

SPECIAL REPORT ON FISHING AND BOATING 2010 - ADDENDUM



August 2010

A Partnership Project of:



Produced by:



Table of Contents

1	BACKGROUND AND AIM	3
2	METHOD.....	3
3	TOTAL PARTICIPATION.....	5
4	OVERLAP IN PARTICIPATION	6
5	THE LEAKY BUCKET	7
6	TRENDS IN LOST PARTICIPANTS	8
7	WHO ARE THE NEW PARTICIPANTS.....	9
8	WHO ARE THE LOST PARTICIPANTS.....	11
9	FIVE YEAR FISHING PARTICIPATION FORECAST.....	13
10	CONTACT INFORMATION.....	14

1 BACKGROUND AND AIM

The overall objective of this report is to perform a deeper dive into the Physical Activity Council (PAC) participation study to look at a variety of factors that are affecting fishing participation across the three fishing categories that are measured.

Items to be examined and analyzed include:

- Establish total participation for all three fishing categories without any overlap in participation.
- Perform a Leaky Bucket analysis comparing new and returning participants against the number of lost ones. This includes a three-year trend of the “Leaky Bucket” analysis.
- Develop a set of demographic profiles for new, current and lost participants. These profiles include: age, gender and ethnicity.
- Create a five-year, set of future participation trends that are adjusted for projected changes in the U.S. population.

2 METHOD

This Addendum Report uses data gathered by the PAC, which is a partnership of six of the major governing bodies and trade associations in U.S. sports and leisure. The overall aim of this report is to establish activity levels and identify key trends in sports, fitness and recreation participation in the U.S.

This report has been developed as an addendum to the report published by the Recreational Boating & Fishing Foundation (RBFF) in July 2010. In that report, an additional survey of boaters, anglers and women was conducted exclusively by the Outdoor Foundation for RBFF. In that study, an additional 503 online respondents ages 16 and older were asked to complete some additional questions about their fishing and boating habits. The results from these interviews are represented in the original report and are 100 percent projectable to the general population for the U.S. for persons ages 16 and older. For more information or to obtain a copy of the original report, please contact RBFF.

The six PAC partners are:

- The Outdoor Foundation www.outdoorfoundation.org
- The Sporting Goods Manufacturers Association www.sgma.com
- The National Golf Foundation www.ngf.org
- Snowsports Industries America www.snowsports.org
- The Tennis Industry Association www.tennisindustry.org
- International Health, Racket & Sportsclub Association <http://ihrsa.org>

Between January and February 2010 a total of 40,141 online interviews were carried out with a nationwide sample of individuals and households from the U.S. Online Panel operated by Synovate. A total of 15,067 individual and 25,074 household surveys were completed. The total panel has more than one million members and is maintained to be representative of the U.S. population. Over sampling of ethnic groups took place to boost response from typically under responding groups.

A weighting technique was used to balance the data to reflect the total U.S. population ages six and above. The following variables were used: gender, age, income, household size, region, and population density. The total population figure used was 281,658,000 people aged six and above.

The 2009 participation survey sample size of 40,141 completed interviews provides a high degree of statistical accuracy. All surveys are subject to some level of standard error—that is, the degree to which the results might differ from those obtained by a complete census of every person in the U.S. A sport with a participation rate of five percent has a confidence interval of plus or minus 0.21 percentage points at the 95 percent confidence level. This translates to plus or minus four percent of participants.

