

State of Our Industry

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How Many People Fished Last Year?



The “National Survey”

- Conducted by the U.S. Census Bureau for the U.S. Fish & Wildlife Service. Initiated by state fish and wildlife agencies.
- 85,000 were initially surveyed, with 31,500 anglers and hunters selected to participate.
- Surveys have been conducted every five years since 1955.
- Confidence is placed at +/-2% at the 95% confidence interval.



The “National Survey” says...

29,962,000 adults (16+ years)

+ 8,300,000 kids (6-15 years old)

38,262,000 people fished last year



FWS Fishing license data concurs

- 28,199,000 Licenses sold in 2005
 - But not all anglers need licenses, so we:
 - Add in youth: + 8.3 million
 - Add in seniors: + 2.8 million
 - Add in military, low income & other exempted anglers
 - Discount for people who bought licenses in many states
- We again have approximately 40 million anglers



The National Sporting Goods Association (NSGA) agrees

**40.6 million people fished in 2006
(7 years & older)**



Where does this put us?

- More people fish than work out at health clubs
- More than one in 7 Americans fished in 2006
- Two-thirds more people fish than play golf
- Twice as many fish as participate in snow sports
- Four time more people fish than play tennis

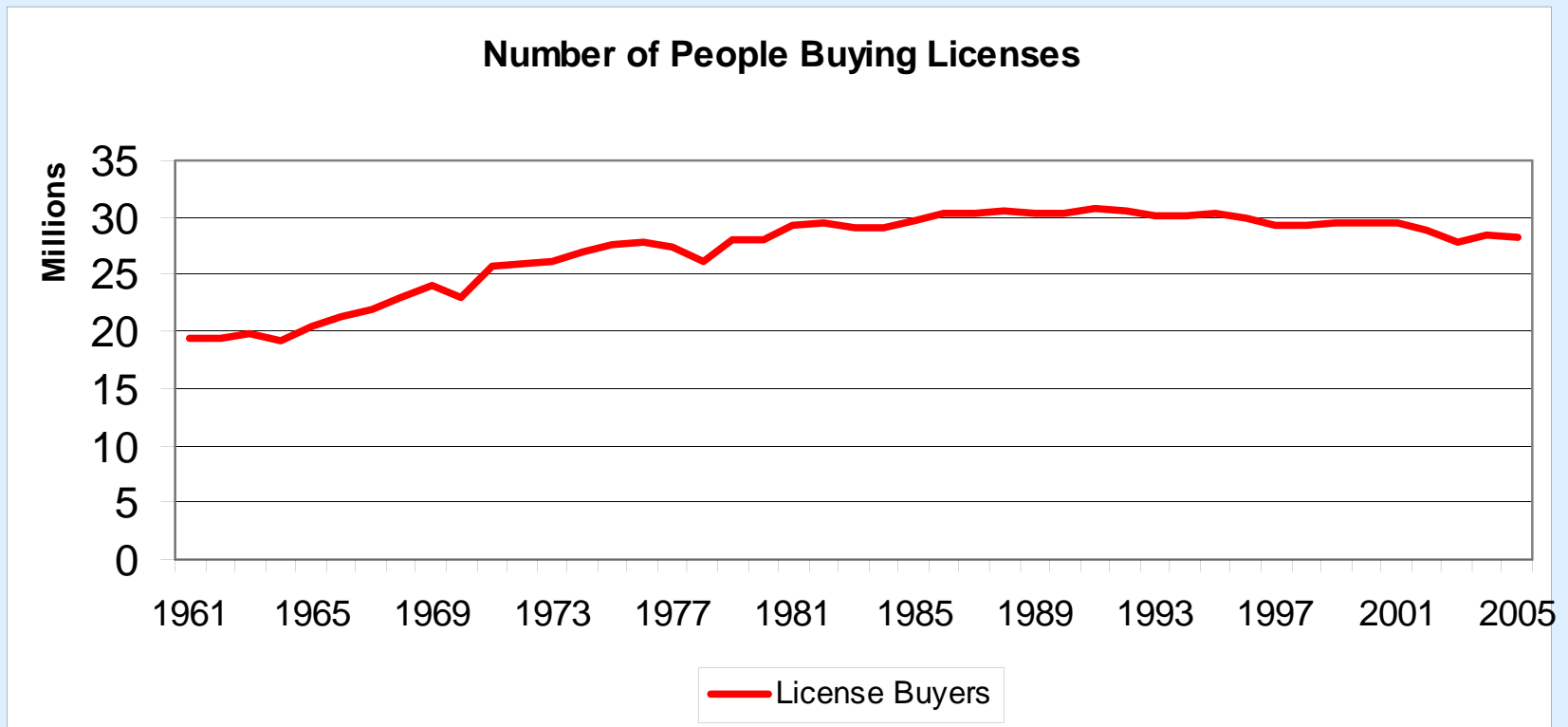


Fishing remains one of the most popular outdoor activities

- NSGA ranks fishing #6 out of 42 activities (only preceded by walking, swimming, exercising, camping and bowling)
- RoperASW reports fishing is #5 out of 37 activities (after walking, driving for pleasure, swimming, and picnicking)
- Harris Interactive found fishing to be America's fifth favorite leisure time activity (behind reading, TV, spending time with family and movies)



What is the trend in angler numbers?



