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POLICY BRIEF : SHIFTING DEMOGRAPHICS AND HOCKEY'S FUTURE

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AUTHORS



WILLIAM H. FREY

SENIOR FELLOW,
THE BROOKINGS
INSTITUTION

Nationally renowned
demographer and author of
*Diversity Explosion:
How New Racial
Demographics are
Remaking America*



KIMBERLY DAVIS

EXECUTIVE VICE
PRESIDENT
SOCIAL IMPACT,
GROWTH AND
LEGISLATIVE AFFAIRS
NATIONAL HOCKEY
LEAGUE

The National Hockey League recently celebrated its centennial; a century of professional hockey featuring the world's best players. For 100 years, the game has been defined by its speed, excitement and beauty. While these elements of the game will remain true, diversity may just well become the game's most defining characteristic of the next 100 years.

The United States is changing. Sometime after 2040, there will be no racial majority in the country. By 2020, the U.S. Census is expected to show that two-fifths of the nation's population identifies with a racial group other than white. This will especially be the case for about half of the population of children under 18.¹

The demographic die is cast in a way that will ensure that the coming generations of what are now thought of as racial minorities will not just "fit in" but will hold sway in important ways in both public and private sector decision-making. The economy will wax and wane, as will immigration flows. But through it all, today's minorities will have considerable demographic clout in the nation's politics, culture and economy – including sports.

The sport of hockey has long been a melting pot of cultures, ethnicities and races. In fact, the NHL is the most international of America's four major professional leagues, with a greater percentage of players from outside North America than any other league. The struggles and experiences of individuals in hockey have impacted society and, in some ways, helped reshape the course of history – and the game has benefited from the influence of minority players in a myriad of ways. Yet today, hockey has a perception in some circles as being 'not for some' and 'only for others.' Now, more than ever, hockey communities and its leaders must focus on the drastic demographic and cultural change that is coming. It is incumbent upon those currently in the game – for the sake of the game's future – to ensure that the sport is perceived as *welcoming to all*.

¹ William H. Frey, *Diversity Explosion: How New Racial Demographics are Remaking America*, 2018

A BRIEF HISTORY

Since the League's first season in 1917, players have come from 42 different countries – with national origins spanning the globe: from North America and Europe, to East Asia, Southeast Asia, the Middle East, Africa and the Caribbean. Today's active NHL players were born in 20 different countries, including less traditional hockey markets such as Austria, Croatia, Denmark, Estonia, France, Germany, Great Britain, Italy, Kazakhstan, Latvia, Norway, Slovakia, Slovenia and Switzerland, along with the more traditional hockey powers including Canada, Czech Republic, Russia, Finland, Sweden and the United States.

In 1895 – 25 years before the Negro Baseball Leagues in the United States and 22 years before the birth of the National Hockey League – the Colored Hockey League of the Maritimes was formed in Halifax, Nova Scotia. The Colored Hockey League – comprised of the sons and grandsons of American slaves – was recorded playing and defeating some of the best white teams as early as 1899. Researchers believe the invention of certain hockey techniques, such as the slapshot, were developed by these early black players.²

In 1958 – Willie O'Ree became the first black player to compete in the NHL years before the U.S. Civil Rights Act was made law. And 27 years before O'Ree, in 1931, it is now believed that Henry "Buddy" Maracle, a Mohawk from Six Nations, became the first Indigenous person to play in the NHL (though history has long cited Fred Sasakamoose with this distinction in 1954).³ And a decade before O'Ree was Larry Kwong, the NHL's first known player of Asian descent. These trailblazers appeared at a tumultuous time in history for race relations and civil rights and paved the way for future hockey hall of famers.

In 1989 – Slava Fetisov broke barriers for Russian athletes, playing in the NHL and ushering in a wave of Russian talent behind him.

