

YEAR END REVIEW

Dear Industry Colleague,

I write to thank you for your membership and investment in SFIA, and to share many accomplishments and successes achieved on your behalf in 2023. As we close out the year, the SFIA Board of Directors, Team, and all our partners are grateful to our member companies for your continued engagement and commitment to our mission to promote sports and fitness participation and industry vitality.

Some key highlights of successes for SFIA in 2023 include:

- Providing best-in-class and globally cited research on American sports and fitness participation trends, insights, and industry business intelligence – delivered mostly free to SFIA members
- Developing innovative new research partnerships and reports in Pickleball, Running, Flag and Tackle Football, Sports Fandom, and The Future of Youth Sports
- Adding direct benefits for SFIA member companies and their employees to utilize including the Content Library, Lead Generation Database, Discounts on Health Club Access/Fees, Pro Deal Marketplace Employee Discounts (operational in early 2024), Public Policy and Trade Newsletter, and more
- Welcoming 46 new companies to SFIA membership
- Advocating with U.S. Congress and the Executive Branch for legislation and policy in support of the best interests of the sports and fitness industry including: Tariff relief through the GSP and MTB programs (SFIA is pushing for more than \$100 million savings in SFIA member product categories), De Minimis Exemptions, Digital Labeling, Intellectual Property Rights, and Rail Storage Fees
- Playing a vital leadership role in Washington to drive funds and attention to pro-physical activity policy, including building youth sports infrastructure, PHIT Act, economic impact studies on benefits of sports/fitness in communities, physical education, and more
- Establishing and empowering multiple new SFIA Committees to provide functional and sport-specific collaboration including Marketing and Communications, Research, People and Culture, and Pickleball – we encourage you to join these and many other pre-existing SFIA Committees!
- Launching the SFIA Accelerator Program dedicated to the professional development of early-career high-performers in our industry
- Hosting successful industry events including the Teams Sports Conference (with NCAA and NFHS) and SFIA's Start-Up Challenge (featuring more than 100 industry executives, investors, and entrepreneurs as judges and participants)
- Launching the SFIA Super Regional Series – single-afternoon, super-accessible events across the country highlighting topical research analytics, leadership, professional development content, as well as active networking opportunities. We intend to expand this successful concept in 2024 to more cities

Below, you will find details on the many programs and services SFIA provided in 2023 in support of our members and partners.

As you can see, 2023 was a busy and productive year for SFIA, made ever more fruitful by the active engagement of our colleagues from SFIA member companies. We welcome you and your teams to consider becoming more involved with us in 2024. I am confident it will be a productive professional and personal experience.

On behalf of the SFIA Board of Directors, and the entire SFIA team, I wish you happy and safe holidays and a prosperous 2024!

Yours in sports and fitness,



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RESEARCH

Providing information and insight to drive industry decision-making

- Developed a strategic partnership with Pickleheads and Running USA that allows SFIA members to access additional research on pickleball facilities and running race trends.
- Released a **BRAND NEW** research product: State of Pickleball: Participation & Infrastructure report. This first-of-its-kind report provides an in-depth analysis of pickleball participation and facilities data.
- Continued to be the most trusted source for pickleball data, cited hundreds of times in 2023. SFIA research is used as the benchmark by USA Pickleball and nearly every major news outlet to show how pickleball continues to be the fastest-growing sport in the U.S.
- Provided discounted running reports through Running USA that cover in-depth analysis of Gen Z runners and race trends.
- Published five major research reports covering participation trends, sport-specific information, and business intelligence data, available at no cost to SFIA Members
- Added **THREE NEW** single sport participation reports (Camping, Trail Running, Hiking (Day)) in 2023, bringing the total number of single sport participation reports to 91. Members can better analyze sports participation as figures are cut by gender, age group, income level, geographic region, education level, and ethnicity.
- Provided over 15 customized data presentations and report analyses to SFIA member companies to assist with their product development, business planning, and forecasting.
- Continued our partnership with The Aspen Institute's Project Play initiative. This data is used as a benchmark to track the success of this nationwide initiative.
- Delivered SFIA's Participation Dashboard to allow members to easily compare participation rates of multiple sports and activities with the click of a button.
- Continue 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; 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.
- Continued our strategic partnership with SBRnet that allows members to access additional research on sports fandom.
- Launched the second-ever member satisfaction survey to better understand the value of an SFIA membership and how we can enhance these benefits and services to serve the association better.

