PROFESSIONAL SPORTS MARKET IN THE USA

By

Mark Faust

Market Size

- Measured in Personal Consumption Expenditure(PCE)

- One of the most resilient industries in America

- Reached $22.4 Billion Dollars in 2011

- Year-After-Year increases in revenue

Major Professional Sports

- National Football League

- National Basketball League

- Major League Baseball

- National Hockey League

National Football League

- $8.4 Billion Dollar Market

- Average season home attendance 535,626

- Player lockout in 2011 almost lead to cancellation of the entire season

National Basketball League

- $3.8 Billion Dollar Market

- The 'Decision'
  - Economic Impact
    - Lebron James accounted for $100 million of the Cavaliers $426 million team value
    - Would have paid $1.5 million in state taxes
    - Affected job security of many workers in Cleveland

Major League Baseball

- $6.2 Billion Dollar Market

- Highest Annual Salary
  - Alex Rodriguez – $32,000,000 per year

- America's #1 pass time

National Hockey League

- 2.9 Billion Dollar Market

- Made up of teams in United States and Canada

- Smallest total fan base and the least amount of sponsorship

Rivalries

- **#1 Red Sox vs. Yankees**
  - Length 100+ years

- **#2 Lakers vs. Celtics**
  - Length 53 years

- **#3 Cowboys vs. Redskins**
  - Length 52 years

What it says about our culture

- Competition
  - We are taught since we are young to be very competitive
- Tradition
  - Long lasting rivalries
- Passion
  - For the love of the game
- Socializing
  - Watching with friends and family
- Loyalty
  - Supporting our team

Why is the market so big?

- Broadcasting rights

- Sponsorships

- Apparel

Future of Sports Market

- Fans turn to sports in strong and weak economic times out of loyalty, passion, and the need for entertainment.

- The market is dynamic and growing rapidly.

The End
Thank You

References

- http://briandoddonleadership.com/2010/07/11/lebrons-economic-impact-on-cleveland-7-lessons-leaders-should-learn/

- http://www.wrhambrecht.com/pdf/2011_Sports_Market_Report_UPDATE.pdf