

Service bulletin

Spectator Sports, Event Promoters, Artists and Related Industries

2009



Highlights

Combined operating revenues for Canada's spectator sports, event promoters, artists and related services industry totalled \$5.9 billion in 2009, up 1% from the previous year. Spectator sports is the largest industry group, accounting for 44% of the total, followed by promoters of performing arts, sports and similar events at 36%, independent artists, writers and performers at 15%, and agents and managers at 5%.

Spectator sports

- The spectator sports industry – which comprises sports teams, horse race tracks, and other spectator sports and independent sports professionals - generated a slight increase of 0.4% in operating revenues for 2009 to reach \$2.6 billion. Although this was a challenging year for the horse race tracks, it was an exceptional year for the sports teams.
- The operating profit margin increased from 4.0% in 2008 to 4.5% in 2009.
- Admissions to sports or racing events, the largest component of total operating revenues, accounted for 38.1% of the total.
- Operating expenses stood at \$2.5 billion, with salaries and wages accounting for 44.4% of the total.

Promoters of performing arts and sports events

- The promoters of performing arts and sports events industry group earned \$2.1 billion in operating revenues for 2009, representing an increase of 3.7%.
- At \$1.9 billion, operating expenses were down 2.9%, year over year.
- Salaries and wages accounted for the largest expense item, at 24.6%.

Agents and managers for artists, athletes, entertainers, and other public figures

- Agents and managers for artists, athletes, entertainers, and other public figures generated \$314.6 million in operating revenues in 2009, down from \$320.2 million in 2008.
- The operating profit margin increased from 7.4% in 2008 to 7.7% in 2009, still a drop from a pre-recession profit margin of 8.6% in 2007.
- Almost one-third of operating expenses were salaries and wages (32.7%), followed by subcontract expenses at 15.5%.

Independent artists, writers and performers

- Operating revenues for independent artists, writers and performers decreased in 2009 to \$862.9 million from \$877.1 million in the previous year. The operating profit margin increased from 30% in 2008 to 31.2% in 2009.
- Operating expenses declined 3.4% to \$593.5 million in 2009. Salaries and wages expenses remained steady and accounted for 30.8% of total operating expenses.

Note: The Annual Survey of Service Industries: Spectator Sports, Event Promoters, Artists and Related Industries covers four North American Industry Classification System industry groups: spectator sports (7112), promoters of performing arts, sports and similar events (7113), agents and managers for artists, athletes, entertainers and other public figures (7114), and independent artists, writers and performers (7115).

Statistical tables

Table 1

Summary statistics for spectator sports, event promoters, artists and related industries, Canada, 2007 to 2009

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions			percent
Spectator sports				
2009 ^p	2,602.2	1,060.0	2,486.3	4.5
2008 ^r	2,591.1	1,059.2	2,486.6	4.0
2007 ^r	2,425.3	972.8	2,348.8	3.2
Promoters (presenters) of performing arts, sports and similar events				
2009 ^p	2,139.6	477.0	1,946.4	9.0
2008 ^r	2,063.7	473.2	2,005.2	2.8
2007 ^r	2,005.0	464.8	1,925.1	4.0
Agents and managers for artists, athletes, entertainers and other public figures				
2009 ^p	314.6	91.8	290.3	7.7
2008 ^r	320.2	89.9	296.4	7.4
2007 ^r	310.5	77.0	284.0	8.6
Independent artists, writers and performers				
2009 ^p	862.9	164.1	593.5	31.2
2008 ^r	877.1	164.4	614.2	30.0
2007 ^r	879.7	193.8	630.2	28.4

Note(s): According to the North American Industry Classification System (NAICS 7112, 7113, 7114 and 7115). See "Data sources, definitions and methodology" at the end of tables for definition of terms.

Table 2
Operating expenses for the spectator sports, event promoters, artists and related industry, Canada, 2009

	Spectator sports	Promoters of performing arts and sports events	Agents and managers for artists, athletes, entertainers, and other public figures	Independent artists, writers and performers
	percent			
Industry expenditures				
Salaries, wages and benefits	44.4	24.6	32.7	30.8
Commissions paid to non-employees	F	4.2	2.7	2.0
Professional and business services fees	2.7	2.6	5.6	6.4
Subcontract expenses	1.9	4.6	15.5	5.9
Charges for services provided by your head office	1.0	F	x	x
Cost of goods sold	5.5	12.6	11.9	7.7
Office supplies	F	F	2.5	3.5
Rental and leasing	3.8	6.2	3.5	5.3
Repair and maintenance	5.1	6.8	5.5	5.7
Insurance	F	F	F	1.4
Advertising, marketing and promotions	3.9	6.7	1.8	2.1
Travel, meals and entertainment	3.6	1.5	3.6	6.6
Utilities and telecommunications	1.2	2.1	1.6	3.3
Property and business taxes, licenses and permits	F	1.1	x	F
Royalties, rights, licensing and franchise fees	x	1.0	F	F
Delivery, warehousing, postage and courier	F	F	x	F
Financial service fees	F	F	F	1.0
Amortization and depreciation of tangible and intangible assets	4.3	4.0	1.1	4.7
Bad debts	x	F	F	x
All other expenses	16.9	18.4	8.6	12.1
Total operating expenses ¹	100.0	100.0	100.0	100.0

1. Total operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified under 7112, 7113, 7114, 7115. The smallest firms, in terms of revenues earned, are not included in these estimates. These firms account for a relatively small portion of total industry revenues.

Table 3
Sales and service revenue by type of service for spectator sports, Canada, 2009

	2009 ^p	2008 ^t	2007 ^r
	percent		
Sales and service revenue			
Admissions to live sports or racing events	38.1	36.8	36.5
Admissions to live performing arts performances, fairs and festivals	x	x	x
Facility rental revenue	3.8	4.0	2.9
Rental of traveller accommodation	x	x	x
Contract production fees	x	x	x
Professional fees and commissions	1.5	1.3	x
Event management services	x	x	x
Technical artistic services	x	x	x
Receipts from gambling	21.6	24.6	26.7
Advertising revenue	11.3	10.7	9.1
Sales of food and non-alcoholic beverages	5.8	6.1	7.1
Sales of alcoholic beverages	3.3	3.2	3.2
Sales of Merchandise	3.6	3.7	3.5
Other	6.1	6.9	9.1
Total sales and services	100.0	100.0	100.0

Note(s): Due to rounding, components may not add to total. Based on the North American Industry Classification System (NAICS) and includes all establishments classified under 7112 Spectator sports. The smallest firms, in terms of revenues earned, are not included in these estimates. These firms account for a relatively small portion of total industry revenues.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the Spectator Sports, Event Promoters, Artists and Related Industries in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the Spectator sports, event promoters, artists and related industry groups (NAICS 7112, 7113, 7114, and 7115) according to the North American Industry Classification System (NAICS) during the reference year.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2009 was 1,288 collection entities.

Definition

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items.

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data that would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 69.8%. CVs were calculated for each estimate and are available upon request.

Related products

Selected CANSIM tables from Statistics Canada

361-0013 - Spectator sports, event promoters, artists and related industries, summary statistics, by North American Industry Classification System (NAICS), annual(dollars unless otherwise noted) (16 series)

361-0023 - Spectator sports, event promoters, artists and related industries, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (84 series)

Survey(s)

Definitions, data sources and methods: survey number 5132 - Annual Survey of Service Industries : Spectator Sports, Event Promoters, Artists and Related Industries

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: March 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
P	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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