ARE SPORT ACTIVITIES GETTING TOO EXPENSIVE FOR ORDINARY CHILDREN?

Kari Puronaho, Osmo Laitila
Sport Business School Finland/HAAGA-HELIA University of Applied Sciences

Background

Municipalities, business enterprises, children and youngsters themselves as well as their parents are the main actors involved in the sport production processes in sport clubs. The main aim is to convert generated resources into sport activities while covering the costs caused by sport facilities, travelling, business activities, coaching and competitions. The factors behind the sport demand are e.g. the children’s preferences, the parents’ income, the prices as well as the availability, quality and marketing of sport activities. The personal decision of sport participation or non-participation is affected by a complex set of constraints or filters, such as skills, motivation, time available, quality of previous sport experiences, and also the total costs of sport (Rodgers 1977).

Already a decade ago, many sport activities were expensive because of obligatory costs such as sport club fees, travelling, sport clothes, and equipment. Strong positive correlations were found then between the total income of households and the cost of sport, the frequency of activity and the cost of sport, as well as the money spent on sport clothes and equipment and the total costs of sport. These issues were explored by surveying 1,572 households with 6-18-year-old children and youngsters involved in sport activities in sport clubs. (Puronaho 2006)

A recent research (Kansallinen liikuntatutkimus 2009-10) indicates an increase in the demand of sport aimed at children and youngsters, but particularly sport clubs have not been able to develop their production of sport activities quickly enough or in an affordable way. To understand and develop equal opportunities and sport club activities for children and youngsters, it is essential to get information on sport production, the resources available, the costs to be covered, and the development of the costs.

Objectives

The aim of this abstract is to describe the development of sport costs and compare the specific and total costs of 14 different disciplines (football, volleyball, basketball, Finnish baseball, skiing, gymnastics, athletics, indoor bandy, swimming, dancing, riding, golf, figure-skating, and ice-hockey) between the years 2001-02 and 2012-13. The disciplines studied here cover about 85% of all sport club activities in Finland.

Methods

The target group is 6-18-year-old children and youngsters all over the country. The follow-up study started during the autumn 2012 and the data collection will be completed by the end of May 2013. The data analysis (Webropol Statistical Analysis Software) has started with more than 4000 questionnaires that have already been returned, and the provisional results from 6 disciplines are already available. In this study, a distinction has been made not only between indirect and direct costs (Taks et.al. 1994) but also between variable and fixed costs. The direct costs involve e.g. licenses, training and equipment; indirect e.g. travel costs, spectator sport, and special insurances. Fixed costs consist of all the costs one must cover before the activities begin (obligatory costs), and which one cannot influence or make decisions about. Obligatory insurances, rents or membership fees are normally fixed costs. All the other costs are variable costs.

The study addressed questions related to sport activity, the resources available and used, the costs to be covered, the nature of markets, the pricing and availability of sport activities, the factors affecting the selection of sport activities and events, the costs of activities, the maximum and minimum costs of different sport events and their recent cost change, and in the end, the total costs related to the quality of services gained. Furthermore, one of the targets of this study is to find out the means to reduce the sport costs and the ways how NSOs, sport clubs or even the parents have managed to do it during the last years.

Results and conclusions

The provisional results show that the total costs of sport have increased remarkably. The sport consumers have also noticed the trend of increasing prices caused e.g. by professionalization of clubs (increasing labour costs) and higher rents of sport facilities. The experienced service quality has also improved and, in most cases, the ratio between the total costs and the quality of services seems to be at least bearable. However a lot of concrete acts are needed especially from public sector, national sport organisations as well as sport clubs to stop this partly very dangerous development.

References