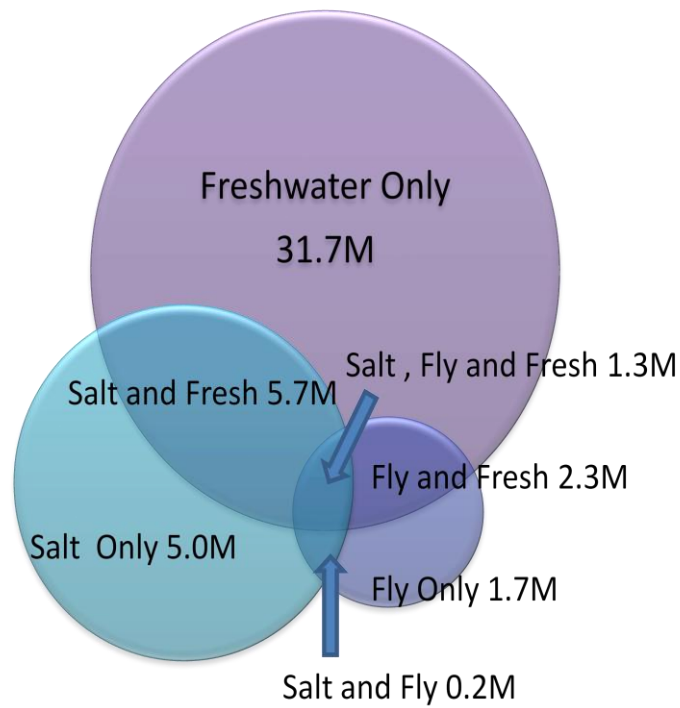
3 TOTAL PARTICIPATION

Participation in Millions	2000	2007	2008	2009	1 Year	2 Year
Fishing (Fly)	6.7	5.8	5.9	5.6	-6.3%	-3.3%
Fishing (Freshwater)	43.7	43.9	40.3	41.0	1.6%	-6.6%
Fishing (Saltwater)	14.7	14.4	13.8	12.3	-10.9%	-14.8%
Any Fishing	51.7	51.8	48.2	48.0	-0.5%	-7.5%

The table above presents an overview of fishing participation. The chart centers on the three main fishing categories as well as an unduplicated “any fishing” category. This chart looks at people that participated at least one time during the previous 12 month period.

The one number that stands out is the way that the freshwater fishing category has been able to reverse a two-year downward trend into a one year positive increase in participation. During the two-year period fly fishing has seen an accelerated amount of participation lost, while saltwater fishing has been able to slow down their decrease. However, saltwater fishing is still trending down in terms of participation. From an overall standpoint, thanks to the increase in freshwater fishing participation, any fishing has been able to make a major dent in the previous year over year versus the trend that we see from a two–year period.