MEMBER SERVICES

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

- In 2023, SFIA welcomed 46 new member companies to its community.
- SFIA added the following benefits for member company employees:
 - Content Library – everything SFIA past and present can be accessed through the content library on the Member Portal, including past event and webinar recordings and slides, standards and rules, research, and more.
 - Active&Fit Direct Program – discounted Health club access
 - Running USA Research Discount – 25% off partner research
 - Sports & Recreation Grants Database
 - State of Pickleball – new research report
 - Released Public Policy Newsletter alerting members on the latest advocacy news
- SFIA partnered with ExpertVoice and will launch the Pro Deal Marketplace in early 2024 to help members sell products to individuals who are professionals in the sports and fitness industry with minimal effort.
- Hosted in-person SFIA Council meetings at the 2023 Team Sports Conference for Baseball/Softball, Football, Lacrosse, Volleyball, Soccer, and Basketball and to discuss the current landscape and how all parties involved can work together to grow the sport.
- SFIA continued 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.
- Hosted the **FIRST EVER** Pickleball Council Organizing Meeting in Dallas, TX to bring together the pickleball products industry with over 40 attendees and discussed how the industry can solve some of the challenges the sport is facing including getting more industry data, product standards, testing, and compliance, among others.
- Presented customized State of the Industry presentations at several member companies' sales and strategy meetings.
- Continued partnership with Good Sports to provide an excess inventory solution, providing support to kids in underserved communities and giving them the opportunity to be equipped for sports and physical activity.

Preferred Partner Program

- Developed a program to benefit SFIA members seeking business operations support, marketing services, and discounted member-only pricing (meaningful savings) for these services.
- Offer service-oriented companies engaged in various disciplines to connect directly with SFIA members.
- A non-exclusive business model with companies that SFIA will vet and endorse based on appropriate committee and industry reviews and member referrals.
- Current Partners include American Specialty Health (gym member discounts), Credova, Merchant Cost Consulting, ConSearch, Octane 5, Loeb & Loeb, and The Venn Collective.

Committee Development

- Established a MarCom and Research Committee co-chaired by Erin Griffin, Riddell Sports and Lindsey Haber, Rawlings. Other committee member companies include Brooks, Nike, New Balance, NFL, True Fitness, Franklin Sports, NBA, and Bridgestone Golf.
 - Plan to split the committee into MarCom & Events and Research in 2024
- Continued to evolve the Diversity, Equity, and Inclusion Committee and will rename it People & Culture. The committee is currently chaired by Roman Oben from the NFL. Other member companies include adidas, Brooks, Clarks, NACDA/McLendon Foundation, Bauer Hockey, Cascade | Mavenc Lacrosse, Franklin Sports, NHL, New Balance, and Riddell Sports.
- 2024 plans for these committees and others with a domain focus include:
 - Exploring program opportunities that benefit the entire membership
 - A vetting resource for potential Preferred Partnerships and third-party partnerships
 - Serving as a peer-to-peer resource for other committee members and membership
 - Resource for identifying topics, panels, speakers, and judges for SFIA events - e.g., Team Sports Conference, Super Regionals, Start-Up Challenge, and Webinars

Accelerator Program

- With the support of our DEI/People & Culture committee and the leadership of Chair Roman Oben, SFIA launched a pilot program dedicated to the professional development of early career high performers (industry executives with eight years or less of cumulative work experience) with the support of sponsors including Adidas, Brooks, Clarks, New Balance, Rawlings, and Riddell.
- Selected seven Associates for the pilot program including BSN Sports (Erin Kelly), Brooks (Brian Morrison), Clarks (Kweku Quansah), Nevco (Tyler Klostermann), Rawlings (Kassi Farmer), and Riddell (Michelle Kalugishi), who met and networked with industry leaders. We have plans for the program to expand to 10 Associates for the entire membership in 2024.
- Included industry events (State of the Industry Reception and Super Regionals), professional development and career counseling with The Venn Collective, Lunch 'n Learn Sessions, and a collaborative webinar on Young Professional Development.

INDUSTRY & PUBLIC AFFAIRS

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

Tariffs

- **Section 301 Tariffs:** SFIA sent letters to the President and Congress requesting a new path to Chinese trade that does not include punitive tariffs. The letter to President Biden pushed him to discuss alternatives to the tariffs with Chinese President Xi during their November meeting at the Asia-Pacific Economic Cooperation conference. SFIA also asked Congress for help in removing the tariffs/re-opening the Exclusion process and improving supply chains.
- **Section 301 Exclusions:** A General Accountability Office (GAO) review of the Exclusion process found it to be seriously flawed and recommended re-opening a transparent exclusion process. In a letter to U.S. Trade Representative Tai, SFIA requested a more transparent exclusion process. The USTR is close to releasing a required four-year review of the Section 301 tariffs which could re-open the Exclusion process.

