



Summary

The rising cost of living and its impact on sport and physical activity.

The rising living costs have been caused by various factors like the pandemic, Ukraine conflict, supply chain problems, higher interest rates, and inflation with low wage growth.

Sport England and a number of System Partners commissioned Sheffield Hallam University to bring together their collective insight and learning to create a central resource which individual organisations can utilise.

This document summarises the full report on the effects of the cost of living on participation in sport and physical activity.

The full report is available on the Sport England website.

Contents

Context	3
Focus on the Sport Economy	4
Focus on Participation	5
Focus on Clubs and Community Sports Groups	7
Focus on Facilities	8
Focus on Workforce	9
Summary	10
References	11



Context

In April 2023, the Sport England Active Lives Adult Survey showed that 63.1% of adults in England were meeting the recommended weekly exercise goals, a recovery to pre-pandemic levels. However, there are still inequalities:

- Men are more active than women.
- Levels of activity decrease as people get older.
- People with disabilities or health issues are less active than people without.
- Some ethnic groups are less active than others.
- People from the most deprived areas are less active than people from the least deprived areas.

The same survey also found that activity levels for children and young people had returned to pre-pandemic levels following a period of pandemic restrictions. But, like adults, there were inequalities:

- Boys are more active than girls.
- Children and young people from less affluent families are less likely to be active than those from more affluent families.
- Children and young people from Black, Asian and Other ethnic backgrounds are less likely to be active.

The cumulative effect of rising interest rates and higher energy prices means that the cost of living has increased sharply for many people, and the impact of this increase means that people have less discretionary income after paying their fixed costs.

People from low-income houses who spend a higher proportion of income on housing, fuel and power are amongst the groups who are most likely to be affected by cost of living increases, as they have less in the way of 'slack' to absorb increased living costs.

Looking ahead - inflation is predicted to return to the 2% target level by the end of 2024. Living standards are projected to return to 2021/22 levels by 2027/28 which will be below pre-pandemic levels in real terms.



Focus on the Sport Economy

Sport England's Activity Check-In data highlights the impact of rising living costs on England's sports economy. In February 2023, 63% of adults reported reduced disposable income and in August 2023 36% of adults reported that cost of living increases were having a negative impact on their ability to be active. People living in the 30% most deprived areas (based on indices of multiple deprivation) were most affected.

Reduced income impacted various aspects of sports, with disabled people and / or people with long-term health conditions and low-income earners facing greater challenges. Some had less time for physical activity due to increased work hours.

Rises in energy costs affected paid and voluntary sports organisations', with research from the Sport and Recreation Alliance in July 2022 outlining that one in four clubs were in a financial 'red zone' (holding reserves below a third of turnover).

Increased costs also affected instructors, who had to raise class fees due to rising expenses.

In conclusion, the rising living costs have had a significant impact on England's sport and physical activity landscape, affecting participants and providers, particularly disadvantaged groups and sustainability concerns persist for sports organisations.



Focus on Participation

The latest Sport England Active Lives Survey (November 2021 - November 2022) found that 63.1% of adults met the recommended 150 minutes of weekly physical activity, returning to pre-pandemic levels and above baseline (2015-16).

In the same report, levels of inactivity were +1.2% higher than before the pandemic restrictions, however they have decreased compared to levels seen during pandemic restrictions.

Active Lives Children and Young People Survey (academic year 2021-22) shows a return to pre-pandemic activity levels with 47.2% of children active, following increases compared to 12 months prior.

Inequalities persist however, across gender, ethnicity, income, and location for children and young people and adults.

Despite the cost of living increasing, overall activity levels remain relatively unchanged. However, people are adapting their behaviour in response to these changes. The Activity Check-In survey in August 2023 showed that just over two-thirds of adults (71%) had made changes to their sport and physical activity behaviours because of cost of living increases.

The changes people are making to their sport and physical activity behaviours because of cost of living increases can, in the short-term at least be described as having positive, neutral and negative impacts on activity levels. In response, people are substituting paid activities with free alternatives, such as walking or cycling for short trips or home-based activities as well as those who are cancelling gym and sports memberships.



Parents and carers of children and young people said they were making changes to their child(ren)'s sport and physical activities because of cost of living increases. The types of changes were similar to those reported by adults i.e., increasing the number of free activities, walking or cycling to get to places and cancelling membership to specific sports activities.

In conclusion, at headline level the percentage of children and young people who are classed as 'active' have returned to pre-pandemic levels, indicating a level of resilience in activity levels. Beneath the headline rate, existing inequalities continue to exist.

While negative changes in behaviour are likely to adversely impact the activity levels for some, the positive and neutral changes in sports and physical activity behaviours that people are adopting likely contribute to a resilience in the percentage of people who are active.



