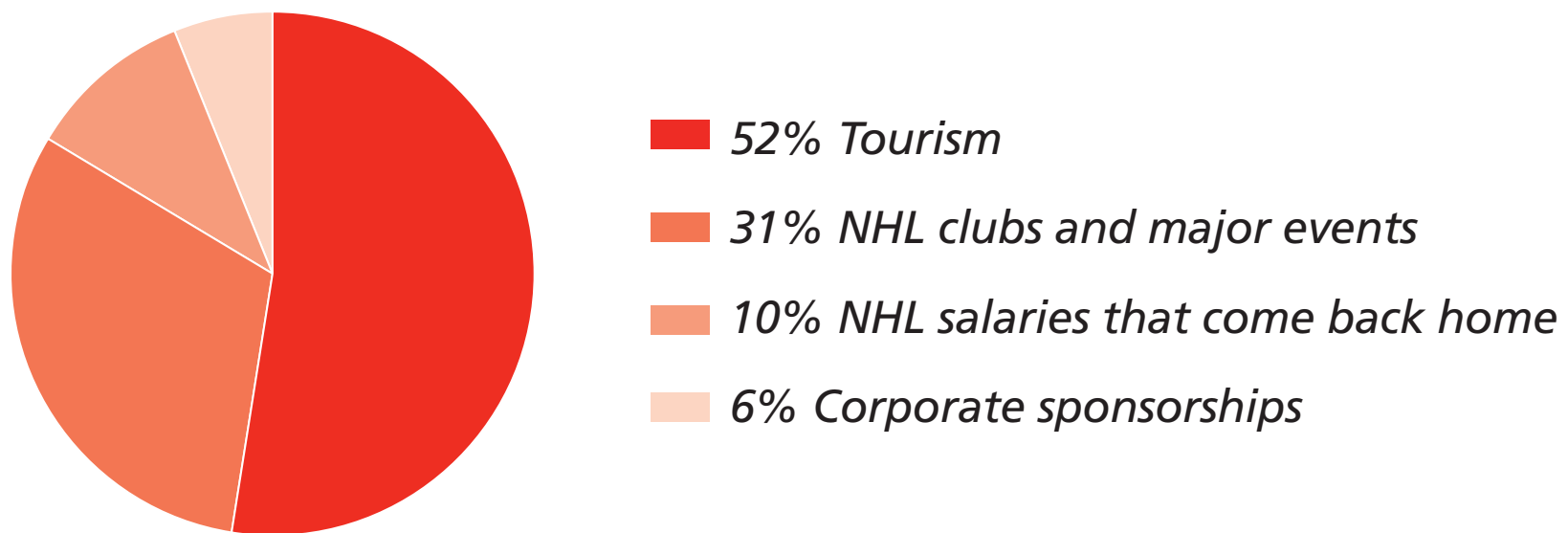


The Economic Impact of Hockey in Canada



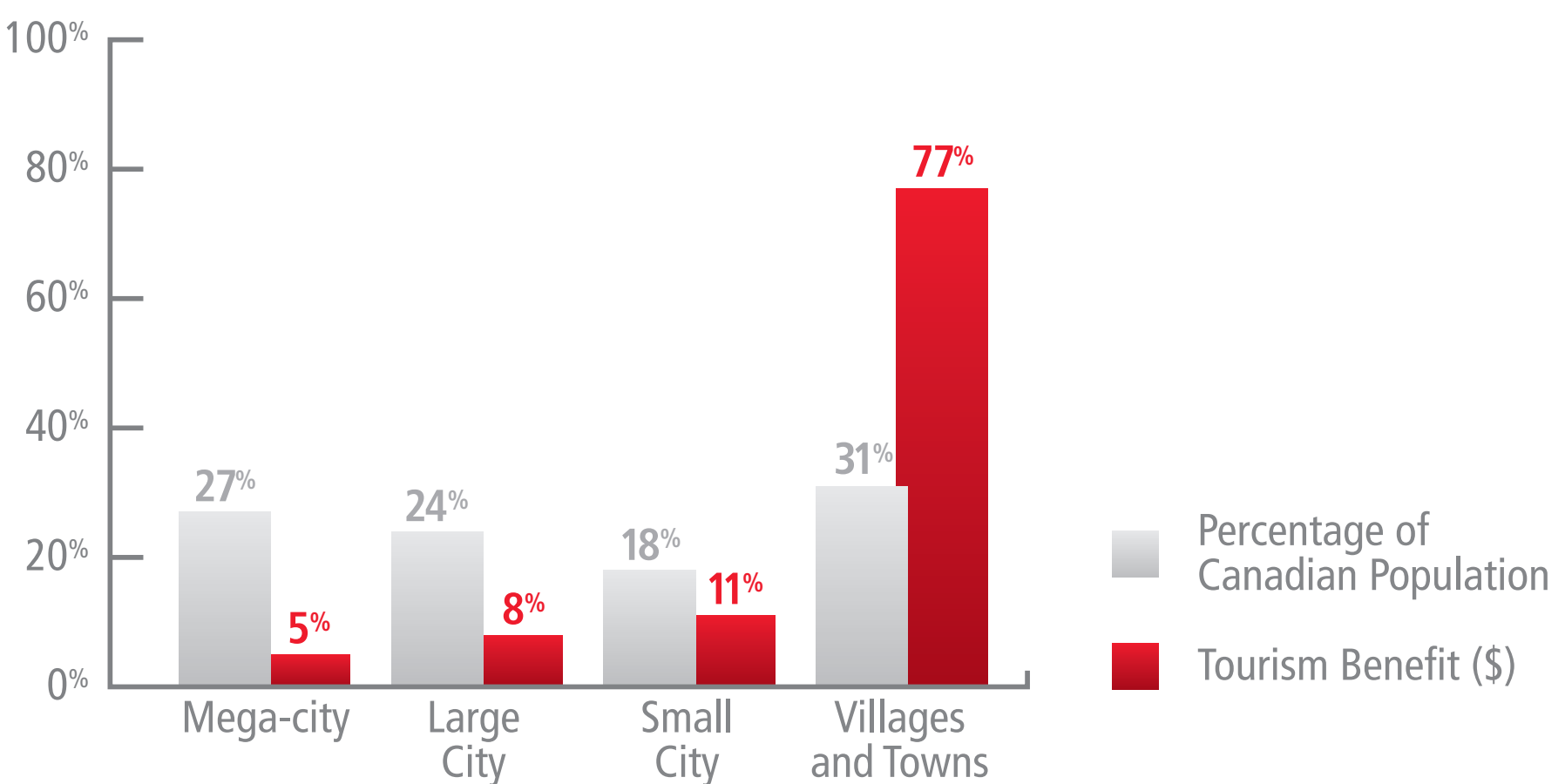
The direct economic impact on communities

