

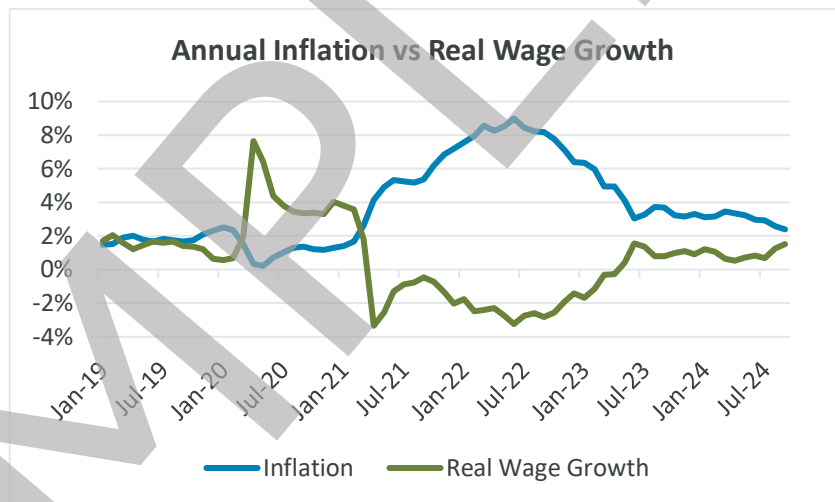
# HUNTING & SHOOTING MARKET PULSE

The Latest Research-Based Insights & Industry Trends | Third Quarter 2024



**WELCOME TO THE NEW MARKET PULSE!** Through our 35 years, Southwick Associates has developed a unique viewpoint in the hunting and shooting market. In essence, if the market were a forest, we view the forest from the top – seeing the overall canopy far and wide, unlike individual companies focused on the detail at the base of each tree. We track various primary and secondary sources of market information, we have developed our own proprietary consumer tracking studies to understand the consumer perspective, and we also conduct publicly available research and keep tabs on others' public reports. We are often asked by sales & marketing executives, boards of directors, and investors for our view of the market and what information might be available. With this new service, Southwick Associates' aim is to help the industry understand the trends, new information sources and happenings affecting the industry's short- and long-term performance. This will transition to a subscription service in 2025. Please send us your recommendations and feedback! - Nancy Bacon, [Nancy@SouthwickAssociates.com](mailto:Nancy@SouthwickAssociates.com)

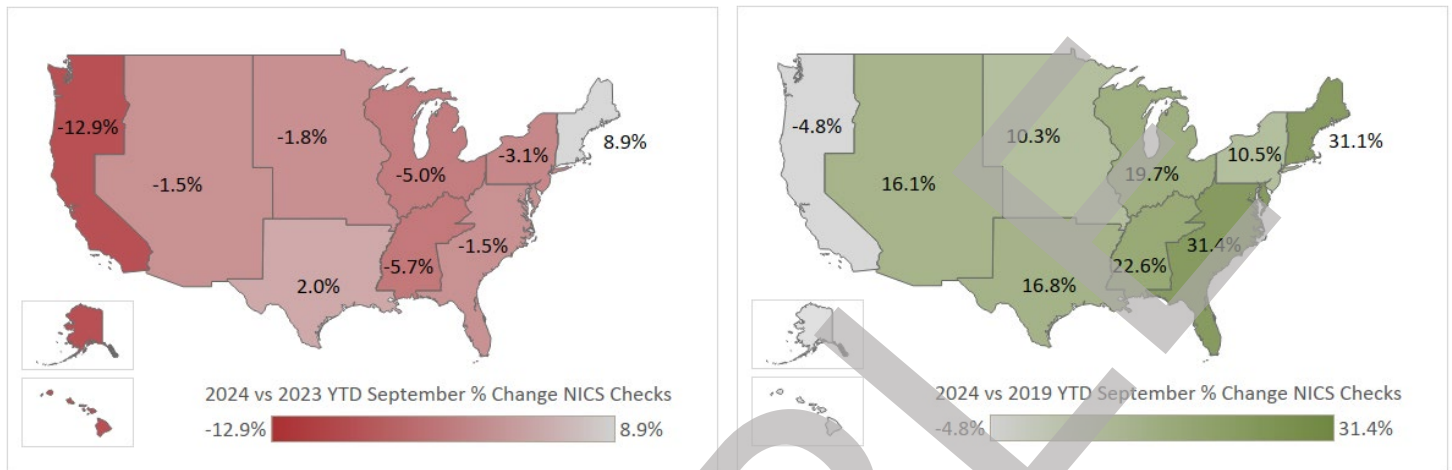
**THE U.S. ECONOMY** continues to be resilient, with real GDP growing 3.3% this year according to an October 25<sup>th</sup> estimate from the Federal Reserve. Inflation continued to moderate over the last several months, prompting the Federal Reserve to lower interest rates by half a point in September. This rate cut was followed by news that the U.S. economy added more than 250,000 jobs in September, reducing fears of a looming recession and strengthening hopes for a 'soft landing' for the economy. Although the rate of inflation continues to decrease, consumers have experienced ten years of inflation in less than four years. Even though real wages (adjusted for inflation) have shown some positive movement upward since July, consumers are still adjusting to higher prices and are holding back on some nonessential purchases.