Source: USFWS

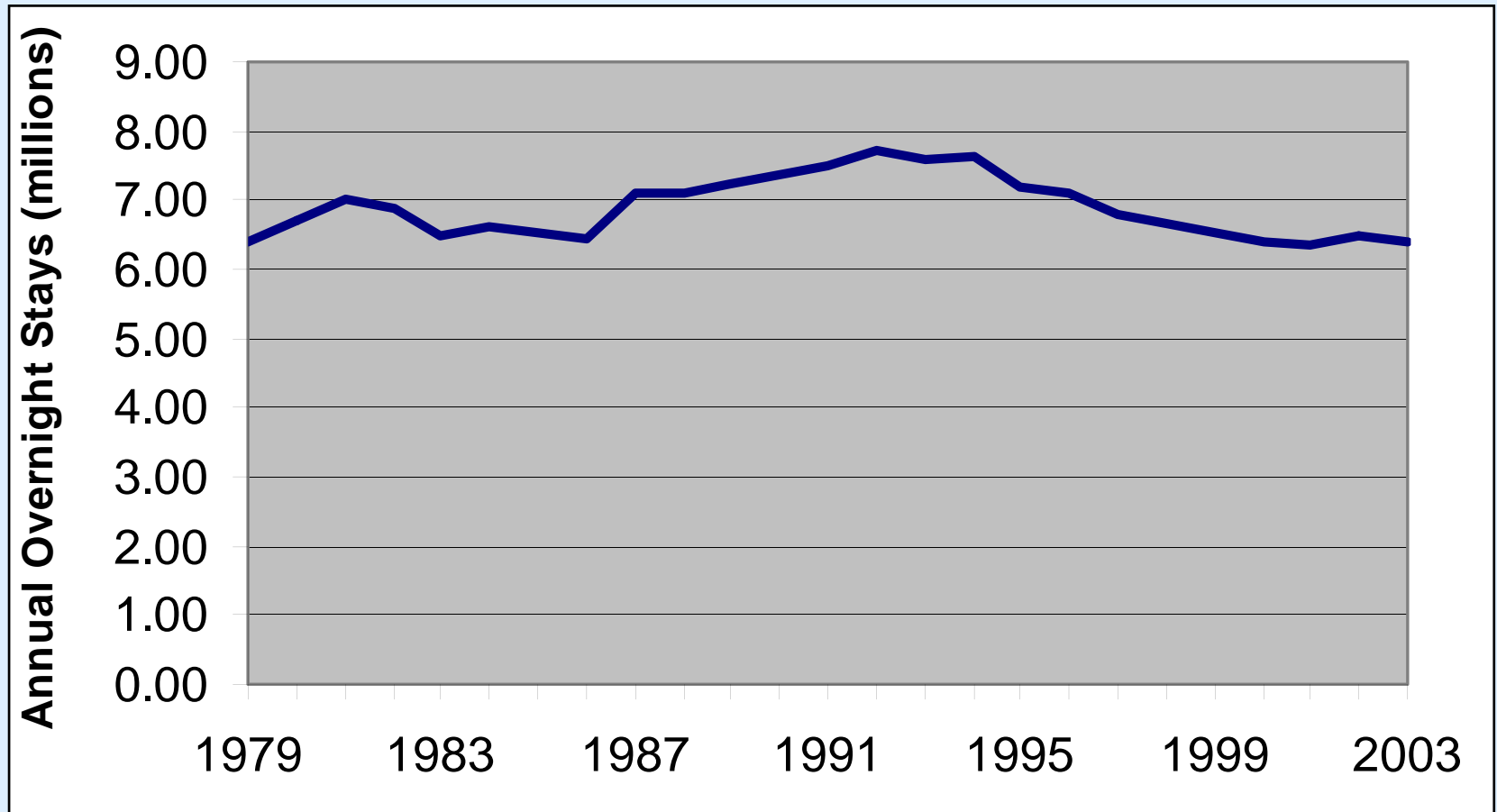


How have other activities performed?

- Participation trends since 1996, per the NSGA:
 - Bicycle Riding: -33%
 - Waterskiing: -15%
 - Fishing: -11%
 - Tennis: -10%
 - Swimming: -6%
 - Boating: +2%
 - Golf: +6%
 - Skateboarding: +106%



Visits to America's National Parks



Source: NPS



What Happened?

- Competition from indoor media



What Happened?

According to the Kaiser Family Foundation, who studied youth activities:

- From 1999 to 2003, the percent of 8-18 years olds:
 - who have a computer at home: 73% in '99, up to 86% in '03
 - have Internet access at home: 47% in '99, up to 74% in '03
 - go online more than an hour a day: 5% in '99, up to 22%



What Happened?

Additionally, Kaiser Family Foundation found that:

- The number of hours devoted by kids to media use is 6 ½ hours a day, or 44 ½ hours a week
- Two-thirds of all 8-18 year-olds have a TV in their room (68%), and half (49%) have a video game player there

