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# PLAYING TO WIN

A LOOK AT INVESTMENT ACTIVITY ACROSS  
THE \$30B+ YOUTH SPORTS MARKET

**2025**  
APRIL

## **AUTHORS**

**UMAIR HUSSAIN**

PARTNER

UHUSSAIN@REDCHALK.COM

**CHASE STANKE**

SENIOR ANALYST

CSTANKE@REDCHALK.COM

## Summary

The youth sports market, which was once a small industry focused on local leagues and recreational participation, has undergone a significant transition into a \$30B+ machine focused on national-level competition, professionalization, and player development / performance.<sup>1</sup> With travel sports participation rapidly increasing, parents are spending more than ever on year-round training, destination tournaments, private lessons, and top-of-the-line equipment. As a result, the youth sports market has become a magnet for investment activity, with private equity firms, strategic players, and venture capital firms making investments to capitalize on this growing demand. This white paper will analyze the following topics:

- **The Fragmented Youth Sports Ecosystem**
- **Key Youth Sports Growth Drivers:** Professionalization, specialization, and diversification
- **Areas of Investment Focus**
  - **Organizations:** 3STEP and Unrivaled Sports emerge as leading investors in youth sports organizations
  - **Facilities:** An analysis of the \$1.8B in projected construction spending on youth sports complexes
  - **Software / Media:** The expanding role of software in the youth sports ecosystem
  - **Equipment:** An exploration of how financial acquirors, strategic investors, and venture capital firms are fueling innovation in the sporting equipment market
- **Conclusion:** Strategic implications for the youth sports ecosystem

## The Fragmented Youth Sports Ecosystem

Historically, one of the greatest challenges within the youth sports ecosystem has been the significant level of fragmentation. Not only is participation split between scholastic (e.g., high school) and non-scholastic, but it is also governed by a patchwork of governing bodies / entities at the national, state, and local levels. This is further exacerbated by sport-specific variations, which create complexity around rules, scheduling, and costs. Consider, for example, the youth baseball ecosystem. While there are numerous “governing bodies” (e.g., Little League, American Legion, Pony Baseball, USA Baseball) that exert influence on select segments of participants, the space lacks a single unified framework that covers all participants. This often results in fragmented participation – for example, it is common for a baseball player to participate on their high school team during the spring, a travel team during the summer, and then train at multiple facilities during the fall / winter in preparation for the next season. This fragmentation creates an opportunity for a diverse set of ecosystem participants to service athletes across the following segments:

- **Organizations:** Entities that facilitate participation (e.g., teams, governing bodies)
- **Facilities:** Physical locations where competition / training occurs
- **Software:** Digital tools and platforms used to improve the youth sports experience
- **Equipment:** Gear, uniforms, and other equipment used in games / training

Figure 1: Youth Baseball Ecosystem

NOT EXHAUSTIVE



Two organizations that exemplify the complexity of the youth baseball landscape are Perfect Game (PG) and Prep Baseball Report (PBR), which have established themselves as central ecosystem participants by offering tournaments and showcases frequently attended by college coaches and professional scouts. Through these events, they have built proprietary databases that contain player metrics, performance statistics, and player / team rankings which serve as a competitive advantage and create a barrier to replication. Recently, these organizations have focused on creating new revenue streams via the expansion of media coverage through podcasts, livestreaming, and social media content while also pursuing strategic partnerships with facilities to streamline operations and expand their tournament offerings. Notably, Perfect Game was the initial partner of LakePoint sports, a 1,300-acre athletics campus in GA, from 2016 until shortly after LakePoint filed for Chapter 11 bankruptcy in 2018.<sup>2</sup> After Perfect Game vacated the complex, PBR received a “sizable” investment from the new financial backers / operators of LakePoint, Rimrock Capital, and began using the facility to host its flagship tournaments and events.<sup>3</sup> More recently, in February 2025, PBR acquired Rock Tournaments, which allowed it to take over tournament operations at Milwaukee’s Rock Sports Complex and continue expanding its footprint within the Midwest.<sup>4</sup>

Clearly, the ecosystem within youth baseball is nuanced and intricate. When considered in the context of the broader youth sports market - which spans 10+ sports, each with unique dynamics - the complexity and fragmentation of the space becomes obvious. **As a result of this complexity, investors have traditionally taken a disciplined investment approach and focused their investments within specific segments of the market.**

