

TD Ameritrade Investor Survey

Parent perspectives on the cost of competitive youth sports

July 2016



Study Overview

Background & Objectives

Background

TD Ameritrade, a sponsor for the 2016 Rio Olympic Games, is interested in the trend of the rise of elite youth sports and America's retirement crisis. This study looks at the commitment of parents to their children's athletic dreams and the financial costs and potential long-term financial implications of that commitment.

Objectives

The objectives of the study were to . . .

- Assess how the level of financial commitment parents make to their children's sports pursuits may impact their own retirement planning or financial dreams.
- Understand the extent to which parents are willing to sacrifice to support their children's competitive athletics.
- Determine whether parents' expectations about the payoff for competitive youth sports are in line with reality.

Methodology

Methodology

- A 15-minute national online survey was conducted by True North Research¹ on behalf of TD Ameritrade, Inc. of 1,001 parents of children of all ages between May 12 and May 17, 2016. Margin on error +-3%.
- TD Ameritrade was not identified as the sponsor of the survey.
- The survey defined participation in “competitive youth sports” as playing for highly competitive or elite club teams run by a non-school organization.

Respondent Criteria

- All respondents were parents whose children either currently participate or have participated in competitive youth sports.
- Respondents were between 30-60 years of age, had \$25,000 or more in investable assets, and were decision makers for household investments.
- 18% incidence after targeting parents with \$25,000 in household assets. *Survey response rates may be lower than national population of youth athletes due to the particularly active, busy lifestyles of these respondents.*

About TD Ameritrade Holding Corporation

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¹True North Research is separate from and not affiliated with TD Ameritrade, which is not responsible for their services or policies.

Executive Summary

Parents of elite athletes medal in commitment to kids, yet sideline financial goals

- Parents cut out extras and admit to saving less, delaying retirement and tapping college funds to pay for sports.
- One-third do not contribute regularly to a retirement account (33 percent).
- A majority have no long-term financial plan (57 percent).
- Sixty percent say the cost of youth sports has them concerned about their ability to save for the future.
- Seventy-seven percent say youth sports affect household budgeting – discretionary spending gets cut first.

Parents bank on scholarships

- Parents typically spend between \$100–\$499 a month per child on elite youth sports, with the bulk of the money going toward travel and team fees. \$1000+ a month is not unheard of.
- Two-thirds dream of scholarships to cover more than half of college costs. Forty percent are at least pretty sure their kids will snag one.
- A third hope their children will go to the Olympics or turn pro. In fact, 15 percent are counting on it.
- Parents of past players offer a reality check: only 2 percent of the children of those surveyed went to the Olympics or turned pro and 24 percent got a scholarship.

Executive Summary

Sitting on the sidelines: Parents need to get their financial game on

- Parents spend 4xs more time on children's sports activities than on their own finances.
- Parents are more likely to characterize themselves as “Johnny-come-latelys”, who got a late start, but are working to catch-up.
- Nearly 60 percent believe they could be better disciplined when it comes to financial planning, investing and saving.
- While virtually all parents feel their child's sports coach is important, only 35 percent believe a financial coach would benefit them.

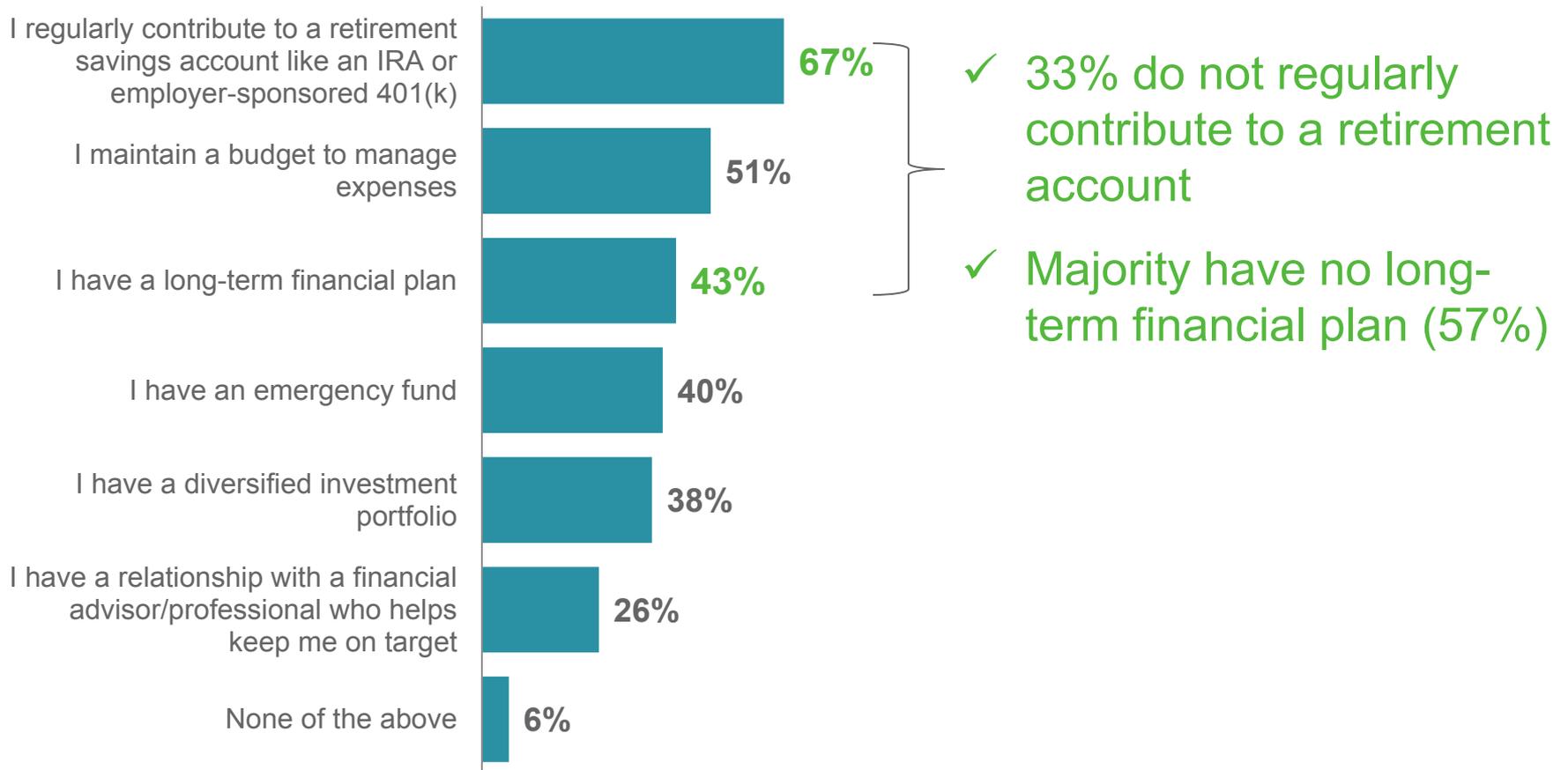
In the end, parents say the benefits of sports outweigh the costs

- Only 26 percent of parents say they consider cutting back on their child's sports activities.
- Approximately two-thirds strongly believe that their children learn important life lessons from sports.
- For parents, the joy of watching a child excel in sports (66 percent) is a top benefit followed by the bonding experience with a child (63 percent).
- For parents of adult children, most have no regrets (58 percent), while some would have tried to find a better balance between avoiding debt and saving for the future and spending on sports (42 percent).

Key Findings

Parents are invested in kids' sports, less so in their own financial goals

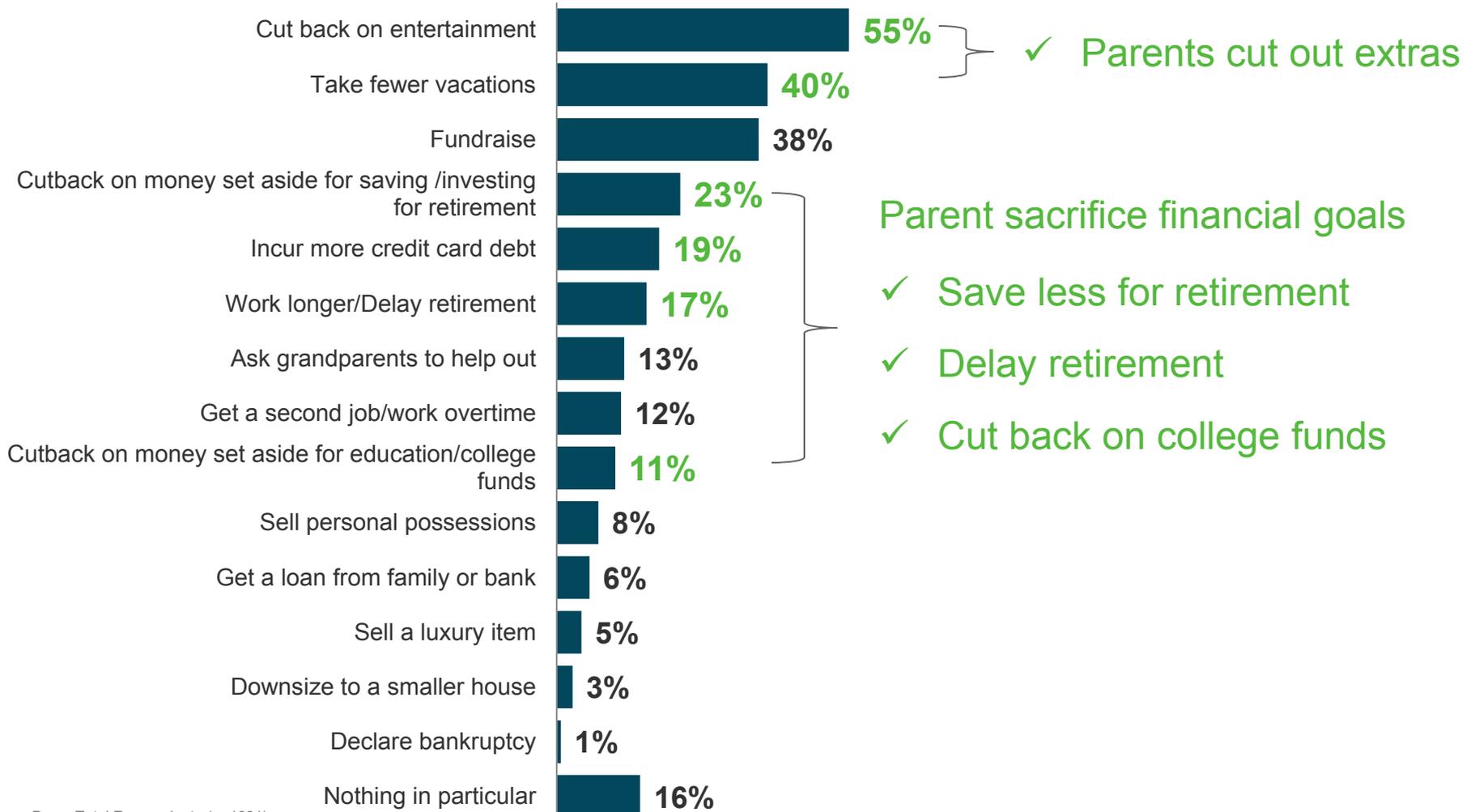
Steps Taking to Reach Financial Goals



Base: Total Respondents (n=1001)
 Q32. Which of the following steps have you taken to reach your financial goals? / Multiple responses accepted.