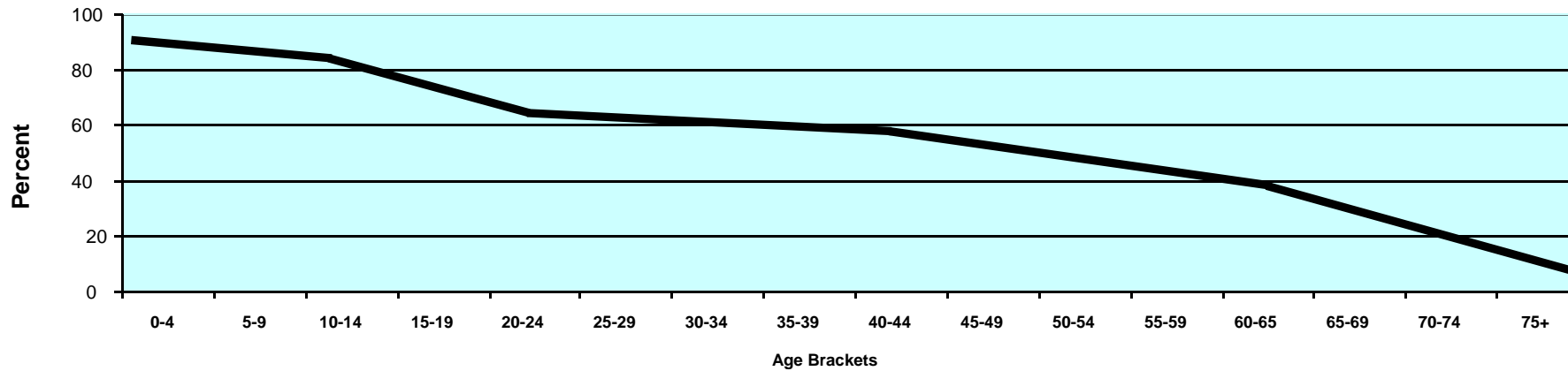


What Happened?

