



YEAR END REVIEW

Dear Industry Colleague,

As the end of 2022 draws near, I write to thank you for your membership and investment in SFIA. Because of your engagement and support, we continue to fulfill our mission to promote sports and fitness participation and industry vitality. I am proud to say through the adversity we faced during the pandemic and supply chain disruption, SFIA was still able to help our members in a myriad of ways throughout the year.

Some key highlights of successes for SFIA in 2022 include:

- Advocating on the industry's behalf for targeted tariff relief through Congress and the Executive Branch action
- Leading a massive multi-stakeholder coalition including the professional sports leagues, SFIA companies, health club industry, and more than 4,000 local sports leagues and organizations, all working to pass the PHIT Act
- Adding a new ethnicity participation breakdown to SFIA's nationally-recognized 88 single sport participation reports
- Launching a completely revamped, refreshed website and a new Member Portal to create a more streamlined user experience
- Leading the effort to control cost for NOCSAE certification that resulted in direct credit/rebates for almost all licensees for past overcharges
- Supporting the successful effort for Congressional intervention to avert a nationwide rail strike
- Implementing SFIA-supported Shipping Reform (OSRA) to lower detention and demurrage charges
- Coalescing the team equipment industry to resolve sticky regulatory challenges such as the NOCSAE ND 200 standard for Commotio Cordis protection
- Convening the industry back together in-person for our Team Sports Rules Conference and the Industry Leaders Summit
- Launching the first-ever member satisfaction survey to better understand the value of an SFIA membership and how we can enhance these benefits and services
- And we have already announced two very exciting programs to launch in 2023:
 - The SFIA Community Pro Deal Marketplace is a digital commerce platform to increase our members' product sales while offering SFIA member employees access to discounted products
 - SFIA Fellows is a career support program to empower early-career employees from underrepresented communities. Stay tuned!

These are just some highlights of what SFIA has done throughout 2022! Below, you will find brief details on the many programs and services SFIA provided in 2022 in support of our members and partners.

I urge you and your team to continue to engage with us in the various products, services, events, and research we offer. Please do not hesitate to reach out if there is something that we can help you with – we are here to support you.

On behalf of the SFIA Board of Directors, and the entire SFIA team, I wish you happy and safe holidays and a prosperous 2023!

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RESEARCH

Providing information and insight to drive industry decision making

- Published five major research reports covering participation trends, sport-specific information, and business intelligence data, available at no cost to SFIA Members
- Continued post-COVID-specific insights sections to accurately track how sports/activities were favoring in the post-pandemic environment
- Added a new ethnicity participation breakdown to SFIA's 88 single sport participation reports. These reports help members analyze sports participation by cutting the participation figures by gender, age group, income level, geographic region, education level, and now, ethnicity
- Provided multiple customized data presentations and report analyses to SFIA member companies to assist with their product development, business planning, and forecasting
- Celebrated Title IX's 50th anniversary by adding a special section to SFIA's State of the Industry report
- Delivered SFIA's Participation Dashboard to allow members to easily compare participation rates of multiple sports and activities with the click of a button
- Continued our partnership with The Aspen Institute's Project Play initiative. SFIA participation and coaching data are used as a benchmark to track the success of this nationwide initiative
- Provided SFIA Pickleball research to be used as the benchmark by USA Pickleball and nearly every major news outlet to show how Pickleball was the fastest growing sport in the U.S. since 2019
- Continued to be an active leader of the Physical Activity Council (PAC) partnership, the nation's #1 source for sports, fitness, and recreational activity participation
- SFIA research and programs are commonly cited by major news outlets. SFIA research is in a news article more than once a day. Major news outlets that referred to SFIA data included: Washington Post, Wall Street Journal, New York Times, Bloomberg, Forbes, WWD, USA Today, MLB, Politico, CNBC, Yahoo, and more
- Developed a strategic partnership with SBRNet that allows SFIA members to access additional research on sports fandom and related consumer behavior
- Launched the first ever member satisfaction survey to better understand the value of an SFIA membership (current and prospective) and how we can enhance these benefits and services to serve the association better

INDUSTRY & PUBLIC AFFAIRS

The authoritative voice on Capitol Hill for the sports and fitness industry

Growing Sports and Fitness Participation

- **Lowering the Cost Barrier:** With families struggling in the post-pandemic economy and with the strong connection between mental health and activity, SFIA positioned PHIT as a critical benefit for American families and individuals looking to increase their physical activity. SFIA continues to lead the multi-stakeholder coalition urging Congress to act on PHIT by year-end 2022
- **Increased Access:** Working with our outdoor recreation partners, SFIA helped steer Land & Water Conservation funds to projects that develop new recreational facilities or upgrade existing ones. Additional funds from the Bipartisan Infrastructure Bill are being directed to recreation infrastructure as well