In 1992 – Manon Rheume became the first female to sign and play with an NHL team. A 20-year old goalie, she briefly appeared in preseason contests for the Tampa Bay Lightning. In 1998, for the first time in history, women participated in Olympic ice hockey. And in 2003, Hayley Wickenheiser, widely regarded as the all-time best female hockey player, became the first woman to score in a men's professional game. While not the first female executive of an NHL Club, she now serves as the Toronto Maple Leafs assistant director of player development, making her one of the first to hold a position in a hockey operations role.

These stories are not only illustrative of the tremendous influence the game of hockey has had on American culture – including race, ethnic and nation relations – but indicate how the game has benefited over time by the inclusion of diverse perspectives.

The authors of this policy brief have developed proposals to encourage a proactive approach to demographic realities and trends, to better position the game to new participants and audiences.

All hockey organizations seek to create a sustainable business model – attracting, acquiring, developing and retaining individuals and families, fans, employees, sponsors and other stakeholders. To meet this objective, hockey organizations will need to enhance the experience for all, and facilitate the integration of new minorities into the 'mainstream' game. Focusing on the younger generations, understanding new minority preferences and narrowing the cultural generation gap for all involved in the sport can accomplish this.⁴

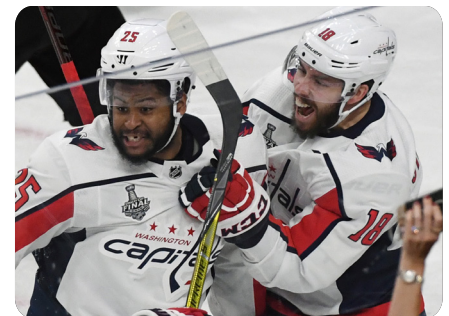
EMBRACE MILLENNIALS: WHO THEY ARE, WHAT THEY REPRESENT, AND THE TOOLS THEY BRING

Today, more players of color than ever before are playing the sport and at the highest levels. Auston Matthews, a 20-year-old Mexican-American from Arizona, was the No.1 overall draft choice in 2016 and has quickly become one of the brightest stars. P.K. Subban, a Toronto born 29-year-old whose parents came from Jamaica, in 2012-13 became the first black player to win an individual NHL award for defense when he won the Norris Trophy. Nick Suzuki and Kailer Yamamoto – both picked in the first round of the 2017 NHL Draft – are Gen-Z Asian-Americans making an early impact on the ice.

What Matthews, Subban, Suzuki and Yamamoto all have in common – that players like O'Ree, Sasakamoose and Kwong did not – is that they are part of a generation rapidly changing the face of North America. Today's players of color no longer represent the exception in hockey, they instead represent an emerging and inevitable trend reflective of our broader population.

America's millennial generation – which now makes up nearly a quarter of the total U.S. population at 75 million strong – is the most diverse generation in American history (44 percent minority). What's more, for the first time in history, there are more children who are minorities than who are white at every age from zero to nine.⁵

Today's millennials hold the key to something special – they serve as a social, economic, political and demographic bridge to future, increasingly



² George Fosty and Darrell Fosty, *Black Ice: The Lost History of the Colored Hockey League of the Maritimes*, 2008.

³ Irene Schmidt-Adeney, *The Ayr News*, "Mighty Maracle" the first recorded Indigenous NHL player was born in Ayr.

⁴ William H. Frey, *Diversity Explosion: How New Racial Demographics are Remaking America*, 2018.

⁵ William H. Frey, Brookings, *US white population declines and Generation 'Z-Plus' is minority white, census shows*, June 2018.

racially-diverse, generations.⁶ By and large, millennials carry a more inclusive mindset than any generation that has come before them. Leaders of hockey organizations will need to harness the millennials within their ranks – from Alex Ovechkin to the captain of the Boston College team – to engage and inspire their networks with a unified, welcoming message that indeed “Hockey is For Everyone.”