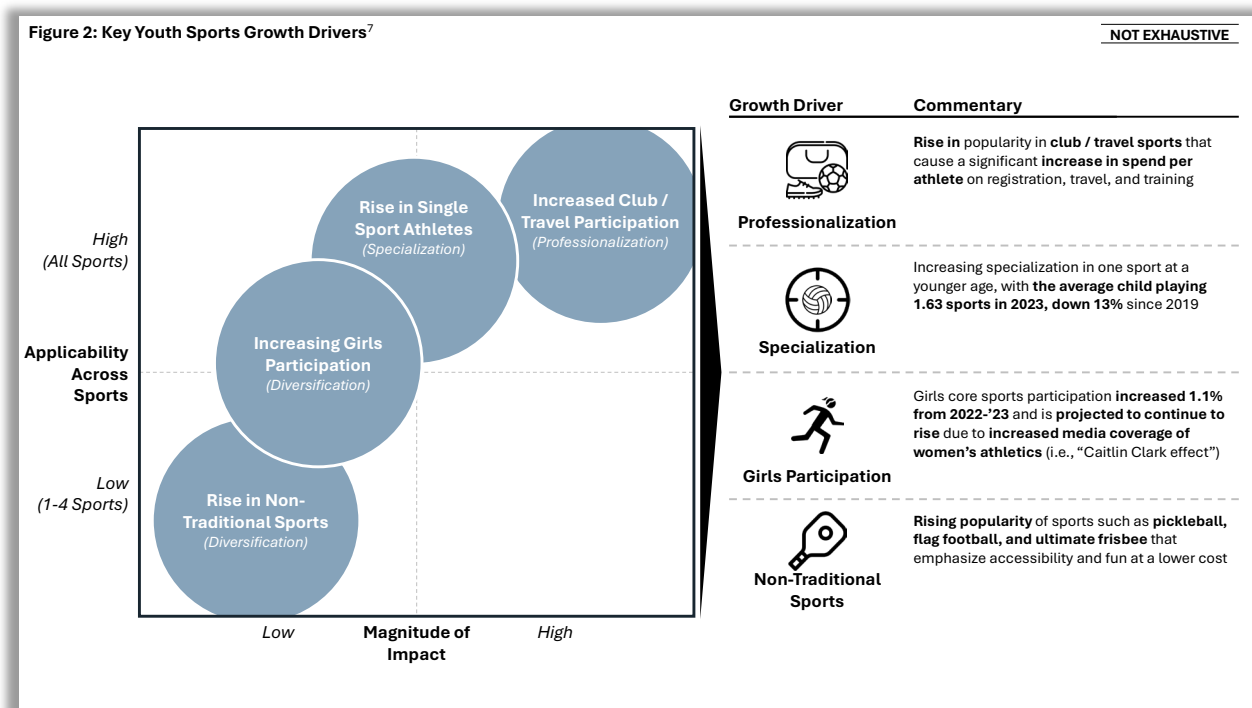
## Growth in Youth Sports is Driven by Professionalization, Specialization, and Diversification

The youth sports market is being shaped by three primary tailwinds: professionalization, specialization, and diversification, each of which is redefining participation, spending, and investment opportunities.

**Professionalization:** Youth sports have evolved from a recreational hobby centered around fun and participation into a structured and professionalized industry driven by club / travel teams. These programs emphasize year-round training, elite competition, and player development, making them significantly more expensive than local recreational leagues. In addition, parents of travel athletes are more likely to spend money on private coaching, premium equipment, and destination tournaments, which increases per-athlete spend and creates an attractive opportunity for private companies to profit.

**Specialization:** Children have begun specializing in a single sport earlier than they did historically, with the average child athlete playing 1.63 sports in 2023, down 13% from 2019.<sup>5</sup> This shift creates a recursive cycle, where the growing demand for training and coaching raises the quality of competition, making early specialization more appealing to parents and athletes. As a result, the cost of private coaching and instruction continues to increase.