To pay for sports, parents cut discretionary spending and necessary saving

Paying for Youth Sports



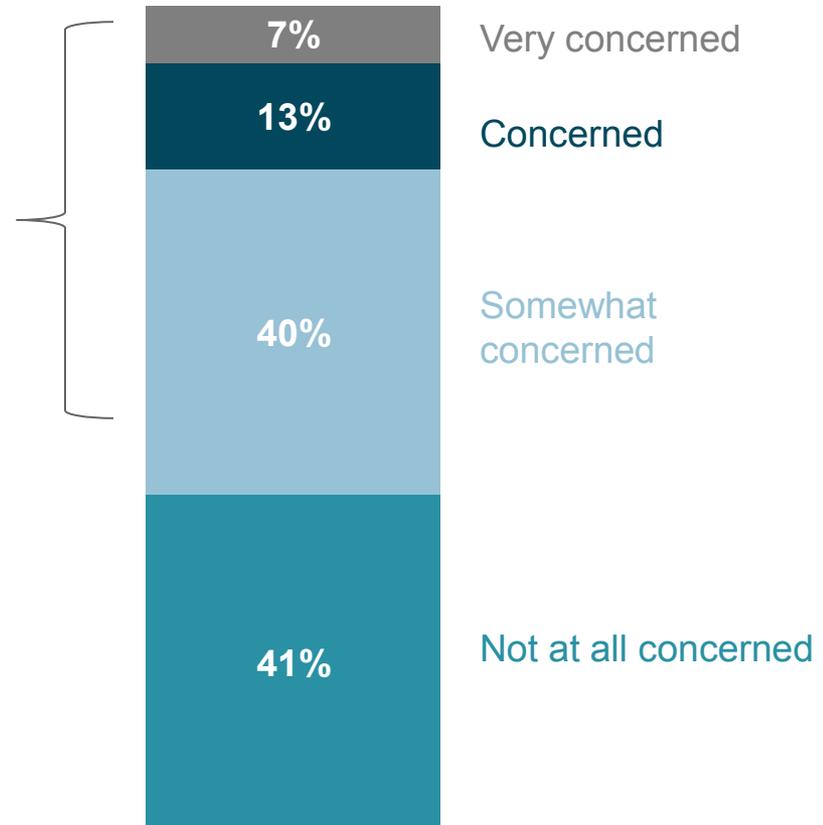
Base: Total Respondents (n=1001)

Q30. Which of the following are you willing to do or have you done in order to pay for youth sports expenses?

Multiple responses accepted.

The cost of youth sports raises some concerns about saving for retirement

- ✓ 60% of sports parents have concerns that paying for sports may impact their ability to save for retirement



Base: Total Respondents (n=1001)

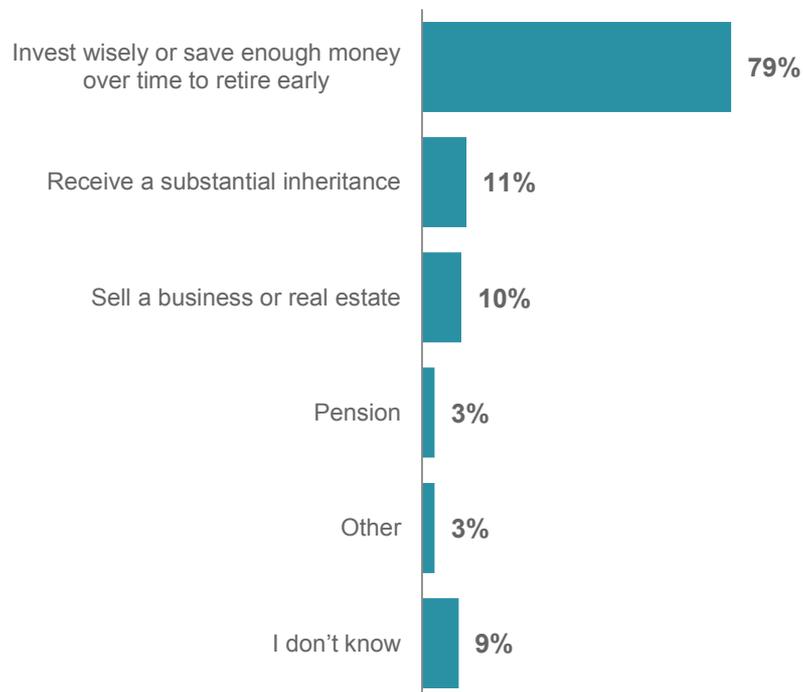
Q36. How concerned are/were you about the cost of youth sports and its impact on your ability to save and invest for your retirement.

Totals do not equal 100% due to rounding

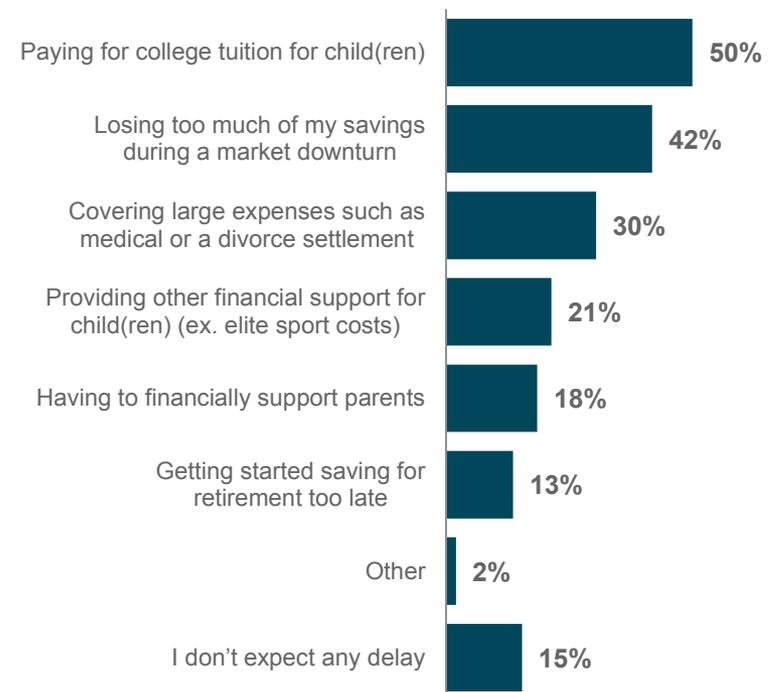
College cost is biggest retirement savings hurdle

While parents believe investing is the path to early retirement, they are concerned that the costs of education, as well as a market downturn, could delay their retirement.

Steps to Achieving Early Retirement



Delays to Retirement



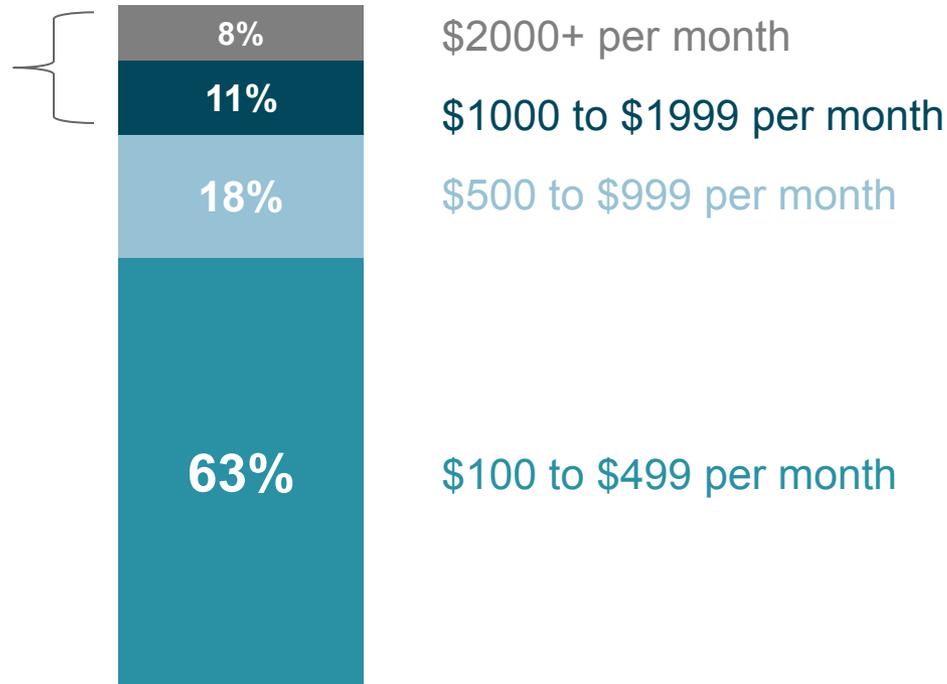
Base: Respondents expecting to retire before 65 years old (n=556)
 Q42. How do you anticipate achieving an early retirement?
 Q43. What could delay your retirement timeline? / Multiple responses accepted.