\$2.6 billion is the amount that moves directly between communities in Canada each year as a result of the sport of hockey that – should the sport disappear – could potentially be lost from the market. The underlying contributions of these impacts can be categorized and quantified as follows:



Hockey-related tourism is highest in small towns and villages

Hockey-related tourism in small towns is a key driver of direct impact. Of the \$2.6 billion in direct hockey-related impact, more than \$1 billion flows into communities of less than 100,000 people. The chart below aims to illustrate the disproportionate direct impact per capita of hockey-related tourism in small towns and villages.



Job creation and volunteerism

Canada has more than 5,000 full-time jobs in hockey

While thousands more work part-time

150,000 Canadians volunteer for hockey (coaching, administration, tournaments) at an average of 5 hours / week.

Hockey Rinks are a part of our landscape

Hockey rinks are part of the landscape in Canada, with nearly 2,500 rinks reported in the country, led by Ontario (898), Alberta (420), Quebec (358), and Manitoba (203); British Columbia (186); Saskatchewan (165); New Brunswick (85); Nova Scotia (75); Prince Edward Island (27); Newfoundland (26); NW Territories/Nunavut (10); and the Yukon (7).



90% of Canadians believe hockey is part of our cultural fabric



ICE HOCKEY IN CANADA

2015 IMPACT STUDY SUMMARY

THE ECONOMIC, SOCIAL, COMMUNITY AND SPORT BENEFITS OF CANADA'S FAVOURITE GAME

May 13, 2015

This report represents the summary findings of a multi-level, detailed secondary research project that took place in the fall of 2014 and winter of 2015.

THE IMPACT OF CANADA'S FAVOURITE GAME

The fact that the sport of hockey plays a major role in Canada's society and economy is clear, but articulating the extent of that role has not been undertaken with any depth or scrutiny. Some studies have estimated the impacts of a particular National Hockey League (NHL) club on its market or the potential impact of a new arena in a market. This study has undertaken an analysis of the broad array of tangible and intangible economic, sport, community and social impacts of the sport of hockey in Canada. The research, led by prominent Canadian Sport Business Researcher, Dr. Norm O'Reilly, the Richard P. & Joan S. Fox Professor of Business in the Department of Sports Administration at Ohio University, and commissioned by Scotiabank and Canadian Tire, conservatively and realistically assesses the impact of hockey in Canada, at all levels from tangible to intangible and from international to local.

RESEARCH OBJECTIVE

The objective is to provide a conservative yet accurate assessment of the impact of hockey and thereby its influence on a number of stakeholders involved in the sport, including hockey organizations, leagues, clubs, athletes, coaches, corporate sponsors, tourism organizations, governments, and researchers.

UNIT OF ANALYSIS

The municipalities/CMAs in Canada were subdivided based on the population (2011 Census Data) of each: (i) Mega-cities (greater than 2,500,000), (ii) Large Cities 500,001 to 2,500,000), (iii) Small Cities (100,001 to 500,000), and Towns and Villages (less than 100,000). Two further groups were assessed – corporate Canada and hockey participants (i.e., those who play).

