

THE IMPACT OF SPORT, PHYSICAL ACTIVITY AND RECREATION IN ALBERTA



Executive Summary

April 2020

As a society Alberta is undergoing unprecedented changes due to COVID-19, and as we look both to crisis responses right now and forward to recovery and relaunch strategies in the future, it is imperative that the sport, recreation, and physical activity (SPAR) sector be a foundation of both.

Alberta is a hub for world-class services for people of all ages, genders, backgrounds and abilities, and now is a time to draw upon these organizations and community leaders to guide our recovery and ensure equitable access to health for all. Provincial investment in SPAR currently lags woefully behind other provinces, despite the high value Albertans place on being physically active in their daily lives. Renewed investment to build a strong SPAR sector will quickly and significantly aid the economic, health, and social impact of Albertans as the province recovers from COVID-19.

SPAR is essential to the well-being of Albertans. The sector builds coping skills and supports social and community connections that build whole population mental and physical wellness.

The SPAR sector:

- **Creates jobs and is an income generator in Alberta.** Including both sport and recreation, the SPAR sector contributes as much as 2% to Alberta GDP and supports more than 3.5% of total employment.
- **Provides considerable value to Albertans in their daily lives.** More than 82% of Albertans believe that sport contributes to an improved quality of life. Some 24% of adults and 59% of children participate directly in organized sport, while sport has the highest volunteer rate and number of volunteer hours of any other organizations in the non-profit sector.
- **Reduces health care costs.** An investment in SPAR resulting in a 20% increase in physical activity amongst Albertans would reduce Alberta health care spending by over \$150 million annually by 2022-2023. Increased physical activity will help Albertans live longer and enjoy a better quality of life.
- **Contributes to a more productive labour force.** An increase in physical activity would increase by Alberta GDP by a cumulative \$1.13 billion and would decrease absenteeism in Alberta by nearly 10,000 days annually by 2040.

- **Is uniquely positioned to strengthen Alberta communities.** Sport, physical activity, and recreation are crucial in Alberta's current pandemic response and the province's future recovery efforts.
- **Fosters Alberta's future leaders.** Students who participate in sports at school are more likely to become leaders in business, and public life.

However...

Government investment in the SPAR sector has not kept pace with provincial economic and population growth. Provincial support for sport per Albertan is now only 37% of what it was in 1993. In fact, provincial funding of sport in Alberta is the second lowest in Canada.

Therefore:

Investment in the SPAR sector is crucial to recovery efforts in Alberta.

As the province of Alberta plans its recovery and relaunch strategies, it will be more important than ever to have capacity and a focus with the SPAR sector. Creating citizen and community well-being through SPAR will help the public, private, and non-profit sectors bring back a healthy workforce. SPAR provides opportunities for people to improve their health and wellness, socialize and interact with others, learn new skills, have fun and find balance in their lives.

Critically, the SPAR sector is a proven engine of economic activity and growth that provides a multitude of returns on investment in terms of GDP, jobs, community building and connection, volunteerism, and reduction in health care costs.



The SPAR sector creates jobs and is an income generator in Alberta

Taken as a whole, the SPAR sector (including both sport and recreation) contributes as much as 2% to Alberta GDP and supports a conservatively estimated 88,000 jobs in the province (more than 3.5% of total employment).

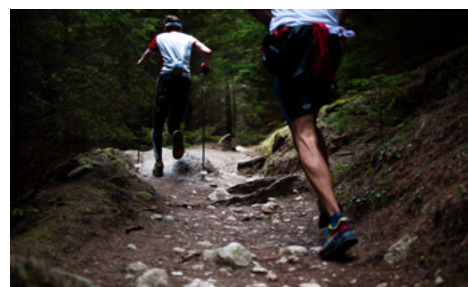
The overall value-added economic contribution of non-professional sport to the provincial economy is conservatively estimated to be \$4 billion (over 1% of provincial GDP). On average, each Alberta household spends in excess of \$2,050 annually on various elements of amateur sport such as equipment, training costs, facility use, spectator costs, sport-related travel and other social activities (Statistics Canadaⁱ). These expenditures support an estimated 55,000 full time jobs after accounting for indirect impacts in activities such as travel, tourism, and other economic activity that is driven by sport participation.

