



the
Economic
Impact
of sport
in Northern Ireland

Introduction

Sport makes a significant contribution to the economy of Northern Ireland. This factsheet summarises this contribution, principally in terms of employment, consumer expenditure and wealth created.

Results presented are taken from the Economic Impact of Sport in Northern Ireland, a Sports Council commissioned report produced by The Henley Centre, London.

Copies of this report are available from the House of Sport - address on back page.

The report contains details of the methods used to collect information, including dedicated surveys, and of the framework used to order the information collected.

This factsheet provides a snapshot of the importance of sport in the local economy. Ultimately, through the provision of such information, the Council aims to improve the development of sport through influencing strategic and operational management.

Sport-related income and expenditure

The flows of income and expenditure within seven identified sectors of economic activity are set out in Table 1. The seven sectors of economic activity are based on the system of national accounts. For purposes of analysis Commercial sport is separated from Commercial non-sport. These terms indicate flows of money. For example sponsorship/advertising revenues which football clubs receive from manufacturers of alcoholic products represents a flow to commercial sport from commercial non-sport. The overseas sector, or external sector, is that outside of Northern Ireland. In general, expenditure in one sector appears as income in another and vice-versa.

The flows of income and expenditure highlight the pervasiveness of sport-related value-added throughout the economy.

Table 1 Sport-related income and expenditure flows in Northern Ireland

Sector	Income	(Million, 1989 prices)
		Expenditure
Consumer	52	184
Commercial Sport	77	70
Voluntary *	19	14
Commercial Non-Sport	59	51
Central Government	54	21
Local Government	16	29
'Outside the Area'	100	3

* Includes net bar receipts; excludes non-monetary income and expenditure.

SCNI 1991

Sport is not simply of peripheral significance for Northern Ireland as a market, it is an area of widespread importance.

Sport-related employment

In 1989 there were 7,600 sport-related jobs in Northern Ireland. Of those employed over half (51%) were male and 49% female. (Table 2 and Chart 1)

Table 2 Employment in sport and other sectors of the Northern Ireland economy

Sector	Employment (000's)
Agriculture, Forestry and Fishing	20.0
Food, Drink and Tobacco	19.2
Clothing and Footwear	17.1
Textiles	10.4
Banking and Finance	8.8
Postal Services and Telecommunications	8.4
Energy and Water Supply	8.0
Electrical and Electronic Engineering	8.0
Sports-related Economic Activity	7.6
Paper, Printing and Publishing	6.0
Timber and Wooden Furniture	5.4

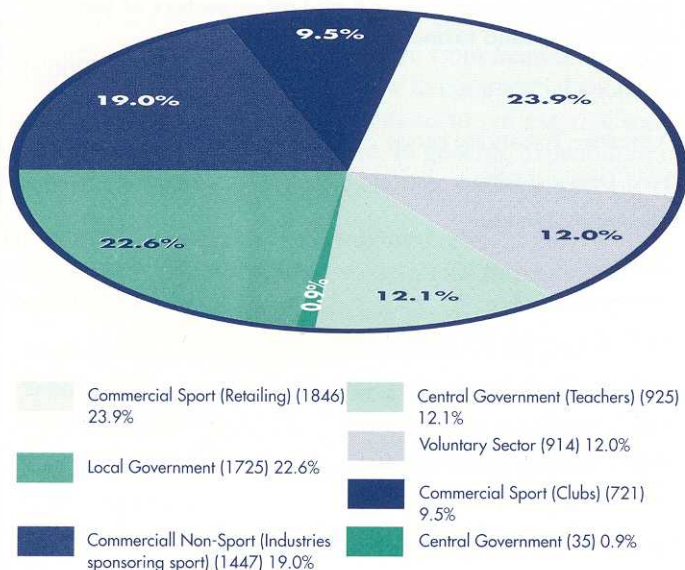
SCNI 1989; Department of Employment 1987

Almost 6 out of 10 jobs (57%) were full-time, the remaining 43% being part-time jobs involving no more than 30 hours per week.

Just over 3 out of 10 (31.7%) of those employed were working at professional and managerial levels.

One measure of the relative importance of sport as an employer can be gauged by comparing employment across selected sectors.

Chart 1. The Distribution of Sport-Related Employment by Sector in Northern Ireland.



Wealth created through sport

The wealth created, or value-added, is a term used by economists to measure the value generated by a sector of the economy, for example, through wages and profits.

In 1989, the total value-added by sport-related economic activity was £100.5 million.

Table 5 puts in perspective the value-added in the sport-related sector compared to other manufacturing sectors.

