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National Survey of Interscholastic Sport Sponsorship in the United States

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David Pierce, Leigh Ann Bussell

School of Physical Education, Sport and Exercise Science, Ball State University

Abstract

Due to cuts in educational funding in the United States, interscholastic athletic administrators have turned to corporate sponsorship to fund athletic departments. While the academic literature in sport management has extensively covered corporate sponsorship at the intercollegiate and professional level, the purpose of this paper is to examine the prevalence, nature, and importance of sponsorship to high school athletics in the United States. This paper identified factors that predicted the use of sponsorship, the amount of revenue generated from sponsorship, who is responsible for selling sponsorship, motivators behind not soliciting sponsorship, and the extent to which fundraising and participation fees are utilized to supplement athletic department budgets. The most common form of alternative revenue generation is fundraising (87% of schools followed by), sponsorship (57%) and participation fees (34%). One - third of schools reported using sponsorship in response to budget cuts, and over one - fourth solicited sponsorship to prevent charging participation fees. Results also indicated that while the majority of high school athletic departments solicited corporate sponsorship, administrators were cautious in the solicitation of sponsorship as evidenced by the small dollar amounts involved and overall impact on the budget, reliance on game program advertisements and facility signage to activate sponsorships, and a lack of outsourcing to sport marketing firms to sell the sponsorships. There is clearly room for growth in the interscholastic sport sponsorship market.

Key Words: *interscholastic athletics, corporate sponsorship, sport finance.*

Athletics is one of the largest nonacademic school programs in which students participate and therefore commands substantial financial resources to operate effectively and efficiently. Despite budget cuts in many areas across the country, in 2009 the National Federation of State High School Associations (NFHS) documented increasing participation rates in athletics for the twentieth consecutive year, establishing records for both girls and boys participants (National Federation, 2009). The acquisition of corporate sponsorship revenue is becoming increasingly important for interscholastic athletic departments in the United States to meet the needs of its participants. Facing budgetary pressures resulting from decreased school board funding, Title IX requirements, and the importance of athletics in the external environment, high school athletic directors are seeking alternate revenue generating capabilities through participation fees, fundraising, and corporate sponsorship. While the academic literature in sport management has extensively covered corporate sponsorship at the intercollegiate and professional level, the purpose of this paper is to examine the prevalence, nature, and importance of sponsorship to high school athletics in the United States.

Literature Review

Sponsorship is a "business relationship between a provider of funds, resources, or services, and a sport event or organization, which offers in return specific rights that may be used for commercial advantage" (Howard & Crompton, 2004, p. 434). According to IEG (2009), the sport industry accounted for 68.4% of the $16.97 billion sponsorship market in North America in 2009. Businesses contribute over $11 billion to achieve various organizational objectives. First, organizations can achieve market-driven objectives such as increasing retail sales, increasing market share, increasing awareness of a product, enhancing the company's image, increasing brand loyalty, and obtaining target market data (Howard & Crompton, 2004; Stotlar, 2005; IEG, n.d.). Second, organizations can achieve trade networking objectives by incentivizing retailers, suppliers, and distributors with assets such as game tickets and pass-through rights (Supovitz & Goldblatt, 2004). Third, businesses can achieve hospitality objectives by entertaining clients and employees in premium seating areas such as luxury boxes and club seats (Howard & Crompton, 2004; Stotlar, 2005). Fourth, organizations can demonstrate to consumers the capabilities of their products by demonstrating the way their product or service is used in the production of the event (Howard & Crompton, 2004). Finally, organizations may try to achieve cause-related philanthropic objectives such as social responsibility by affiliating a sponsorship with a popular cause (Supovitz & Goldblatt, 2004).

Fortsythe (2001) has been the leading contributor in understanding why firms purchase sponsorship in high school athletics. While most of the factors identified in Forsythe's research are similar to the objectives identified above, Forsythe found that the top reason small and large companies chose to sponsor high school athletic departments was to show the community that the company was willing to support local schools. However, differences did exist between small and large companies. While small companies emphasized the objectives of goodwill and personal enjoyment, large companies emphasized market-driven objectives such as exposure and image. In regards to the decision of sponsoring high school athletics at the local and national level, the motivation for sponsorship at the local level emphasized community goodwill and image enhancement, whereas sponsorship at the national level emphasized increased sales and increased brand awareness (Forsythe, 2001).