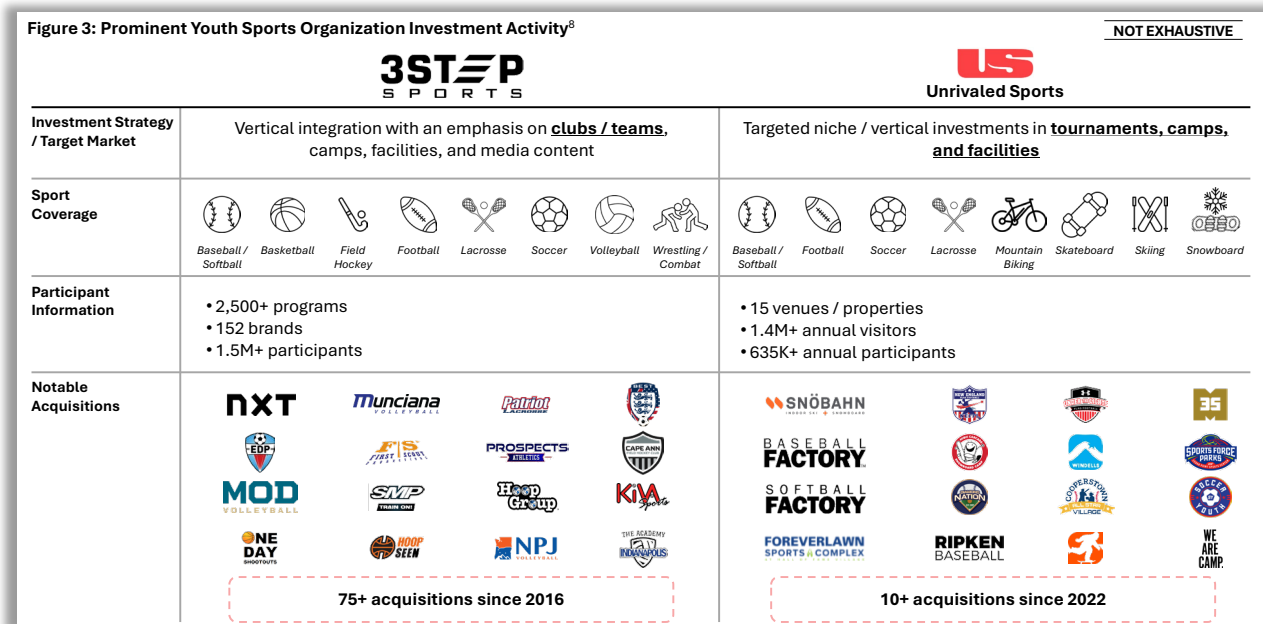
**Diversification:** While boys' participation has declined by 9%+ over the last decade, the overall participant base has diversified due to increased girls' participation and a rise in non-traditional sports.<sup>6</sup> These segments have seen steady growth driven by increased media coverage of women's athletics (i.e., "Caitlin Clark effect") and a surge in non-traditional sports (e.g., pickleball, flag football, ultimate frisbee) which appeal to a broader range of athletes.



As a result of these tailwinds, the youth sports market has seen increased investment activity in recent years within four key areas: organizations (e.g., teams, leagues, tournament operators), facilities (e.g., complexes, training centers), software (e.g., statistics, league / sport management) and equipment (e.g., apparel, training tools).

# Organizations: 3STEP and Unrivaled Sports Emerge as Leading Investors in Youth Sports Organizations

Youth sports organizations, including teams, leagues, tournament operators, and camp hosts, have become prime acquisition targets for private investors in recent years. One of the most prolific investors in the youth sports organization space has been 3STEP Sports (“3STEP”). Backed by Juggernaut Capital Partners, 3STEP has made numerous acquisitions across clubs / teams, camps, facilities, and media content. Its approach has leveraged the traditional private equity strategy: centralizing operational resources (e.g., registration, insurance, apparel) and back-office functions to enhance profitability and create value across its portfolio. By doing so, it alleviates administrative burdens for coaches, allowing them to focus on coaching and teaching, which improves the athlete / employee experience and creates higher stakeholder satisfaction.