Most spend up to \$500/month on youth sports, per child

\$1000+ per month not unheard of for parents

Monthly Expenditures on Youth Sports, Per Child

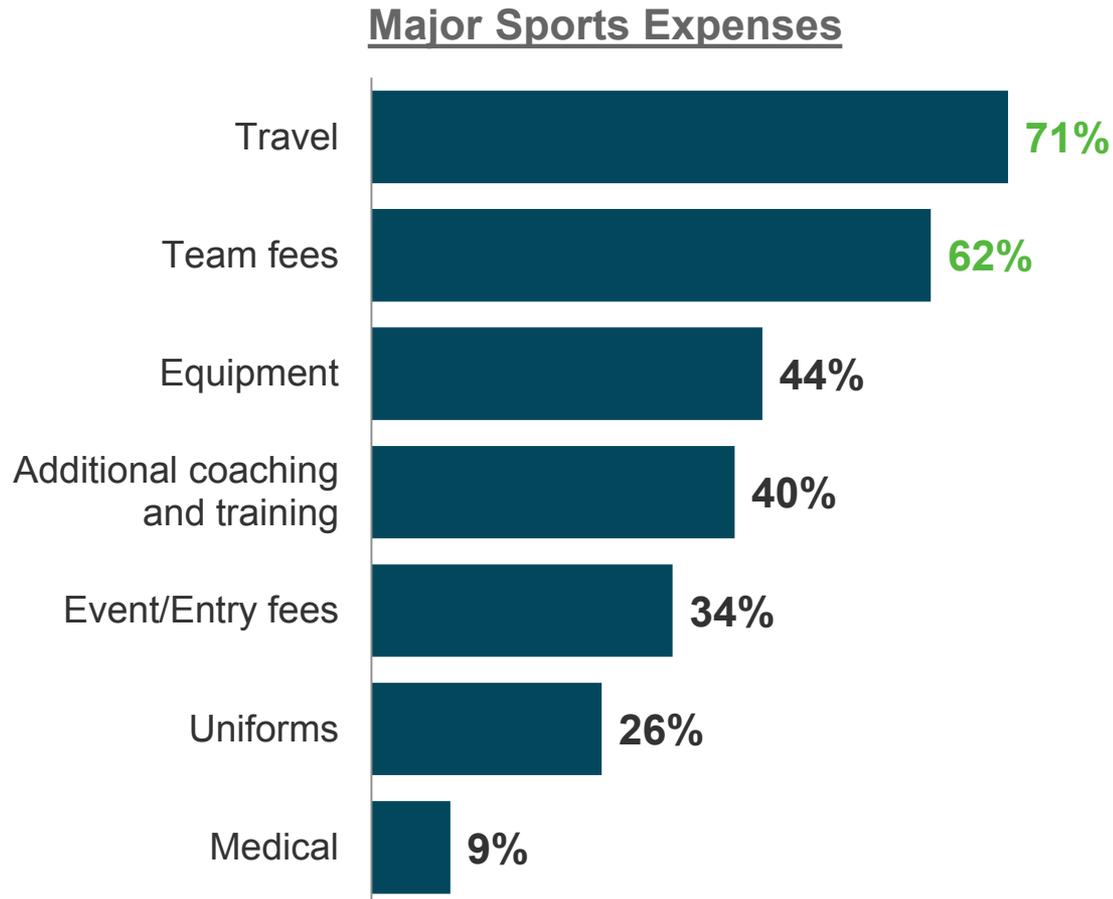
✓ One in five parents spends more than \$1000 per child a month on sports activities.



Base: Total Respondents (n=1001)

S9. On average, how much do/did you spend per child per month on youth sports? *If more than one child, graph reflects most expensive child

Most of the money is for travel and team fees

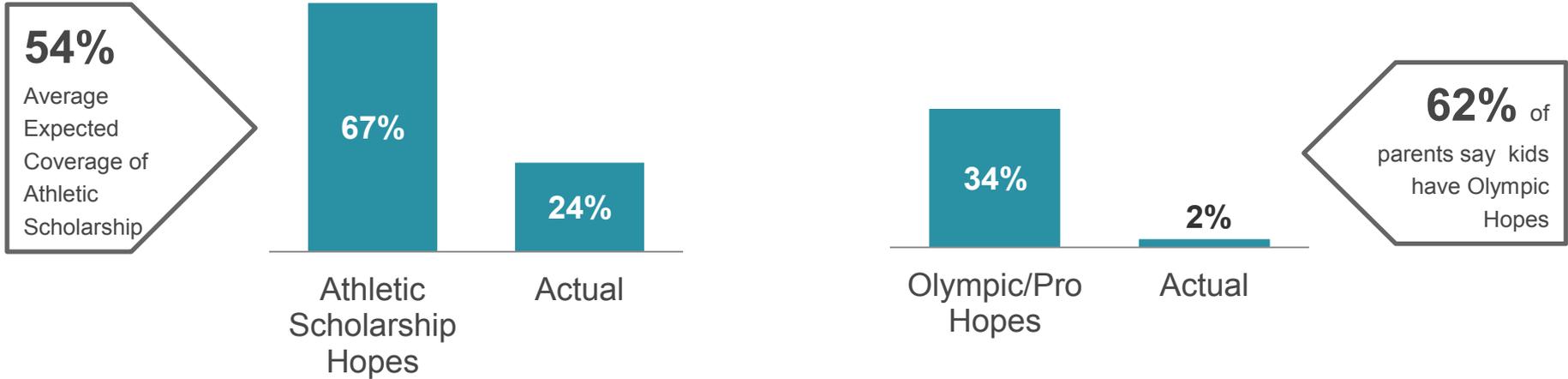


Base: Total Respondents (n=1001)
 Q26. What are/were the three most expensive aspects of your child's athletic activities?
 Could select up to three responses

Big dreams keep parents and kids in the game

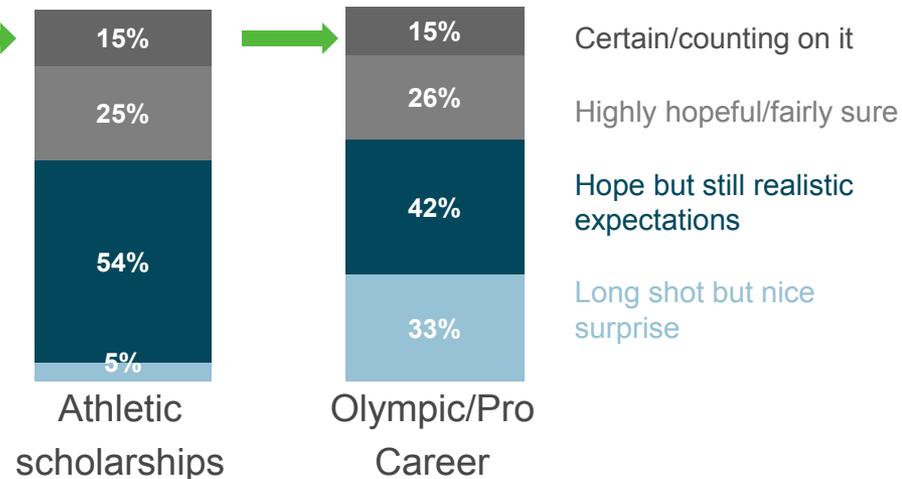
Parents' Athletic Aspirations for Their Kids

Parents with children currently playing v. those with past players



15% of parents bank on Olympic or pro careers, and scholarships

Degree of Certainty



Base: Respondents whose children are current players (parents of past players not included) (n=526)
 Q6. Do you have college athletic scholarship dreams for any of your child(ren)?
 Q11. Do you have professional sports and/or Olympic dreams for any of your child(ren)?

Base: Respondents who had a child in competitive sports (parents of current players not included) (n=346)
 Q9. Did you have a child who secured an athletic scholarship?
 Q14. Did your child go into professional sports or compete in the Olympics?

Base: Respondents with current players who are hoping for scholarship (n=354)
 Q7. How hopeful are you that your child will secure a college athletic scholarship?
 Q8. If your child receives a college athletic scholarship, what percentage of the annual total expenses will be covered?
 Base: Respondents with current players who are hoping for Olympics/pro (n=52*)
 Q12. How hopeful are you that your child will go into professional sports or go to the Olympics?

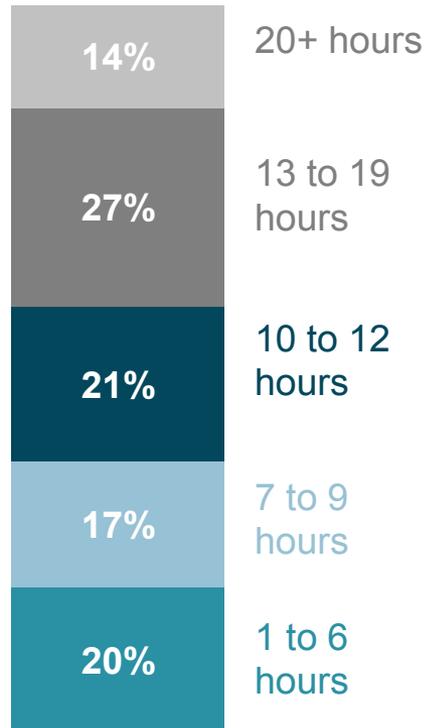
Parents spend 4x more time on children's sports than on their finances

- ✓ Parents spend on avg. 10-12 hrs. per week on kids sports activities
- ✓ As for finances, most spend on avg. 3 hrs. or less

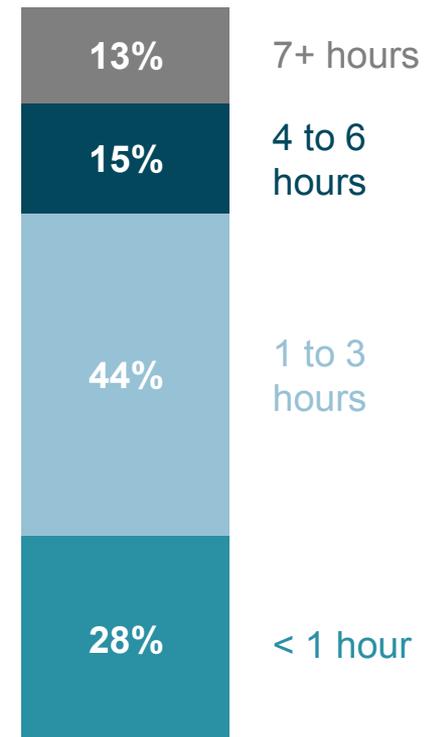
Sports-related activities include: driving, doing laundry, going to practices and events, etc.

Financial-related activities include: budgeting, working with a financial planner, or reviewing savings and investment accounts.

Hours Spent Per Week on Youth Sports



Hours Spent Per Week on Finances



Base: Total Respondents (n=1001)

Q23. On average, how many hours per week do/did you personally devote to all of your child(ren)'s athletic activities (driving, laundry, practice, events, etc.)?

Q35. How much time, on average, do you spend each week on personal finance and/or financial planning activities? (budgeting, working with a financial planner, reviewing savings and investment accounts, etc.)