- Competition from indoor media
- America is aging

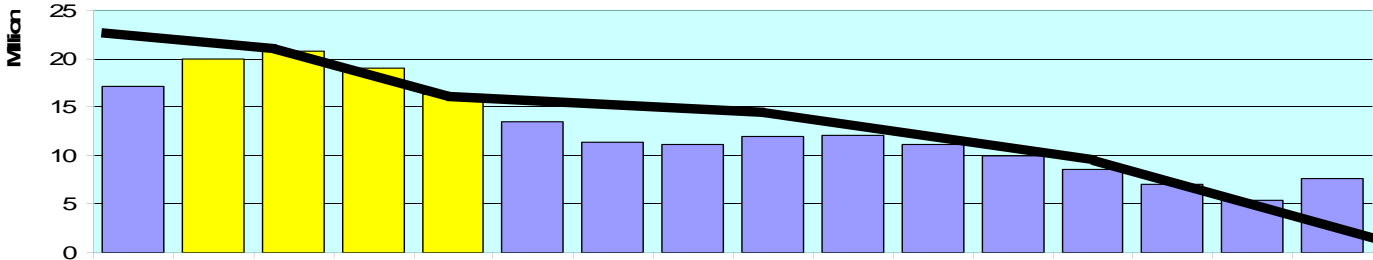


Angling retention rate

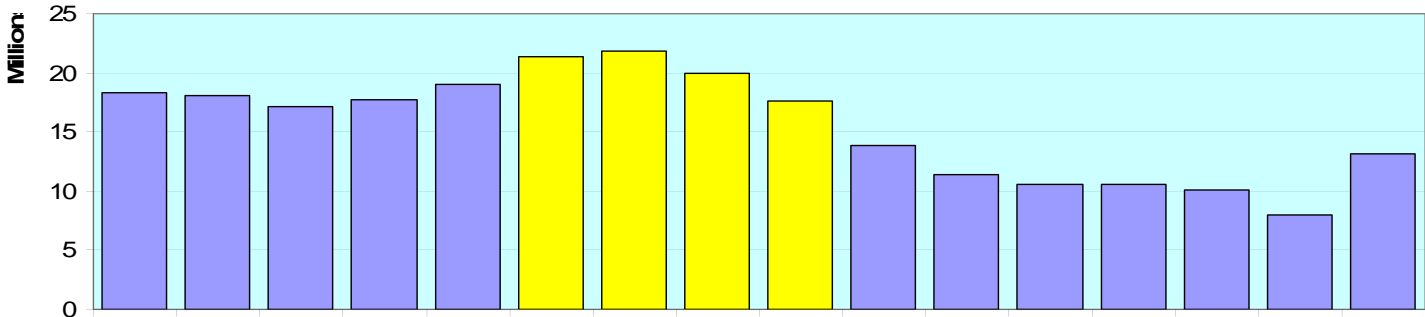


America is aging

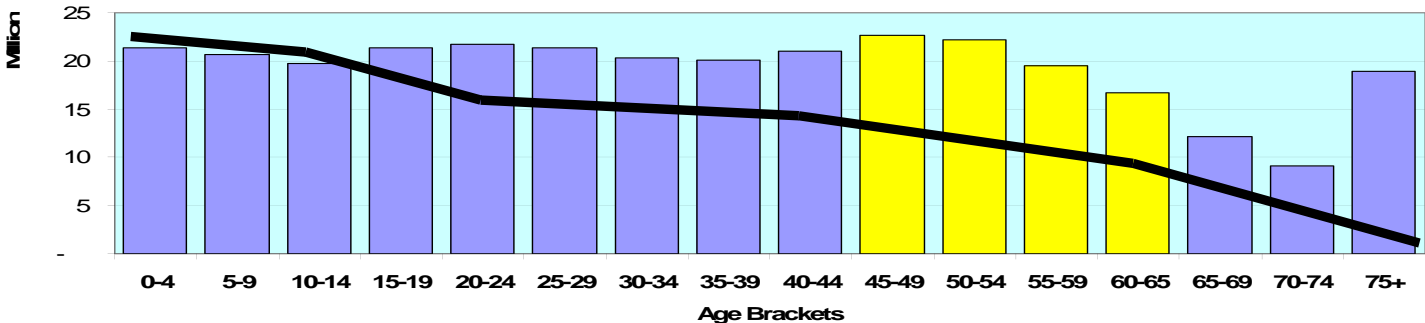
1970 Age Distribution



1990 Age Distribution

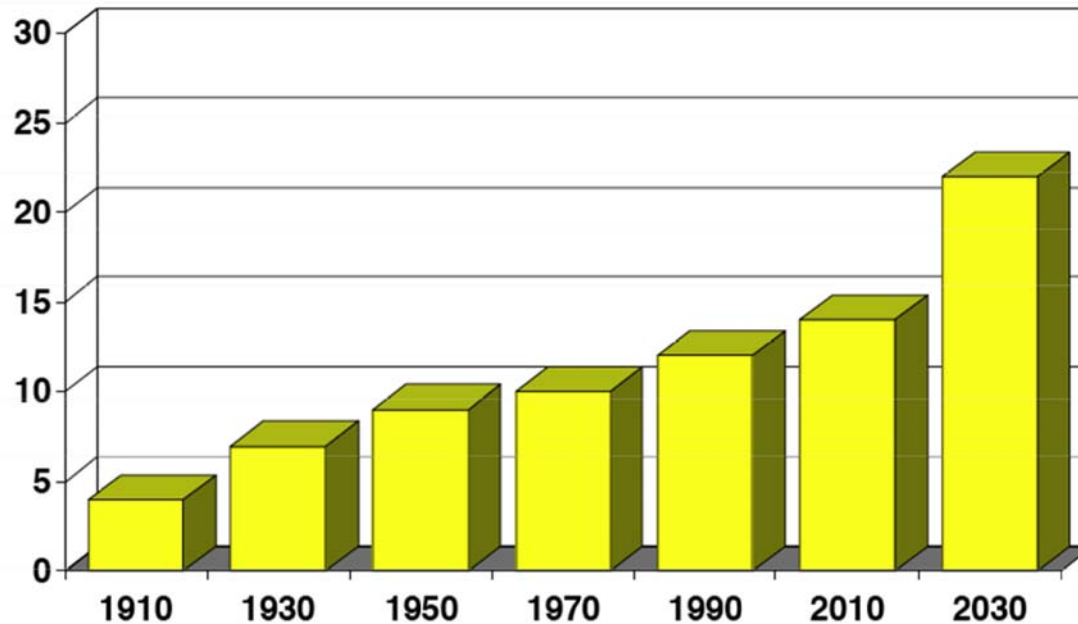


2010 Age Distribution



What Happened?

Percentage of the United States Population Over the Age of 65



Source: Laura Carstensen, Stanford Center of Longevity, Media X 2007



What Happened?

- Competition from indoor media
- America is aging
- Fuel price increases



Fuel price increases

- From 2001 to 2006, fuel prices have increased 110%
- Based on ASA research, we believe these higher prices may have contributed 10-15% of the 2001 to 2006 decline



What Happened?

- Competition from indoor media
- America is aging
- Fuel price increases
- Urbanization



Urbanization

- The population of urban areas increased 28% from 1991 to 2006, while the population of rural areas increased by only 1%

Source: ASA license research, 2004 & 2007



In review...

- 40 million people fished in 2006
- 10 to 15 % decline in angling over the last 15 years
- WHY?
 - Competition from indoor media
 - America is aging
 - Fuel price increases
 - Urbanization





And now, the rest of the story

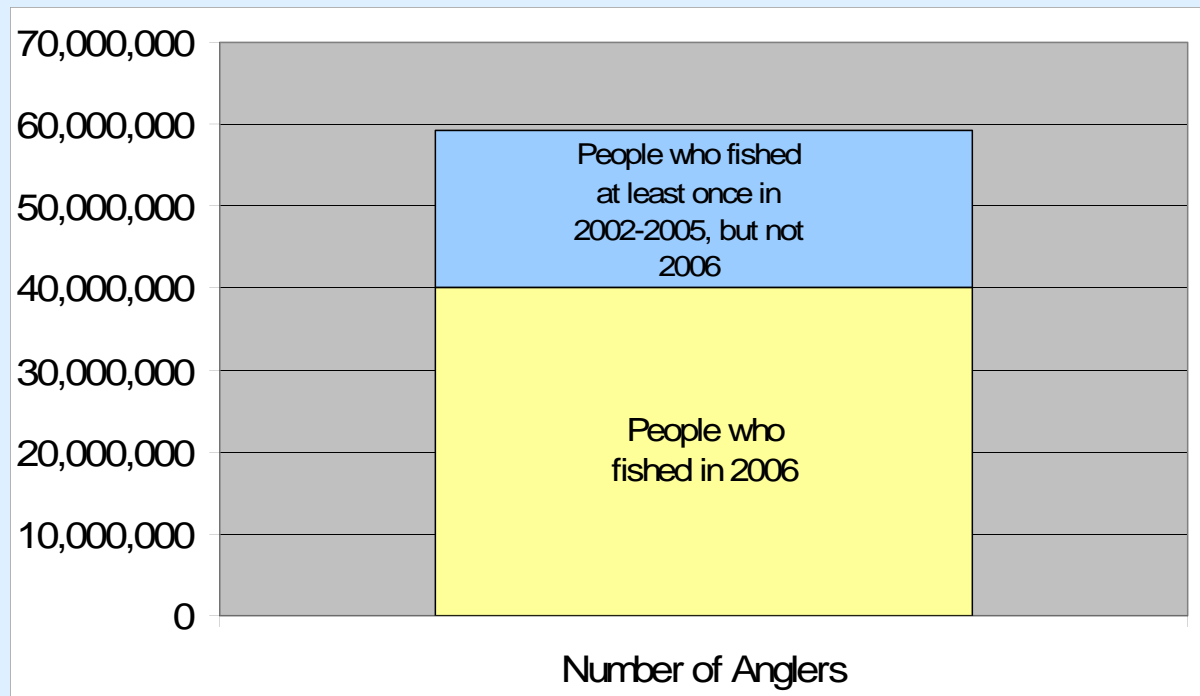
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How many people really consider themselves anglers?

- Over the course of the past five years, 48% more people fished



How loyal are anglers?