METHOD

Important principles guided this study: (i) undertake realistic and conservative estimates and assumptions, (ii) limit the use of multipliers, (iii) the unit of analysis defined as communities, and (iv) include the intangible impacts of hockey in a realistic fashion and justifiable manner.

The data reflects the 2014 year. Methodologically, the following major steps were taken:

- (i) First, an extensive and exhaustive secondary search was undertaken of published reports, partner documents, and related research to gather quantitative and qualitative data.
- (ii) Data sources were recorded and validity of the data cross-checked.
- (iii) Data compiled in six ways: four city sizes, corporate view, and participation flows.
- (iv) In cases where data was available for only a portion of population, extrapolation took place to determine an overall estimate for the particular level of the unit of analysis.

HOW HOCKEY IMPACTS CANADIAN COMMUNITIES DIRECTLY

Results estimate that **\$2.6 billion** moves directly between communities in Canada each year as a result of the sport of hockey that – should the sport disappear – could potentially be lost from the market.

The underlying contributions of these impacts can be categorized and quantified as follows:

- Tourism: 52%
- NHL Clubs and major events: 31%
- NHL Salaries that come back home: 10%
- Corporate sponsorships: 6%

Further, using an accepted industry multiplier, the results are extrapolated to estimate that **\$5.1 billion** is the direct plus indirect impacts between Canadian communities. Although the study's specific objective was to measure impact and not economic activity, additional activities were reported in the analysis. Although it is not to be considered direct impact (or incremental benefit), it is reported that the economic activity related to hockey is in excess of \$11.2 billion annually in Canada. This activity comes from the following sources:

- Tourism (Inter-community related and international related): 47.1%
- Spectator Related (all levels): Merchandise, Events, Souvenirs, Fantasy, Tickets, Operations, Season Passes, Concessions, Parking, etc.: 40.5%
- Participation: Minor Hockey (registration, equipment, etc.): 3.4%
- Professional Players/Coaches Related: 2.5%
- Corporate Activity (sponsorship, activation, marketing): 2.1%
- Federations (National and Branch): 1.7%
- Facility (Arena) Operations: 1.1%
- Capital Investments: 0.9%
- Participation: Adult Hockey (registration, equipment, etc.): 0.7%

TOURISM BENEFITS ARE MOST PREVALENT IN CANADIAN VILLAGES AND TOWNS

Results identify a number of additional intangible benefits/value of hockey in Canada. These are listed here in no particular order to highlight the numerous significant intangible impacts of hockey in Canada.

1. Hockey related tourism in small towns acts as a key driver of direct impact. Of the \$2.6 billion in direct hockey related impact, more than \$1 billion flows into communities of less than 100,000 people. The chart below aims to illustrate the disproportionate direct impact per capita of hockey related tourism in small towns and villages
2. Volunteerism in hockey in Canada is extensive with more than 150,000 Canadians volunteering for hockey (coaching, administration, tournaments) at an average of 5 hours/week
3. Hockey rinks are part of the landscape in Canada, with nearly 2,500 rinks reported in the country, led by Ontario (898), Alberta (420), and Quebec (358), and Manitoba (203); British Columbia (186); Saskatchewan (165); New Brunswick (85); Nova Scotia (75); Prince Edward Island (27); Newfoundland (26); NW Territories/Nunavut (10); and the Yukon (7).
4. Canadians spend an average of 7 hours per week engaging with hockey during the season.
5. 5-10 years after moving to Canada, NHL becomes most followed sport (68% as fans) for new Canadians and 10+ years after, 80% are fans of the NHL.
6. More than 180 Canadian media outlets provided in excess of 52,000 hours of "NHL hockey talk."
7. 90% of Canadians believe hockey is part of our cultural fabric
8. Many communities have hockey events linked to remote First Nation communities.
9. Learn to Play Hockey Programs are common in hockey with more than 5,000 programs and 100,000 participants each year.

APPENDIX: IMPORTANT TERMS

Direct Economic Impact – in taking a very realistic approach, this number refers to the estimated lost movement of dollars between Canadian communities and into Canada if the sport of hockey ceased to exist tomorrow. Thus, this value does not include any impacts on Canadian communities that could be argued to be easily ‘replaceable’.

Indirect Economic Impact – this term includes the amounts included under direct economic impact but also includes a multiplier effect based on the idea that many economists support that an incremental dollar invested in particular community will lead, in many cases, to additional spin-off spending in that community. Thus, for this study, this term refers to the estimated additional impacts of the spending attributed to hockey in Canada.

Economic Activity – this term refers to the entirety of the activity (i.e., spending) in the sport of hockey in Canada. It includes many items which are ‘replaceable’ and do not provide any incremental value to a community, however, activity is a strong representation of how important the sport of hockey is in Canadian communities.

AUTHORS

A report and study of this magnitude relies on the contributions of many at the level of content creation and/or analysis. Thus, this report reflects the input, work and efforts of many individuals who are acknowledged here. The lead author has compiled and organized the work of many.

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