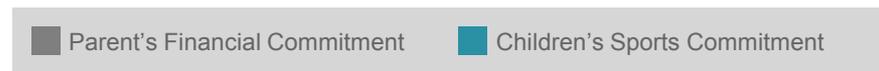
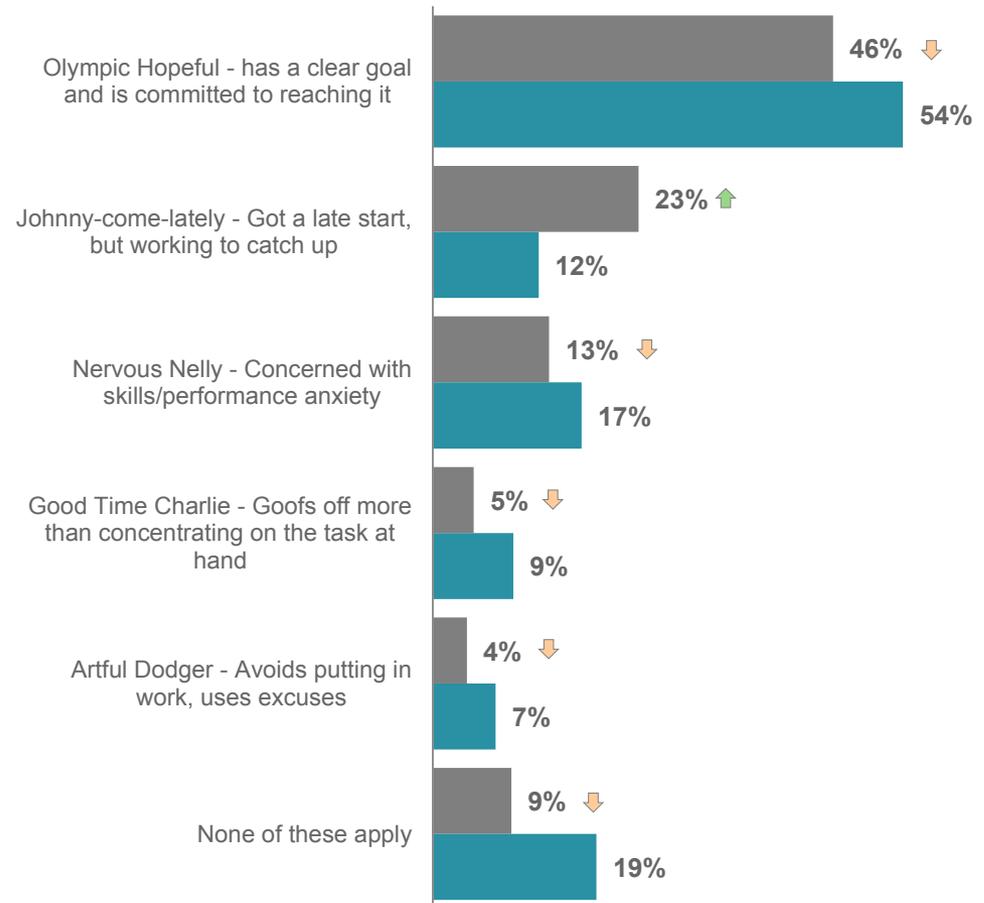
Totals do not equal 100% due to rounding

Parents do not commit to financial goals as well as their children do to sports

Commitment to Goals (Financial vs. Youth Sports)

- ✓ Parents are less likely than their child athletes to be Olympic Hopefuls – with clear goals they are committed to reaching.
- ✓ More parents characterize themselves as Johnny-come-latelys when it comes to finances.

Characterization of Commitment

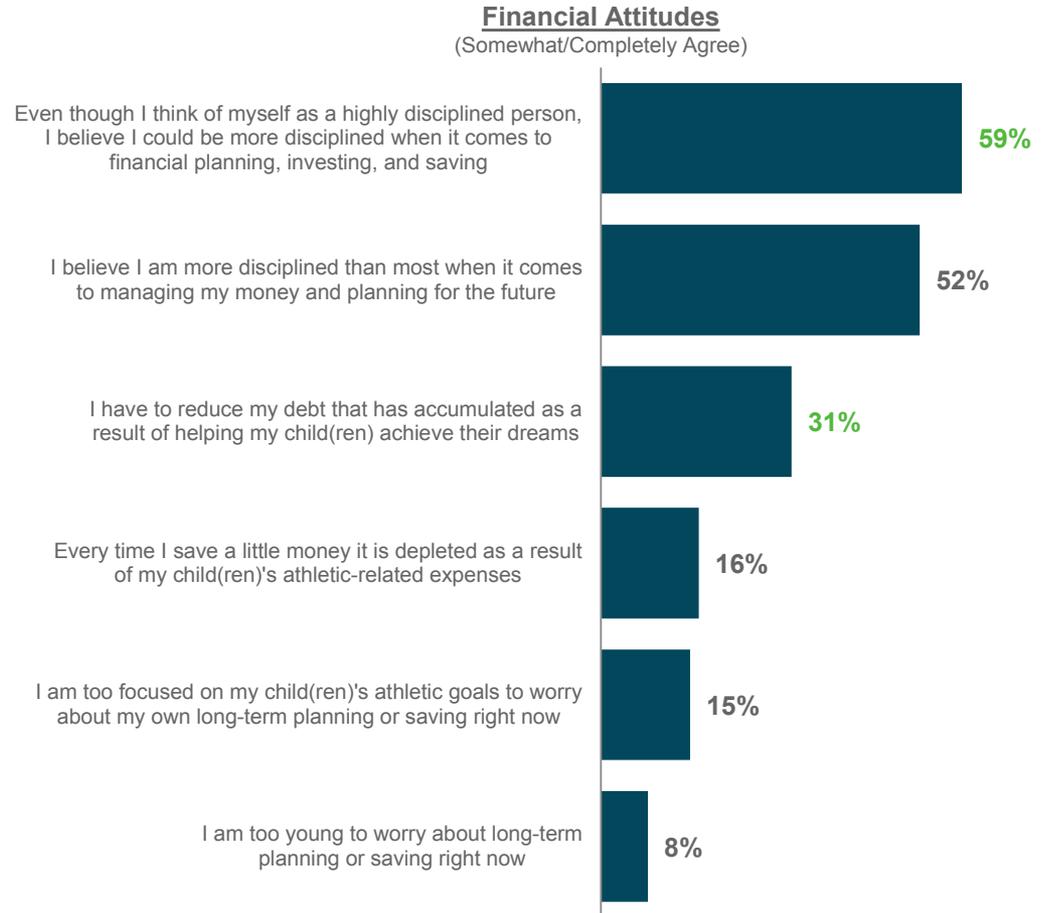


Base: Total Respondents (n=1001)
 Q20. How would you characterize your child(ren)'s commitment to his/her sports goals?
 Q38. How would you characterize your commitment to your financial goals?

↑ / ↓ Statistically higher / lower than children's commitment to sports at 90% confidence level.

Sports parents admit they need to be more disciplined with it comes to money

- ✓ Nearly 60% say they could be more disciplined with their finances.
- ✓ Just under one-third admit that they need to reduce their debts.

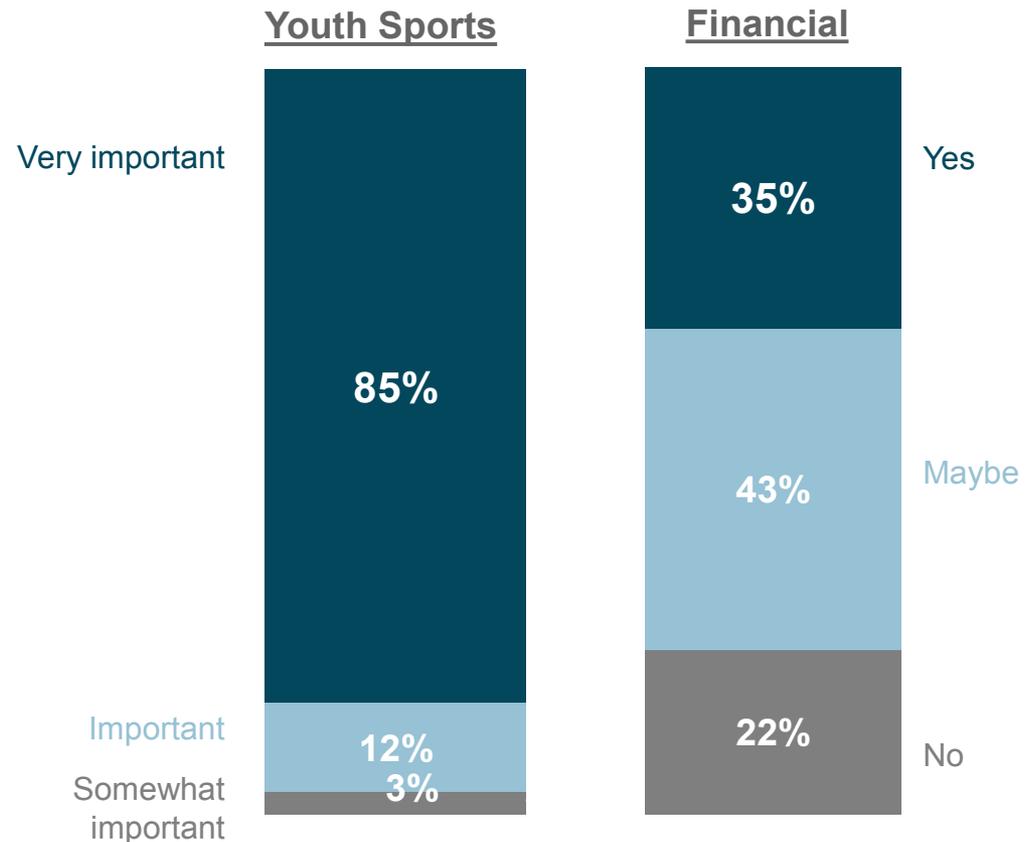


Base: Total Respondents (n=1001)
Q39. Indicate the degree to which you agree or disagree with each of the following statements.

Parents see value in athletic coaches, but question the need for financial ones

- ✓ While virtually all parents feel their child's sports coach is important, only 35% unequivocally believe that a financial coach would be of benefit.

Is a Good Coach Important to Achieving Goals?