While Forsythe (2001) has examined the motivation for purchasing interscholastic sport sponsorship, little empirical evidence exists regarding the prevalence, nature, and importance of corporate sponsorship on a national level. Only two academic studies to date have examined interscholastic sponsorship, but these studies only focused on the state level. First, Hall and Gibson (2008) surveyed athletic directors to determine the level of sponsorship at the largest high schools in Mississippi. Hall and Gibson found that the number of high school athletic departments using corporate sponsorship increased from 50% in 2000 to 62.5% in 2004. They also found that the largest amount of money from a single sponsor was between $1,000 and $5,000, and one quarter of the schools had staff members opposed to corporate sponsorship (Hall & Gibson, 2008). Second, Pierce and Clavio (2009) examined sponsorship activation at high school football games in Indiana. Pierce and Clavio found that schools with larger enrollments placed a greater emphasis on selling sponsorship to non-local firms that received signage at multiple locations in the facility, while small schools emphasized game program advertisements from local firms such as community-based organizations. They also found that food and beverage companies focused their sponsorship investments toward on-site sponsorship, accounting for nearly 40% of all on-site signage.

While scholarly attention is lacking in the area of interscholastic sport sponsorship, ample evidence from media reports and trade publications exists regarding the use of sponsorship in high school sports. Naming rights for facilities and events typically draw the greatest attention due to the amount of money involved. For example, Midland, Texas, secured $1.2 million from Grande Communications for an all-city football stadium (Popke, 2002); Tyler, Texas, obtained $1.92 million from Trinity Mother Frances Health System for a football stadium (Reeves, 2006); Vernon Hills High School in Illinois inked a $100,000 deal with Rust-Oleum Corporation for the naming rights to their football stadium (Nethery, 2005); Hare Chevrolet paid $125,000 for the naming rights at Noblesville High School in Indiana (McKee, 2006); and San Joaquin County in California received $183,000 from Les Schwab Tires for the title sponsorship of the Division I championship football game (Pennington, 2004). Finally, trade publications such as *Athletic Business, Athletic Management and Interscholastic Athletic Administration* have published "how-to" guides to assist athletic directors in implementing a sponsorship sales program (Forsythe, 2000; Funk, 2009; Lawrence & Pergolizzi, 2007).

In order to understand the need for sponsorship in high school athletics, it is important to broadly understand the economic climate in high school athletics. Many high schools around the United States must contend with at least three factors in the external environment that create difficulties in funding extracurricular activities such as athletics, including budget cuts from school districts (Bravo, 2004; National Interscholastic, 2006; Popke, 2003b), Title IX compliance (Bravo, 2004; Howard & Crompton, 2004), and the importance placed on athletics by communities (Bravo, 2004). These factors have created a situation whereby two-thirds of schools responding to a survey conducted by the National Interscholastic Athletic Administrators Association (NIAAA) (2006) reported a reduction in the athletic budget, and 82% reported experiencing pressures on the athletic budget.

The first factor contributing to the strained economic environment is the reduction in school board funding. School district funding is the most important source of revenue for interscholastic athletic departments, accounting 46% of athletic department revenue (NIAAA, 2006). However, 36% of the schools surveyed experienced a decrease in the amount of funding received by the district school board and only 21% experienced increased funding (NIAAA, 2006). While the factors driving the reduction in school district funds is beyond the scope of this paper, factors generally include the rising cost of public education, property tax reductions, inflation, and economic recession (Bravo, 2004).

The second factor contributing to the economic environment of high school athletics is the federal government's requirement to comply with Title IX, which requires schools that receive federal funds to provide equal opportunities for males and females. While the social benefits derived from the implementation of Title IX cannot be understated, it is important to recognize that athletic administrators have sought resources to finance equipment, supplies, facilities, and coaches' salaries (Bravo, 2004; Howard & Crompton, 2004). The dramatic increase in female athletic participation since 1972 has not come without a financial price tag.

