches, and officials, continued sources of funding, marketing expertise, and technology. Enhancing the capacity of local sport clubs means supporting the thousands of volunteers who deliver sport to Niagara's children, youth, and adults.

Extending opportunities for sport and physical activity is central to Niagara's obesity strategy. A coordinated effort to understand Niagara's local sport economy, to attract corporate partners, to apply for grants, and to recruit and train volunteers are just a few tasks that would support the tremendous commitment demonstrated by the volunteers of Niagara's sport organizations.



### ► The Promise of Sport

This effort is being taken up, in part, by the newly formed Niagara Sport Commission whose mission it is: “to foster the interplay

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between the sport business and community life by establishing a strong cultural identity and economic foundation through sport.”

Similarly, CSOs would benefit from a collaborative approach to event hosting that involves other key beneficiaries of sport event hosting.

Support from local governments for permits and facilities, from police and emergency services, from the local media, and from job creation programs were also identified as key providers of support needed in sport event hosting.

Niagara will also benefit from a shared vision where sport is recognized as a place to build the leaders of tomorrow, as a means to feel part of the community, and as a way to experience the joys of friendship and family. Sport is widely recognized as a tool for community development, to increase safety and reduce crime, to promote health and social inclusion, and to empower individuals to realize their potential. Sport provides opportunities for our youth to develop into leaders, for our employees to develop teamwork, for our children to feel good about themselves, and for residents to feel part of their community.



### ► Conclusion

Sport provides significant economic, health and social benefits to the residents of Niagara. CSOs also instil leadership skills in Niagara's youth, facilitate social inclusion, and strengthen the social fabric of communities. These are central to Niagara's prosperity goals of attracting new residents to the region and fortifying its tourism industry.

Securing Niagara's share of the sport tourism pie means not only attracting larger scale events such as the *Pan Am* or *Canada Games*, but it also means supporting local sport clubs in their efforts to bring regional, provincial and national championships to Niagara. Niagara residents would benefit from a strategic plan for games hosting, one with a regional perspective that acknowledges the resources and needs of each community.

### ► Acknowledgements

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*Note: References are available electronically at [www.brocku.ca/nco/pb08](http://www.brocku.ca/nco/pb08)*