TIME

How Kids' Sports Became a $15 Billion Industry

By **SEAN GREGORY** August 24, 2017

Joey Erace knocks pitch after pitch into the netting of his $15,000 backyard batting cage, the pings from his metal bat filling the air in the south New Jersey cul-de-sac. His private hitting coach, who's charging $100 for this hour-long session, tells Joey to shorten his stride. He's accustomed to such focused instruction: the evening batting practice followed a one-on-one fielding lesson in Philadelphia earlier in the day, which cost another $100.

Relentless training is essential for a top player who suits up for nationally ranked teams based in Texas and California, thousands of miles from home. But Joey has talents that scouts covet, including lightning quickness with a rare knack for making slight adjustments at the plate–lowering a shoulder angle, turning a hip–to drive the ball. "He has a real swagger," says Joey's hitting coach, Dan Hennigan, a former minor leaguer. "As long as he keeps putting in this work, he's going to be a really, really solid baseball player at a really, really high level."

Already, Joey has a neon-ready nickname–Joey Baseball–and more than 24,000 followers on Instagram. Jewelry and apparel companies have asked him to hawk their stuff. On a rare family vacation in Florida, a boy approached Joey in a restaurant and asked for his autograph. But Joey Baseball has yet to learn cursive. He is, after all, only 10 years old. They snapped a picture instead.

Joey Erace is an extreme example of what has become a new reality for America's aspiring young athletes and their families. Across the nation, kids of all skill levels, in virtually every team sport, are getting swept up by a youth-sports economy that increasingly resembles the pros at increasingly early ages.

Neighborhood Little Leagues, town soccer associations and church basketball squads that bonded kids in a community–and didn't cost as much as a rent check–have largely lost their luster. Little League participation, for example, is down 20% from its turn-of-the-century peak. These local leagues have been nudged aside by private club teams, a loosely governed constellation that includes everything from development academies affiliated with professional sports franchises to regional squads run by moonlighting coaches with little experience. The most competitive teams vie for talent and travel to national tournaments. Others are elite in name only, siphoning expensive participation fees from parents of kids with little hope of making the high school varsity, let alone the pros.

The cost for parents is steep. At the high end, families can spend more than 10% of their income on registration fees, travel, camps and equipment. Joe Erace, who owns a salon and spas in New Jersey and Pennsylvania, says Joey's budding baseball career has cost north of $30,000. A volleyball dad from upstate New York spent $20,000 one year on his daughter's club team, including plenty on gas: up to four nights a week she commuted 2½ hours round-trip for practice, not getting home until 11:30 p.m. That pales beside one Springfield, Mo., mom, who this summer regularly made a seven-hour round-trip journey to ferry her 10- and 11-year-old sons to travel basketball practice. Others hand their children over entirely. A family from Ottawa sent their 13-year-old to New Jersey for a year, to increase his ice time on the travel hockey circuit. A sponsor paid the teen's $25,000 private-school tuition. This summer, 10 boys from across the U.S. stayed with host families in order to play for a St. Louis–based travel baseball club.

"It's definitely taken over everything," says Magali Sanchez, a legal records clerk from San Diego whose daughter Melanie Barcenas, 9, and son Xzavier Barcenas, 8, play travel soccer. To help pay for their fees, Sanchez's husband Carlos, a gas-station attendant, will spend 12 hours on a Saturday carting supplies at tournaments. Practice and tournaments overtake nights and weekends like kudzu–Sanchez says they often have to skip family weddings and kids' birthday parties. "This sports lifestyle is crazy," she says. "But they're your kids. You do anything for them."

A range of private businesses are mining this deep, do-anything parental love. The U.S. youth-sports economy–which includes everything from travel to private coaching to apps that organize leagues and livestream games–is now a $15.3 billion market, according to WinterGreen Research, a private firm that tracks the industry. And the pot is rapidly getting bigger. According to figures that WinterGreen provided exclusively to TIME, the nation's youth-sports industry has grown by 55% since 2010.