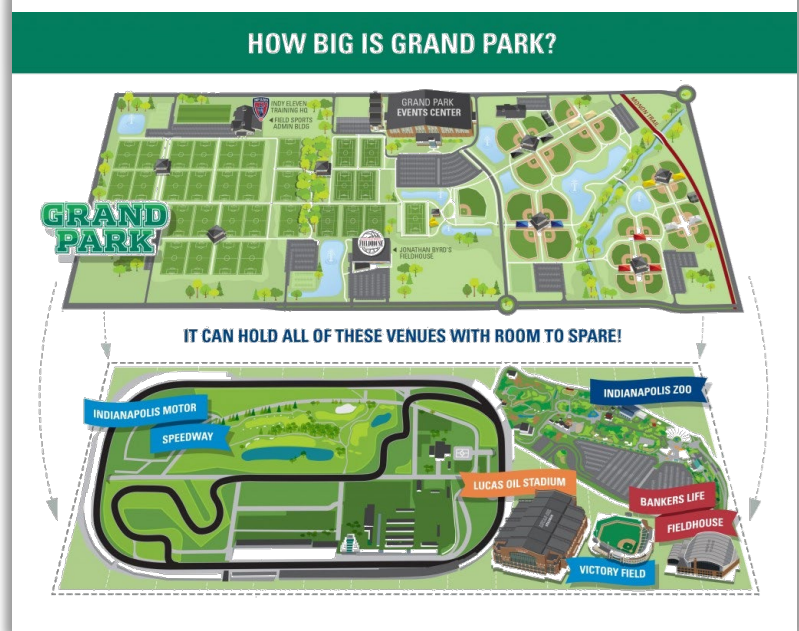
In addition to creating operational efficiencies, 3STEP has focused on acquiring assets across the value chain, including clubs / teams, event operators (e.g., leagues), and facilities. Through vertical integration, 3STEP can capture more revenue by keeping activity within its ecosystem. For example, 3STEP has created a system where clubs that it owns can participate in events that it organizes, often hosted at its own facilities - this has even expanded into the software that it utilizes, as 3STEP has begun transitioning its teams onto its own PlayerFirst league / sport management software platform for registration and communication purposes.

Another prominent investor in the youth sports organization space is Unrivaled Sports, founded by Josh Harris and David Blitzler in 2024 with strategic backing from The Chernin Group and Ares Management. Whereas 3STEP focused its investment strategy on clubs / teams and leagues, Unrivaled has primarily focused on acquiring tournament / camp operators and their associated facilities including notable companies such as Ripken Baseball, Baseball / Softball Factory, Cooperstown All Star Village, We Are Camp, and ForeverLawn Sports Complex. This strategy has positioned Unrivaled to benefit from the increasing prevalence of “sports tourism,” as the rise in travel / club participation has resulted in increased participation in destination / experiential events.

## Facilities: Sports Tourism has Fueled \$1.8B in Projected Construction Spending on Youth Sports Complexes

Another sector that has seen increased investment activity is supporting infrastructure – primarily within sporting complexes. While facilities like Cooperstown Dreams Park (founded in 1996) and ESPN Wide World of Sports Complex (1997) initially demonstrated the viability of large-scale youth sports complexes, the trend gained momentum following the construction of LakePoint Sports and Grand Park in 2014. These new facilities are notable for their exceptional scale, as they frequently contain fields and courts that allow them to host events across multiple sports and cater to a wide range of participants. Unlike earlier complexes that tended to be more self-contained, LakePoint and Grand Park have built out a surrounding ecosystem of hotels, restaurants, and entertainment venues that have made the complexes premier sports tourism destinations and stimulated their local economies. For example, LakePoint Sports generated over \$100 million in economic impact in 2021 while Grand Park reportedly attracts over 2.5 million visitors per year and has helped its city, Westfield, attract over \$1.5 billion in economic development since it opened.<sup>9</sup>

Figure 4: Scale of Grand Park Sports Complex<sup>10</sup>



While these complexes have ultimately had positive impacts on their local communities, their journeys have often been challenging. LakePoint, despite an initially strong partnership with Perfect Game to host tournaments and events, filed bankruptcy in 2018 due to slower-than-expected growth of surrounding businesses.<sup>11</sup> Another notable example is Legacy Park (formerly Bell Bank Park), a 320-acre complex in Mesa, AZ which opened in January 2022. Unfortunately, it filed for bankruptcy in 2023 – less than two years after opening – due to construction setbacks, labor shortages, and underperformance of ancillary offerings such as restaurants and concessions.<sup>12</sup> While both have successfully emerged from Chapter 11, these examples highlight the inherent risk of large-scale youth sports complexes.