- **Miscellaneous Tariff Bill (MTB) & Generalized System of Preferences (GSP):** SFIA met with Congress and sent a letter to the House Ways & Means Committee pressing for renewal of these popular tariff relief programs that lapsed in 2021. Ways & Means held a hearing on improving the MTB and GSP to jump-start renewal of these programs, which offer more than \$100 million annually in tariff relief on SFIA member products.

- **De Minimis Exemption:** Shipments valued under \$800 can be shipped directly to consumers using the De Minimis exemption and avoid CBP inspections and applicable tariffs. The use of De Minimis has grown from \$40 billion in 2012 to \$67 billion in 2020 as mostly Chinese companies use this loophole to ship counterfeit and forced labor products to U.S. consumers while avoiding Section 301 tariffs. SFIA is active in the effort to lower the De Minimis threshold or eliminate it altogether to level the playing field for U.S. companies.

Trade

- **Digital Labeling:** SFIA joined other interests in the sportswear, performance apparel and footwear, and fashion industries in promoting a conversion to digital labels to recognize advances in technology, ease regulatory compliance, and limit the environmental footprint of products by removing cloth labels.

- **Indian Quality Control for Footwear:** SFIA requested USTR assistance with India's new quality control standards for footwear, specifically, the unnecessary burden placed on footwear companies from new testing and marking requirements.

Supply Chains

- **Rail Storage Fees:** Storage fees charged by railroads at interior U.S. rail terminals cost American businesses hundreds of millions of dollars in recent years. SFIA asked Congressional leaders to have rail storage fees billed through ocean carriers subject to Federal Maritime Commission oversight and the detention and demurrage requirements of the Ocean Shipping Reform Act of 2022 (OSRA22). Legislation is under development to clarify oversight of rail detention and demurrage fees.
- **UPS Strike:** As contract talks between UPS and the Teamsters dragged on, SFIA urged President Biden to engage in the labor talks to ensure there was not an unnecessary disruption in supply chains. Shortly afterward, the two sides reached an agreement to avoid further disruption in supply chains.
- **West Coast Port Labor:** At the first sign of West Coast Port slowdowns, SFIA requested the President intervene in contract talks between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). The Administration engaged in the talks and a West Coast Port labor strike was averted.

Intellectual Property Rights

- **Combat Online Sales of Counterfeits:** SFIA endorsed the INFORM Consumers Act to help reduce the sale of counterfeit products via high-volume third-party online platforms. The new law went into effect at the end of June and requires online marketplaces to collect information on sellers, including bank account numbers, government-issued identification, tax ID numbers, and contact information, and disclose the contact information of those selling fake products. Failure to comply could lead to fines of \$50,000 for each violation.
- **Uniform Standards for Online Sales Platforms:** SFIA supports the SHOP Safe Act to require all online sellers to play by the same rules and work with brands to ensure more secure and safe e-commerce sales. The legislation would hold online marketplaces responsible for collecting information about the third-party seller and make it available to consumers. Online platforms must remove counterfeit and stolen products from their websites and ban bad actors from selling on the platform.

Participation

- **Economic Impact of Youth Sports:** SFIA has a commitment from top Appropriations member Chuck Fleischmann (R-TN) to secure funding for an annual Bureau of Economic Analysis Youth Sports Economic Impact study. The Economic Impact will enhance our message on the physical, social, and mental health benefits of youth sports to make them a higher policy priority.
- **Youth Sports Infrastructure:** SFIA secured House and Senate sponsors for a bill to invest federal funds in building new and upgrading existing youth sports facilities to address the access challenge children face. The bill expands the use of Economic Development Assistance grants to include youth sports projects and would not require additional funding to avoid budget concerns.
- **Sports & Recreation Grants Database:** More than \$1 trillion in grants are awarded every year with billions directed to sports and recreation projects. SFIA identified a searchable sports and recreation grants database to help SFIA members identify potential sales opportunities. The database is currently free for SFIA members for a limited time.
- **Lower Cost of Youth Sports/Adult Fitness:** Senior Ways & Means Member Mike Kelly (R-PA) has made the PHIT Act his top healthcare priority. Congressman Kelly has pressed for the inclusion of PHIT in HSA reform legislation currently under consideration and is committed to using every opportunity to pass PHIT to lower active lifestyle costs.

Congressional Sports

- SFIA supported more than 100 members of Congress who participated in Congressional Sporting Events. SFIA thanks adidas, Marucci, Nike, Rawlings, Riddell, Saranac, Shock Dr., and Wilson for their equipment and apparel donations to the Congressional Baseball Game, Congressional Women's Softball Game, and Congressional Football Game to enhance the players' experience. Combined, the three games raised more than \$2 million for charity.