The Canadian Sport Tourism Alliance (CSTA) reported that the value of sport tourism alone in Alberta in 2015 was \$743 million (CSTA, Value of Sport Tourism, 2017ⁱⁱ). This represents a contribution of more than 8% to the \$8.9 billion Alberta tourism industry annually. In October 2019, the United Conservative Party of Alberta indicated they hoped to more than double provincial tourism revenue to \$20 billion by 2030. It proclaimed that **“fostering positive working relationships with other industries, communities and businesses is central to our ability to grow Alberta’s visitor economy.”** The broader SPAR sector contends that public investment to support its ability to attract tourism should reflect its significance to the provincial economy.

Similarly, Alberta’s parks bring millions of visitors to rural communities each year, which creates jobs and supports economic development.

- **Visitors to Alberta’s parks spend \$1.1 billion annually.** This generates a province-wide impact of \$1.2 billion and sustains more than 23,480 person-years of employment.
- **Heritage Rangelands help sustain and directly support cattle grazing,** a long-standing economic enterprise.
- **Parks protect “natural assets” that are the cornerstone of Alberta’s nature tourism.** This strengthens Alberta’s position as a nature-based national and international tourist destination.
- **Parks help provide opportunities to diversify local and regional economies.**
- **Parks provide backdrops for feature films and commercials,** which support the film industry and boost rural economies (Alberta Parks, 2017ⁱⁱⁱ).

The SPAR sector is also an important contributor to community economic development and cost reductions in other areas. Spending on sport and recreation creates jobs, fosters tourism, and makes communities more attractive places in which to live, learn, work, play and visit. “Upstream” investments in recreation can lead to improvements in individual and community well-being, which helps to reduce costs in health care, social services and justice.



Albertans value sport, physical activity and recreation in their daily lives —

In its 2019 survey of Albertans on culture and tourism, the Ministry of Culture, Multiculturalism, and the Status of Women found that more than 82% of Albertans believe that sport contributes to an improved quality of life (Alberta, 2019^{iv}). Globally, the United Nations states that “sport has a unique power to attract, mobilize, bind and inspire participation to create a collective identity. By its very nature, sport is about participation, inclusion and citizenship” (United Nations, 2019^v).

Alberta’s Chief Medical Officer, Premier, and Minister of Culture, Multiculturalism, and Status of Women regularly stressed the importance of staying physically active and getting outside throughout the COVID-19 crisis, a message consistent with the fact that Albertans so highly value SPAR and overall well-being in their daily lives. As is highlighted in this document, the SPAR sector in Alberta supports significant economic activity and sustainable jobs. In addition to its direct contribution to GDP, SPAR also contributes to the physical and mental health and well-being of Albertans as a result of the social connections and community cohesiveness that it drives.

“Albertans are passionate about their recreational and sport activities. They...participate in recreation, active living and sport because of how it makes them feel, because of the energy they get from it, and because it is fun. Albertans say that being active improves their health and reduces stress. They tell us that recreation, active living and sport provide social and economic benefits to their communities and to the province. They say it also brings diverse cultural groups together, and provides a catalyst for pride in ourselves, in our communities, and in our environment. In fact, as the Chair of the Premier’s Council on the Status of Persons with Disabilities told us, being active isn’t just essential for a high quality of life, it is essential to life itself.”

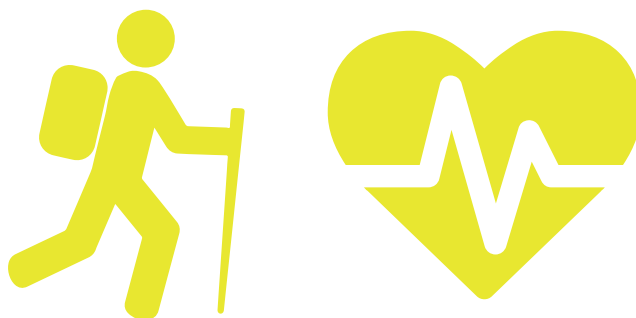
(Government of Alberta, Active Alberta 2011-2021^{vi})

Being physically active creates community. Sport has the highest volunteer rate and number of volunteer hours of any other organizations in the non-profit sector (Statistics Canada, 2013^{vii}). It has been estimated that 13.6 million hours of volunteer time, with a labour market value of \$444 million, is dedicated annually to amateur sport in Calgary alone (Sport Calgary, 2018^{viii}). Some 64% of Albertans are moderately to vigorously physically active for 150 minutes each week, the recommendation to achieve health benefits, and more than 24% of adults and 59% of children participate directly in organized sport (Alberta Culture and Tourism, 2018^{ix}).