**CONSUMER CONFIDENCE** dropped substantially in September according to data from the Conference Board. Consumers reported concerns about current income, business and labor conditions as well as their economic outlook for the near future. Consumer sentiment and perception of economic conditions are largely tied to political affiliation, according to information from the University of Michigan. Results from consumer surveys show that Republicans consistently held more negative views of both current economic conditions and future expectations during Biden's presidency versus Democrats. Similarly, Republicans felt better about the economy than Democrats during Trump's presidency. It is important to recognize that the presidential election will likely have major implications for how customers see the economy. Until the election is over, consumers will remain on the sideline. Afterwards, public response to the outcome will have a major effect on holiday spending and beyond.

**FIREARM BACKGROUND CHECKS\*** increased 5% in Q3 over the same period prior year. This was primarily driven by checks for long guns (+9%), multiple (+8%), and other (+8%), with checks for handguns continuing to ease with only a 2% increase in Q3 over the same period prior year. Year-to-date September background checks are down 3% over the prior year period, however, are still 17% higher than the same period 2019.

The Pacific region continues to have the highest overall YTD decrease in background checks, driven by significant legislation passed in Washington State. New England leads the overall YTD increase spurred by legislation in Maryland and Massachusetts. When comparing YTD 2024 background checks to YTD 2019, all regions are up between 10% and 30%, with the exception of the Pacific region which shows a decrease of 5%.



\*Background check figures reflect NICS Long gun, Handgun, Multiple and Other type codes, and represent the number of background checks initiated, that may or may not result in a sale. Background checks are often viewed as a proxy for firearm sales.

**IMPORTS OF SHOOTING/HUNTING PRODUCTS** were down in all categories through August. Firearm imports continued their decline, with YTD August numbers down 40% over the prior year, and down 10% compared to YTD August 2019. Handguns and rifles drove the decrease (down 45%) over the prior year, followed by rifles (-40%) and shotguns (-22%). Compared to YTD 2019, handgun imports were down 19%, while imports of rifles were up 15%, and shotguns up 5%.

Ammunition imports (in rounds) showed the smallest drop of all the categories - down 16% YTD August 2024 compared to the prior year period but were still 27% higher than YTD August 2019. Rimfire ammunition had the largest drop compared to 2023 YTD (-36%), followed by shotshells (-17%), and centerfire ammunition (-10%). All types of ammunition imports were higher than YTD 2019, led by shotshells (+130%), rimfire ammunition (+71%), and centerfire (+11%).

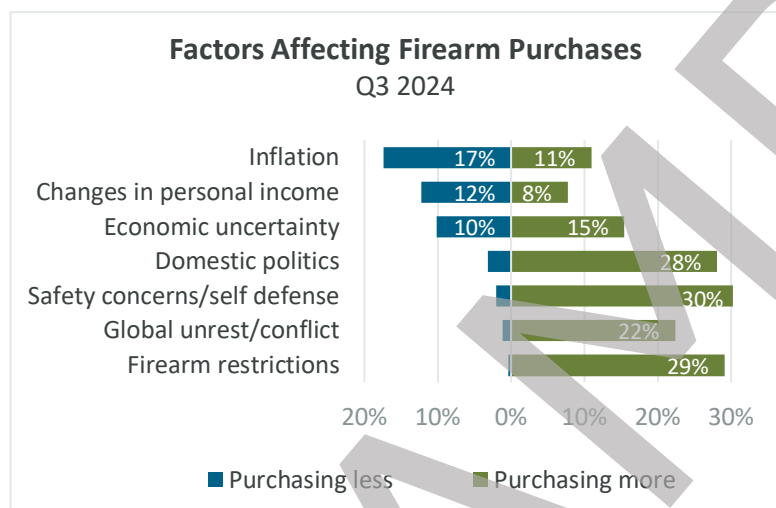
Riflescope imports continued the decline seen earlier in the year, decreasing 30% YTD August and down 20% over YTD August 2019. Binocular imports dropped 40% over YTD August 2023 and were down 45% over the same period 2019. By viewing 2019 as the last normal year prior to the pandemic surge and fallout, it appears imports other than ammunition have been cut back significantly as manufacturers, distributors, and retailers continue to 'right-size' their inventory.