Base: Total Respondents (n=1001)

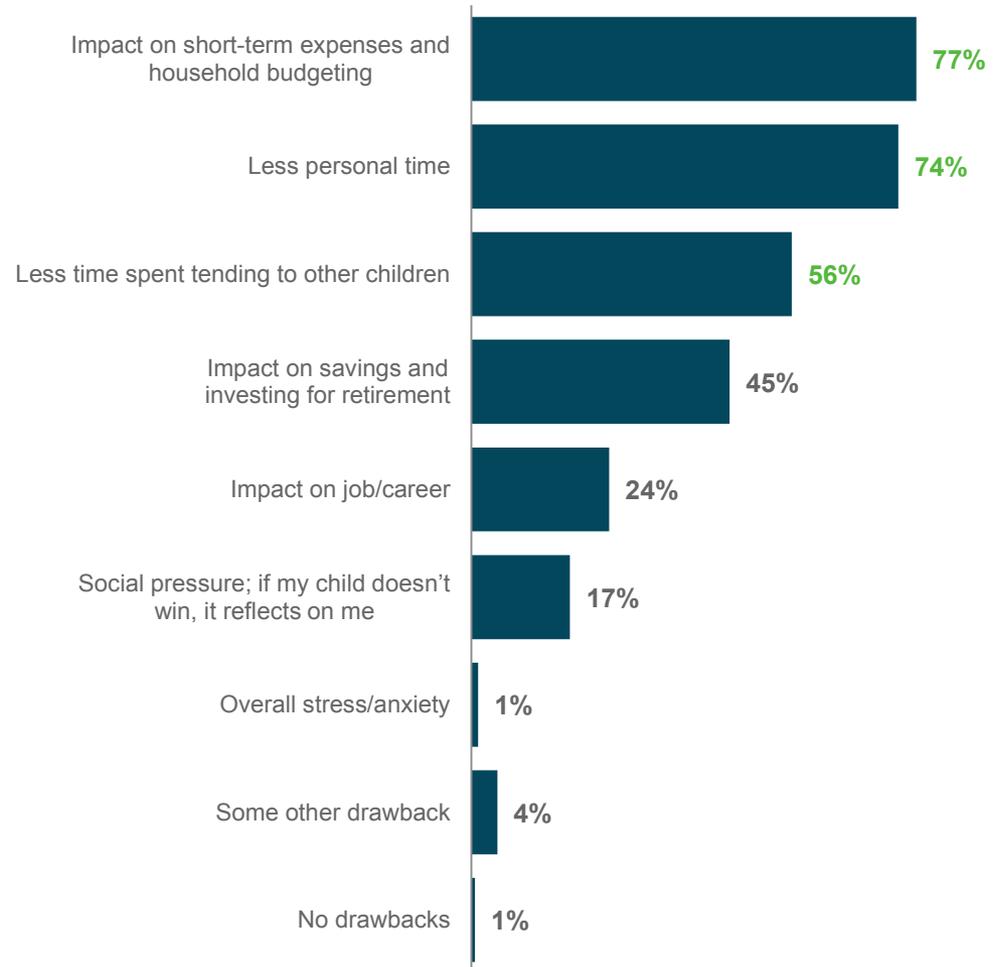
Q16. How important is a good coach in helping your child achieve success in his/her sport?

Q44. Do you feel a qualified, professional financial "coach" could help you reach your financial goals?

Impact on day-to-day expenses and personal time are top drawbacks for parents

- ✓ Most worry about the short-term financial aspects; having less personal time and time with other children.

Top Drawbacks for Parents of Youth Athletes



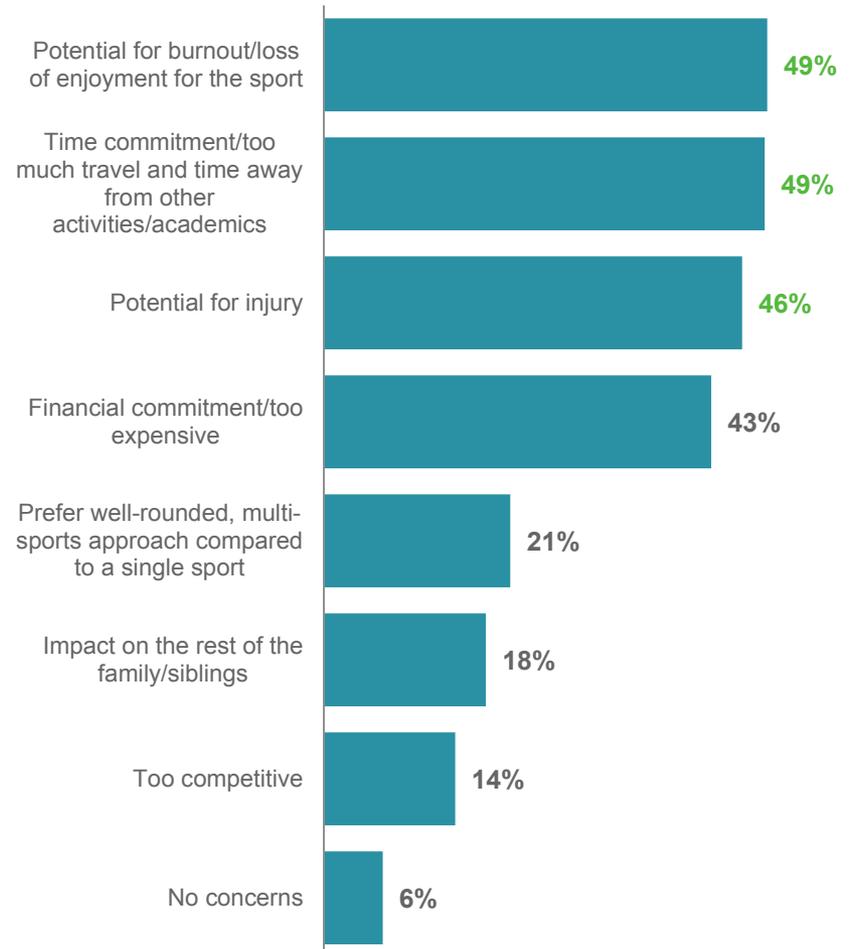
Base: Total Respondents (n=1001)

Q21. Please select the top three drawbacks from the list below in terms of how much of a problem they are for parents of a competitive/elite athletes. Up to three responses accepted.

Parents are most concerned about kids getting burned out

- ✓ While nearly half of parents are concerned about burnout and the time commitment involved, the potential for injury also weighs on their minds.

Biggest Concerns About Child's Involvement



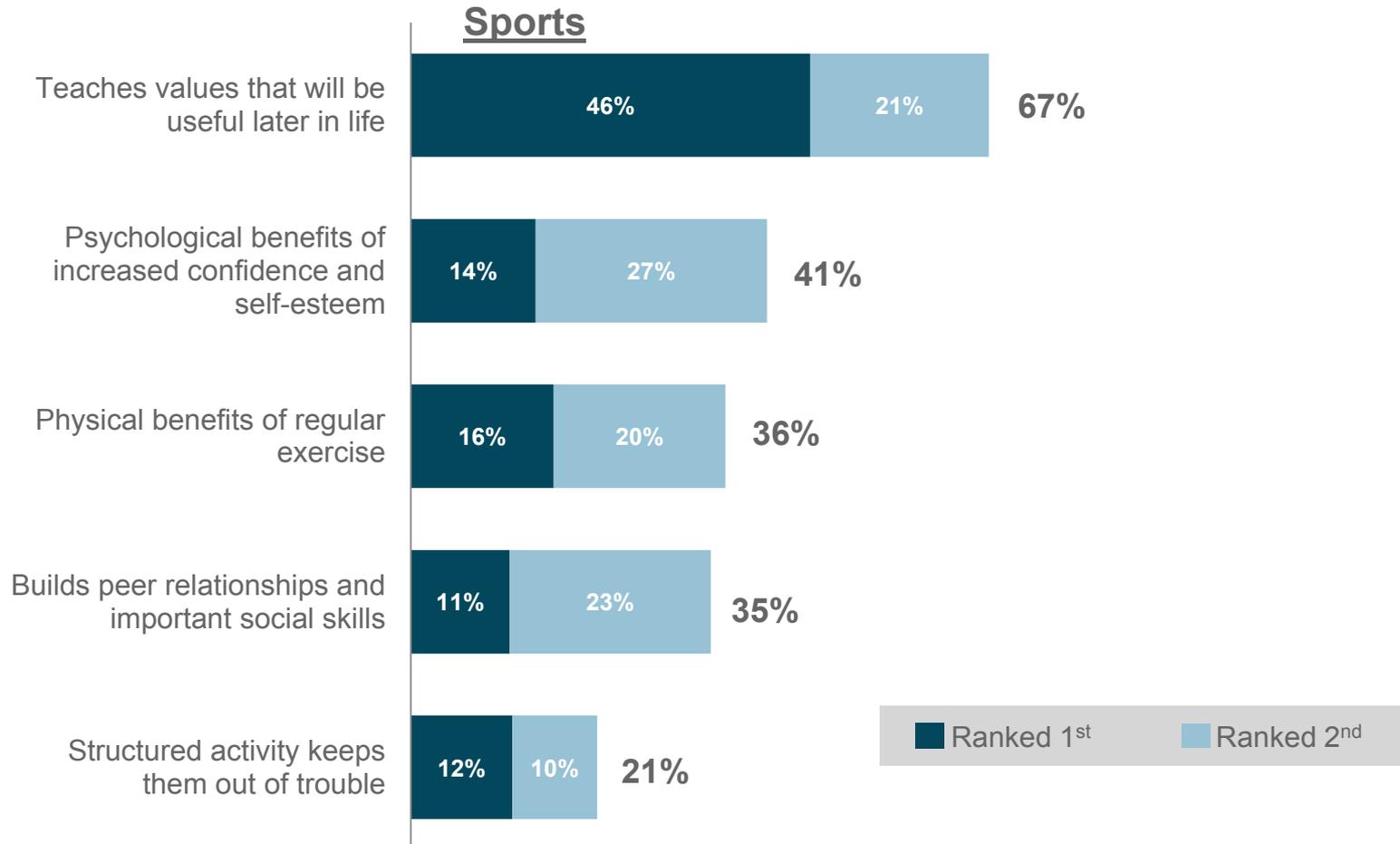
Base: Total Respondents (n=1001)

Q15. When it comes to your child's involvement in competitive youth sports, what are/were your biggest concerns?