The percentage of anglers in the average state who bought a license in:

- Five of the past five years:
 - 15%
- Four or five of the past five years:
 - 25%
- One of the past five years:
 - 44%



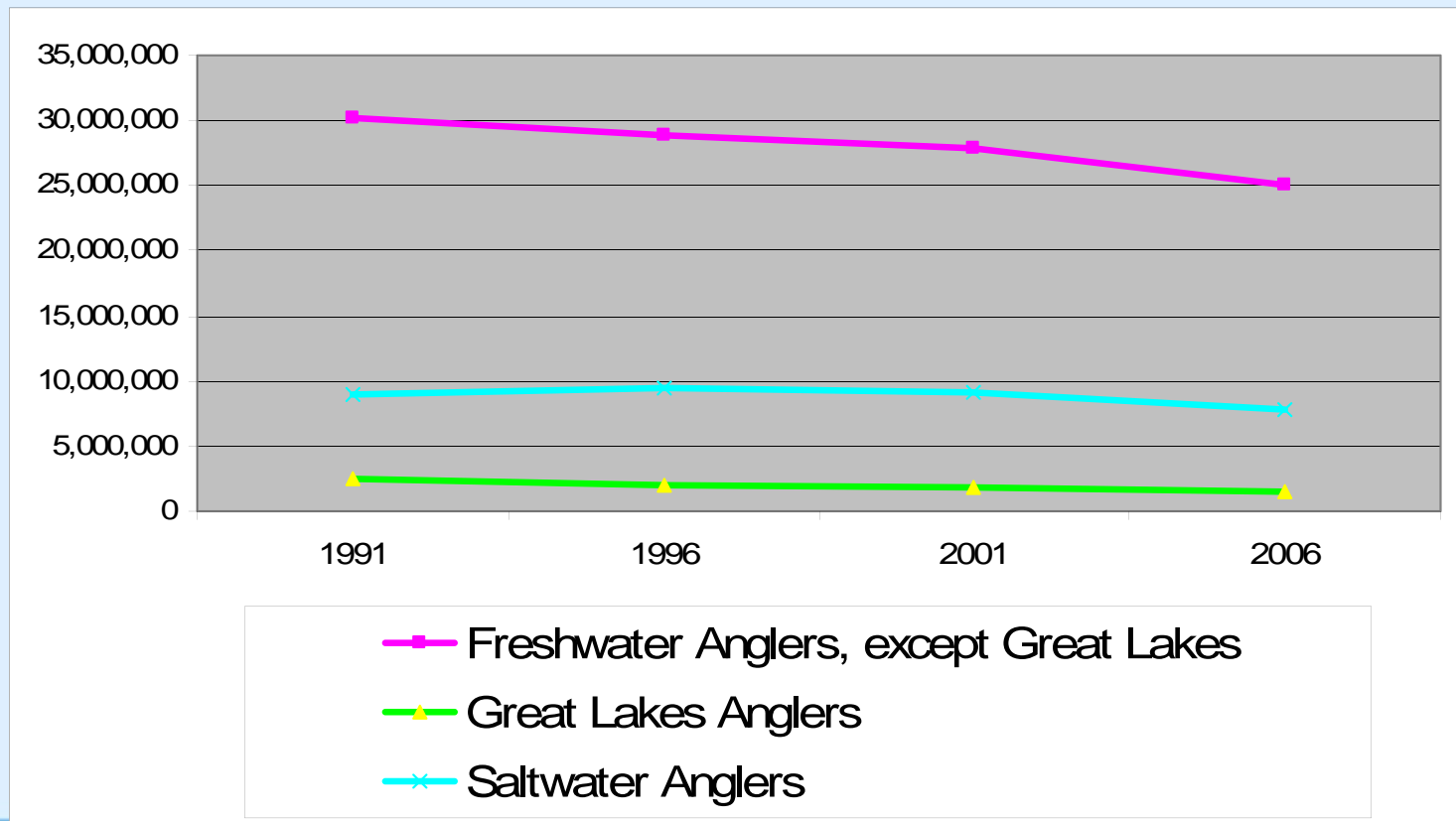
The Average Angler Has Changed Over the Years

- Five-year trends
 - Fewer live in highly-urbanized areas
 - More and more hail from rural and suburban areas
 - Just as likely to live in lower-income areas as from areas with above-average incomes
 - People from neighborhoods with significantly higher-than-average incomes are showing increased fishing participation



Where is fishing doing better or worse?