**INSIGHTS FROM RETAIL BI™ POWERED BY GEARFIRE®** show a continued slowing retail sales environment in Q3 and decreasing units on hand as retailers continue to work to align their inventory and selections. Year-over-year Q3 unit sales of firearms decreased 5%, while firearms inventory decreased 4%. Handguns drove the largest decline in Q3 unit sales with a decrease of 8% over the prior year. Rifles picked up with a slight 1% increase in Q3 over the prior year, but shotguns had the most significant change with a 7% increase in Q3 unit sales over the prior year. The overall decrease in Q3 retail firearm inventory was led by shotguns (-13%), and handguns (-4%), with rifle inventory remaining stable.

Ammunition retail unit sales decreased 6% in Q3 over the prior year period, with rimfire showing a slight increase. This has often been the case as ammunition prices increase, consumers opt for shooting less expensive rimfire ammunition. Retail unit sales of optics increased 2% in Q3 compared to the prior year period. Optics Q3 unit sales increased 2% over Q3 2023, driven by the continued popularity of red dot sights (+8%), as traditional scopes decreased 8%. Similar to other product categories, retail optics inventory declined over the prior year.

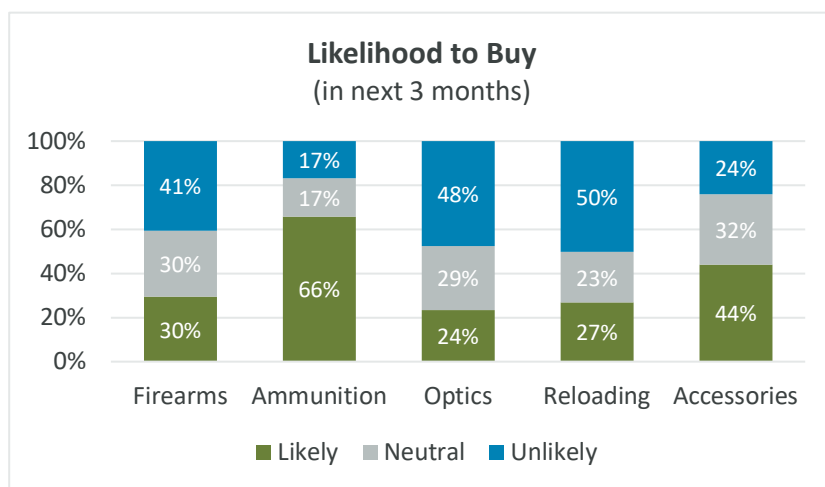
*\*Retail BI™ captures data from Gearfire's AXIS™ retail point-of-sale system, representing sales from more than 2,000 independent and e-commerce dealers across the U.S. Inventory figures are based on physical retail locations only.*

**THE FIREARMS CONSUMER PERSPECTIVE** continues to evolve as the year progresses with somewhat positive news on the economy and the uncertainty surrounding the nearing Presidential Election. According to the Southwick Associates quarterly consumer tracking study, firearms consumers acknowledge that product availability has stabilized, remaining at similar levels to last year. Two-thirds of respondents indicated they had purchased ammunition in Q3, whereas only slightly more than one-quarter indicated they had purchased a firearm in Q3, 19% bought optics, and roughly one-third bought accessories (a steady increase since 2021).



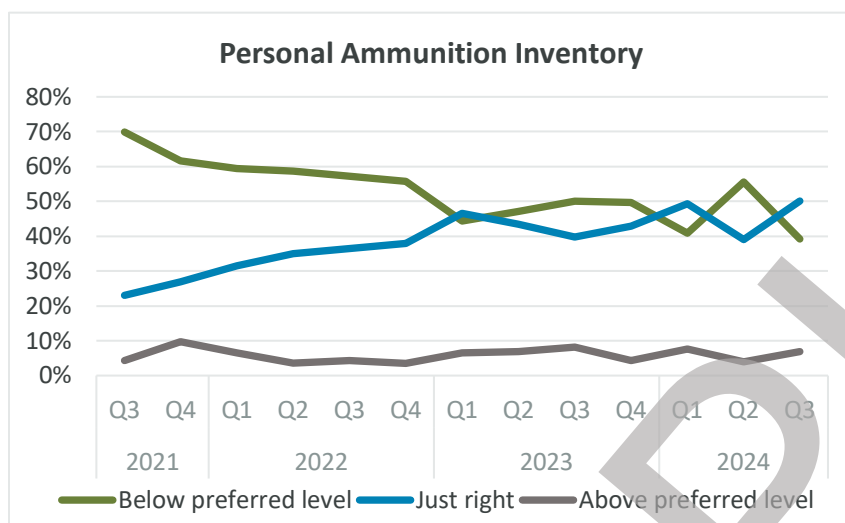
Inflation, changes in personal income, and economic uncertainty remain the top factors cited by hunters and shooters for purchasing fewer firearms in Q3. Although inflation remains at the top of the list for purchasing less, the percentage has declined since Q2 indicating these consumers are adjusting to the higher prices. Safety concerns/self-defense, further restrictions on firearms, domestic politics, and global unrest/conflict are the top factors driving consumers to purchase more firearms. Domestic politics increased significantly from Q2 as a reason consumers cited for purchasing more firearms in Q3.