Parents say sports benefits outweigh drawbacks

Despite personal and financial cost, youth sports offer priceless benefits

Benefits to Children in Competitive

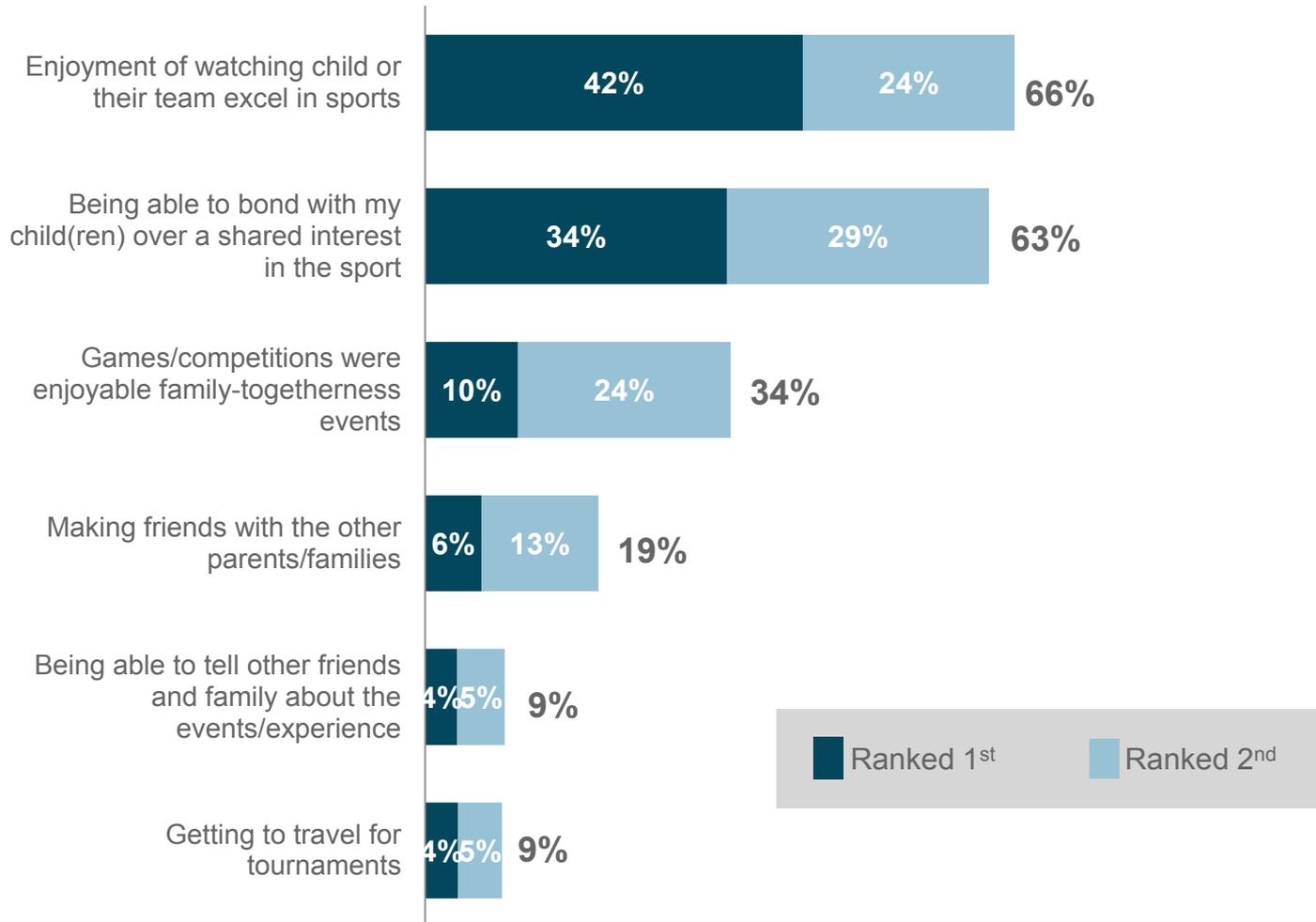


Base: Total Respondents (n=1001)

Q18. Please rank the benefits below in terms of what you find most valuable in allowing your child(ren) to participate.

Parents reap the benefits of youth sports too

Family Benefits from Youth Sports

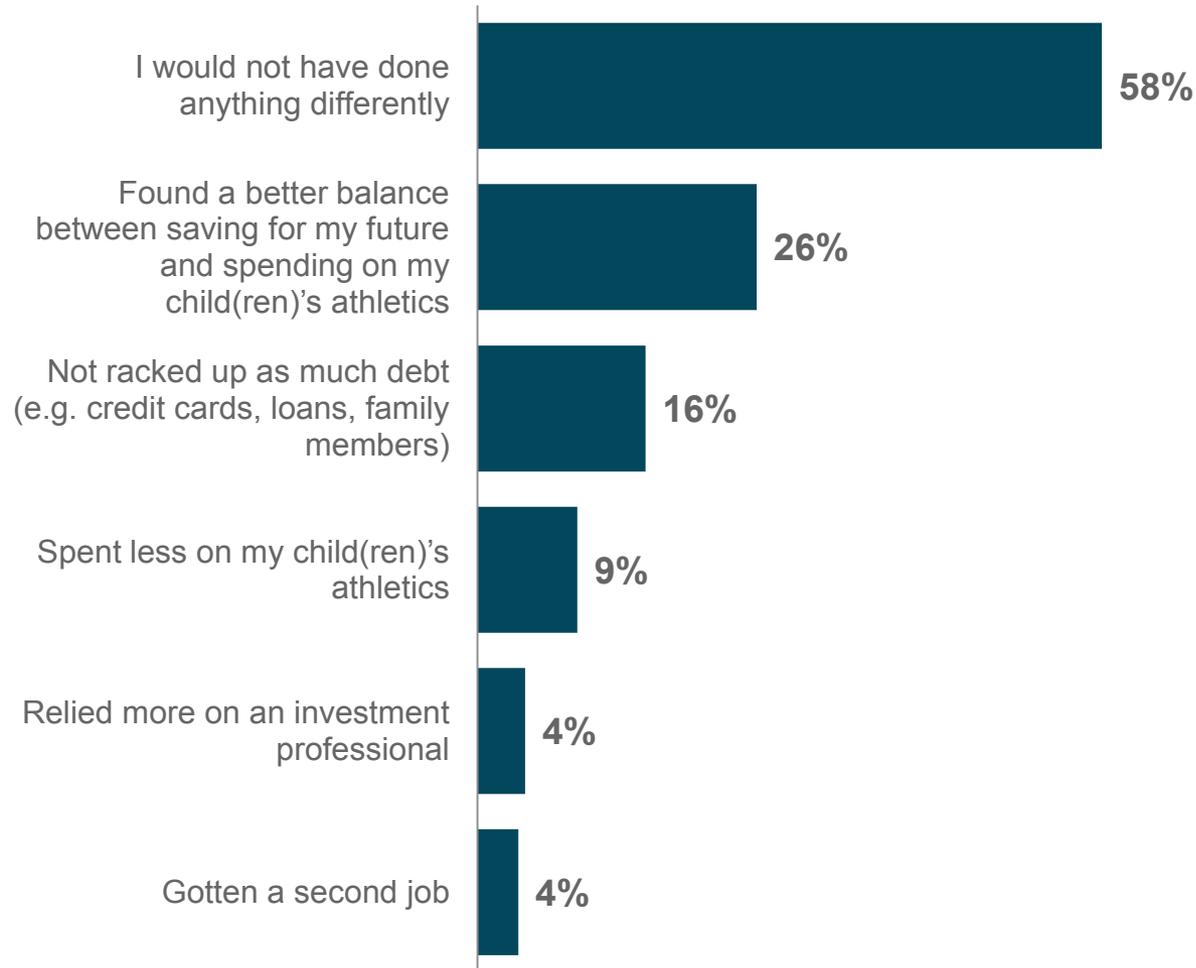


Base: Total Respondents (n=1001)

Q19. Please rank the items below in terms of those that you find most valuable to you and your family by your child(ren)'s participation in competitive youth sports.

Few regrets: Most parents would not change a thing

Regrets with Children in Youth Sports



Base: Respondents who had a child in competitive sports (n=475)

Q29. If you could go back in time, to when your child(ren) were playing competitive sports, what (if anything) would you have done differently about the way you invested or spent money? Multiple responses accepted.

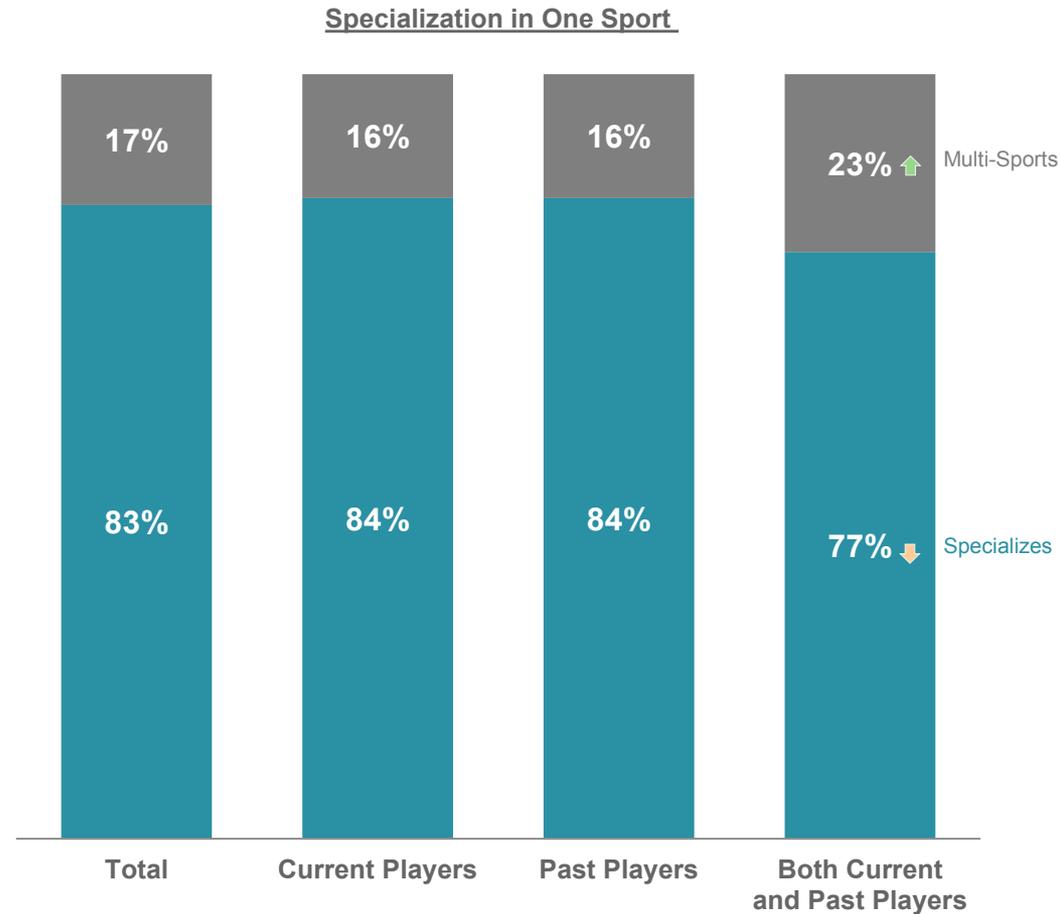
Detailed Findings

Sport Parent Profile

The majority of today's youth specialize in one sport

Trend toward specialization is strong

- ✓ A majority of competitive youth athletes specialize in one sport, with other sports used as training.