Number of Anglers

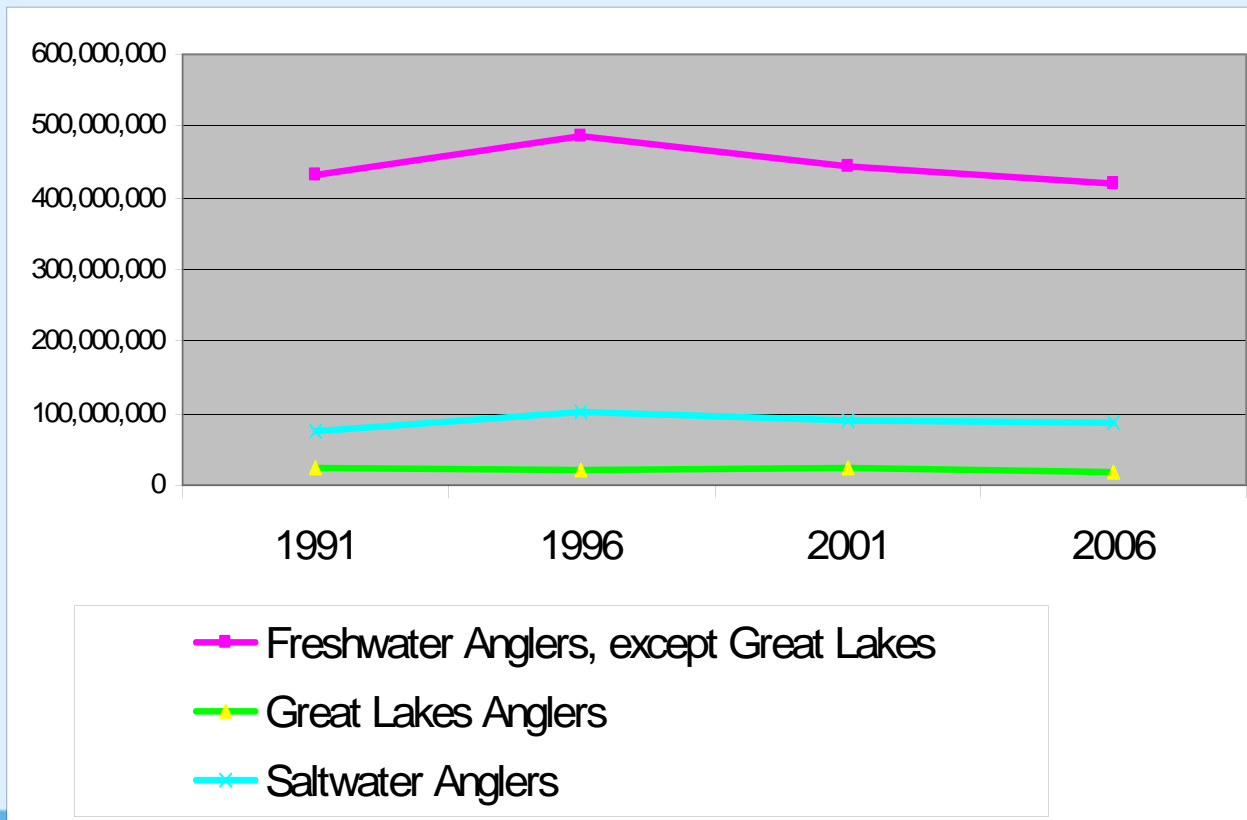


Source: FWS National Survey



Where do people fish?

Days of Fishing
(not the same trend as the number of anglers)



Source: FWS National Survey



Trends in fishing tackle sales

From 1991 to 2006 (inflation adjusted)

- All fishing combined: -4.8%
 - Freshwater fishing, except Great Lakes: -3.8%
 - Great lakes fishing: -44.8%
 - Saltwater fishing: +30.8%

From 2001 to 2006, tackle sales are up 4.9%

- Saltwater: 28.9%
- Freshwater: -3.8%
- Great Lakes: -22.1%



Trends in fishing tackle sales

Average annual tackle purchase, per angler

	<u>Since 1991</u>	<u>Since 2001</u>
■ All fishing:	+15.8%	+16.1%
■ Freshwater	+15.6%	+7.6%
■ Great Lakes	-0.9%	+1.6%
■ Saltwater	+51.2%	+51.3%

Source: FWS National Survey



Trends in boat sales:

Average boat price since 1997

- Outboard boats: +121.6%
- Outboard engines: +62.4%

Source: FWS National Survey



What do anglers buy?

Fishing Tackle: 11.6% of angler expenditures

39.2%: Travel-related

2.1%: Ancillary equipment (coolers, camping gear)

36.9%: Big-ticket items & accessories

10.3%: Other (magazines, real estate)

Source: FWS National Survey



What do anglers buy?

Rods, reels & components	42.5%
Lines & leaders	10.2%
Lures, flies & artificial baits	17.1%
Hooks, sinkers, other terminal tackle	7.3%
Tackle boxes	2.4%
Creels, strings, landing nets	2.0%
Bait buckets, minnow traps	1.2%
Depth finder, fish finders, other electronics	9.7%
Ice fishing equipment	2.0%
Other fishing equipment	5.5%

Source: FWS National Survey



Where do anglers shop?