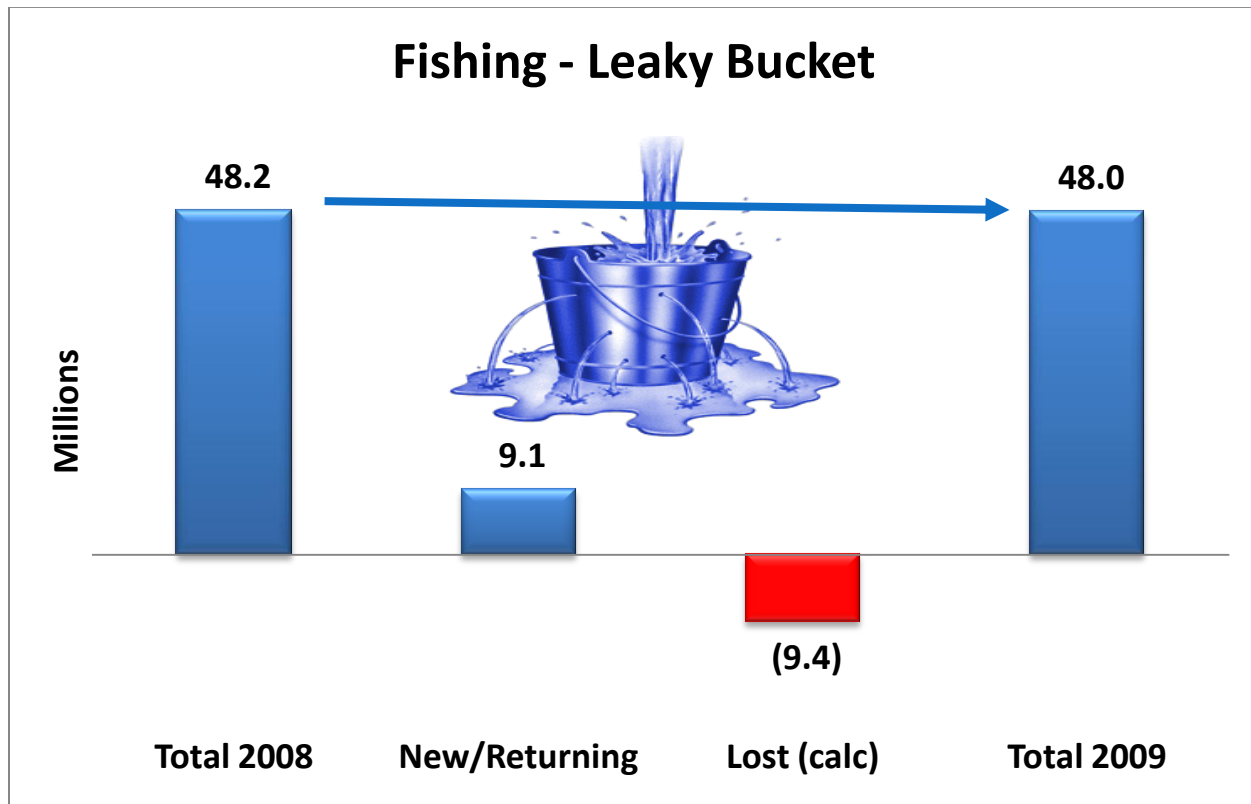
4 OVERLAP IN PARTICIPATION



The overlap chart shows very clearly how dominating the freshwater category is in relation to the others. Of the 48 Million people that fish, 31.7 million or 2/3 of the total are in that category exclusively.

Total Fishing Participants	Millions
Fly, Freshwater and Salt	1.3
Fly and Freshwater	2.3
Fly and Salt	0.2
Freshwater and Salt	5.7
Fly Only	1.7
Freshwater Only	31.7
Salt Only	5.0
Any Fishing	48.0

