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FOR IMMEDIATE RELEASE

Fantasy Football Threatens Productivity

WHY EMPLOYERS SHOULDN'T WORRY ABOUT THE \$13 BILLION IN WAGES PAID TO WORKERS PLAYING FANTASY FOOTBALL

CHICAGO, August 12, 2014 -- The NFL regular season kick-off is still three weeks away, but millions of fantasy football participants across the country are already in high gear, pouring over player statistics, injury reports and analyzing pre-season game performance in preparation for their upcoming drafts.

With an estimated 31 million working-age Americans participating in fantasy football, it is likely that some of this draft preparation, not to mention the ongoing team management through the typical 15-week season, will occur during work hours.

So, what will the growing popularity of fantasy football cost the nation's employers in terms of lost productivity? More than \$14 billion, according to one estimate.

That estimate comes from global outplacement consultancy Challenger, Gray & Christmas, Inc., which fully acknowledges the absurdity of trying to gauge the level of lost work output resulting from fantasy football.

"We are not trying to demonize fantasy football. It is important to understand that there are more distractions than ever in today's workplace. If it's not fantasy football, it's the latest Hollywood gossip, shopping on Amazon, or checking Facebook," said John A. Challenger, chief executive officer of Challenger, Gray & Christmas.

"It used to be that only those with computers at their desk were at risk of internet-related distractions. Now, access to the internet through our smartphones and tablets, means that anyone can go online from anywhere. Yet, despite the growing number of distractions, the economy has not fallen to pieces. Productivity continues to improve, along with GDP and job creation," he added.

“That being said, one cannot entirely dismiss widespread phenomenon such as fantasy football or deny that it has some impact on workplace productivity. It may be immeasurable in terms of real dollars and cents, but undoubtedly there are managers, supervisors and IT professionals who will attest to a slowdown in output from certain workers around this time of year.”

Challenger’s estimate of \$14 billion in lost productivity is actually a measure of wages paid to unproductive workers. In other words, if a company is paying someone \$20 per hour and one hour of his or her work time was spent researching players or shuffling rosters, then that is \$20 in lost wages.

As of July, average hourly earnings for the country’s 117 million workers on private nonfarm payrolls, was not \$20, but \$24.45. Of course, only a fraction of those workers are playing fantasy football. Based on the latest statistics from the Fantasy Sports Trade Association, Challenger estimates that approximately 31 million working-age Americans (16 and older) are playing fantasy sports (all sports, not just football).

To estimate the number of those fantasy sports participants who are employed, Challenger applied the current employment-to-population ratio of 59 percent to the total, leaving 18.3 million participants with jobs from which they may be distracted.

So, for each hour those 18.3 million people spend on fantasy football during the workday, it costs employers \$447.4 million (18.3 million X \$24.45). How much time is wasted on fantasy football at work is unclear, however. According to the FSTA, the average player spends three hours per week just managing his or her team. Players spend up to nine hours per week reading or watching something about fantasy sports.

Assuming conservatively that players spend just two hours per week managing team or reading about fantasy sports while on the job, that amounts to almost \$895 million. Multiply that out over the typical 15-week fantasy football schedule and the cost soars to \$13.4 billion.

“Now, what does that actually mean to the economy? Probably nothing. If there is a measureable dip in GDP or productivity in the third and fourth quarter, it definitely will not be due to fantasy football. The \$13.4 billion-figure, in fact, represents less than one percent of the \$1.5 trillion in wages* that will be paid out to workers on private-sector payrolls during that same 15-week period” noted Challenger.

“So, what’s the point of this non-scientific study? It is simply to acknowledge that fantasy football is a massively popular phenomenon that cannot be ignored. No one can deny that it is a common source of workplace chatter around water coolers and lunch tables throughout the season. While it is arguable as to whether fantasy sports participation impacts the bottom line, IT departments are very likely to see a dip in the company internet quality as bandwidth is devoted to researching players, making trades and scanning the waiver wire,” he added.

***Estimate based on latest Bureau of Labor Statistics: 117,082,000 Americans on private-sector non-farm payrolls, earning an average of \$24.45 per hour over an average workweek of 34.5 hours. (117,082,000 X 24.45 X 34.5 X 15 weeks = \$1.5 trillion.)**

Even with the potential loss of internet speed, Challenger suggests that the impact of fantasy football is not at all negative. In fact, he argues that more companies should embrace the phenomenon and recruit employees into company-wide leagues, as a way to build morale and camaraderie among workers.

“An across-the-board ban on all fantasy football or sports websites is likely to backfire and cause a drop in morale, loyalty and, ironically, productivity. The end result could be far worse than any loss of productivity caused by an hour or two of team management each week.

“Companies that not only allow workers to enjoy fantasy football, but actually encourage it by organizing a company leagues are likely to see significant benefits in morale, which, in turn leads to an overall boost in productivity as well as employee retention,” said Challenger.

Forty percent of respondents in a 2006 Ipsos survey said fantasy sports participation was a positive influence in the workplace. Another 40 percent said it increases camaraderie among employees. One in five said their involvement in fantasy sports enabled them to make a valuable business contact.

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