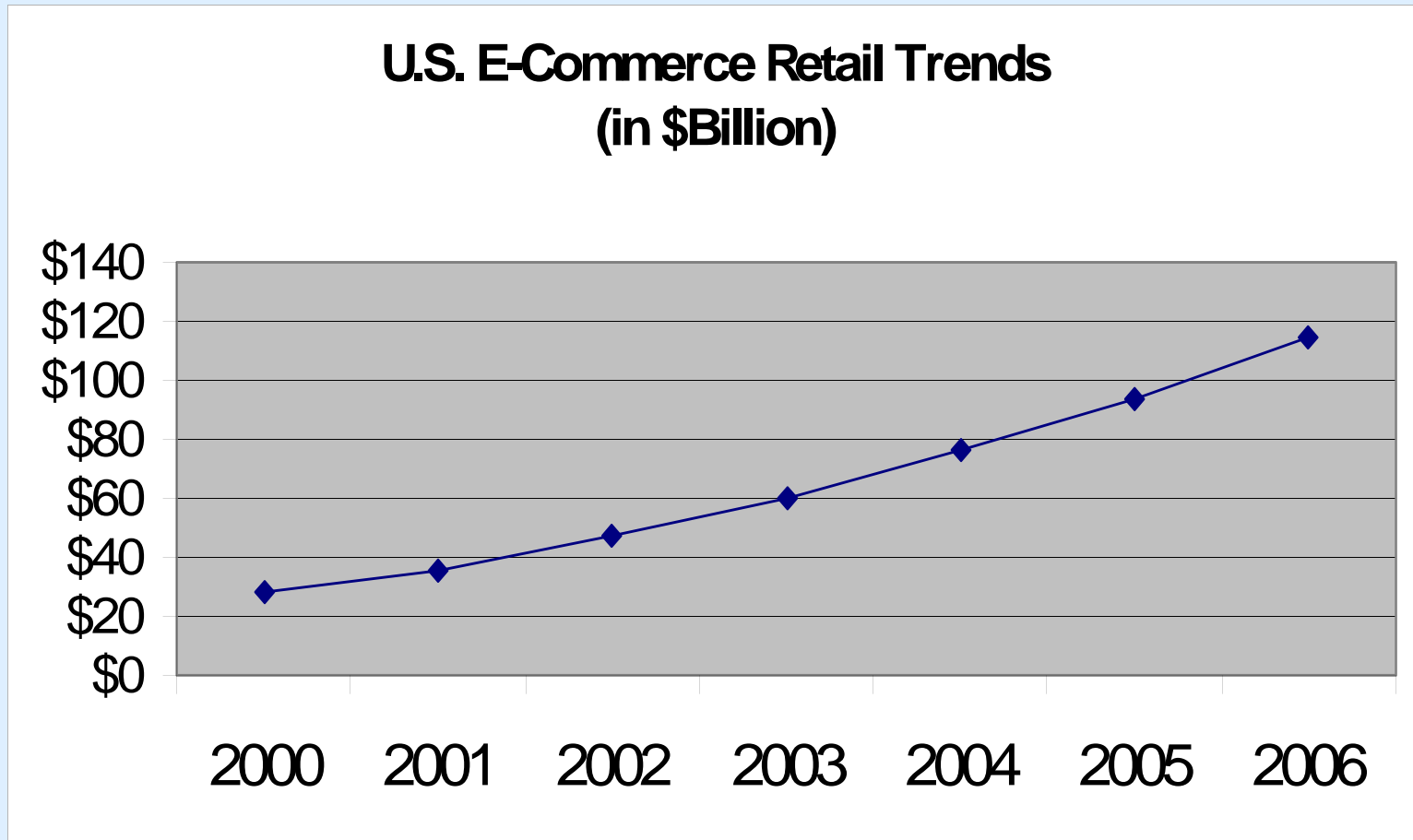
Percent of all sales by type of retailers
(Jan-July 2007 only)*

	Rods	Combos	GPS/radio	Hard baits
Online:	9%	3%	18%	4%
Independents:	21%	12%	9%	21%
Mass Merchant:	25%	36%	10%	23%
Outdoor Specialty:	31%	35%	43%	37%

Source: AnglerSurvey/Southwick Associates;
*rest is divided into three other types of retailers



Trends for U.S. online sales



Source: U.S. Census Bureau



How much does pricing really differ?

- Price comparisons: Average price paid for a popular rod by bass anglers at different types of retailers
 - Mass Merchant: \$ 37.48
 - General Sporting Goods: \$ 43.60
 - Online: \$ 45.67
 - Outdoor specialty: \$ 51.67
 - Independents: \$ 55.23
 - Catalog: \$ n/a for this product

Source: AnglerSurvey/Southwick Associates



How do tackle sales vary by season?

- Example: Seasonal Sales of Tackle Box Purchases to Freshwater Anglers (and average price paid)

Jan-March = 29% (\$22.24)

April-Jun = 39% (\$17.23)

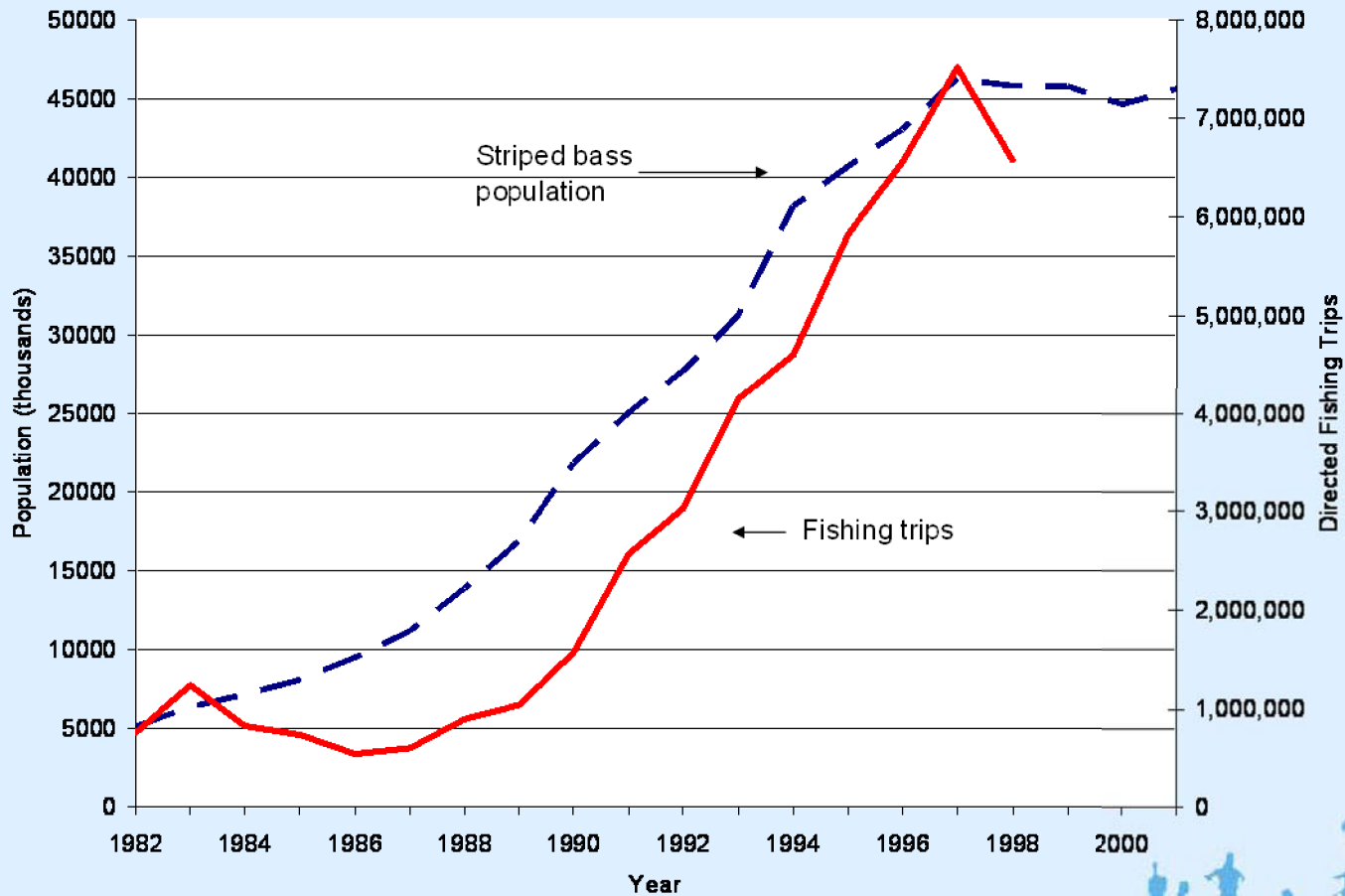
July-Sept = 16% (\$23.40)