This participation spans all ages:

- **18 to 24 years (75% physically active)**
- **25 to 34 years (67% physically active)**
- **35 to 44 years (69% physically active)**
- **45 to 54 years (64% physically active)**
- **55 to 64 years (63% physically active)**
- **≥ 65 years (50% physically active)**

(Alberta Centre for Active Living, 2019^x)



The SPAR sector reduces health care costs

Health Care costs across Canada continue to rise, representing the largest single provincial government budget expense. Alberta's Health Care budget for 2020- 2021 is \$20.6 billion - 43% of the Alberta Government operating budget. It has been estimated (Janssen, 2012^{xi}) that physical inactivity contributes 3.7% to total health care costs in Canada by increasing the risk of several chronic diseases, such as heart disease, stroke, osteoporosis, type 2 diabetes, depression, anxiety, hypertension, certain types of cancer, unhealthy weight, and others. Even a 20% increase in physical activity amongst Albertans could therefore reduce Alberta health care spending by up to \$152 million by 2022-2023.

During the COVID-19 crisis, the importance of recreation and physical activity was reinforced almost daily in the Alberta Chief Medical Officer of Health's remarks to Albertans, and for good reason. Participants in recreation report improvements in mental well-being, including increased self-esteem and life satisfaction. Recreation provides opportunities for personal growth and development for people of all abilities and can be especially helpful to people living with disabilities.

The impacts of being physically active on health are staggering:

- **Being physically active reduces a person's lifetime probability of developing many diseases** including: type 2 diabetes (43%), hypertension (26%), osteoporosis (36%), colon cancer (27%), breast cancer (17%), heart disease (30%) and stroke (29%) (Janssen, 2012).
- **Reducing physical inactivity and sedentary behaviour can, by 2040, reduce the number of cases of hypertension in Alberta by 24,000;** the number of new cases of diabetes by 13,000; the number of new cases of heart disease by over 18,000; and the number of new cases of cancer by approximately 3,500.
- **Health care spending** (hospitalization, physical care, pharmaceuticals) **associated with just four major chronic diseases, could be reduced by \$286 million in Alberta** between 2015 and 2040, through an increase in physical activity and reduction in sedentary behaviour (figures derived from national estimates by Bounajm et al., 2014^{xii}).

Public support of physical activity, via funding for public recreation, parks and sport, plays a critical role in enhancing physical and mental health. Increased physical activity levels are associated with the presence of trails for walking, hiking and cycling, and organized events, including sport competitions and other attractions. For children, the presence of a playground within a nearby park is significantly associated with enhanced levels of physical activity. Among all ages, recreational experiences involving physical activity facilitate the maintenance of healthy weights, and thus a reduction in health care costs (Framework for Recreation in Canada, National Benefits Hub, 2015^{xiii}). Therefore, physical activity (as promoted and facilitated through the SPAR sector) will help people live longer and enjoy a better quality of life.



The SPAR sector contributes to a more productive labour force

Increasing physical activity and reducing sedentary living improves health and longevity, which helps boost the economy and raises the standard of living. This reduction in premature mortality will lead to an increase in the total number of Albertans available to work. By 2040, there could be an additional 2,500 people available to work in Alberta.

Short- and long-term disability caused by four chronic conditions (heart disease, cancer, hypertension, diabetes) could be reduced by people moving more and sitting less. An increase in physical activity and reduction in sedentary behaviour can decrease absenteeism in Alberta by nearly 10,000 days annually by 2040. This would improve productivity and expand the Alberta economy.

By getting 10% more Albertans to move more and sit less, the incidence rates for major chronic conditions would be reduced, resulting in Albertans living longer and healthier lives. Consequently, the Alberta GDP would increase by a cumulative \$1.13 billion by 2040. Alberta health care spending on hypertension, diabetes, heart disease and cancer could be reduced by a cumulative \$290 million over this time frame (figures derived from Bounajm et al., 2014^{xiv}).