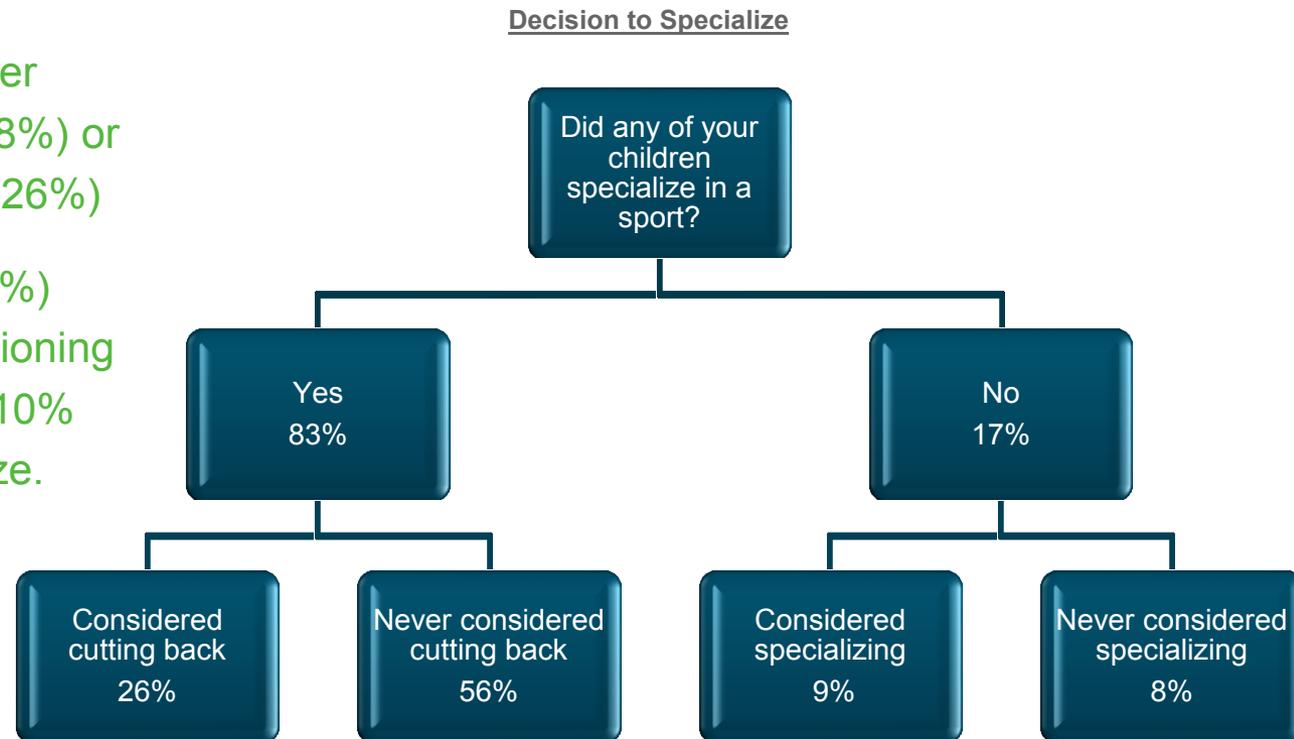
Base: Total Respondents (Total n=1001, Parents of Current Players n=526, Parents of Past Players n=346, Parents of Both n=129)

Q1a. Oftentimes children are asked to commit a large portion of their time and energies to just one sport. They specialize in this sport with any other sports/training, if done, being used primarily to improve performance in that specialized sport. Has any of your children specialized in a sport?

Only a portion of families are considering cutting back on specialization of one sport

Decision to Specialize

- ✓ Over one-third either never considered specializing (8%) or considered cutting back (26%)
- ✓ Conversely, over half (56%) specialized without questioning the decision, and nearly 10% were tempted to specialize.



Base: Total Respondents (n=1001)

Q1a. Oftentimes children are asked to commit a large portion of their time and energies to just one sport. They specialize in this sport with any other sports/training, if done, being used primarily to improve performance in that specialized sport. Has any of your children specialized in a sport?

Q1b. You said your child(ren) play(Ed) more than one sport in a given year. Are/did any of your children consider specializing in only one sport?

Q1c. Thinking of your child(ren) who specialize in only one sport, have any of them considered (or are considering) cutting back on this sport?

Totals do not equal 100% due to rounding

Financial concerns are not the main concern among those families with children not specializing in a sport

Reasons Not to Specialize

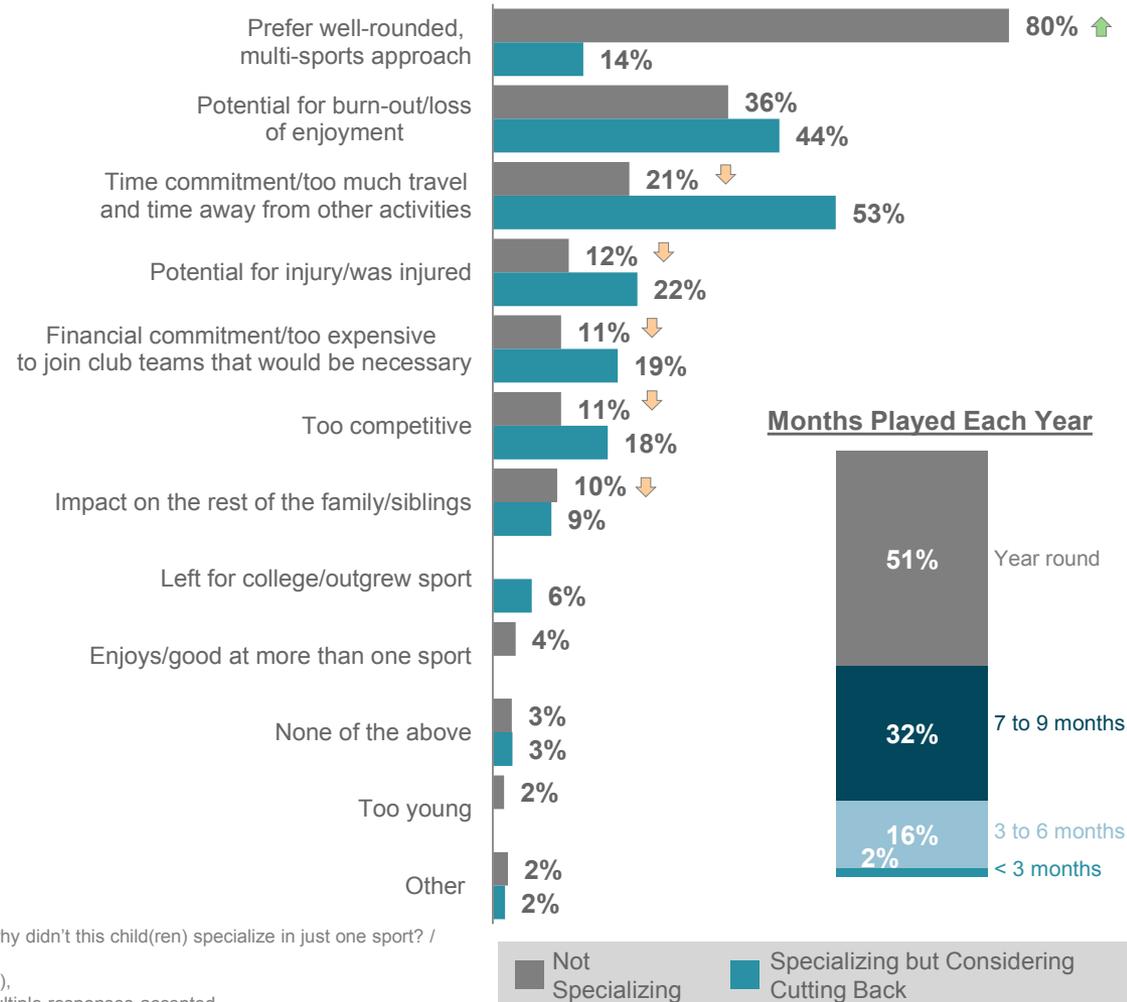
Only 20% of those currently specializing may cut back for financial reasons; over half mention the large time commitment.

Having a well rounded, multi-sport child is the primary reason for not specializing.

Concern with the time commitment is not surprising when over half of these children are playing their specialized sport year around.

Other reasons for not specializing are potential for burnout and injury, as well as degree of competitiveness and impact on the rest of the family.

Reasons Not to Specialize



Base: Parents of children who don't specialize (n=171).

Q2a. Thinking of that child(ren) who do not/did not specialize in only one sport, why didn't this child(ren) specialize in just one sport? / Multiple responses accepted.

Base: Parents of children who specialize but are considering cutting back (n=265),

Q2b. Why did/is this child considering cutting back on this specialized sport? / Multiple responses accepted.

Base: Parents of children who specialize (n=830).

Q3. How many months out of each year does/did our child(ren) play the sport they specialized in?

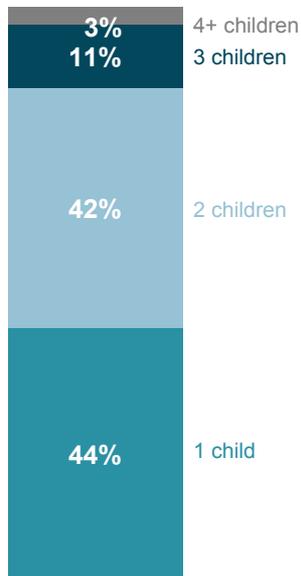
Competitive youth athletes also play on school-organized teams and recreationally

Youth Sports Participation

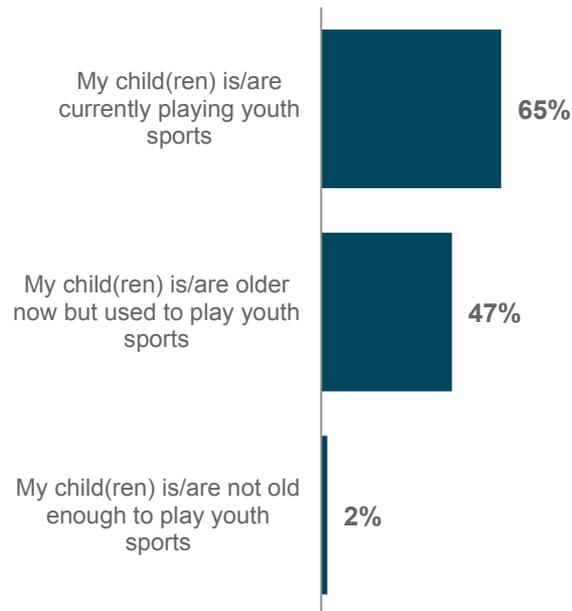
Most households had more than one child playing competitively.