Oct-Dec = 16% (\$16.23)

45.8% of boat sales are in May-July



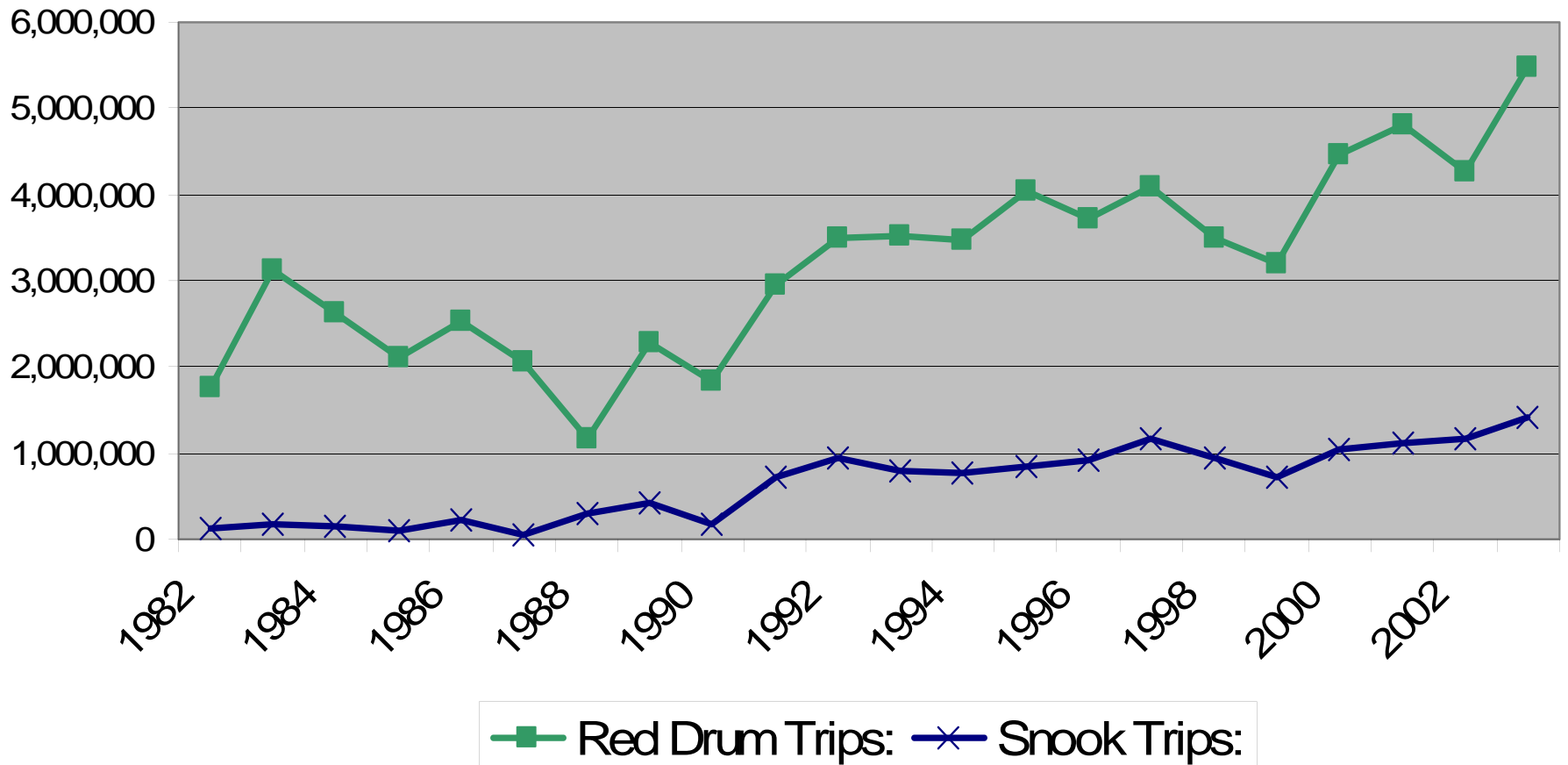
Conservation equals strong business



Source: Southwick Associates/Stripers Forever/ASMFC



Conservation equals strong business



Source: GSMFC





Questions?