Finally, the third factor to consider is the social significance communities place on the performance of a community's athletic teams, even though they are classified as extra-curricular activities. Historically, communities have emphasized the success of their local teams and have been willing to pay for this success. According to Rader (1999), "School boards invariably placed a higher priority on the construction of a gymnasium or a football field than they did on a laboratory or a library" (p. 112). The race to build the best basketball gymnasium in Indiana or the best football stadium in Texas is not a financial burden to a high school athletic department when the investment is covered by public tax dollars. However, in recent years as public education has faced trying financial circumstances, programs not mandated by the state department of education (sports, chorus, band, drama) have seen cuts (Popke, 2003b), meaning athletic directors have been forced to find alternate means of providing a quality interscholastic sports program for the community (Reeves, 2006).

In response to these pressures in the external environment, high school athletic directors have turned to participation fees, fundraising, and corporate sponsorship to generate revenue that could eliminate the need to cut athletic opportunities for students (Popke, 2003a). Participation fees can be charged as a flat fee per athlete for each sport or a flat fee for the year, and the fees can have different price structures for families with multiple athletes and for the specific cost of equipment or transportation in a particular sport (Bravo, 2004; Smith, 2008). According to the NIAAA (2006), 26% of schools surveyed reported an increase in the use of participation fees, with 35% of schools charging a participation fee, which accounted for only six percent of the budget because 80% of schools with the fee charged less than $100. In a survey of high school athletics in Ohio, Smith (2001) determined 22% of schools charged a participation fee; the mean fee for schools with a maximum yearly charge was $107; and schools that charged athletic fees had a tendency to be larger, suburban schools with students from communities of higher family incomes. Smith (2008) also examined Michigan and documented a clear trend of the increasing use of participation fees, with 43% of schools charging a fee in excess of $20 in 2008, up from 23% in 2004.

Second, athletic directors turn to fundraising activities to generate revenue. According to the NIAAA (2006), 55% of schools experienced an increase in booster club funding, which accounted for 10% of the athletic budget; and 44% of schools in the survey reported an increase in supplemental fund-raising revenue, which accounted for 7% of the budget. Trade publications such as *Athletic Management* and websites such as www.fundraisingforsports.com have examined fundraising initiatives in high school athletics. The task of fundraising can be undertaken by the athletic director, coach, or booster (parents) club, and the fundraising initiatives can take the form of ongoing efforts such as the sale of hats and shirts, or periodic efforts such as carwashes and raffles (Bravo, 2004). High schools may have to borrow from intercollegiate athletics to develop a more strategic philanthropic approach to cultivating a donor base that includes annual and major gifts (Yordy, 2010).

Third, athletic directors have turned to corporate sponsorship to cover budget shortfalls. According to the NIAAA (2006), 33% of schools experienced an increase in revenue from corporate sponsorship. Unfortunately, the NIAAA survey did not make it clear what percentage of the budget was generated by sponsorship. Corporate sponsorship can be sold by a representative of the school (e.g. athletic director, principal, coach, booster club, school board) or sponsorship sales can be outsourced to a third - party sport marketing firm, that bundles sponsorship rights of individual schools and state associations in order to provide maximum exposure for national companies (King, 2005; Popke, 2002). Despite criticism levied against the use of corporate sponsorship in an educational setting and the philosophical opposition it can sometimes generate (McFarland, 2002; Molnar, 2002), interscholastic athletic departments are increasingly becoming comfortable with corporate sponsorship.

Research Questions

This paper attempts to answer the following questions:

(1) What percentage of interscholastic athletic departments utilizes corporate sponsorship, fundraising, and participation fees?

(2) What are the salient demographic factors that predict which schools are likely to solicit corporate sponsorship, implement fundraising initiatives, and charge participation fees?

(3) Why do athletic directors solicit corporate sponsorship?

(4) What benefits do sponsors receive in return for their investment?

(5) How much revenue is generated annually from corporate sponsorship? What factors predict a large amount of sponsorship revenue generation?

(6) Who is responsible for selling sponsorship in high school athletic departments?

(7) Why do some athletic departments choose to not pursue sponsorship? How likely are these athletic departments to pursue sponsorship in the future?