PLAN TO MAKE A SIGNIFICANT IMPACT IN NEW MINORITY DESTINATIONS

Nearly a third of the NHL’s franchises are located in U.S. states where racial and ethnic minorities now make up more than half of the millennial population, including California, Nevada, Arizona, Texas, Florida, Maryland/D.C. and New Jersey.⁷ Of the 100 largest metropolitan areas in the U.S. – where professional teams build arenas and play games – 24 were minority white in 2015, up from just 14 in 2000 and five in 1990.⁸

Racial minorities will undoubtedly power the growth in the U.S. labor force as older white baby boomers continue to retire.⁹ They will make the difference between growth and decline in small towns, suburbs, and exurbs – where the vast majority of community rinks are located. These populations are thus vital to the growth and sustainability of the business of hockey as they would be for most businesses.

The belief that minorities in the United States do not have the financial capability to spend discretionary income in hockey – as a participant or a fan – is a fallacy. Published by the Selig Center for Economic Growth, the Multicultural Economy Report from the University of Georgia Terry College of Business estimates U.S. total buying power at \$13.9 trillion in 2016 and predicts it will reach \$16.6 trillion by 2021, with minority groups making the fastest gains. According to the study, U.S. Hispanic buying power (an ethnic consumer market) is larger than the gross domestic product of Mexico, and African-American buying power will grow to \$1.5 trillion by 2021 – the largest racial minority consumer market.¹⁰

The report estimates the combined buying power of blacks, Asians and Native Americans at \$2.2 trillion in 2016, a 138 percent gain since 2000. During that time period, the buying power of Asian Americans grew by 222 percent, Native Americans by 164 percent and blacks by 98 percent, while the buying power of whites increased by 79 percent. These numbers illustrate a significant trend which suggests the business opportunity for organizations and businesses that welcome diversity and promote inclusion.

ENGAGE TOMORROW’S PARENTS IN THE BENEFIT OF YOUTH PLAY

We are now on the cusp of seeing the first minority white generation in America, born in 2007 and later. Between 2010 and 2030, the primary labor force-age population – the primary hockey parent and customer – will experience a net loss of 15 million whites. At the same time, this market will gain 27 million racial minorities. Many of these racial minorities will be Hispanics and Asians – who will roughly double in size between 2015 and 2060 – while the multiracial population will triple.¹¹

As the demographics of the labor force population continue to shift, so too does the cultural relevance of activities millennial parents will look to offer their children. Hockey – a sport which tends to be generationally shared – will need an intentional effort to introduce the value of the game to new parents who may not have played as children.

The reality of these labor force shifts is now on a collision course with another major societal issue: Youth inactivity is reaching epidemic proportions in America, contributing to the nearly one-in-three children and teens that are overweight or obese today.¹² According to the Sports & Fitness Industry Association (SFIA), 40 percent of kids played team sports on a regular basis in 2013, down from 44.5 percent in 2008 – indicating steady declines over the years.¹³

These facts must be seriously considered by hockey organizations seeking to grow and sustain their youth sports businesses, as they craft communications and design youth programming.

While youth participation in ice hockey in North America has grown over the last decade, there are strategic opportunities to promote further growth, particularly with racially and ethnically diverse communities.

The first opportunity is through cultural competency education. Engaging current players, coaches, parents, referees and organizational leaders in better understanding cultural identities and differences will help build a community with the skills, knowledge and attitude to welcome greater diversity. This type of education builds self-awareness, improves communication and teaches respect and acceptance. When this is done in a community hockey setting, understanding a community’s needs for social, cultural or religious purposes will help ease integration by making the hockey experience more welcoming and accommodating. This is also consistent with the ethos of the sport’s “Declaration of Principles,” a groundbreaking pledge – developed in September 2017 by the NHL, NHL Players’ Association and



⁶ William H. Frey, Brookings, *The millennial generation: A demographic bridge to America's diverse future*, January 2018.
⁷ William H. Frey, Brookings, *US white population declines and Generation Z-Plus' is minority white*, census shows, June 2018.
⁸ William H. Frey, *Diversity Explosion: How New Racial Demographics are Remaking America*, 2018.
⁹ William H. Frey, *Diversity Explosion: How New Racial Demographics are Remaking America*, 2018.