The numbers have been catnip for investors. A top NBA star and the billionaire owner of the NFL's most valuable team own equity in youth-sports startups. Major media and retail companies are investing in technology that manages peewee schedules. And municipalities that once vied for minor-league teams are now banking on youth sports to boost local economies, issuing bonds for lavish complexes that they hope will lure glove-toting tykes and their families.

There are upsides to the frenzy. Some kids thrive off intense competition, and the best players receive an unprecedented level of coaching and training. The travel circuit can also bring people of different backgrounds together in a way that local leagues by definition do not.

But as community-based teams give way to a more mercenary approach, it's worth asking what's lost in the process. Already, there are worrying signs. A growing body of research shows that intense early specialization in a single sport increases the risk of injury, burnout and depression. Fees and travel costs are pricing out lower-income families. Some kids who don't show talent at a young age are discouraged from ever participating in organized sports. Those who do often chase scholarships they have a minuscule chance of earning.

"For better or worse, youth sports is being privatized," says Jordan Fliegel, an entrepreneur who has capitalized on the shift. Whatever the answer is, the transition has been seismic, with implications for small towns, big businesses and millions of families.

The United States Specialty Sports Association, or USSSA, is a nonprofit with 501(c)(4) status, a designation for organizations that promote social welfare. According to its most recent available IRS filings, it generated $13.7 million in revenue in 2015, and the CEO received $831,200 in compensation. The group holds tournaments across the nation, and it ranks youth teams in basketball, baseball and softball. The softball rankings begin with teams age 6 and under. Baseball starts at age 4.

Entering June, Joey Erace's Dallas-area team, the Texas Bombers, was third in the USSSA's 10-and-under baseball power ranking. The Alamo (Texas) Drillers were No. 1. This summer, Luke Martinez, 10, played second base for the Drillers. His family lives in a well-appointed mobile home in south San Antonio. Luke's mom Nalone cooks for a food truck. Luke's dad Jerry is a logistics coordinator at a printer and copier company. He works overtime whenever possible to save for Luke's frequent overnight trips across Texas and to Louisiana, North Carolina and Florida. The family has skipped car payments and put off home repairs to help.

Like millions of sports parents, the Martinezes hope that Luke's quick bat will lead to a college scholarship. There may be no single factor driving the professionalization of youth sports more than the dream of free college. With the cost of higher education skyrocketing–and athletic-department budgets swelling–NCAA schools now hand out $3 billion in scholarships a year. "That's a lot of chum to throw into youth sports," says Tom Farrey, executive director of the Aspen Institute's Sports & Society program. "It makes the fish a little bit crazy."

The odds are not in anyone's favor. Only 2% of high school athletes go on to play at the top level of college sports, the NCAA's Division I. For most, a savings account makes more sense than private coaching. "I've seen parents spend a couple of hundred thousand dollars pursuing a college scholarship," says Travis Dorsch, founding director of the Families in Sport Lab at Utah State University. "They could have set it aside for the damn college."

Still, the scholarship chase trickles down to every level. College coaches are now courting middle-schoolers, and competitive high school teams scout the club ranks. In some places, travel teams have supplanted high school squads as the priority for top players. Kids learn early that it's imperative to attend travel tournaments–and impress. Katherine Sinclair, 12, has played basketball games in Philadelphia and New York City on the same day, but she embraces the grind. "I don't have that long until I'm in eighth grade," she says. "That's when college scouts start looking at me. It's when I have to work my butt off."

The Internet has emerged as a key middleman, equal parts sorting mechanism and hype machine. For virtually every sport, there is a site offering scouting reports and rankings. Want to know the top 15-and-under girls' volleyball teams? PrepVolleyball.com has you covered (for a subscription starting at $37.95 per year). The basketball site middleschoolelite.com evaluates kids as young as 7 with no regard for hyperbole: a second-grader from Georgia is "a man among boys with his mind-set and skill set"; a third-grader from Ohio is "pro-bound."

Social-media-savvy parents now build Twitter and Instagram feeds around their young athletes. One such account calls itself "a brand inspired by my 11 yr old son's unique style and attitude on and off the Baseball Field."