Investors and regulators appear to be unbothered by the roadblocks faced by LakePoint and Legacy Park, as there is projected to be more than \$2.5 billion in construction spend on youth sports facilities in the United States from 2024-2026.<sup>13</sup> For example, the Ontario Sports Empire in Ontario, California, is a \$400M project that will consist of 50 youth sports fields and serve as the home to the Los Angeles Dodgers Single-A affiliate. Other significant projects are underway across the nation, including Play It Forward in Texas, The Land in Alabama, CarShield Sports Complex in Missouri, and CrossRoads / Scheels Sports Park in Illinois. Additional projects are likely to be announced, particularly in light of recent regulatory support such as the Youth Sports Facilities Act, which was introduced to Congress in November 2024 and would permit Economic Development Assistance (EDA) grants to be used to fund youth sports facilities.<sup>14</sup> While this bill is still in its early stages, it demonstrates the rising public support for youth sports facilities and the significant opportunity for future development within the sector.



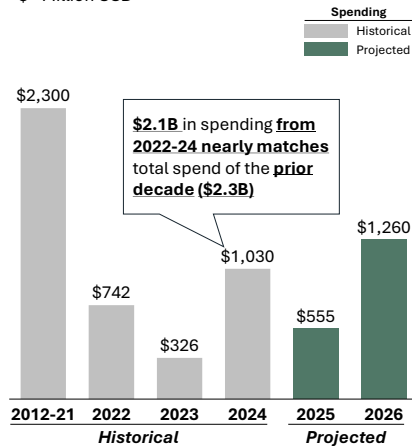
Figure 5: Youth Sports Construction Spend and Planned Facility Construction<sup>15</sup>

NOT EXHAUSTIVE

Construction spending on youth sports facilities has surged in recent years relative to historical norms with over \$2.5B projected to be spent from 2024-2026...

...with projects like Ontario Sports Empire (\$400M), Play It Forward Complex (\$75M), and The Land (\$72M) highlighting ongoing optimism from investors and local governments about the potential of youth sports complexes

Construction Spend on US Youth Sports Complexes  
\$ - Million USD



Notable US Youth Sport Complexes In Construction

Facility	Location	Cost	Expected Completion	Description
Ontario Sports Empire	Ontario, California	~\$400M	Fall 2026	<ul style="list-style-type: none"> <li>190 acres with 24 baseball fields, 20 multipurpose fields, and 4 football / rugby fields</li> <li>Will be home to the LA Dodgers Single-A team</li> </ul>
Play It Forward Complex	Roanoke, Texas	\$75M	Late 2025	<ul style="list-style-type: none"> <li>Expected to include five baseball fields + three soccer fields</li> <li>Will have an on-site hotel, restaurants, etc.</li> </ul>
The Land	Saraland, Alabama	\$72M	Spring 2025	<ul style="list-style-type: none"> <li>100 total acres with 4 indoor courts, 5 multi-purpose fields, 8 diamonds, and 6 outdoor courts</li> <li>100% funded by the city of Saraland</li> </ul>
Crossroads	New Lenox, Illinois	\$70M	Spring 2025	<ul style="list-style-type: none"> <li>Will include outdoor diamonds + soccer fields and indoor volleyball / basketball courts</li> <li>Projected economic impact of \$12M in year one</li> </ul>
CarShield Sports Complex	Chesterfield, Missouri	\$60M	2026	<ul style="list-style-type: none"> <li>Four indoor / three outdoor soccer fields + two ice rinks</li> <li>Primarily used by CarShield hockey / soccer clubs</li> </ul>
Sports Park	Springfield, Illinois	\$42M	2025	<ul style="list-style-type: none"> <li>Will consist of five diamonds, two multi-purpose fields, a stadium, and 190K sq. ft indoor dome</li> </ul>

As these facilities continue to gain popularity, operators have an opportunity to leverage their captive audience via sponsorships and brand deals. Notably, Placer Valley Tourism recently purchased the naming rights to the Roseville Soccer Complex in Roseville, CA for \$5 million over 12 years, demonstrating the significant monetization opportunities for these facilities.<sup>16</sup> Moving forward, facility operators that can diversify their revenue streams beyond tournament / event fees will be better positioned to succeed and will be less vulnerable to volatility caused by event participation.

