Focus on Clubs and Community Sports Groups

Formal club participation for adults reduced during the pandemic and has not fully recovered, with club memberships down 2% compared to pre-pandemic levels and recent data from Activity Check-In (August 2023). It is therefore a concern that 6% of adults and 7% of children and young people have cancelled membership to specific sports or activities.

There is a high level of concern from voluntary clubs about the impact of the cost of living increases on the groups and communities they serve, for example, Sported Community Pulse Survey (May 2023) found that 54% of all groups were extremely concerned and 40% were fairly concerned about the impact of the cost of living increases on their group.

A key concern is the loss of access to facilities. The Sport and Recreation Alliance Survey (2022) found that 77% of clubs identified availability of leisure centre facilities as a potential limiting factor on their activity, and more than half (53%) cited affordability of facilities.

In response to cost of living increases some clubs and community groups have reduced activity, there is evidence that some are increasing fees, whilst others are reducing fees / providing reduced or free memberships to make sessions affordable for people attending the club or group.

In conclusion, sustainable solutions are needed to support community groups and sports clubs amid economic challenges including member cancellations and lack of affordable facility access.



Focus on Facilities

The Cost of Living Insight Report (2023) by Sport England highlights growing concerns in the sports and leisure sector. Facility providers are grappling with rising fixed costs and reduced income due to increased energy prices and the overall cost of running their businesses, prompting them to cut sessions and raise fees.

Facility providers are also struggling, with 82% in a CIMSPA survey citing high energy costs were having a negative impact on their business. Utility costs, especially for energy-intensive activities like swimming, are a significant concern for facility operators.

Negative changes in behaviour as a result of cost of living increases are also likely to affect facility providers. In August 2023 10% of people said they had stopped doing pay as you go activities and 8% of consumers had cancelled gym memberships in response to cost of living increases (Activity Check-In. Wave 7. August 2023).

Financial pressure may result in temporary or permanent facility closures of both public and private sector facilities. The government's Swimming Pool Support Fund aims to help those most affected (public leisure facilities with swimming pools), but the broader sector remains at risk. Older, energy-inefficient facilities in communities with lower incomes and limited public transport access are particularly vulnerable.

In conclusion, the rising cost of living is pressuring sports and leisure facilities, impacting both providers and participants. Facility closures, membership cancellations, and affordability concerns are genuine issues, particularly in London and rural areas.



Focus on Workforce

England's post-COVID sports and recreation volunteer workforce has rebounded, with adult volunteers surpassing pre-pandemic levels, but caution is needed due to pandemic-related restrictions. Young people's volunteering rates remain below pre-pandemic levels, with data only up to 2021-22, missing the inflation peak in 2022.

Coaches returned faster than other volunteers, and inequalities persist, with fewer women, disabled, lower socioeconomic, and culturally diverse individuals volunteering.

A third of people who volunteer, are volunteering less due to time constraints, while 29% are volunteering more due to demand, intensifying the workload on fewer volunteers (Sport England Activity Check-In, Wave 5. March 2023).

The Sport and Recreation Alliance forecasted a 10% increase in volunteer time as clubs recovered, but activity generated by volunteers decreased. During the pandemic, most club volunteers stayed active, highlighting the sector's reliance on unpaid workers who organised online activities.

Paid workers have experienced a 13% reduction in working hours, especially those from diverse backgrounds. Job security concerns are high, with 96% worried and over half considering leaving the sector if they lose their jobs.

The Sport for Development Coalition reports workforce challenges, including precarious employment and limited career progression. A 2023 survey by EMD UK found 54% of instructors planning to leave, citing increased travel costs and financial constraints on professional development.

In conclusion, England's post-COVID sports and recreation workforce is recovering, but disparities persist, and the volunteer workforce has declined. Paid workers struggle with job security. Retention challenges remain, posing long-term sustainability concerns.



Summary

Headline participation rates in physical activity have remained stable compared to pre-Covid levels, showing resilience in activity patterns despite pandemic and cost of living challenges. However, beneath this, inequalities in participation continue to persist.

The increased cost of living has entrenched behavioural changes, unlikely to reverse until household finances improve.

People from the most deprived areas and from lower socioeconomic backgrounds are more likely to say their levels of physical activity have been negatively affected by cost of living increases. Club activities are nearing pre-Covid levels, but cost pressures, especially from rising energy prices, affect club finances, which in turn, is making access less affordable for some.

The workforce in the sport and physical activity sector faces complexity. Some people are volunteering less due to time constraints, meaning that other people are volunteering more due to demand. Paid staff, especially those with low wages or in casual positions, are leaving for better opportunities elsewhere. Employers are considering redundancies and closures due to budget constraints.

So, while headline participation rates remain stable, increasing living costs are widening participation inequalities, impacting the supply of activities and affecting the sector's workforce, both volunteers and paid staff.

The full report can be downloaded from the Sport England website:

www.sportengland.org/guidance-and-support/cost-living.



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