Children sense that the stakes are rising. In a 2016 study published in the journal Family Relations, Dorsch and his colleagues found that the more money families pour into youth sports, the more pressure their kids feel–and the less they enjoy and feel committed to their sport.

Even well-meaning parents, meanwhile, can find themselves swept up. “You say to yourself, Am I keeping up?” says Rosemary Brewer, a nonprofit executive in Portland, Ore., who has mixed feelings about placing her two sons, 11 and 15, on travel lacrosse teams. “There’s pressure, especially if your kids have some talent. You feel it a little more. But we want the kids to have fun and be with their friends. We have to take a step back and keep asking ourselves, What’s the end goal?”

This parenting experience is new, given that the hypercharged kids’ sports scene didn’t exist on this scale just a few years ago. “When parents enter the youth-sports development complex, they’re naive,” says sports psychologist Jim Taylor. “They absorb the message they hear most: ‘You mean, your kid’s not playing on a travel team? She’s not playing all the time? What’s wrong?'” Taylor, who’s writing a book about youth-sports parenting, has two daughters, 12 and 10, who ski and swim. “It’s hard not to get sucked in,” he says. “Even for someone like myself, a quote-unquote expert on this stuff. Because I’m human. I’m a dad.”

There are few better places to take the measure of the youth-sports industrial complex than the Star, the gleaming, 91-acre, $1.5 billion new headquarters and practice facility of the Dallas Cowboys. Turn left upon entering the building and you’ll find the offices of Blue Star Sports, a firm that has raised more than $200 million since April 2016 to acquire 18 companies that do things like process payments for club teams, offer performance analytics for seventh-grade hoops games and provide digital social platforms for young athletes.

Blue Star’s investors include Bain Capital; 32 Equity, the investment arm of the NFL; and Cowboys owner Jerry Jones, who leases Blue Star space in his headquarters. The company’s goal is to dominate all aspects of the youth-sports market, and it uses an affiliation with the pros to help. Blue Star’s logo bears a not-coincidental resemblance to the one seen on national TV every

Sunday, and the company's conference room has a view of the Jones family boardroom. The connection is clear for kids and investors alike.

Other major companies have also entered the fray. The national retailer Dick's Sporting Goods has acquired companies that specialize in online scheduling and score tracking for youth sports. Last year NBC bought Sport Ngin, a scheduling and social app that had raised $39 million in venture funding, and rechristened it SportsEngine. In August, SportsEngine launched a searchable directory of more than 100,000 youth-sports camps, teams and leagues. Time Inc., TIME's parent company, launched Sports Illustrated Play after acquiring three youth-sports-software startups. SI Play's apps now have 17 million monthly unique users. In the past 18 months, investors have plowed over $1 billion into the youth-sports market, according to SI Play CEO Jeff Karp.

The boom has given rise to countless entrepreneurial efforts, from new facilities to recruiting sites to private-coaching outfits. Even during the depths of the Great Recession, revenue for Travel Team USA, a company that books youth-sports travel, continued to double year over year. In 2012, entrepreneur Fliegel launched CoachUp, an app that connects young athletes with coaches. The NBA star Stephen Curry is an investor. "It doesn't hurt to say Steph's one of the bosses," says Victor Hall, a New York City teacher and coach who calls the private hoops lessons he offers through the app a "thriving" side business.

Across the U.S., the rise in travel teams has led to the kind of facilities arms race once reserved for big colleges and the pros. Cities and towns are using tax money to build or incentivize play-and-stay mega-complexes, betting that the influx of visitors will lift the local economy.

That was the thinking in Westfield, Ind., which was hunting for ways to expand the commercial tax base of the small city some 20 miles north of downtown Indianapolis. "We wondered, Is it conceivable to create an industry around family travel sports?" says mayor Andy Cook. Concluding that it was, Westfield issued $70 million in bonds to build Grand Park Sports Campus, a 400-acre complex that opened in 2014 and includes 31 grass and synthetic fields for soccer, lacrosse and other field sports, 26 softball and baseball diamonds, and a 370,000-square-foot indoor facility. The city is hoping that tax revenue generated by new hotels, retail outlets and medical facilities near the park will eventually pay off the debt.