Table 5 Value-added in Northern Ireland selected manufacturing sectors

Sector	£ millions (1989 prices)
Food, Drink and Tobacco	442
Clothing and Footwear	180
Textiles	155
Mechanical Engineering	148
Paper, Printing and Publishing	126
Electrical Engineering	120
Sport-related economic activity	100
Timber and Wooden Furniture	70

Henley Centre Analysis of Census 1989 of Production data

Sport-related consumer spending

In 1989, sport-related consumers' spending in Northern Ireland amounted to £184 million. The addition of bar receipts from sports clubs brings total expenditure to £200 million.

The largest items of spending were:

In 1989, the average weekly spend per household on sport-related items was £6.53.

Table 3 Sport-related consumer spending

Items Purchased	£ millions (1989 prices)
Clothing and Footwear	56.3
Gambling	53.0
Subscriptions and Fees	20.5
Sports equipment	16.8

SCNI 1989

Table 4 Selected categories of Northern Ireland consumers' spending

Categories of Expenditure	£ millions (1989 prices) per annum
Furniture and Floor Coverings	281
Sport	184
Alcoholic Drinks	182
Electricity	168
Tobacco	150
Hotels and Holiday Expenses	114
Non-Alcoholic Drinks	53

Henley Centre Analysis of 1989 Family Expenditure Survey data

Comparisons with other 'discretionary' and 'non-discretionary' spending, as shown in table 4, gives perspective to the average weekly household spend on sport.

Voluntary sporting sector

The Voluntary Sports Sector in Northern Ireland plays a crucial role in the development of sport. The scale of Voluntary Sector income and expenditure is impressive and deserves special mention in terms of the sporting economy as a whole.

In 1989, total monetary income to the Voluntary Sporting Sector, excluding bar receipts, was £13.5 million.

Non-monetary income, or voluntary work, was estimated to be worth another £2.64 million.

Advertising and sponsorship income in 1989 totalled £1.58 million. This is impressive when compared with Wales. Northern Ireland's population is only 55% of that in Wales yet its sponsorship and advertising receipts are 70% of the Wales total.

Player's subscriptions and fees brought in £8.7 million.

Grant Aid from government (including the Sports Council) amounted to £561,000, with the Sports Council contributing a further £245,000 in direct spending.

The biggest single monetary income to Voluntary Sport, £15.9 million, came from bar receipts. Expenditure on bar purchases was £10.2 million. This left a surplus in the sector of £5.7 million.

The Voluntary Sporting Sector wages bill in 1989 was £5.8 million. Almost half a million pounds (£488,000) was spent on travel.

Maintenance of grounds cost almost one million per annum (£991,000).

Over half a million pounds (£603,000) was spent on interest payments.

Unfulfilled potential and implications for sporting sectors

Consumers in Northern Ireland appear to spend more on sport-related items per-head than the UK weekly average. (NI £6.53: UK £3.95).

Despite this level of expenditure, however, measures of the impact of sport in terms of wealth created and those employed are comparatively low. For example, the ratio of Welsh to Northern Ireland sport-related employment is 2.5 to 1 compared with a population ratio of 1.8 to 1. One of the principal reasons for this poor comparative performance is the large expenditure on sport-related items which goes outside of Northern Ireland.

The potential exists, therefore, for sport to make a greater impact in the future. Northern Ireland's demographic structure - its comparative wealth of young people - and the relatively high consumer expenditure and interest in sport, represent a large and unfulfilled potential for further development.

Local Government

Analysis of the Local Government sector shows spending running at 77% more than income. In the near future this will perhaps create a major dilemma for Local Government.

Consumers' expectations are rising at a time when subsidy is also rising. Products offered and previously accepted will in all likelihood be rejected as the public become more knowledgeable and more demanding. Increasing pressure from consumers, coupled with the need to reduce subsidies, will create tension in financing the sector.

Greater resourcing of training and the resultant higher standard of workforce will perhaps give considerable scope for savings in the management of Northern Ireland facilities in the Local Government sector and help reduce tension.

Voluntary sector

The situation facing the Voluntary Sector is similar to that described for Local Government. The same market trends (an expectation for more of and better quality of) and the need to improve their offer - product - through training is relevant. Increased costs, for example in VAT, will have to be met from the sector's own revenues, perhaps by charging more, in order to maintain activities. Unless the product offered is of good quality, valuable income in the form of fees and subscriptions will be lost.

Commercial sport and commercial non-sport

Information presented on wealth created - value added - and employment indicate the potential for these sectors to develop. For example, there is a relative lack of sponsorship of commercial sports activity (£300,000) compared to sponsorship of Voluntary sport (£1.58 million).

The commercial aspect of sport in Northern Ireland has failed to match the potential of the country's high spending and high participation, partly as a result of a weak or under developed private sector. The government's new industrial/business development policy with its emphasis on the regeneration of indigenous entrepreneurship may well stimulate interest and assist expansion within the sports industry.

In short, increased investment in sport could reap economic rewards through employment and increased consumer expenditure, all adding to Northern Ireland's wealth.