(8) What are the salient demographic factors that predict which schools are likely to have a philosophical opposition against soliciting corporate sponsorship?

Methodology

A twenty question survey was developed to address the research questions identified above. A stratified random sample of 2,500 high school athletic directors was selected. Athletic directors were chosen because they deal most directly with decisions related to corporate sponsorship in the athletic department. The sample was stratified on the basis of the number of student - athletes in each state as reported by the NFHS (National Federation, 2009). A stratified random sample was selected to generate a representative sample of athletic directors across the United States. For example, 262 athletic directors were selected from Texas (779,049 athletes) while only six athletic directors were chosen from Wyoming (17,675 athletes).

Publicly available information on the internet was utilized to select and contact athletic directors. State federation websites were utilized to identify all the schools in a particular state, which allowed for a random selection of schools included in the study. State federation websites, online membership directories, and individual school websites were utilized to acquire the names and email addresses of the athletic directors. Each athletic director was contacted twice via email over the course of three weeks and asked to complete an online questionnaire in Survey Monkey. No rewards or incentives were offered to induce participation in the study. One hundred and twenty-two email addresses were returned due to an invalid email address (4.9%), resulting in 2,378 emails that were successfully delivered to the athletic directors. A total of 360 usable surveys were returned, yielding a 15.1% response rate of usable surveys based on the total number of delivered emails. According to the National Center for Education Statistics (2009), there are 26,413 public and private secondary institutions in the United States. Acquiring 360 surveys from this population supports the recommended sample size with a +5% precision level when using a 95% confidence level as recommended by Israel (1992).

Results

Respondent demographics. A representative sample of high schools was obtained in the 360 responses received. In terms of geographic location, schools in the Midwest accounted for 38.4% of the sample; South, 27.6%; West, 18.7%; and Northeast, 15.3%. In terms of school size, the median enrollment was 885 students (SD = 891.1), and the median number of athletes competing was 325 (SD = 333.7). In terms of breadth of sports offered, the median number of sports offered was 16 (SD = 5). In terms of the school's geographic location, 38.3% of the athletic directors reported being located in a rural setting; suburban town or city location, 37.2%; non-suburban town or city, 13.1%; and urban, 11.4%. Finally, 89.4% of the schools were public while 10.6% were private.

Revenue sources. In terms of the use of corporate sponsorship, 57.1% reported the use of corporate sponsorship while 42.9% did not solicit corporate sponsorship. In terms of school board funding, 51.9% reported receiving the same funding from the school board in the current academic year compared to last year, while 35.6% reported receiving less funding, and 6.1% reported the receipt of more funding (5.8% reported the question was not applicable). In terms of implementing a pay-for-play system, 34.1% reported the use of a participation fee in order for a student to participate in athletics. In terms of fundraising, 87.1% reported seeking financial support from individual donors through fundraising initiatives. Finally, only 3.6% of the respondents reported eliminating any varsity sports in the past two years due to budget constraints.

Logistic regression. Logistic regression was utilized to examine the factors that predicted the use of sponsorship, amount of revenue generated from sponsorship, responsibility for selling sponsorship, and motivation behind not soliciting sponsorship. Logistic regression was also utilized to identify factors that predicted the use of fundraising and participation fees as revenue generating opportunities. Nagelkerke R square values and results of the Hosmer and Lemeshow test are shown in Table 1. The classifications created for the variables included in the logistic regressions discussed in this section are shown in Figure 1.

Figure 1. *Logistic Regression Variables*

Variable	Variable Name	Description	Categories
Regional Location	REGION	Location of school in U.S.	Northeast, South, Midwest, West
Enrollment	ENROLLMENT	Size of school	Continuous variable
Size of athletic department	SIZE	Number of sports offered	1-12; 13-18; 19+
Number of athletes	ATHLETE	Number of athletes	Continuous variable
Participation rate	PART	Percentage of the study body playing sports	Continuous variable between 0 and 1
Type of school	TYPE	Public or private	Public; Private
Geographic location	GEOG	Environment surrounding school	Rural, Urban, Suburban, Non-suburban town/city
School Board Funding	BOARD	Recent funding decisions made by board	Less; Not Less; Not applicable
Utilize corporate sponsorship	SPON	Utilization of sponsorship	Yes, no
Utilize fundraising	FUND	Utilization of fundraising	Yes, no
Charge participation fees	FEES	Utilization of participation fees	Yes, no
Variables used as dependent variable, but not predictor variables in regressions			
Philosophical approach to sponsorship	PHIL	Is the school or AD philosophically opposed to sponsorship?	Yes, no
Athletic director responsible for sponsorship	ATHDIR	Does athletic director sell sponsorship?	Yes, no
Percentage of budget from sponsorship	BUDGET	Percentage of budget from sponsorship	1-5%; More than 5%, None