Trade

- **Supply Chains:** SFIA pushed for the Ocean Shipping Reform Act (OSRA) that Congress passed in June to update U.S. shipping laws for the first time in 20 years. A key pain point for SFIA companies during the supply chain crisis was "dwelling fees" – SFIA supported provisions in OSRA that are now used to reign in unreasonable detention and demurrage charges, require increased reporting by shippers, and prohibit ocean carriers from declining U.S. exports without cause
- **Labor Unrest:** SFIA successfully pressed Congress to use the Railway Labor Act to force rail unions to accept the Tentative Agreement negotiated back in September, and to avert a crippling strike. With West Coast port workers on the job without a contract since July, SFIA has requested the White House engage to ensure the flow on commerce is not disrupted by a work stoppage
- **China:** China's zero-COVID policy continues to create unpredictable shutdowns for manufacturers, leading to longer lead times for both finished goods in China and inputs produced in other countries. SFIA welcomed China's recent announcement that it will ease COVID restrictions
- **Forced Labor:** The Uyghur Forced Labor Prevention Act went into effect in June 2022 and CBP seized 1,772 shipments of products (\$553 million) suspected of being made with forced labor or containing inputs from forced labor. SFIA regularly provides insights to our member companies on the new law's implications and provides assistance in navigating Customs and Border Patrol regulations around product seizures, especially cotton-based apparel

Tariffs

- **Miscellaneous Tariff Bill (MTB):** SFIA developed and submitted more than 80 MTB petitions, which would provide \$40 million in tariff relief, fully vetted by the U.S. International Trade Commission (ITC) and recommended for inclusion in the MTB bill. MTB relief expired on January 1, 2021, and Congress continues to hold MTB renewal hostage over related trade issues
- **Generalized System of Preferences (GSP):** SFIA has aggressively pushed for renewal of The GSP program, which provides duty-free treatment on products made in countries with developing economies. The program expired on January 1, 2021, and remains stalled in Congress due to the same ideological differences that have blocked MTB. SFIA has pressed Congress for passage of GSP legislation but expects the relief bill to slip to 2023 and a Republican House
- **China Exclusions:** SFIA pressed all year for action on China Exclusions and joined other business interests on numerous letters to Congress requesting a new process. The U.S. Trade Representative (USTR) has moved slowly on the review of the China Exclusions process for Section 301 tariffs and delayed the launch of the Exclusion comment period until recently. SFIA expects a Republican House to turn up the heat on China Exclusions in 2023

Congressional Sports

- **Congressional Baseball/Softball/Football Game:** More than 100 members of Congress participated in the three biggest Congressional games in 2022. SFIA provided equipment to all the teams and worked with the Member of Congress players to build support for PHIT and youth sports while raising the positive profile of the sports products throughout Capitol Hill. The real winners were the different charities that benefited from all three games, as more than \$2 million dollars was raised

MEMBER SERVICES

Providing a robust menu of member resources, including dedicated sports councils to address specific challenges

- SFIA.org undertook a massive overhaul to service membership more effectively and efficiently. A new and improved SFIA.org website launched in Q1 2022 with a more modern and interactive look and feel. With that change, we have seen a positive responses and improved website views and interaction
- SFIA's new Member Portal, MemberSuite, was launched in conjunction with the new website in Q1 2022. MemberSuite allows member companies greater ease of access to SFIA research, programs, and services, and streamlined communications
- SFIA presented 10+ customized State of the Industry presentations at several member companies' sales and strategy meetings
- In 2022, SFIA welcomed 37 new member companies to its community. SFIA continues to function as a conduit between the Council members, sport governing bodies, and the standards organization, realizing millions of dollars in savings for SFIA members
- SFIA continued to put out its weekly SFIA newsletter to over 20,000 industry contacts to educate the industry on the goings-on at SFIA and throughout the sports and fitness industry
- Over 150+ members attended in-person SFIA Council meetings for baseball/softball, football, lacrosse, and golf in Q1 2022. Manufacturers, governing bodies, and industry coalitions discussed the impact of the COVID pandemic on their sport, the current landscape, and how all parties involved can work together to grow the sport
- 2023 in-person council meetings for baseball/softball, soccer, football, volleyball, and lacrosse have been moved to the [Team Sports Conference](#) on April 17-18, 2023
- Brought on one strategic partner, Credova Financial, and one supporting partner, Merchant Cost Consulting, to help assist members. We encourage you to check them out and contact them today to see how they can help you
 - **Credova Financial:** Buy Now Pay Later payment method that can go anywhere, do anything, and reach far into the credit spectrum while returning incredible results. We have created a product that more businesses and more shoppers can access than any other buy now pay later provider can
 - **Merchant Cost Consulting:** Cost reduction/consulting firm that helps businesses lower credit card processing fees, audit credit card processing fees, and assist with merchant services without the headache of their clients' switching processors or software
- Continued partnership with Good Sports to provide an excess inventory solution for our members while providing support to kids in underserved communities and giving them the opportunity to be equipped for sports and physical activity