## Software / Media: The Expanding Role of Software in the Youth Sports Ecosystem

Youth sports software, which spans a variety of categories including streaming, sport / league management, statistics, recruiting, coaching, and more, has been a historically fragmented space. Typically, software solutions begin with tailored functionality to the needs of a single-sport, or smaller subset of sports, due to the nuances and complexities of each sport. Over time, vendors then focus on adding capabilities to expand their addressable customer base and improve customer satisfaction. One notable example of this trend is GameChanger, which was founded in 2009 as an iOS app for baseball and softball statistics. Due to its sleek user interface, strong functionality, and partnerships with leading baseball / softball organizations (e.g., Little League), GameChanger quickly became a leader for scorekeeping within youth baseball / softball. Following its acquisition by Dick's Sporting Goods in 2016, GameChanger added functionality such as messaging, photo sharing, roster management, and livestreaming while also creating solutions for other sports (e.g., basketball). By doing so, GameChanger has scaled to \$100M+ in annual revenue and positioned itself as a model of growth within the sports software market.<sup>17</sup>



















During the Zero Interest Rate Period from 2017-'21, youth sports software startups attracted significant fundraising, with companies such as TeamSnap (\$25M Series C) and LeagueApps (\$15M Series B) being among the most notable recipients. Recently, shifting macroeconomic conditions have led venture investors to prioritize profitability over growth, making it more difficult for new startups to secure funding.

**Figure 6: Notable VC Investments in Youth Sports Software / Media<sup>18</sup>** NOT EXHAUSTIVE

Company	Category	Date	Amount	Round	Lead Investor
	Coaching / Training	May 2024	\$4.5M	Seed	
	Scholastic Management	July 2023	\$3.7M	Series A	
	Sport / League Management	August 2022	\$5.3M	Seed	
	Coaching / Performance	July 2021	\$3.5M	Series A	
	Sport / League Management	July 2021	\$15M	Series B	
	Coaching / Performance	February 2020	\$8M	Series A	
	Recruiting	October 2017	\$2.1M	Seed	
	Sport / League Management	January 2017	\$25M	Series C	

Historically, financial investors have played a key role in youth sports software M&A, as demonstrated by Genstar Capital's acquisition of Stack Sports in 2017 and Waud Capital's acquisition of TeamSnap in 2021. Since being acquired, both operators have attempted to "bolt-on" companies to expand functionality, with Stack Sports completing over 20+ acquisitions and TeamSnap recently acquiring LeagueSide and MOJO. As the market continues to evolve, companies with best-in-class functional capabilities are well-positioned to gain share.

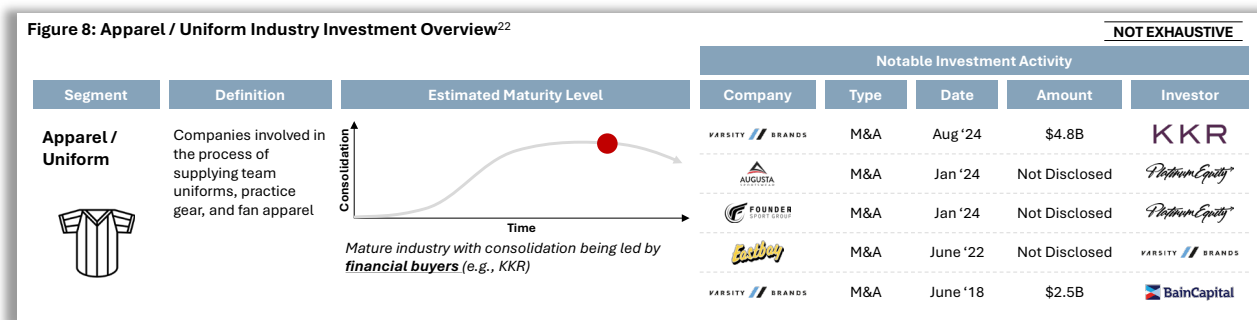
**Figure 7: Notable M&A Activity in Youth Sports Software / Media<sup>19</sup>** NOT EXHAUSTIVE