Table 1. *Logistic Regression Model Summary*

Regression	Nagelkerke R Square	Hosmer and Lemeshow
Sponsorship	.368	.711
Fundraising	.305	.764
Participation Fee	.187	.477
Philosophy	.262	.211
Revenue Generation	.249	.856
Athletic Director Selling	.138	.744

Factors related to sponsorship. The inclusion of variables improved the ability to predict the use of sponsorship ($\chi^2 = 109.5$, df = 16, $p < .001$). FUND, SIZE, and REGION were all significant predictors. Schools engaging in fundraising activities were 8.2 times more likely to also solicit corporate sponsorship (Exp(B) = 8.2; Wald = 17.0, df = 1, $p < .001$), large athletic departments with at least 19 sports were 4.4 times more likely than mid-sized athletic departments and 2.3 times more likely to utilize sponsorship than small athletic departments with less than 13 sports (Exp(B) = 4.4; Wald = 10.3, df = 1, $p < .001$; Exp(B) = 2.3; Wald = 5.3, df = 1, $p < .01$). Schools in the South were 17.4 times more likely and schools in the Midwest and West were 4 times more likely than schools in the Northeast to utilize sponsorship (South: Exp(B) = 17.4; Wald = 33.8, df = 1, $p < .001$).

Factors related to fundraising. The inclusion of all variables improved the ability to predict the use of fundraising ($\chi^2 = 60.4$, df = 16, $p < .001$). SPON and REGION were significant predictors. Schools utilizing sponsorship were 8.4 times more likely to also engage in fundraising (Exp(B) = 8.4; Wald = 17.2, df = 1, $p < .001$). There was a significant correlation between the use of fundraising and sponsorship, r (356) = .33, $p < .01$. Next, schools in the Midwest were 4.4 times more likely than schools in the Northeast to utilize fundraising strategies (Exp(B) = 4.3; Wald = 7.5, df = 1, $p < .01$). Chi square analysis revealed that schools in the Northeast were the least likely to utilize fundraising.

Factors related to participation fees. The inclusion of all variables except ATHLETE improved the ability to predict the use of participation fees ($\chi^2 = 49.8$, df = 15, $p < .001$). Thus, ATHLETE was not included in the regression equation. BOARD and REGION were significant predictors of the school charging participation fees. Athletic directors reporting that school board funding was “not applicable” were 4.2 times more likely to charge participation fees than schools who did not experience a decrease in school board funding (Exp(B) = 4.2; Wald = 7.7, df = 1, $p < .01$). Schools in the Northeast and South were the least likely to utilize participation fees. For example, schools in the West were 2.5 times more likely and Midwest schools 3.1 times more likely to charge participation fees than schools in the Northeast. Similarly, Midwestern schools were 4.7 times more likely and Western schools 3.8 times more likely to charge participation fees than schools in the South.

Reasons for seeking sponsorship. As shown in Table 2, the top reason athletic directors seek corporate sponsorship is to pay for equipment and supplies (76.2%). Other important reasons cited were to pay for facility - related costs such as maintenance and renovation, 56.4%; pay for uniforms, 53.6%; and pay for awards, banquets, and athlete recognition, 53%.

Table 2. *Reasons for Seeking Sponsorship*

Reason for Seeking Sponsorship	
Equipment and supplies	76.2%
Maintenance and renovation	56.4%
Uniforms	53.6%
Awards, banquets, athlete recognition	53.0%
Transportation	29.3%
Coaches salaries	12.2%

Sponsor benefits. As shown in Table 3, the two most common sponsor benefits are game program advertisement (85.6%) and signage at the facility (81.4%), while facility naming rights and logos on the team's uniform were rarely utilized.