Students who participate in sports at school are less likely to smoke or use illegal drugs, and are more likely to stay in school. They tend to show greater perceptual skills, have higher grades, higher educational aspirations and fewer discipline problems at school. Other benefits of increasing physical activity during school hours include higher self-esteem, self-confidence, and team and leadership skills, all of which help to develop resilience. Students who participate in extracurricular sports during high school are more likely to have a job at the age of 24 than those who don't (Government of Alberta, Active Alberta 2011-2021^{xv}).



The SPAR sector is uniquely positioned to strengthen Alberta communities

Research shows that increased access to community recreation, active living and sport opportunities contributes positively toward creating communities that are safer and more socially cohesive and engaged. For example, participation in after-school programs by youth at risk can lead to reduced crime and violence. Similarly, increasing recreation, active living and sport choices for youth provides a constructive alternative for their spare time, and fosters improved self-esteem, leadership and team skills, and academic performance (Government of Alberta, Active Alberta 2011-2021^{xvi}). Research confirms that the brain benefits as much as the heart and other muscles from physical activity. Children who exercise regularly demonstrate superior performance on tests, display improved focus in class and process information more quickly, than non-exercising peers (Hillman et al, 2014^{xvii}).

At a time when students are trying to adjust to schooling at home during the crisis and then transitioning back to schools in recovery, sport, physical activity and recreation are more important than ever.

Recreation can be an important vehicle for promoting family cohesion, adaptability and resilience. Culture and recreation help build social capital in the form of arts, recreation and parks programs, and community celebrations such as festivals, parades and block parties. Furthermore, sport and recreation community events help keep neighbours in touch with one another and reinforce relationships that make neighbourhoods strong by promoting social connectedness and social cohesion, and positively influencing civic behaviour, mutual caring and volunteerism. Additionally, ongoing recreational activities can help build welcoming communities for people and families from diverse cultures (Framework for Recreation in Canada 2015^{xviii}).

Additionally, hosting sport events, especially major multi-sport Games, is documented to create pride amongst citizens in the host community/country. These events also unite and build connectivity within host communities (Edmonton Sport Council, 2019^{xix}).

At this time more than ever, sport, physical activity and recreation are crucial in Alberta's current pandemic response and the province's future recovery efforts.



Government investment in the SPAR sector has not kept pace with provincial economic and population growth

Despite the considerable return on investment in terms of economic, health, and social benefits, there has been no new net increase in the total investment in sport in Alberta over the past 27 years. While the population has grown by 65% and the cost of living has increased by 62.7% in Alberta, provincial support for sport per Albertan is now only 37% of what it was in 1993. In 2010, provincial core funding support of Alberta's Provincial Sport Organizations (PSOs) was reduced by 18.5%, but this support was not restored and the nominal level of funding has remained constant. Consequently, since that time, PSO funding support has decreased by an additional 18% in real terms (after accounting for inflation). In fact, provincial funding of sport in Alberta is the second lowest in Canada. Similarly, while provincial funding of physical activity and recreation organizations has remained relatively stable in nominal terms, the sector has been asked to do more with less in real terms.

While Albertans highly value SPAR in their daily lives, this has not been reflected in provincial investment. If the province were to invest in the SPAR sector at a level commensurate with the value placed on it by Albertans (or at the levels of other jurisdictions in Canada), it is reasonable to ask whether this would result in increased funding being made available through federal programs such as Sport Canada's bilateral agreement.



Investment in the SPAR sector is crucial to recovery efforts in Alberta

Despite previous provincial and municipal capital investment in the SPAR sector, Alberta has a longstanding community recreation facility infrastructure deficit. Independent estimates suggest that the current provincial replacement value of public and non-profit recreation facilities is approximately \$11.5 billion. Notwithstanding the existence of provincial (e.g., CFEP and MSI grants) and federal infrastructure funding (notably ICIP) targeted at addressing the capital replacement and renewal needs of the SPAR sector, the current infrastructure deficit in Alberta is conservatively estimated at \$1.3 billion (estimates extrapolated from City of Edmonton, 2018^{xx}).

With aging SPAR facilities, particularly in rural Alberta, an infusion of facility enhancement funds will support economic recovery and address the long-overlooked facility deficiencies. An immediate injection of capital funding in the sector would have the combined impact of creating short-term construction jobs, but also longer-term programming and ancillary employment. This would not only provide an instant boost for regional economic activity, but would also enhance the proven ability of the sector to build community cohesiveness, attract tourism, and reduce health care costs.

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