Company	Category	Date	Amount	Acquiror
	Streaming	March 2024	N/A	
	Coaching / Streaming	December 2023	N/A	
	Streaming	March 2023	N/A	
	Player Evaluation	January 2023	N/A	
	Fundraising	November 2022	N/A	
	Streaming	September 2021	N/A	
	Sport / League Management	April 2021	N/A	
	Sport / League Management	August 2019	\$45M	

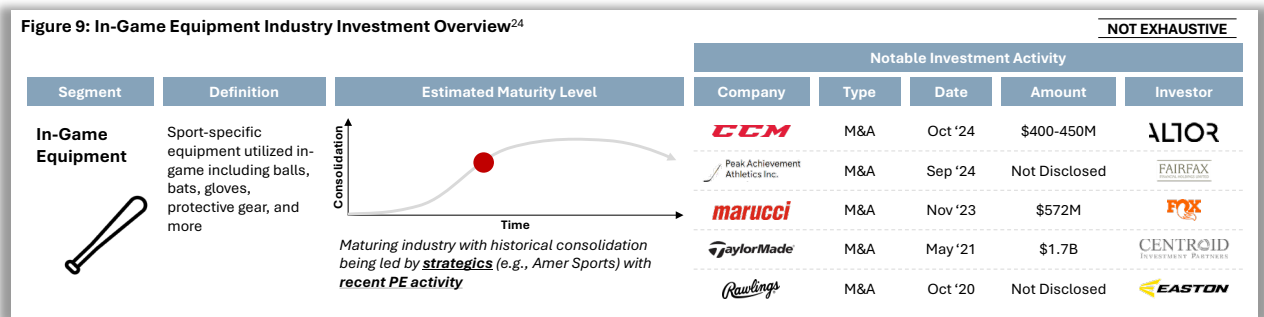
# Equipment: A Tale of Three Markets – Financial Acquirors, Strategic Investors, and Venture Capital are Fueling Innovation in Equipment

The sporting equipment market, which can be divided into apparel / uniforms, in-game equipment, and training tools, has seen well over \$10B of investment activity over the last five years.<sup>20</sup> Notably, investment activity and consolidation have been driven by a varied set of participants, with financial investors (e.g., KKR,) acquiring leading assets in the apparel / uniform space, strategic backers (e.g., Amer Sports, Marucci) driving consolidation in the in-game equipment market, and venture investors funding the bevy of startups within the training tools space.

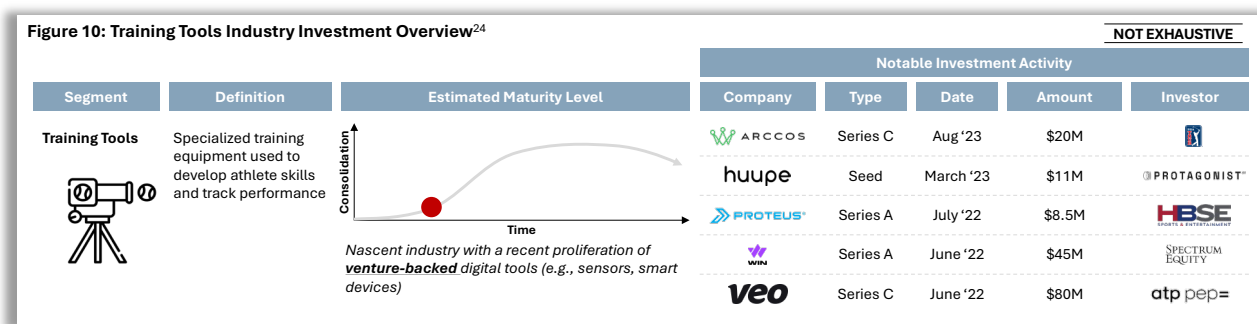
The apparel / uniform market, which spans from manufacturing through distribution (e.g., team dealers), has seen a significant amount of acquisition activity. For example, market-leading team dealer BSN has been acquired multiple times, most recently by KKR for \$4.8B in August 2024, and has also consolidated the team dealer space itself via the acquisition of numerous local team dealers.<sup>21</sup> Operators in this market are searching for growth by improving customer lifetime value (LTV) through initiatives such as upselling to sublimated uniforms, expanding fanwear offerings targeted at parents / families, and creating digital tools to improve the user experience and reduce friction in the ordering process.