- Over half of the parents had 2 or more children who do or did play competitive sports.
- Two-thirds currently have children playing in youth sports at some level and nearly half had children who used to play.

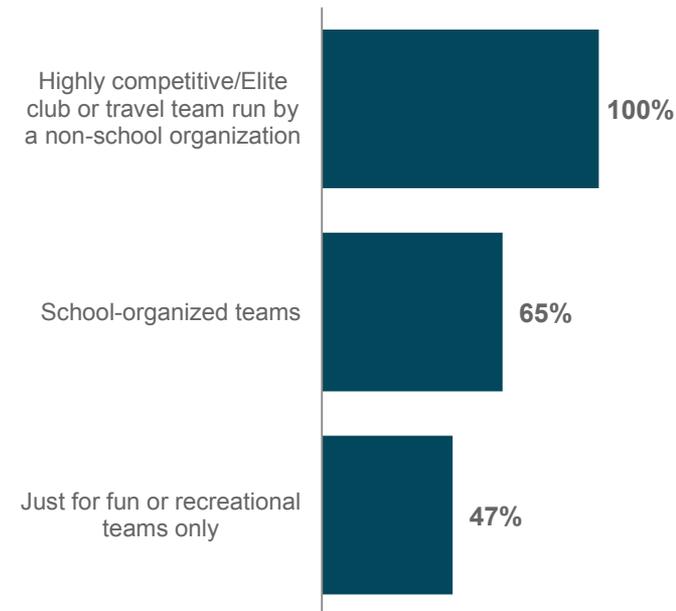
of Children Playing Competitive Sports



Children Participating Currently/In Past



Level of Participation



Base: Total Respondents (n=1001)

S8a. How many children do/did you have playing competitive sports at any time? By competitive we mean they play(ed) on a highly competitive or elite club teams run by a non-school organization or league?

S7. Thinking of past and present circumstances, which of the following best applies to you?

S8. Thinking of your child(ren)s past and present participation, which of the following characterizes their level of involvement in sports?

Specialization in sports typically begins when child is 9 to 10 years old

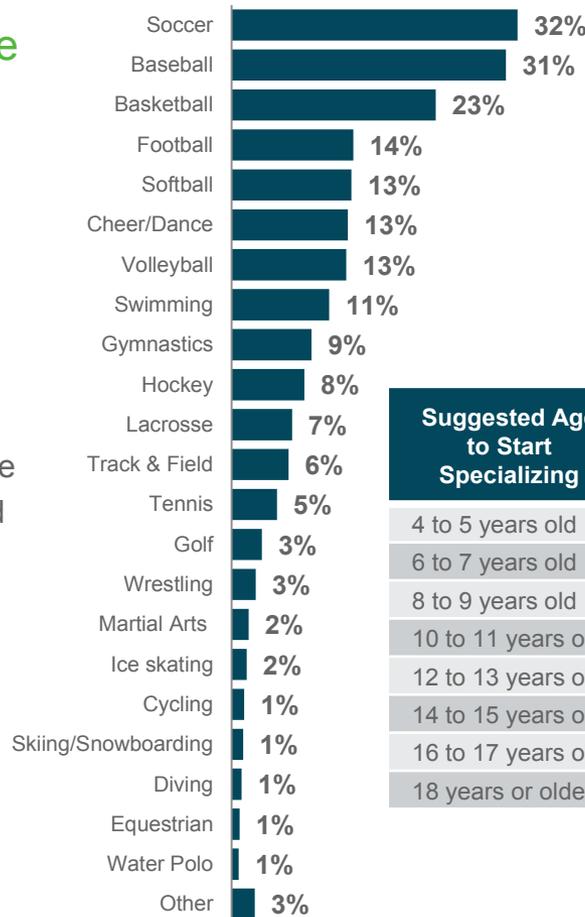
Sports Played and Start of Specialization

While competitive youth athletes are in a wide variety of sports, nearly a third play soccer or baseball.

Following closely behind in popularity is basketball.

Although there is no complete consensus regarding the age when children should start specializing in the various sports, a majority give an age somewhere between 6 and 13 years old as the optimum time, with 9 to 10 being the median age.

Sports Specialized In



Suggested Age to Start Specializing	All Sports	Soccer	Baseball	Basketball
	n=1001	n=322	n=309	n=230
4 to 5 years old	15%	16%	14%	12%
6 to 7 years old	14%	15%	14%	13%
8 to 9 years old	16%	15%	15%	14%
10 to 11 years old	18%	20%	14%	19%
12 to 13 years old	19%	20%	21%	19%
14 to 15 years old	11%	9%	12%	15%
16 to 17 years old	3%	1%	6%	5%
18 years or older	3%	5%	4%	3%

Median Age Across Sports: 9-10

Base: Total Respondents (n=1001)

Q4. Which sport(s) do/did your child(ren) play competitively (that is they play(ed) on highly competitive or elite club teams run by a non-school organization/league)

Multiple responses accepted.

Base: Parents of children playing specific sport competitively (Base varies by sport)

Q5. At what age do you think a child should start to specialize in their sport?

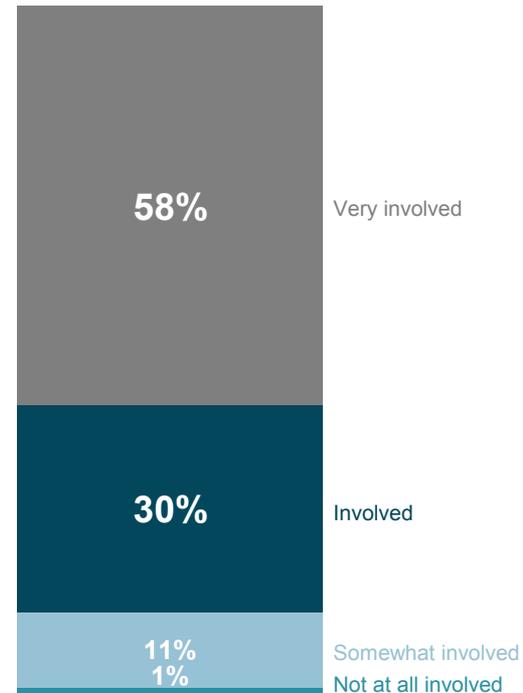
Parents are very involved in their children's athletic activities

Level of Involvement

Most say they are very involved in youth sports.

Over half characterize their participation as very involved and 30% say they are involved.

Level of Involvement



Base: Total Respondents (n=1001)

Q22. How involved are/were you in your child(ren)'s athletic activities?

Parents are willing to travel for sporting events

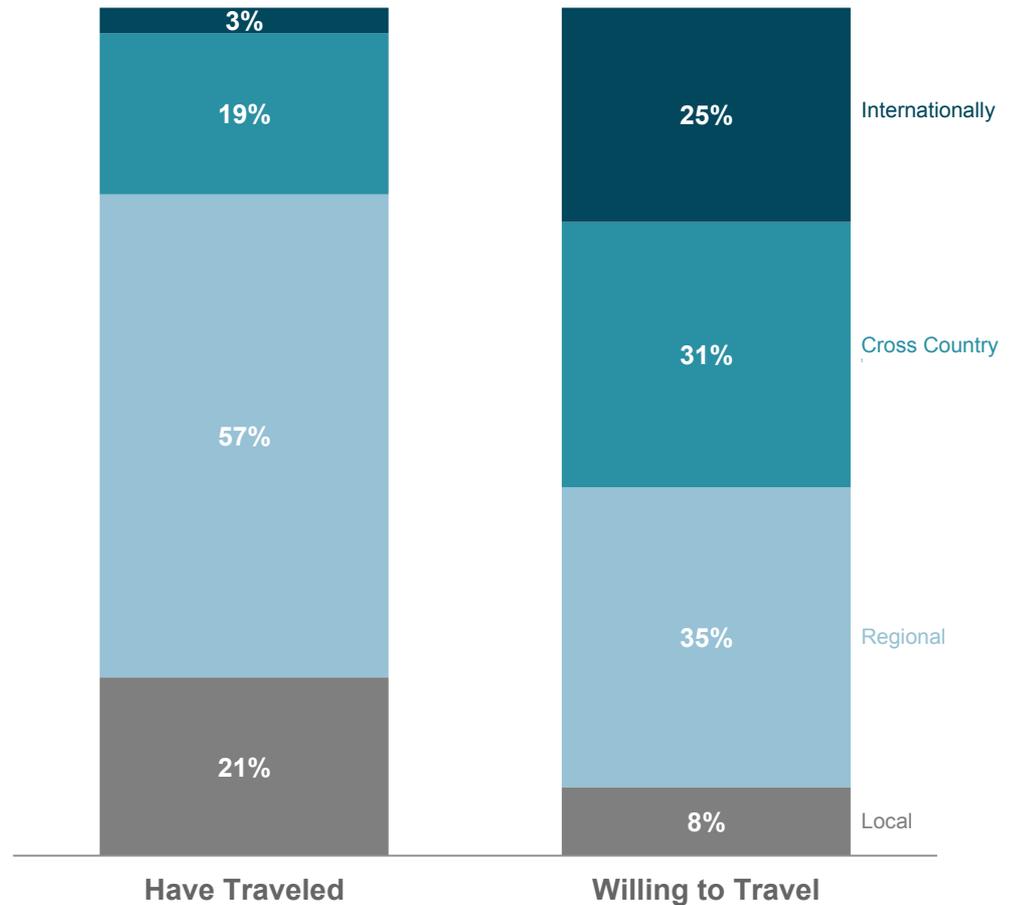
Travel Commitments

Most have traveled at least regionally.

Over half have traveled regionally and nearly one-fifth have traveled thousands of miles cross country for their child's sporting event.

One quarter would be willing to travel internationally to see their child play.

Furthest Distance Have / Willing to Travel



Base: Total Respondents (n=1001)

Q24. What's the furthest you have ever traveled to attend a child's sporting event?

Q25. What's the furthest you would travel to attend a child's sporting event?