THOUGHT LEADERSHIP

Delivering exceptional education and strengthening industry community

- Hosted SFIA's second-ever virtual Start-Up Challenge, with support from our Digital Media Partner, Spark Inc. Nine finalist companies pitched and competed in front of more than 110 judges from 100 companies and investment firms. Congratulations to SFIA's 2022 Start-Up Challenge winner, Ida Sports! Eight of the nine finalists have already received investments and/or have moved to market
- Presented, in-person, SFIA's 2022 Team Sports Rules Conference, co-hosted by the NFHS and NCAA, attracting 70+ attendees from brands, marketers, and sport governing bodies from across the country
- Convened SFIA's Industry Leaders Summit (ILS) in person for 2022, for the first time since 2019, attracting more than 130 attendees. SFIA welcomed presenting sponsor Credova Financial and introduced the Innovation & Partnership Hub with supporting partners Merchant Cost Consulting, NPD Group, and Re:Build Manufacturing
- SFIA's ILS event featured executive speakers from HOKA, Wilson Sporting Goods, Mastercard, Riddell, Gatorade, Chicago Bulls, OpenDorse, Brooks Running, NPD Group, and Meta, as well as numerous other experts from major sports brands
- Responding to attendees' desire for innovative networking, SFIA introduced the first *Hi-Hello Morning Meetup* at ILS, connecting more than 50 attendees before the event to facilitate introductions through roundtable discussions. Topics included legal and supply chain, consumer behavior trends, general sports talk, and the metaverse
- Hosted five [webinars](#) in 2022 covering pressing industry topics such as supply chain issues, legal issues, tariffs, sports participation trends, and PHIT
- SFIA will launch the [Sports Licensing Summit](#) in coordination with Licensing International on January 17, 2023, in Las Vegas. The one-day event will take place prior to the Sports Licensing & Tailgate Show and will highlight trends shaping the future of sports licensing

STANDARDS & COMPLIANCE

SFIA works cooperatively with certification and testing bodies like ASTM, NOCSAE, and all sport governing bodies to create equitable and effective standards for sports equipment

- NOCSAE ND 200 standard for Commotio Cordis protection was finalized with industry efforts guided by SFIA. Implementation of the standard during the period of COVID-19 was managed by the cooperative efforts of our members
- SFIA worked aggressively for members to manage cost increases and maintain cost and implementation agreements with key standards organizations including ASTM, NOCSAE, Safety Equipment Institute, and others. SFIA led the effort to control the cost of NOCSAE certification that resulted in almost all licensees receiving credit for past overcharges
- Industry Crisis Management: SFIA worked with NOCSAE and SEI to review costs associated with SEI certification of NOCSAE standards. This review was to ensure that current certification costs met the requirements of the 2014 Manufacturer's Agreement with SEI. These review efforts led to a plethora of SFIA members, NOCSAE, and ASTM Lacrosse licensees saving a significant amount of money in standards costs and extending product life
- 28 companies now participate in the SFIA Football Glove Specification Program. In the sixth year of the program, they represent 100% of the football glove market. The SFIA specifications are required by the NFHS, NCAA, and Pop Warner for game play
- Working with NOCSAE, SFIA is involved in the development of a new youth football helmet standard and the possible use of finite element modeling for future product development
- In conjunction with the National Federation of High Schools and the NCAA, SFIA is reconstituting the annual Team Sports Conference to focus more specifically on data-driven issues and cultural changes affecting team sports – taking place April 17-18, 2023, in Indianapolis, Indiana
- SFIA maintains relationships with numerous governing bodies and little league organizations including US Lacrosse, NFHS, NCAA, USA Baseball, Standards Setting, AFCA, ABCA, USSA, ASA, ASTM, CPSC, and NOCSAE
- Gregg Hartley (SFIA representative) is one of two NOCSAE Vice Presidents and continues to serve on the Industry on the NOCSAE Board of Directors along with Stan Jurga, Jr. of AllStar Sports and Lars Fuchs of Nike, Inc.

STATE OF THE INDUSTRY SURVEY

CLICK HERE TO HAVE YOUR VOICE HEARD!