Within the in-game equipment market, historical consolidation has been led by strategics that have pursued vertical-specific roll-up strategies, particularly in “bat-and-ball” sports. Notable examples include Amer Sports, which owns Wilson, DeMarini, Louisville Slugger, and EvoShield, as well as Marucci, which acquired leading baseball-specific brands such as Baum, Victus, and Lizard Skin before being acquired by Fox Factory for \$572 million in November 2023.<sup>23</sup> Recently, financial buyers have entered the space as evidenced by the acquisitions of TaylorMade, Peak Achievement Athletics (parent company of Bauer), and CCM by private equity firms. Going forward, consolidation will continue within specific sports / verticals, although the nuances and functional requirements will create a barrier to horizontal expansion. Of particular interest will be high-spend sports, such as hockey and baseball, which have significant equipment costs and high levels of club / travel participation.



Compared to apparel / in-game equipment, the training tools market is considerably more nascent. Innovation has been driven by many founder-funded or venture-backed companies that have created high-tech training solutions including biomechanics sensors, virtual reality platforms, and performance-tracking devices. While companies such as Arccos, Huupe, WIN Reality, and Veo have received venture funding in recent years, there have been few notable acquisitions within the space. A primary challenge that these companies face is their limited addressable market – while training tools may be very effective, they are often only adopted by highly skilled athletes and do not fully penetrate the youth sporting market where there is a larger customer base. As a result, companies that can successfully “gamify” the training experience will likely see outsized growth relative to competitors as they will be more successful moving down market into youth sports. Moving forward, there is also the potential for strategics to acquire complementary assets for their portfolios – for example, a potential pairing could be a golf club manufacturer (e.g., Callaway, Acushnet Company) acquiring a sensor-based training tool (e.g., Arccos) to create an embedded offering / smart club.



## Conclusion

From the growing number of “mega complexes” popping up nationwide to the rise in girls’ participation, there are plenty of signs that the youth sports ecosystem is healthy and thriving. As a result, there has been a significant amount of capital invested across multiple segments of the ecosystem to capitalize on increased participant spending caused by rising travel / club participation. Ultimately, investors are expected to continue to drive consolidation throughout the ecosystem which will result in further professionalization and create efficiencies across the value chain.

## Other Considerations

This white paper focused on investment within youth sports organizations, supporting infrastructure, software, and enabling equipment – however, numerous other topics across the sporting ecosystem require attention including:

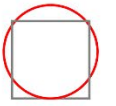
- Media / Content Creation: How will the modern sports media / content creation space look in light of new TV rights and changing consumption preferences?
- Collegiate / Professional Sports: How are teams, leagues, and investors adapting to a changing collegiate / professional sports landscape?
- E-Sports and Gaming: Which areas of the Esports ecosystem are best positioned to capitalize on increased participation and investment activity?

For ongoing insights into the broader sports ecosystem, including both youth and professional, follow and connect with Red Chalk Group.

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Footnotes:

1. Red Chalk Group
2. Atlanta Business Chronicle, “Elite baseball tournament operator Perfect Game to leave Bartow County’s LakePoint Project”
3. PR Newswire, “Rimrock Capital Creates Formidable Partnership Between Prep Baseball Report and LakePoint Sports”
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5. SFIA, “Participation Trends – State of Play 2024”
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14. SFIA, “Congress Introduces the Youth Sports Facilities Act Following Efforts from SFIA and Industry Partners”
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16. Sports Travel Magazine, “Placer Valley Tourism Acquires Naming Rights for Soccer Complex”
17. Business Insider, “Dick’s says its youth sports app will bring in \$100 million this year”
18. Pitchbook; Crunchbase; AlphaSense; Press Releases; Company Websites; Red Chalk Group Analysis
19. Pitchbook, “For \$45M, Genstar-backed Stack Sports scores deal with Dick’s”
20. Pitchbook; AlphaSense; Crunchbase; Press Releases; Company Websites; Red Chalk Group Analysis
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23. Fox Factory, “Fox Factory Completes Acquisition of Marucci Sports, Enhancing Combined Company’s Ability to Deliver Diversified Revenue and Profitable Growth”
24. Pitchbook; AlphaSense; Crunchbase; Press Releases; Company Websites; Red Chalk Group Analysis



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