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Helping Hand

Sports industry seeks stronger community ties through lasting charitable efforts

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Sports properties at all levels are upping the ante when it comes to giving back to their communities.

Consumers, fans and the general public are placing more value on social responsibility, and teams and leagues are reacting accordingly, devoting additional resources to charitable foundations and community relations departments.

Sports philanthropy has undergone marked growth in the last two decades. Wally Haas helped create one of the first team community affairs departments while serving as chairman and chief executive of the Oakland A's in the early 1990s. He said many teams used to view philanthropic initiatives as nothing more than public relations.

"Very few people did it," said Haas, now chairman of Team-Up for Youth, which teams with Bay Area organizations including the San Francisco Giants to create sports opportunities for kids. "I think teams now are much more savvy and aware of the importance, and players are, too. They see this as good for them, good for their image, and they feel good doing it."

In 1988, none of the four major leagues boasted more than five teams with charitable foundations, but at least 24 teams in each league now have their own foundations, according to Kathy Babiak, assistant professor in sport management at the University of Michigan, who helped conduct a national study examining teams' philanthropic efforts for Northeastern University's Center for Sport in Society.

And despite the already impressive growth, the sports philanthropy movement is "just gaining momentum," according to Eli Wolff, manager of research and advocacy for the Center for Sport in Society.

"There's sort of a societal recognition around service and community," Wolff said. "There's more of an integration of the sports culture, the role and responsibility of the sports teams, in terms of how they're a part of the community they're situated in."

Beyond simply increasing the scope of their efforts, leagues and teams are succeeding in the implementation of their programs. Wolff praised properties for recognizing that it is possible to give back to society without simply writing a check.

"One of the big things that I've found for athletes and teams is the realization that it's not only about the money, that in giving sometimes it's actually better not to give money," Wolff said. "It's better to give time and being available to do the kind of mentorship and role modeling, and to support existing programs."

Babiak described a model organization as one that uses all of its assets in giving back to the community. "It's not just about money, but about using the team's brand or the celebrity cachet of the players or sponsors," she said. "Or the use of all the other resources, like facilities, that a team has to make the biggest impact."

Vada Manager, the former director of global issues management for Nike, said the goal should be to make lasting connections.

"What you want to do is find those partnerships that aren't just about the big cardboard check you can get printed at Kinko's, and the check is transferred and you never hear from it again," Manager said. "You want to create the long-lasting, connecting, generational ties to your brand and to the



NBAE/GETTY IMAGES

Former NBA player Thurl Bailey (left) and C.J. Giles (right) of the NBA D-League Los Angeles D-Fenders greet homeowner Galen Sorensen while working with Habitat for Humanity in January in Provo, Utah.

sports property that can have a halo effect when trouble inevitably comes.”

Alisha Greenberg is director of sports partnerships for the Sports Philanthropy Project, an organization that helps teams, leagues and athletes maximize their charitable efforts. She said that relying too often on one-off events and fundraisers rather than developing a comprehensive program is one of the major shortcomings she sees in sports. Ideally, philanthropic initiatives should be sustainable and leave a lasting impact.

“It’s really just longevity; they’re not going to be around a year, they’re going to be around 20 years,” Greenberg said. “There’s growth to them, and they really are serving the needs of the community they’re in. That’s the ideal program.”

Some sports properties are embracing philanthropy as a business tool, according to Carnegie Sports & Entertainment founder and President Harrie Bakst, whose firm specializes in cause-marketing and corporate social responsibility.

“Sponsorship is very saturated right now from a property perspective, and the smart business people are seeing cause-marketing and this charitable component as a new sort of platform to, a) do good work from a community perspective and help people, and b) find new revenue streams,” Bakst said.

Babiak said sponsors are becoming increasingly involved in sports philanthropy programs. “Corporate sponsors who five years ago just had signage or some other kind of way to activate their sponsorship are now leveraging that and getting involved in a team’s community outreach efforts,” she said, noting KPMG’s involvement with Major League Baseball’s Reviving Baseball in Inner Cities program. “That’s really going to change the face of philanthropy and social responsibility, so in that sense I think it’s becoming a little bit more strategic. It’s giving benefits to the organizations involved.”

Bakst said: “Brands don’t want to do events right now. In this economy, they want their benefits to last more than the one day or week or whatever. They want to get as much value out of it over time. So for a charity program, you want to make it consistent and you want it to be able to tie into a communications campaign, you want it to be able to bring you revenue from a sponsorship point of view.”

Greenberg said that despite the recession, charitable efforts among sports properties mostly have remained on track. “They’re still doing the programming they were doing,” she said. “They haven’t shut down programs or cut funding for programs they were already funding.”

Sports properties are right to remain committed to their philanthropic efforts in spite of the downturn, as they can be essential for brand-building, Manager said.

“Sports philanthropy is something that despite the macro-economics circumstances, you can’t eradicate because it’s an important and integral part of brand building,” he said.

He noted the economic downturn simply demands that sports properties exercise more “creative frugality” with their efforts to give back. “It’s about greater creativity, maybe a little less cash outlay, less extravagance.”

Despite the economy, sports properties should not be scared off from creating long-lasting programs, Manager said, as the good will derived from philanthropic initiatives far outweighs the potential expenses.

“The potential to tarnish the brand is so great given the proliferation of the Internet and blogs and so much attention and focus, more so than there’s ever been in the history of sports, that even in the midst of a recession, this is not a discretionary or an optional expense,” he said. “It should be an integral part of your brand management.”

Erik Swanson is a staff writer for sister publication SportsBusinessDaily.com.

About our research

Information presented as fact boxes in this section was gathered from 2008 Form 990s, the federal tax return filed by nonprofit groups.

The PGA Tour and NHRA are not charitable arms, but listed their charitable giving in their tax returns. Revenue and expenses listed are exclusively for the nonprofit organization.

Several entities are not registered as a separate nonprofit entity, and thus are not required to file tax forms disclosing financial information. Information listed for those organizations, such as AVP Cares, came directly from the leagues, from league sites or the SportsBusiness Journal/SportsBusiness Daily archives.