Table 3

Sponsor Benefits	
Game program advertisement	85.6%
Facility signage	81.4%
Game sponsor recognition	66.5%
Public address announcement	53.2%
Advertisement on promotional items	48.9%
Website advertisement	17.0%
Radio or webcast recognition	14.4%
Ticket back advertisement	11.7%
Facility naming rights	8.0%
Logos on uniforms	3.7%

Revenue generation from sponsorship. As shown in Table 4, most athletic directors reported generating less than $5,000 from their largest annual corporate sponsor (74.7%). As shown in Table 5, in terms of total sponsorship dollars generated, 62.6% of athletic directors reported that sponsorship revenue accounted for less than 5% of the overall athletic budget and only 4.8% generated in excess of 25% of the budget from sponsorship.

Table 4

Revenue Generation from Largest Annual Corporate Sponsor	
$ 1 - $ 5,000	74.7%
$ 5,000 - $ 9,999	13.7%
Greater than $ 10,000	11.6%

Table 5

Revenue Generation from Sponsorship	
Less than 5%	62.6%
6% - 10%	19.3%
11% - 24%	13.3%
Greater than 25%	4.8%

Logistic regression was utilized to identify the factors that predict sponsorship revenue generation in excess of 5% of the athletic department budget. The regression was significant ($\chi^2 = 38.7$, df = 17, $p < .01$) with SPON excluded from the equation and ATHDIR included in the equation. BOARD and PART were significant factors. Athletic departments that reported school board funding was "not applicable" were 7.3 times more likely to generate greater than 5% of the budget through sponsorship than schools that did not see a reduction in school board funding and 10.3 times more likely to than schools that did experience a reduction in school board funding (Exp(B) = 7.3; Wald = 4.7, df = 1, $p < .05$). Finally, a change from 0 to 1 in the participation rate produced a 99.8% reduction in odds that greater than 5% of the budget was generated from sponsorship (Exp(B) = .002; Wald = 7.0, df = 1, $p < .01$). Stated differently, each .10 change in participation rate predicted a 9.98% decline in the odds of generating in excess of 5% of the budget from sponsorship.

The three-year trends in sponsorship revenue generation as reported by athletic directors in the survey are shown in Table 6. In general there has been an increase in athletic departments generating less than \$10,000 from sponsorship and a decrease in those generating greater than \$10,000.

Table 6

Sponsorship Revenue Generation 2007-2009

	2007	2008	2009
\$1-9,999	51.6%	48.1%	61.8%
\$10,000-\$19,999	22.6%	31.5%	16.7%
\$20,000-\$49,999	19.4%	18.5%	15.3%
Greater than \$50,000	6.3%	1.9%	6.3%

Sponsorship administration. As shown in Table 7, of those schools using sponsorship, the athletic director was the most commonly cited person as being responsible for the sponsorship sales process (68.3%). In instances where the athletic director is not in charge of sales, booster clubs (57.6%) and coaches (43.9%) sold sponsorship. The logistic regression used to identify the salient factors that predict the athletic director selling sponsorships yielded an insignificant regression equation. However, a chi square analysis revealed that athletic departments that generated greater than 5% of revenue from sponsorship were more likely to have the athletic director responsible for selling sponsorship, $\chi^2(1, N = 186) = 3.6, p < .05$.

Table 7

Responsibility to Secure Sponsorship

Athletic director	68.3%
Booster club	57.6%
Coaches	43.9%
Principal	11.7%
Outsourced marketing firm	9.8%
Marketing director	4.4%
School board	2.4%

Examination of schools not pursuing sponsorship. As shown in Table 8, the most often cited reason for not soliciting sponsorship was that a plan for soliciting or administering a sponsorship program had not yet been developed. However, over half of the athletic directors' not soliciting sponsorship indicated some type of philosophical opposition to sponsorship, with 35.5% reporting that the school corporation did not allow sponsorship and 17.4% believing sponsorship was not appropriate in a school setting.

