



Key Ingredients to Recreation

The manufacturing, wholesale, and retail industry of sporting and athletic goods suffered job losses in 2008.

Utah's tourism office has heavily touted and promoted the state as a Mecca for outdoor recreation. The state's natural resources offer much to do in all areas and in all seasons. In their pursuit of outdoor activities, these outdoor enthusiasts demand gear. What equipment do people use in their tourist-related pursuits? And, what do Utah businesses actually produce in the sporting and athletic goods arena?

Manufacturing Sporting and Athletic Goods, How many employers and jobs?

This industry is pretty diverse because the sports and activities are also diverse. It can include the manufacturing of rock climbing devices, exercise equipment, mountain bikes, and goggles or other eyewear. That's just in summer. Don't forget about the winter snow sports and that equipment, including downhill and cross-country skis and snowboards.

In Utah during 2008, about 40 to 50 firms manufactured sporting and athletic goods. Most were small with fewer than 50 workers. Seven

firms had 100 or more workers on their payrolls, and two of these firms had 1,000 employees or more. Total employment in 2008 averaged 5,000 jobs. Employment in the industry has slipped some from about the 6,000 level in 2005 (see graph).

Getting the Goods to Consumers

The standard road to the consumer is through the wholesaler and on to the retail outlet. A significant portion of sporting and athletic goods end up in large retail stores classified as discount department stores, and super centers, because these mega-stores have sports departments but are, in general, not classified as sports stores. Some of the products will land in specialized sporting and athletic stores—the focus of this discussion. In Utah, firms specializing in sporting and athletic goods wholesale trade numbered 110 in 2008 and employed some 1,400 workers. On the retail side, the number of outlets is about 340. Retail businesses are scattered around the state but pretty much follow the population density. There are a handful of “chain” sports stores active in the state but most retail outlets are small shops geared

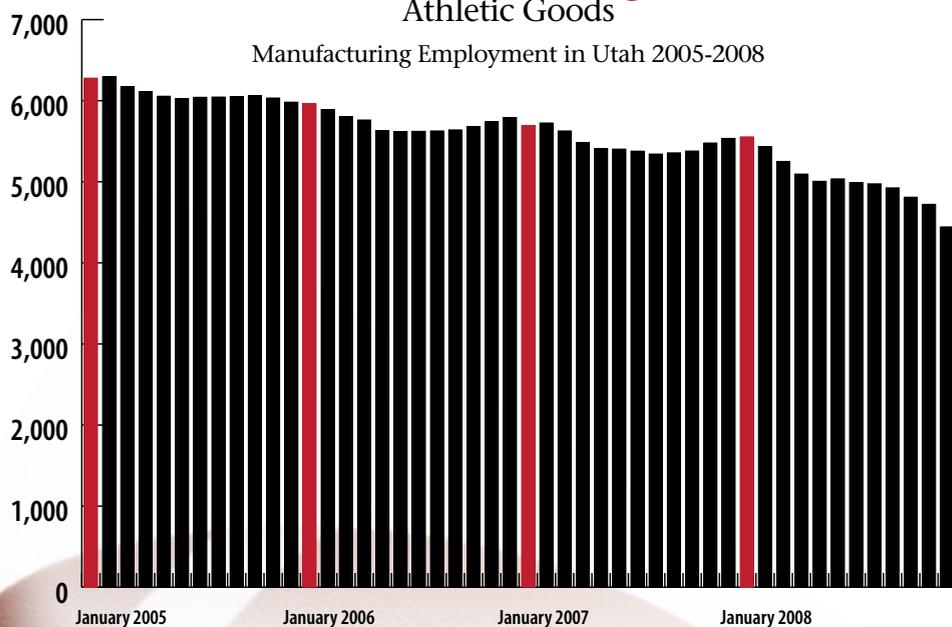
toward a specific type of recreation, like bicycling, hiking, and others. Employment in the retail sporting and athletic goods stores averaged about 4,400 in 2008, up from 3,800 back in 2005 but down from the 4,700 in 2007. Employment is somewhat seasonal (see graph).

The recession has had an effect on the sports and athletic goods manufacturing and trade industry. During 2008, all three sectors (manufacturing, wholesale, and retail) suffered job losses. This was also reflected in the year-over loss of gross taxable sales, to the tune of about 20 percent between fourth quarter of 2007 and fourth quarter of 2008. However, even with the recession affecting the industry, people still value their recreation and continue to purchase sports and exercise-related equipment.

Note: This article has addressed the manufacturing and distribution of sporting and athletic-related goods. Recreation is a larger topic that encompasses not only the manufacturing and use of equipment, but also includes recreational activities like golf, fitness, skiing, tennis, spa, and the like. 📌



Sporting & Athletic Goods



Source: Utah Department of Workforce Services, July 2009

For a list of Sporting and Athletic Goods:

- Manufacturing firms: <http://jobs.utah.gov:8080/opencms/wi/pubs/trendlines/septoct09/naicsstatetlsep09.pdf>
- Wholesale Trade: <http://jobs.utah.gov:8080/opencms/wi/pubs/trendlines/septoct09/wtnaicstlsep09.pdf>
- Retail Trade: <http://jobs.utah.gov:8080/opencms/wi/pubs/trendlines/septoct09/rtnaicstlsep09.pdf>