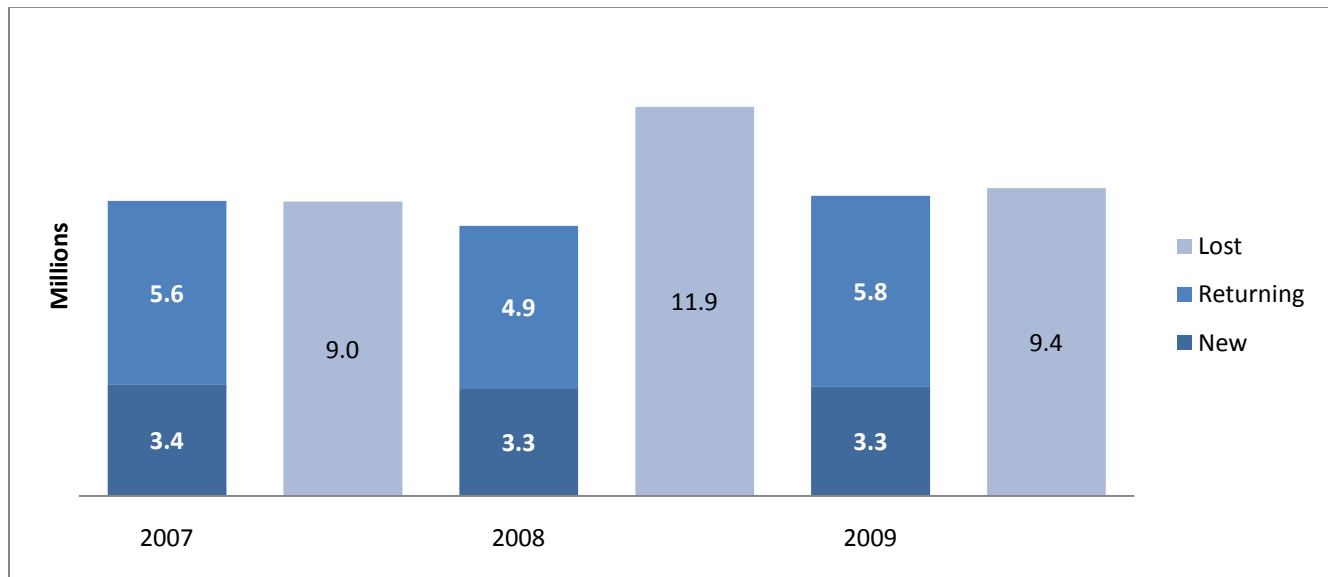
5 THE LEAKY BUCKET



The Leaky Bucket analysis is one of the most dramatic graphical representations about what is happening in terms of gains and losses when it comes to participation. Thanks to many of the grassroots programs that are currently in place for our sport, overall we continue to acquire new participants to the sport at an 18 percent plus yearly clip. The Leaky Bucket analysis brings in both gain and loss variables to paint a more complete picture. While fishing has been doing a great job at maintaining acquisition rates, the churn, or loss rate of 19.4 percent exceeds the acquisition rate and hence the example portrayed by the Leaky Bucket.

If fishing loses participants as fast as we gain them, the sport is destined to see lower numbers for all sorts of related categories including permits, equipment and travel. Everything starts with participation. If people don't participate, then they don't need permits, buy equipment or take trips to fish. If we continue to lose participants as a result of the Leaky Bucket, then our overall demand will drop. Plug the bucket and watch the sport grow in terms of participation.

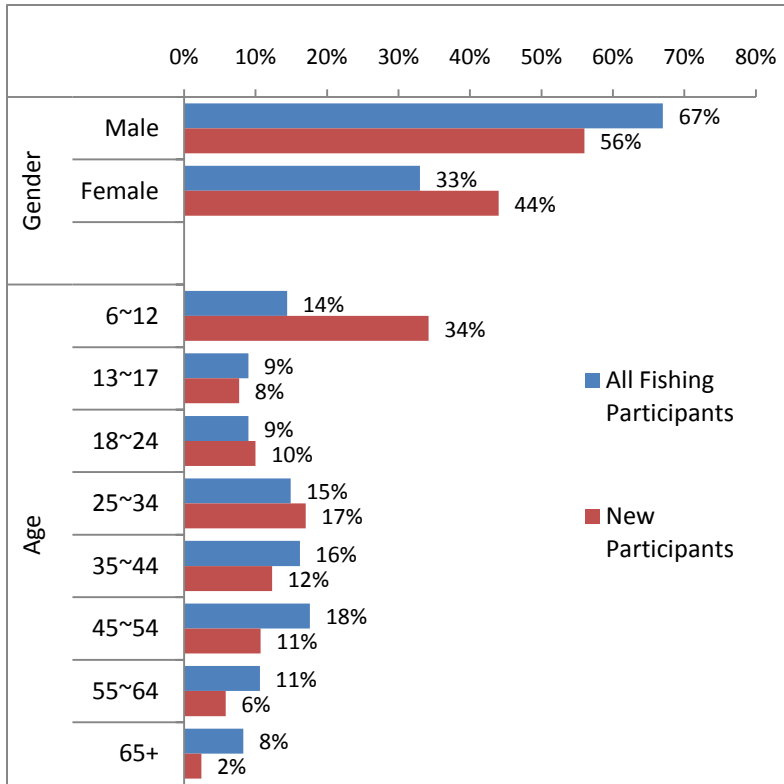
6 TRENDS IN LOST PARTICIPANTS



The three year trends represented in this chart shows, in more detail, where the elements that go into the previous Leaky Bucket analysis come from. For our purposes, we look at acquisition as a combination of new people coming into fishing, as well as those people that have decided to return after being away for a while. For all three years shown in this chart, fishing has been very consistent with respect to new people that come into the sport every year. That being said, from 2008 -2009 we show an almost 18 percent increase in the number of people that are returning to the sport of fishing.

