

Sport's impact on the economy

Experience from Germany

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MOVE Congress 2013
Barcelona, 16-19 October 2013



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Agenda

1. *Narrow view:*

Impact captured by standard economic definitions and statistics

2. *Broader view:*

Impact not captured by standard economic definitions and statistics

➔ overseen additional impact of sport

Narrow view

1. Share in GDP-Anteil: 3,7 % (information and communication: 3,9%) (Ahlert, 2013)
2. Sport induced consumption of private households: 138,6 Bn. €/year (Preuss et al, 2013)
3. Sport induced jobs: 1.8 mio. (fulltime equivalent) → 4,4 % of total labor force (information and communication: 3,1 %; public administration, defense/military, social insurance: 6,7%). 1998: 2,4%.
4. Direct state income from sport > public costs of sport (expenditures + forgoing income) (Pawlowski & Breuer, 2012)

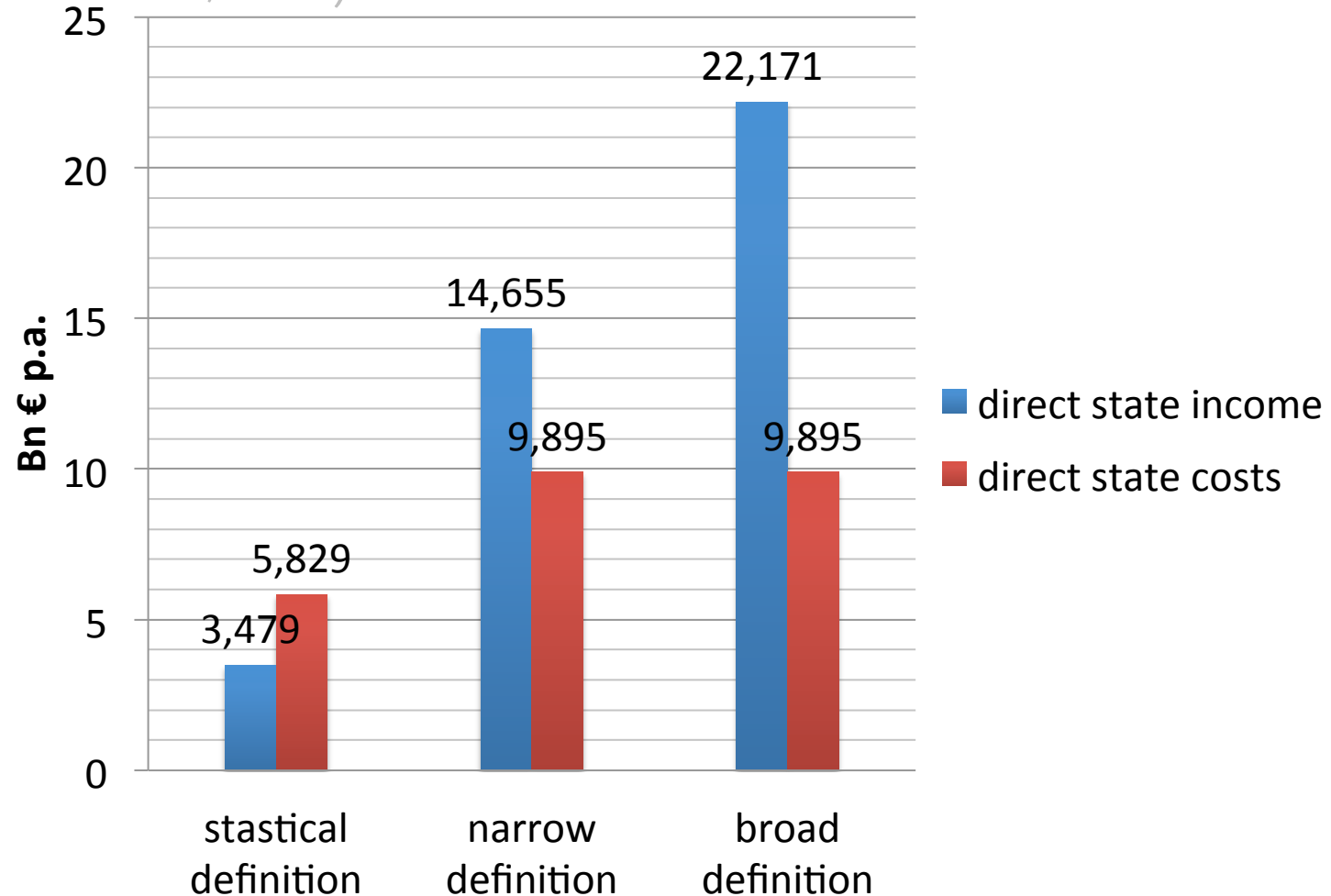
Fiscal political importance of sport in Germany

Vilnius definition of sport:

- **Statistical:** Corresponds with the current NACE category 92.6 ("sporting activities") → individual-related sport services
(e.g. offered by sport facilities, sports clubs, sport federations, professional sport teams)
- **Narrow:** Statistical definition + all products and services which are necessary as inputs for (doing) sport ("to produce sport as an output"
(e.g. from construction business, manufacturing business, trading, agriculture, health sector, rental services ...)
- **Broad:** Statistical definition + narrow definition + all products and services which have a (direct or indirect) relation to any sport activity but without being necessary to do sport ("which draw upon sport as an input")
(e.g. sports gambling, sports media ...)

Fiscal political importance of sport in Germany

(Pawlowski & Breuer, 2012)





Limitation of the narrow view

Some of the most important economic effects of sport for all are not captured by standard tools of economic statistics like national accounts or GDP: the value of voluntary work and the sport-induced impact on public health, social integration and human capital.

Broader view

- Social and integrational effects
 - 30 % of sports clubs in Germany have honorary function owners with migration background.
- Public health effects
 - Between 2,5 % and 16 % of the total health costs can be saved by increased sport participation (savings of 7,4 bis 47,0 Bn €; Breuer & Mutter, 2013).
- Educational effects
 - The organised sport is the biggest private educational institution in Germany.
 - Important social values and norms are taught and socialized (fairness, respect, determination or performance, active citizenship)
 - Positive impact of physical activity on brain development in early childhood

Broader view

- Need for alternative tools to measure the sport's impact on the economy
- The added value created just by voluntary work in sports-for-all mounts up to € 7bn (€ 6.7bn in grassroots sports clubs and € 350m in sports federations; Breuer 2011, 2013).
- Thus, all the efforts we see in many countries to set up a sport specific national satellite accounts are important. However, it may not be overseen that a valid valuation of sport's economic value has to take also those creations of value into account which are not captured by the standard tools of economic statistics.
- Main tool for monitoring the impact of sports clubs in Germany is the Sport Development Report, established since 2005 and published every two years.

