

# Service bulletin

## Spectator Sports, Event Promoters, Artists and Related Industries



2007

### Highlights

- The operating revenues for Canada's spectator sports, event promoters, artists and related industries reached \$5.5 billion in 2007.
- The increase was largely the result of a 15.2% rise in revenues among promoters of performing arts and sports, whose revenues amounted to \$1.9 billion. The operating profit margin grew to 4.1% in 2007 from 2.9% in 2006.
- Spectator sports generated \$2.4 billion in revenues, representing over 40% of the total industry operating revenue. Profit margins for spectator sports declined, as operating expenses (+8.9%) outpaced operating revenues (+7.2%).
- The operating profit margin for agents and managers for artists, athletes, entertainers, and other public figures remained steady from a year ago at 10.6%. Operating revenues increased by 6.7%.

**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**

	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
	millions of dollars			
Operating revenues	2,401.4	1,890.4	305.5	907.2
Operating expenses	2,356.4	1,812.2	273.0	654.3
Salaries, wages and benefits	991.4	467.8	78.3	209.6
Operating profit margin (percent)	1.9	4.1	10.6	27.9

**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**

**Distribution of total operating revenue by type of service for spectator sports, event promoters, artists and related industries, Canada, 2007**

	Total	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				
Sales of goods and services	82.3	82.9	73.5	98.3	94.2
Grants, subsidies, donations and fundraising	8.8	1.3	23.1	F	F
Royalties, rights, licensing and franchise fees	5.6	10.5	X	X	3.8E
Other revenue	3.4	5.3	F	0.0	F

**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. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

**Table 3**  
**Expenditures as a percentage of total operating expenses for spectator sports, event promoters, artists and related industries, Canada, 2007**

	Total	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				
Salaries, wages and benefits	36.1	44.4	26.3	31.3	35.8
Other labour costs	8.1	5.5	6.1	18.2 <sup>E</sup>	18.8
Rental, leasing, utilities and telecommunications	4.8	4.4	4.3	4.8	7.5
Repair and maintenance expenses	5.2	5.9	4.8	2.2	5.1
Amortization and depreciation charges	2.9	3.1	2.8	1.1	3.6
Advertising, marketing, promotions, travel, meals and entertainment	6.2	6.4	5.6	5.1	7.5
Other purchased goods and services	14.3	9.8	20.0	16.7	13.0
Other operating expenses	22.6	20.5	30.1	20.6	8.7

**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. Due to rounding, components may not add to total. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

## Data sources, definitions and methodology

### Description

This annual sample survey collects the financial and operating data needed to produce statistics on the Spectator sport, event promoters artists and related industries in Canada. The survey also collects detailed information on the characteristics of the businesses, such as type of revenue and type of client.

These data are aggregated with information from other sources to produce official estimates of the national and provincial economic production of the Spectator sport, event promoters artists and related industries in Canada. The results from this survey provide data to businesses, governments, investors, and associations. These data allow these groups to monitor the growth of the industry, measure performance, allow comparison across similar businesses and to better understand this industry to react to trends and patterns.

### Target population

The target population consists of all establishments classified to the Spectator sports, event promoters, artists and related industry group (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 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 2007 was 956 collection entities.

### Definitions

- Estimates for the most recent year are preliminary. Preliminary data are subject to revision.
- **Operating revenue** exclude 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/Québec 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.

### 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 72.9%. CVs were calculated for each estimate and are available upon request.

### **Related products**

#### **CANSIM**

Available on CANSIM: table 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)

#### **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: July 2009

### 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 <sup>s</sup>	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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Frequency: Annual / ISSN 1916-7962

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