However, when we look at the amount of participants that we lose every year, we see a real “good news bad news” situation. The bad news is for the past three years we continue to lose more people than we are able to attract new or bring back. The good news is that the rate of loss is decreasing. In fact, it is decreasing substantially by more than 20 percent.

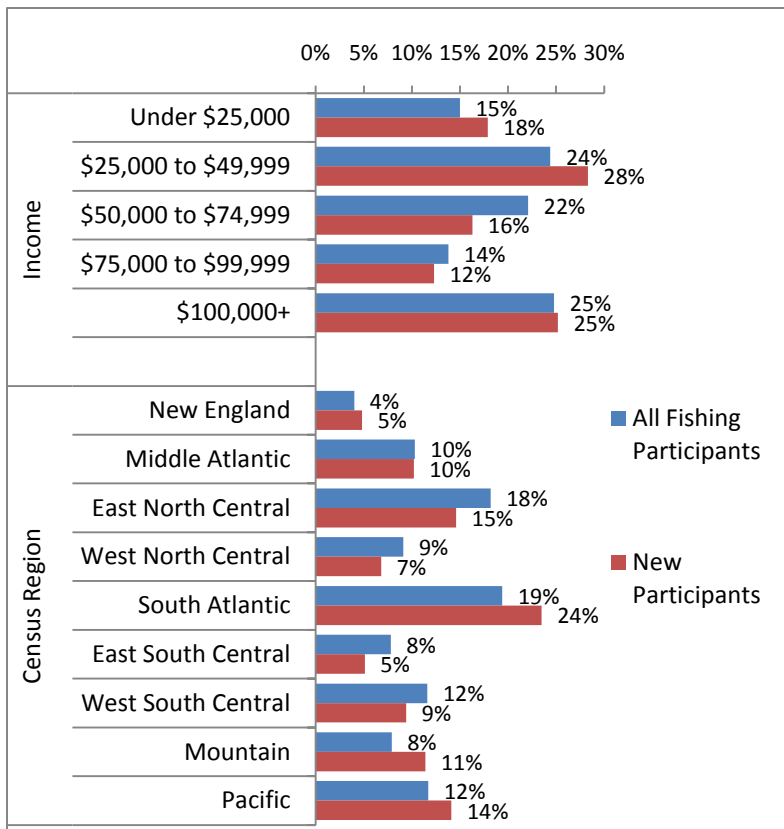
7 WHO ARE THE NEW PARTICIPANTS



New fishing participants are much more likely than all fishing participants to be:

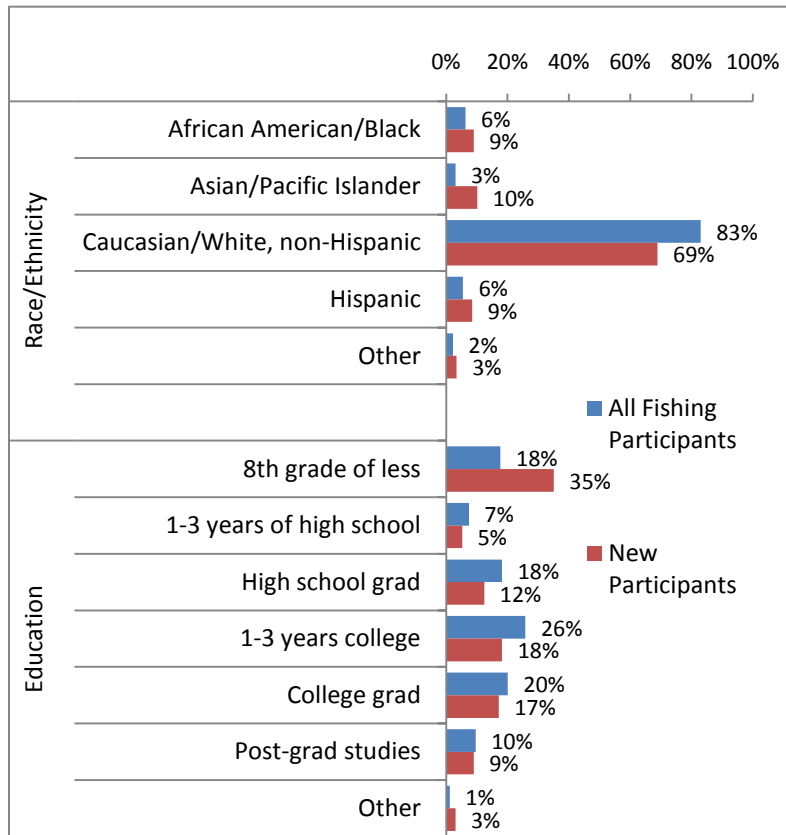
- Female
- Age 6-12

This means that fishing appears to be taking hold with younger participants and especially the female ones. While the sport is still very male dominated, younger women and girls represent a good long term growth target.



New fishing participants are also relatively more likely to come from:

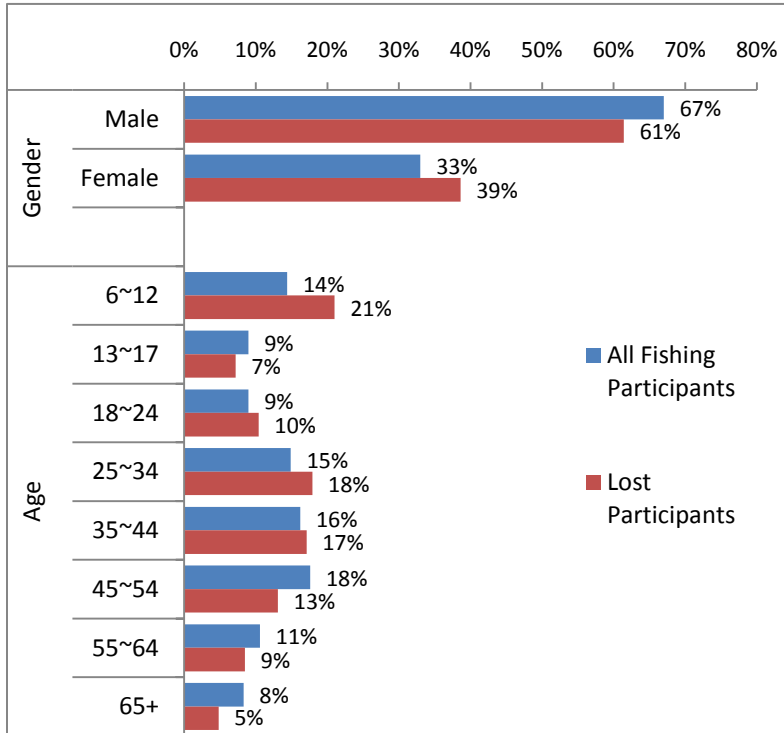
- Lower income groups (under \$50,000).
- They are regionally spread but South Atlantic and Pacific are over-represented compared to all fishing participants.



In terms of race/ethnicity, new fishing participants are from a wider ethnic background than all fishing participants. So fishing is an increasingly diverse sport.

The education level of new participants matches the age profile as a third of new participants are age six to 12.