Firearm consumers primarily anticipate purchasing ammunition (66%), and accessories (44%) in the next three months. Although only 30% of these consumers indicate they are likely to purchase a firearm in the next quarter, another 30% are neutral or undecided which *could* turn into a purchase if there is enough to push them to buy. Many may be waiting on the sidelines to see what happens after the election. Just under ¼ of consumers signal they are likely to purchase optics in the next three months. In the past, consumers have moved to reloading when ammunition prices increased. This may not be the case now, with half reporting they are unlikely to purchase reloading equipment/supplies. This could also be related to the limited supply of components for reloading, as foreign supply of key ammunition materials tightens, and those that remain are pushed toward national and international defense.



Like firearms, inflation (30%), changes in personal income (18%), and economic uncertainty (13%) were key factors cited by consumers for purchasing less ammunition. In addition, just under 1 in 5 firearm consumers indicated lack of availability was a key factor causing them to purchase less ammunition. Safety concerns/self-defense (29%) and domestic politics (29%) were the top factors consumers indicated for purchasing more ammunition.

In Q2, 56% of consumers reported their personal ammunition inventory was below their preferred level. As



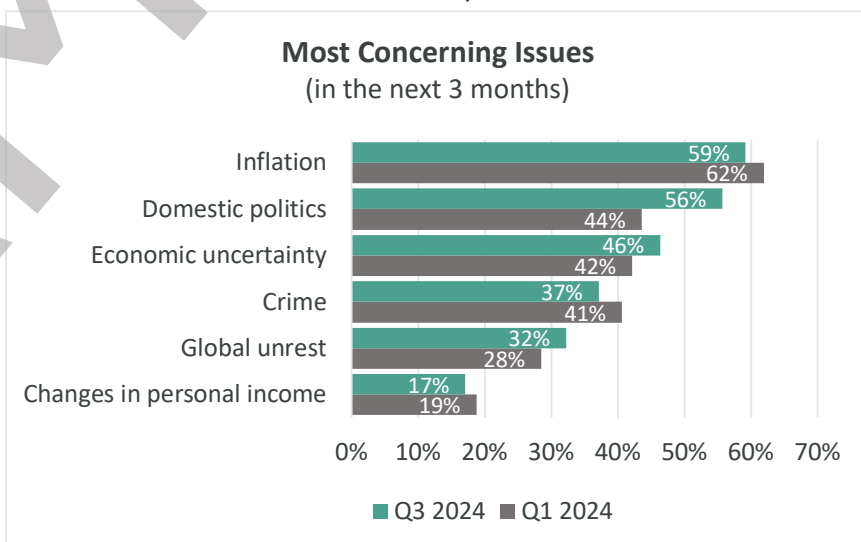
noted in the Q2 Market Pulse, this could have been due to several factors, including consumers participating and using their ammunition supply, or driven by uncertainties such as changing domestic politics, safety concerns, or global unrest/politics. By Q3, personal inventory concerns slightly eased. The number of consumers reporting their personal ammunition inventory was just right has increased, while those who think their inventory was below their preferred level dropped to 39%. Although those who see their ammunition inventory is above their preferred level is a small portion, this group increased slightly in Q3.

**OUR MARKET OUTLOOK** issued earlier this year still holds. We project NICS checks (handgun, long gun, multiple, and other) to end the year between 2016 and 2017 levels (flat to down 5% from 2023). When asked about the issues that concerned them the most in the next quarter, more than half of the consumers surveyed cited inflation and domestic politics, followed by economic uncertainty.

These issues have shifted since the first of the year, with domestic politics becoming a heightened issue as we head into the election. While uncertainty in this industry typically sparks sales, we are not and have not been in a typical market for the last four years. Uncertainty in today's inflationary market likely has consumers standing on the sidelines, waiting to see what happens. Any unrest around the election will likely push these consumers to purchase firearms and ammunition, creating reasonable sales through the end of the year, and helping dealers further align their inventories.