¹⁰ Multicultural Economy Report from the University of Georgia Terry College of Business.
¹¹ William H. Frey, *Diversity Explosion: How New Racial Demographics are Remaking America*, 2018.
¹² Journal of the American Medical Association.
¹³ Sports & Fitness Industry Association (SFIA) data provided to the Aspen Institute, based on 2013 statistics.

15 other global hockey organizations – to advance policies, programs and initiatives that create the best possible experience for all ages of the entire hockey community. This joint pledge advocates the game of hockey as a powerful platform for participants to build character, foster positive values and develop important life skills that transcend the game.

Another area of opportunity begins with the key selling point or value offered by youth hockey organizations. Coupled with the attention on skill development, youth hockey organizations must also become more keenly focused on promoting the values, life skills, and character benefits of the sport. Participation in a team sport such as hockey has an opportunity to create positive social outcomes for children – such as improved academic achievement, increased self-esteem, and reduction in anxiety and risky behavior.¹⁴ studies have shown that youth who engaged in appropriate physical activity have increased earning power, job performance and productivity (for example, 96% of female C-suite executives participated in sports as teenagers).¹⁵ Play is a key conduit for executive function skills of memory, attention, impulse control and flexibility, as well as improved muscular fitness, bone health, and

weight control.¹⁶ These outcomes are desirable to all families and need to be shared with our communities.

A final and important opportunity is the recognition of gender differences, and the power and potential of female participation in the game. Today, youth ice hockey participation in America is approximately 15 percent female. While female participation continues to grow steadily (as does the female NHL fan base), this remains an emerging market full of potential. To be clear, women influence \$7 trillion of spending in the U.S. annually, influencing 83% of all consumer spending in the country, including major financial decisions in the home. Multicultural women – nearly 40% of the U.S. female population today, and expected to reach 57% by 2060 – carry increasing influence on culture, business and buying power.¹⁷

Sport provides a critical foundation that allows girls and women to lead healthy, strong and successful lives. Girls who participate in sport demonstrate increased self-image and confidence levels, improved teamwork and communication skills, increased graduation rates and leadership skills.¹⁸ The business of hockey would be served well by devoting increased time and energy planning efforts toward attracting more girls – of every race and ethnicity – with the opportunity to play hockey.



¹⁴ Dr. Regina Mitterer, *The importance of play in promoting healthy child development and maintaining strong parent-child bond: Focus on children in poverty*.

¹⁵ Ernst & Young (2013, May). *Women Athletes Global Leadership Network: Perspectives on sports and teams*

¹⁶ Michael Yogman and Kathy Hirsh-Pasek, Brookings, *A prescription for play: The pediatrician's case for resuscitating play*.

¹⁷ Nielsen Diverse Intelligence Series.

¹⁸ Women's Sports Foundation, *Her Life Depends on It Report*

CONCLUSION

The diversity explosion that the country is now experiencing will alter all aspects of society in ways that can help the nation prosper, make it more inclusive, and increase its global connectivity.

These powerful demographic forces should strongly shape hockey's destiny in the decades to come. The change taking place within the game today needs to be accelerated.

The health and sustainability of hockey will depend on the sport's current guard to effectively design and implement a culture of inclusion and acceptance. The positive outcomes of a new diversity focus will include:

Closer relationships and deeper engagements with a rapidly growing minority fan base

Recruitment of a more diverse workforce in hockey, lending their perspectives to better serve new and existing customers (fans)

Recognized and respected leadership positions on national cultural and social issues – including the youth play epidemic – and in communities across North America

Effective engagement of more minorities in hockey participation, including a stronger ability to compete for top athletic talent of the future at the elite level



TO REMAIN RELEVANT AND TO ACCELERATE THE GROWTH OF THE SPORT, HOCKEY MUST EMBRACE THE ONGOING DIVERSITY EXPLOSION.