

## Economic value of community club-based sport in Australia

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Synopsis:

This paper reports the first attempt to put an economic value on the social benefits generated through participation in community club-based sport

Abstract:

Introduction

Sport is widely perceived to generate social benefits. These include individual impacts: improved physical health and fitness, increased subject well-being, and increased educational performance; and broader community impacts such as increased social capital and reduced crime and anti-social behaviour. While the links between sport participation and social benefits has generated a substantial literature, attempts to measure the economic value of such benefits has received less attention. This is the subject matter of this paper.

Aim and objectives of the study

Aim

The aim of the study is to develop a valid model that will provide an economic estimate (i.e. dollar value) of the broader social benefits associated with the provision of, and participation in, community club-based organised sport to Australian society.

Objectives

The specific objectives are:

1. To define and identify what is meant by club-based organised community sport in Australia;

2. To identify the range of social benefits resulting from participation in and engagement with club-based community sport;
3. To carry out a literature review to identify existing economic models that could be used to measure the economic value of these social benefits;
4. To identify to what extent these social benefits could be measured from existing literature and secondary data analysis;
5. To identify what the remaining gaps that exist for measuring full range of social benefits associated with club-based community sport in Australia and to fill these gaps through primary data collection and data analysis.

#### Literature Review

In relation to the social benefits identified in the literature review, which was completed in 2014 (Gratton et al, 2014), it was concluded that:

- Out of all the social benefits of sport the improved health benefits associated with sports participation are the most well evidenced and widely accepted across the world. It is clear that such benefits can be estimated economically from existing literature and secondary data analysis.
- In the relationship between sport and well-being, recent research has shown a strong relationship and also provided the methodology for putting a valuation on the benefits of sport to subjective well-being (SWB). However, there are only to date a limited number of studies in this area.
- The evidence on the effect of sport on criminal and anti-social behaviour is quite mixed and largely comes from studies of intervention programmes targeted at at-risk young people rather than the general population or a specific population such as those taking part in community club-based sport.
- Although the weight of evidence from USA studies shows that sport can increase educational performance this evidence has not been replicated for most other countries and there are no studies that attempt to put a monetary value on such benefits.
- A wide range of studies from across the world provide strong evidence of a positive association between sport and social capital and that this benefit is particularly relevant for community club-based sport.

It was decided therefore that the study would concentrate on putting an economic value on the health, SWB and social capital benefits from sport.

#### Methodology, research design, and data analysis

The health benefits can be estimated from secondary analysis of existing data and this part of the research is not covered in this paper. The SWB and social capital benefits will be estimated from primary social survey data collection. The data will be collected in two stages. The first stage uses a broad range of questions to measure social capital and one question to measure subjective well-being on a social survey with a sample size of over 1,000. This survey will be used to estimate a first round estimate of the economic value of subjective well-being and social capital benefits from community club-based sport. The estimates of the monetary value of these benefits uses the income compensation approach as described in Marsh et al (2010). This first stage is the subject of the present paper.

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The first stage results will then be used to refine the social capital questions to a smaller set of questions to be added as a module to the Australian Sports Commission's National Sports Participation Survey with a sample size of over 5,000. This data will be collected in late 2015 and the final results for the whole project will be produced in early 2016.

#### Results

The field work for the first stage will be carried in April-May 2015 and the results produced in June-July 2015 and these results will be reported at EASM2015.

#### References:

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Marsh, K., MacKay, S., Morton, D., Parry, W., Bertranou, E. & Sarmah, R. (2010). Understanding the drivers of engagement in culture and sport: technical report. DCMS: CASE.