Table 8

Why Athletic Directors do not Pursue Corporate Sponsorship

Program has not been developed	54.2%
School corporation does not allow sponsorship	35.5%
Lack of sponsorship sales knowledge	25.2%
No businesses to solicit	20.6%
Not appropriate in school setting	17.4%
Financial situation	7.1%

In order to identify trends in the schools that are opposed to sponsorship, a logistic regression was performed with "philosophically opposed to sponsorship" as the dependent variable, a variable which was created from the combination of the answers "not appropriate for school setting" and "sponsorships not allowed." The inclusion of variables improved the ability to predict philosophical opposition to sponsorship ($\chi^2 = 61.9$, df = 16, $p < .001$). FEE, REGION, and ATHLETES were all significant predictors. Schools that charged participation fees were 2.1 times more likely to not be philosophically opposed to corporate sponsorship than schools not charging a participation fee (Exp(B) = 2.2; Wald = 4.9, df = 1, $p < .05$). Stated differently, schools not charging participation fees are twice as likely to be philosophically opposed to sponsorship. In addition, schools in the Northeast were the most likely to report a philosophical opposition to corporate sponsorship, with schools in the South being 8 times more likely and Midwestern schools 2.6 times more likely than Northeastern schools to cite a reason other than philosophical opposition for not soliciting sponsorship (Exp(B) = 8.0; Wald = 15.4, df = 1, $p < .001$). Finally, each additional athlete reduced the odds of "reasons other than philosophy" by .3% (Exp(B) = .997; Wald = 3.9, df = 1, $p < .05$). Stated differently, for every ten athletes, the reduction in odds of "reasons other than philosophy" was 3%. As the size of the athletic department grew larger, it decreased the odds of having a reason other than philosophical opposition.

As shown in Table 9, athletic directors were mixed in terms of the likelihood of pursuing sponsorship in the future. Only 27.9% of athletic directors believed that sponsorship was on the horizon while 47.2% were pessimistic about using sponsorship in the future.

Table 9

Athletic Director's Likelihood of Pursuing Sponsorship in the Future

Definitely happen soon	5.3%
Could happen soon	22.6%
Neutral	24.6%
Unlikely	30.6%
Definitely will not happen	16.6%

Analysis of variance on athletic director ratings regarding likelihood of pursuing sponsorship in the future revealed three significant differences. First, large athletic departments –schools with at least 19 sports– ($M = 3.0$, $SD = 1.2$) reported a greater intent to pursue sponsorship in the future than small athletic departments –schools with less than 13 sports– ($M = 2.4$, $SD = 1.2$), $F(2, 142) = 3.3$, $p < .05$. Second, t-tests revealed that schools charging a participation fee ($M = 3.04$, $SD = 1.1$) reported a greater intent to pursue sponsorship in the future than schools that did not ($M = 2.54$, $SD = 1.1$), $t(141) = 2.5$, $p < .05$. Third, schools that engaged in fundraising ($M = 2.81$, $SD = 1.1$) reported a greater intent to pursue sponsorship in the future than schools that did not utilize fundraising strategies ($M = 2.35$, $SD = 1.1$), $t(143) = 2.14$, $p < .05$.

Discussion

As interscholastic athletic departments have faced difficult economic times, athletic directors have turned to participation fees, fundraising, and corporate sponsorship to balance the budget. This study revealed that the most common form of alternative revenue generation is fundraising (87% of schools), followed by sponsorship (57%) and participation fees (34%). The percentage of schools utilizing sponsorship is similar to the findings of Hall and Gibson (2008), and the percentage of schools using participation fees is similar to the NIAAA (2006) study.

One - third of schools reported using sponsorship in response to budget cuts and over one - fourth solicited sponsorship to prevent charging participation fees. An important predictor for charging participation fees and generating sponsorship revenue in excess of 5% of the budget was the school not having access to school board funding. It appears that the presence and possibly the amount of school board funding is an important factor in the decision to charge participation fees and generate more than 5% of the budget from sponsorship. Another important finding with regards to the three methods of revenue generation examined in this study was the correlation between the uses of fundraising and sponsorship. Athletic departments using fundraising were also likely to use sponsorship, which highlights the prevalence of using multiple revenue generating strategies to offset budget shortfalls and provide additional funding.

