



Founded in 1929, the **National Sporting Goods Association (NSGA)** is the **leading retailer & dealer trade association in the sporting goods industry**. NSGA members include sporting goods retailers and team dealers that are some of the largest sporting goods businesses in the nation, to the smallest, brick-and-mortar sports specialty retailers. NSGA represents roughly 19,000 storefronts across the United States, and many of its members partner with and/or sponsor youth sports leagues, school districts, and community centers.

OUR MISSION...

To support our members' efforts to grow the business and advocate on their behalf. We accomplish this mission by promoting participation in sports and recreation activities, producing relevant sporting goods market and sports participation research, and creating educational opportunities for the sporting goods industry.

CHALLENGES NSGA FACES

- **PARTICIPATION IN SPORTS ACTIVITIES**

Personal Health Investment Today (PHIT) Act: S. 680 and H.R. 1679

This bill proposes to amend the Internal Revenue Code of 1986 to treat certain amounts paid for physical activity, fitness, and exercise as amounts paid for medical care, and as such, eligible expenses under Health Savings, Flexible Spending, and Health Reimbursement Accounts (HSA, FSA, and HRA). The bill defines "qualified sports and fitness expenses" as amounts paid exclusively for the sole purpose of participating in a physical activity, including: (1) fitness facility memberships, (2) physical exercise or activity programs, and (3) equipment for a physical exercise or activity program. This tax policy change allows Americans to reduce a burden that may stop them from participating.

Removing Barriers to Youth Sports Participation

According to NSGA Sports Participation Research, youth participation in team sports has been on the decline from the 1990s to today. One factor believed to be contributing to the decrease is parental involvement and preoccupation with their children's "scholarship track" within a sport, which reduces the fun of participation. As winning becomes a priority at younger ages, parents spend more money to keep up, registering their children for competitive travel teams that cost thousands of dollars annually. Children participating on recreational teams that are not as highly competitive, get the message that the cost is too high for them to play, or that they're not good enough, so they don't participate at all. NSGA supports programs that would help fund recreational sports for youth, and promote the benefits of sports participation, such as increased health, lower obesity rates, and laying the groundwork for healthy, active lifestyles.

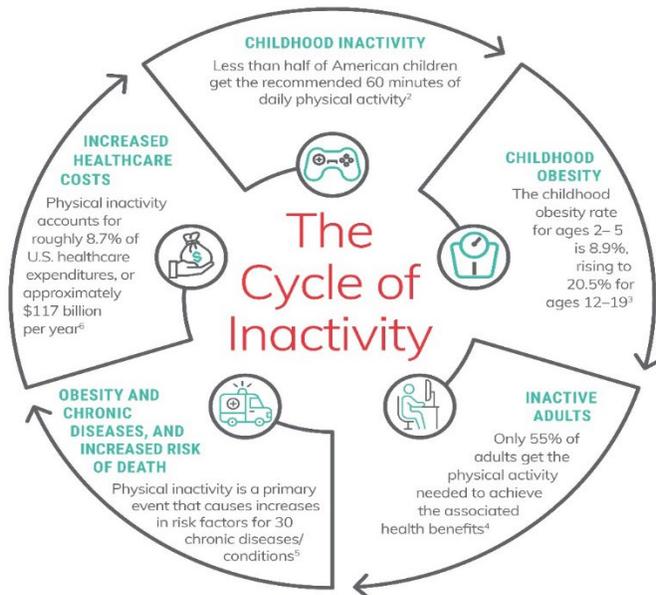
- **INCREASED COSTS TO CONSUMERS AND ANTI-COMPETITIVE BEHAVIORS**

Direct-to-Consumer Anti-Competitive Behaviors

Some athletic manufacturers are giving product away to secure all school deals. Larger brands can use this tactic to drive out competition, which ultimately increases prices. Some brands distribute below manufacturer suggested retail price products directly to consumers. These behaviors undercut ability to fairly compete in the marketplace and significantly threatens our members' ability to grow participation and sales in the sporting goods industry.

Tariff Relief

Small retailers especially, are unable to absorb the costs of tariffs, and passing costs on to their customers makes it difficult to retain them. "Made in the USA" manufacturers that use imported components are impacted by higher production costs, which ultimately could make the "Made in the USA" model unsustainable.



^{2,3} The State of Obesity (2017). The State of Obesity: Better Policies for a Healthier America. <https://stateofobesity.org/files/stateofobesity2017.pdf>

⁴ The State of Obesity (2016). The State of Obesity: Better Policies for a Healthier America. <https://stateofobesity.org/files/stateofobesity2016.pdf>

⁵ Booth, F. W., Roberts, C. K., & Laye, M. J. (2012). Lack of exercise is a major

cause of chronic diseases. *Comprehensive Physiology*, 2(2), 1143–1211. <http://dx.doi.org/10.1002/phy.c.110025>

⁶ Carlson, Susan A., Fulton, Janet E., Pratt, Michael, Yang, Zhou, Adams, E. Kathleen. (2015). Inadequate Physical Activity and Health Care Expenditures in the United States. *Progress in Cardiovascular Diseases*, 57(4), 315–323. [www.onlinejcpd.com/article/S0033-0620\(14\)00123-6/fulltext](http://www.onlinejcpd.com/article/S0033-0620(14)00123-6/fulltext)



PASS THE PHIT ACT (H.R. 1679/S. 680)

The PHIT Act would change the IRS definition of a “medical expense” to include physical activity as a form of prevention.

Passing the PHIT Act allows Americans to use these Health Savings Accounts (HSAs), Flexible Spending Accounts (FSAs), and Health Reimbursement Accounts (HRAs) to offset expenses for physical activities as a pathway to prevent chronic illnesses.