Westfield officials had considered attempting to draw a minor-league baseball team to the city. “That gives you some prestige,” says Cook. “But it’s not really our moneymaker. Our moneymaker is regional tournaments, under 16 years of age. Because they bring Mom, Dad, brother, sister, grandparents.”

The pioneer of this trend is the ESPN Wide World of Sports Complex, which opened in 1997 on the grounds of Disney World in Orlando. The 220-acre venue allows Disney to collect revenue from tournament fees, hotel stays and theme-park tickets, while giving it another way to win the hearts–and future wallets–of its youngest customers. Business is thriving. Wide World of Sports hosted 385,285 athletes in 2016, up 28% since 2011.

Sometime this winter, the Sports KingDome, a facility with 347,000 sq. ft. of indoor space–enough to fit a dozen multisport fields, or six Little League baseball fields–is slated to open on the site of a former IBM campus in East Fishkill, N.Y., some 70 miles north of New York City. It will become one of the largest domes on the planet, and the owner plans to auction naming rights to the highest bidder. The $25 million, all-weather complex will allow families in the populous northeastern U.S. to play travel soccer, lacrosse and baseball 12 months a year, just like they do in the Sun Belt.

Would that be so bad? Many families say they enjoy the travel-sports experience. Parents bond with one another. Kids make new friends. “We have friends and family tell us that it’s too much, too soon,” says Jerry Martinez, Luke’s father. “But this is his passion. I’m not going to stomp on it.”

There are mounting concerns, however, over the consequences of such intensity, particularly at young ages. The average number of sports played by children ages 6 to 17 has dipped for three straight years, according to the Sports & Fitness Industry Association. In a study published in the May issue of American Journal of Sports Medicine, University of Wisconsin researchers found that young athletes who participated in their primary sport for more than eight months in a year were more likely to report overuse injuries.

Intense specialization can also tax minds. According to the American Academy of Pediatrics, "burnout, anxiety, depression and attrition are increased in early specializers." The group says delaying specialization in most cases until late adolescence increases the likelihood of athletic success.

Devotion to a single sport may also be counterproductive to reaching that holy grail: the college scholarship. In a survey of 296 NCAA Division I male and female athletes, UCLA researchers discovered that 88% played an average of two to three sports as children.

Other consequences are more immediate. As expensive travel teams replace community leagues, more kids are getting shut out of organized sports. Some 41% of children from households earning $100,000 or more have participated in team sports, according to the Sports & Fitness Industry Association. In households with income of $25,000 or less, participation is 19%.

One weekend in early June, all eyes were on Joey Baseball. "Is that him?" a rival player asked his coach. Yes, indeed, it was Joey Erace of southern New Jersey in the flesh, warming up on a field in the town of Sulphur, La., where he had flown to play for the Texas Bombers at a regional tournament.

In addition to Joey, the Bombers imported two star players from California and a power hitter from Mexico, who smacked a moonshot home run in a preliminary-round game. Bombers coach Lale Esquivel, who won the College World Series at the University of Miami in 1999, makes no apologies for running his team like a professional outfit. “I can see talent at a young age,” Esquivel says. “My son is special. I want to surround him with the best kids from across the country. In return, playing on my team is going to help your son. Do we win? Of course we win. If I’m going to be investing all this time and money, we might as well win.”

Still, amid the plane rides, autograph requests and high-pressure tournaments, there are moments when things lurch into perspective. At one point during the weekend in Louisiana, Joe Erace tucked Joey’s pants in for him and paused. “Sometimes when I’m getting on him a bit,” he says, “my wife reminds me that Joey still thinks a big fat guy in a red suit delivers presents all around the world.”

–With reporting by ABIGAIL ABRAMS AND TARA JOHNSON/NEW YORK

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