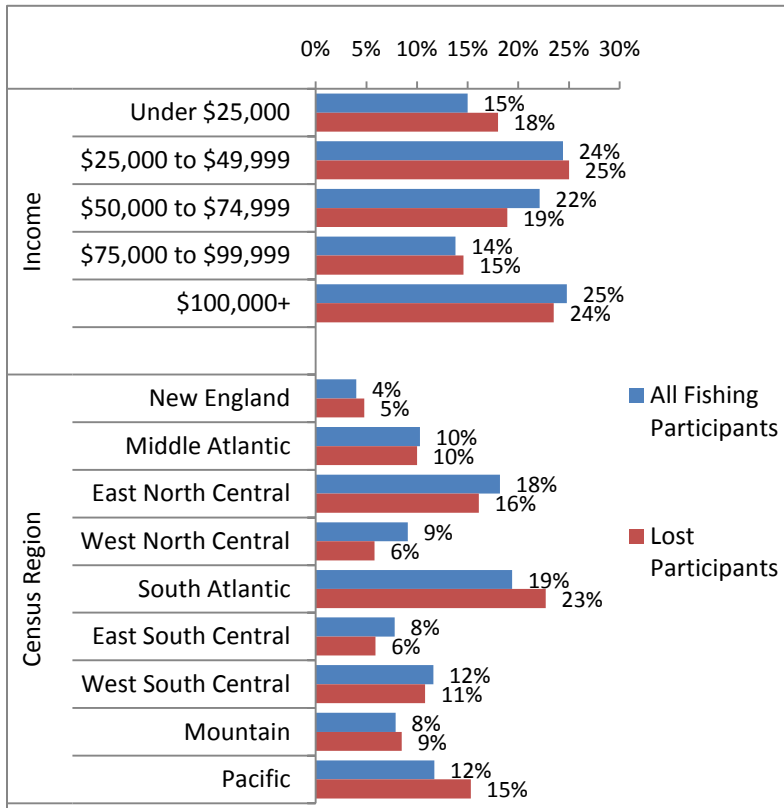
8 WHO ARE THE LOST PARTICIPANTS



Lost fishing participants are more likely than all fishing participants to be:

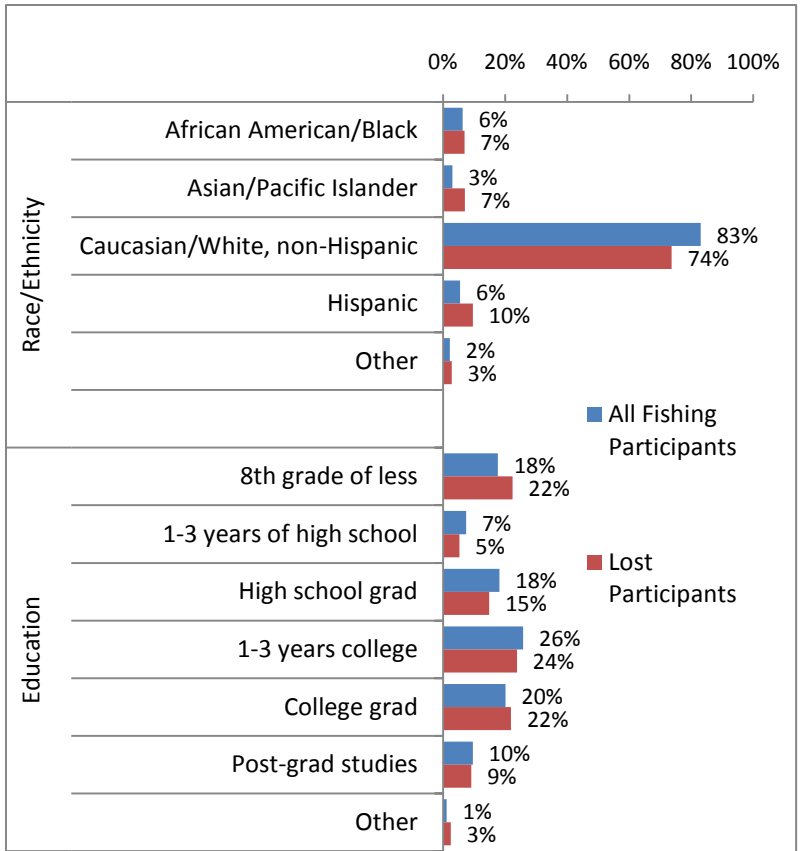
- Female
- Age 6-12
- Age 18-44

So although fishing is successful at introducing younger age groups to the sport, they are also losing a significant number.