THOUGHT LEADERSHIP

Delivering exceptional education and strengthening industry community

- In coordination with NFHS and the NCAA, SFIA hosted a revised Team Sports Conference on April 17-18, 2023, in Indianapolis, Indiana. The new event included hosting SFIA Council meetings, and featured sessions on opportunities at the grassroots sports level, state of the industry, NIL, intellectual property, growing participation, and marketing and delivering products in a changing market.
- SFIA hosted the 2023 Start-Up Challenge on Tuesday, October 10, 2023, with ten finalists from around the world representing all segments of the sports and fitness industry, such as recovery and training products, technologies and apps, and more. The finalists pitched to more than 100 judges from investing firms. Congratulations to our grand prize winner Replayer, and our runners-up Betterguards Technology and Supersapiens.

- SFIA hosted nine webinars in 2023, covering topics such as tariff relief, sports participation trends, state of the industry, pickleball, brand protection, online infringement, and forever chemicals.

- In partnership with Licensing International, SFIA co-hosted the Sports Licensing Summit on January 17, 2023, in Las Vegas in coordination with the Sports Licensing & Tailgate Show. The event included SFIA members and other industry executives and highlighted trends shaping the future of sports licensing.

Super Regionals and State of the Industry Reception

- SFIA hosted a State of the Industry Reception in New York and a series of member gatherings in late the fall that:
 - Engaged SFIA membership in markets with a high concentration of members
 - Provided a convenient and intimate environment for member participation
 - Increased awareness and understanding of SFIA value to member employees
 - Built relationships across multiple functional areas that SFIA represents

- The State of the Industry Reception held in New York brought together members, leagues, governing bodies, service companies, and media to listen to CEO Tom Cove present the annual State of the Industry report.

- SFIA launched the Super Regional program in Boston, Seattle, and New York for an afternoon and/or early evening of robust discussion on industry and organizational topics with a networking reception.

- Provided the opportunity to engage with members leading diverse functional areas that SFIA represents, including research/data analytics, government relations/public policy, sport development and participation, product development and safety standards, human resources/people & culture, and more.

- Subject matter included - Organizational Development/Employee Experience, Growing the Game (Youth Sports Participation), State of the Industry, Sports Consumer research, Trivia, and Fireside Chats featuring Brooks CEO, Jim Weber, New England Council President, Jim Brett, and GameChanger CEO and Dick's Sporting Goods SVP, Sameer Ahuja.

- A heartfelt thank you to all who supported SFIA's pilot year of Super Regionals, including Brooks Running, Dan Sheridan, Jim Weber, Josh Anderson, and Gina Gray-Mahler; New Balance - Ray Hilvert, Bauer Cascade/Maverik - Ed Kinnaly; and the National Hockey League's Rob Woolley and Rob Knesaurek. Our sponsors and Preferred Partners - Loeb & Loeb - Brian Sockow and Breanna Hill, Octane 5 and Bill Patterson, ConSearch and Valerie Finn, The Venn Collective (TVC), Jacqueline Lesamer, Matt Dubin, Eric Gulthoff, Merchant Cost Consulting, Patrick MacLellan. Others to acknowledge include former Olympian and 3X World Champion women's hockey player Haley Skarupa, New England Council - Jim Brett, Larry Zabar, Warrior Sports Arena - Marissa Trott and Endeavor Analytics, Keith Friedenberg and Norris Scott.

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

- SFIA continues to work with NOCSAE on the development of a new youth football helmet standard. The standard, as currently drafted, would eliminate 60% of the currently approved youth helmets due to restrictive weight limitations.

- SFIA, through its Baseball/Softball Council, negotiated a reduction in the proposed increases in USA Baseball Bat license fees from 8% to 6.5%, representing multi-million dollar savings for the industry.

- SFIA is representing the USA baseball industry in discussions concerning a proposed standard and license fee from USA Baseball for balls.

- We are working with the NCAA and the NFHS to develop a standard for football arm sleeves for fairness of play that would be administered in the same manner as the SFIA Football Glove Standard program.

- Currently exploring with the NCAA and the NFHS the possibility of including visually higher performance face shields for football in the gameplay rules.

- In 2023, 31 companies participated in the SFIA Football Glove Specification Program. In the seventh 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 gameplay.

- SFIA led efforts to review certification charges by SEI for NOCSAE certification, which resulted in all NOCSAE licenses being waived for past overcharges.

- We maintained relationships with numerous governing bodies and standards-setting organizations including USA Lacrosse, NFHS, NCAA, USA Baseball, Little League, AFCA, ABCA, USSA, ASA, ASTM, CPSC, and NOCSAE.

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