

Service bulletin

Spectator Sports, Event Promoters, Artists and Related Industries



2010

Highlights

The spectator sports, event promoters, artists and related services industry reached an all time high in 2010, with combined operating revenues of \$7.3 billion, a 20.7% increase over the \$6.0 billion operating revenue of 2009. The large increase in the industry's operating revenues for 2010 was driven by the impact of the Vancouver Winter Games. The largest industry group, promoters (presenters) of performing arts, sports and similar events accounted for 47.5% of the total operating revenues, followed by spectator sports at 35.0%, independent artists, writers and performers at 12.8% and agents and managers for artists, athletes, entertainers, and other public figures at 4.7%.

Spectator Sports

Comprised of sports teams, horse race tracks and other spectator sports and independent sports professionals, the spectator sports industry earned \$2.6 billion in operating revenues for 2010. This represents a 0.9% decrease from 2009. This decrease was the result of the decline in the horse race track industry. In contrast, the Canadian sports teams experienced another year of growth.

Since its 2006 inception into the data series, salaries, wages and benefits in the spectator sports industry has increased for the 5th consecutive year reaching \$1.1 billion.

Admissions to live sports or racing events remained steady at 38.4%, while receipts from gambling decreased to 20.8% of the total operating revenue.

Promoters (presenters) of performing arts, sports and similar events

Operating revenue increased 51.9% from \$2.3 billion in 2009 to \$3.5 billion in 2010. This increase was driven by the Vancouver Winter Games. The operating profit margin decreased from 7.8% in 2009 to 3.6% in 2010, a drop of 4.2 percentage points.

Operating expenses increased 58.8% to reach \$3.3 billion in 2010 from \$2.1 billion in 2009.

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

The smallest industry group, agents and managers for artists, athletes, entertainers, and other public figures, realized an increase in operating revenue to reach \$339.2 million, a 7.4% increase from the year previous.

In 2010, the operating profit margin increased to 9.5% from 8.1% in 2009. This is above the pre-recession profit margin of 8.6% in 2007.

Salaries, wages and benefits remain the highest expense item at 34.0% of industry expenditures.

Independent artists, writers and performers

Operating revenues of independent artists, writers and performers reached \$935.7 million in 2010, an 8.0% increase from \$866.1 million in 2009.

Operating expenses increased 4.4% to \$617.4 million, resulting in an operating profit margin of 34.0%. This is a 2.3 percentage point increase in profit margin from 31.7% in 2009.

Statistical tables

Table 1

Summary statistics for spectator sports, event promoters, artists and related industries, Canada, 2008 to 2010

	Operating revenue	Salaries, wages and benefits	Operating expenses	Operating profit margin
	millions of dollars			percent
Spectator sports				
2010 ^p	2,556.0	1,103.5	2,473.4	3.2
2009 ^r	2,580.4	1,079.8	2,499.4	3.1
2008	2,591.1	1,059.2	2,486.6	4.0
Promoters (presenters) of performing arts, sports and similar events				
2010 ^p	3,461.7	539.9	3,335.4	3.6
2009 ^r	2,278.6	526.1	2,100.3	7.8
2008 ^r	2,128.7	512.9	2,086.7	2.0
Agents and managers for artists, athletes, entertainers and other public figures				
2010 ^p	339.2	101.7	306.9	9.5
2009 ^r	315.7	94.7	290.1	8.1
2008	320.2	89.9	296.4	7.4
Independent artists, writers and performers				
2010 ^p	935.7	168.5	617.4	34.0
2009 ^r	866.1	165.9	591.6	31.7
2008	877.1	164.4	614.2	30.0

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 7112, 7113, 7114 and 7115. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total.

Table 2
Operating expenses for the spectator sports, event promoters, artists and related industry, Canada, 2010

	Spectator sports	Promoters (presenters) of performing arts, sports and similar events	Agents and managers for artists, athletes, entertainers, and other public figures	Independent artists, writers and performers
	percent			
Industry expenditures				
Salaries, wages and benefits	46.6	15.8	34.0	30.7
Commissions paid to non-employees	F	3.4	2.0	1.9
Professional and business services fees	1.7	1.5	5.0	7.8
Subcontract expenses	1.7	3.0	14.1	6.2
Charges for services provided by your head office	x	x	x	x
Cost of goods sold	5.8	6.8	14.0	8.1
Office supplies	x	x	2.3	3.5
Rental and leasing	3.6	3.4	3.3	5.1
Repair and maintenance	6.1	3.7	3.4	4.4
Insurance	x	x	F	x
Advertising, marketing and promotions	3.8	9.8	1.9	2.0
Travel, meals and entertainment	3.7	x	x	6.7
Utilities and telecommunications	x	x	x	x
Property and business taxes, licenses and permits	x	x	F	x
Royalties, rights, licensing and franchise fees	x	x	F	F
Delivery, warehousing, postage and courier	x	x	x	x
Financial service fees	F	x	x	x
Amortization and depreciation of tangible and intangible assets	4.4	2.6	1.3	4.7
Bad debts	x	F	x	F
All other expenses	14.8	13.7	9.3	11.4
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): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 7112, 7113, 7114 and 7115. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total. Data presented in this table is from the surveyed portion only. Industry estimates are based on a weighted sample and are augmented by administrative data for establishments that were too small to be eligible for sampling. The surveyed portion includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion is designed to cover approximately 95% of total industry revenue.

Table 3
Sales and service revenue by type of service for spectator sports, Canada, 2010

	2010 ^P	2009 ^I	2008
	percent		
Sales and service revenue			
Admissions to live sports or racing events	38.4	38.3	36.8
Admissions to live performing arts performances, fairs and festivals	x	x	x
Facility rental revenue	4.5	3.9	4.0
Rental of traveller accommodation	x	x	x
Contract production fees	3.8	x	x
Professional fees and commissions	1.8	1.5	1.3
Event management services	x	x	x
Technical artistic services	x	x	x
Receipts from gambling	20.8	21.8	24.6
Advertising revenue	11.1	11.1	10.7
Sales of food and non-alcoholic beverages	5.8	6.0	6.1
Sales of alcoholic beverages	3.4	3.4	3.2
Sales of Merchandise	3.4	3.7	3.7
Other	6.5	6.1	6.9
Total sales and services	100.0	100.0	100.0

Note(s): The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 711. See "Data sources, definitions and methodology" at the end of tables for definitions of terms. Due to rounding, components may not add to total. Data presented in this table is from the surveyed portion only. Industry estimates are based on a weighted sample and are augmented by administrative data for establishments that were too small to be eligible for sampling. The surveyed portion includes only data for surveyed establishments weighted to represent other establishments that were eligible for sampling but were not selected. The surveyed portion is designed to cover approximately 95% of total industry revenue.

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 2010 was 1,167 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 80.7%. 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

Release date: March 2012

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
0 ^s	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
*	significantly different from reference category ($p < 0.05$)

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