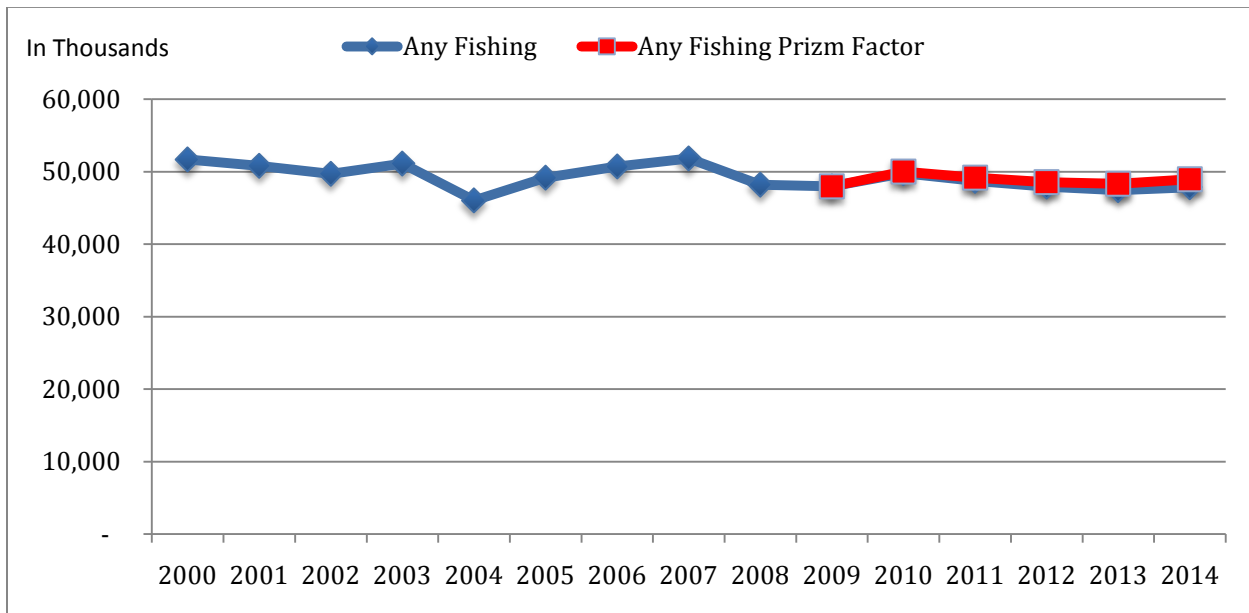
Lost fishing participants are relatively more likely to be:

- From lower income groups (less than \$50,000).
- South Atlantic and Pacific are over represented in both “new” and “lost” fishing participants, suggesting the “churn rate” is higher in these regions.



Fishing has been successful at increasing diversity but the smaller ethnic groups are also over-represented in the “lost” participants which implies a higher churn rate with these groups.

9 FIVE YEAR FISHING PARTICIPATION FORECAST



By combining the participation trends of the past 10 years along with the projected changes in U.S. population, we are able to predict future participation trends with a higher degree of accuracy. We use the five year population projections that are derived from the PRIZM Geodemographic coding system from Nielsen Claritas. Claritas' PRIZM Geodemographic system divides the U.S. consumer into 15 different groups and 66 different sub segments. When we factor in these changes in population using the PRIZM Geodemographic profiling system, we are able to create a forward looking projection for fishing participation.

The chart above shows that fishing is expected to maintain its current level of participation over the course of the next five years. That is the good news. The bad news is that even though fishing will maintain the same levels of participation in terms of the numbers of people, based on the fact that the population of the U.S. is projected to increase, the participation rate will actually show a decline as the population increases.

10 CONTACT INFORMATION

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