Likewise, a White House win by Democrats and any gains by Democrats in either the House or Senate will likely increase concerns of further firearm restrictions, thus boosting short-term sales. Gains by the Republicans will likely suppress short-term sales.

Let's not forget the new firearm purchaser who entered the market in the last four years. Research continues to show people need multiple invites to engage – we all need to continue to welcome the new shooters and engage them.





**APPROXIMATELY 65 MILLION AMERICANS** own firearms for the primary purpose of protection. Funded by the National Institutes of Health/National Institute of Child Health and Human Development, insights from the 2023 National Firearm Attitudes and Behaviors Study published in the *Injury Prevention Journal* in July 2024 confirms much of what we already know – not only that the majority (79%) of gun owners reported protection as their most important motivation for ownership, but that an increasing number of women and minorities own a firearm for protection. More than half of those who own for protection carried outside their home in the last year, and those who live in Stand Your Ground (SYG) states were more likely to carry. Six percent of those who own for protection were first time buyers in the last year.

Degli Esposti M, Sokol RL, Lee DB, *et al* Firearm ownership for protection in the USA, 2023: results from a nationally representative survey, *Injury Prevention* Published Online First: 25 July 2024. doi: 10.1136/ip-2024-045244

**WHO IS PUSHING UP HUNTING & FISHING LICENSE SALES?** License sales achieved a net increase of 1% from 2016 through 2021 according to the state license data tracked through the license sales dashboard. License sales fell among all age groups, except for 35–44-year-olds, whose license purchases grew 9%. Southwick Associates and D.J. Case and Associates worked with Backcountry Hunters and Anglers (BHA) under a Multi-State Conservation Grant to learn how states can harness interest among 35–44-year-olds to further boost participation. Using interviews and surveys supported by license data from 22 states, some of the top findings were:

- The 35–44-year-old group of anglers and hunters are critical as they purchase a larger share of hunting and fishing licenses than any other age cohort.
- The motivation “I wanted to introduce my child to fishing/hunting” is generally unique to the 35–44-year-old group, which includes most U.S. parents. Their top hunting and fishing partners are their children who are under 18 years old. For millennials, fishing and hunting often take a backseat to other recreational activities.
- The locavore concept remains a top reason to help recruit new millennial hunters.
- Compared to those 35 years of age and older, younger people (25-34 years old) were more likely to agree that being outdoors helps balance a life dominated by electronic screens.

The full report can be downloaded from Southwick Associates: [Harnessing the Growth in 35–44-Year-Old Fishing and Hunting Participation - Southwick Associates](#)

**THE ECONOMIC IMPACT OF AMERICA’S HUNTERS & SPORT SHOOTERS** is an important force when it comes to conservation and our national, state and local economies, generating more than \$106.2 billion in combined retail sales, and contributing \$133 billion to economic growth. The spending supported 1.3 million jobs, creating more than \$80.5 billion in wages and income. To put it in perspective, the retail sales produced by hunting (\$45.2 billion) is nearly equal to the combined system-wide sales of both Starbucks (\$26.5 billion) and McDonald’s (\$21.1 billion). And, more people went target shooting in 2020 than participated in golf, tennis, basketball, or soccer.

The [Hunting and Target Shooting in America: An Economic Force for Conservation](#) reports were produced by Southwick Associates for the Sportsmen’s Alliance Foundation via a Multistate Grant awarded by the Wildlife and Sport Fish Restoration Programs of the U.S. Fish and Wildlife Service, utilizing the 2022 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation report by the U.S. Fish and Wildlife Service and other independent resources. More detailed information including breakouts by state can be found here [2022 Economic Impacts of Hunting and Target Shooting Report - Sportsmen's Alliance](#).

**SOUTHWICK ASSOCIATES** is a market research and economics firm specializing in the hunting, shooting, sportfishing, and outdoor recreation markets. For 35 years, Southwick has established a proven reputation for delivering comprehensive insights and statistics assisting business and strategic decisions across the entire outdoor industry; from government agencies, industry associations and non-profit organizations, to affiliated businesses and manufacturers. Aside from custom market research, Southwick Associates also provides syndicated participation, media consumption, and equipment purchase tracking studies utilizing their proprietary sportsmen panels.

For information on subscribing in 2025, or to learn how Southwick Associates can provide the confidential insights needed to succeed in the hunting and shooting sports market, contact Nancy Bacon: [Nancy@SouthwickAssociates.com](mailto:Nancy@SouthwickAssociates.com).