Not only was the use of fundraising a predictor for the use of sponsorship, but the number of sports offered and the region of the country were also predictors. Large athletic departments (with more than 19 sports) were more likely to utilize some form of sponsorship than smaller athletic departments (offering fewer than 13 sports). This result supports Bravo and Chelladurai's (2005) conclusion that "the larger programs are likely to be more in the limelight than the smaller schools and, therefore, the sponsors would be more willing to sponsor the teams from the larger schools than the smaller schools" (p. 26), and Pierce and Clavio's (2009) finding that the largest of four class sizes in Indiana possessed twice as much sponsorship signage than each of the three smaller classes. However, it is important to keep in mind that each additional athlete and sport costs the athletic department money. The size of the athletic department played a role in the impact that sponsorship can have on the athletic department budget. As the percentage of the student body participating in athletics increased, the odds of generating sponsorship revenue greater than 5% of the budget significantly decreased. In other words, more athletes resulted in more sports being offered, resulting in a larger athletic budget, and the sponsorship revenue generated at schools with higher participation rates were less likely to exceed five percent of the budget.

Regional differences also played a role the mix of funds utilized to fund athletic department operations. Schools in the South and Midwest were the most likely to utilize sponsorship, while schools in the Northeast were the least likely to solicit sponsorship. Regional differences were also detected with regard to fundraising and participation fees. Not only were schools in the Northeast the least likely to use sponsorship, but Northeastern schools were also the least likely to utilize fundraising strategies and participation fees, while having the strongest philosophical opposition to sponsorship. Finally, schools in the Midwest and West were the most likely to utilize participation fees, which means it is important to consider regional differences when examining the nature of funding models in high school athletics.

On a national level interscholastic athletics administrators have embraced sponsorship solicitation, but the results of this study indicated that administrators have been cautious in implementing an aggressive sponsorship sales platform. First, the large dollar amounts that are highly publicized in intercollegiate and professional athletics do not exist for the most part in high school athletics. Most high school athletic departments generate less than $5,000 from their largest corporate sponsor, and they generate less than 5% of their total budget from sponsorship. The three-year trend was for an increasing percentage of schools to generate less than $10,000 per year from sponsorship. While there are several high profile and often-cited examples of high school naming rights deals, which can generate significant amounts of money, only eight percent of respondents to this survey indicated that naming rights are a part of their sponsorship inventory. The primary intent of sponsorship revenue was to provide fundamental elements of an athletic program, including equipment, supplies, and uniforms.

The second result that indicated cautious implementation of sponsorship was that high school athletic departments relied on game program advertisements and facility signage, and they rarely used other forms of advertisements commonly seen in professional and college athletics such as website advertisement, radio or webcasting advertisement, facility naming rights, and logos on team uniforms. The heavy emphasis on game program advertisements and facility signage indicated a less evolved form of sponsorship than intercollegiate and professional sports. Sponsorship in high school athletics lacks the sophistication of the integrated marketing communications platform of sponsorship in college and professional sports.

Third, sport marketing firms (outsourcing) were only used by ten percent of athletic departments. While firms like Learfield Sports and ISP Sports have contracted with intercollegiate athletic departments to sell corporate sponsorship and radio rights, athletic directors were responsible for selling sponsorship at two-thirds of the high schools in the study. Outsourced firms would be able to bundle sponsorship rights across many teams, conferences, and state associations to attract a multidimensional sponsorship inventory for national companies (King, 2005). However, this is not to say that athletic directors are not successful in generating revenue. In fact, schools were more likely to generate in excess of five percent of the budget from sponsorship if the athletic director was selling the sponsorship as opposed to another person or group (e.g. booster club, school board, principal, sport marketing firm).

While athletic directors utilizing corporate sponsorship are cautious in its implementation, athletic directors not already using sponsorship were mixed in terms of the likelihood of pursuing sponsorship in the future. Nearly half of the respondents were decidedly not optimistic about the prospect of soliciting sponsorship in the future. However, similar to the significant factors for predicting the use of sponsorship, the size of the athletic department and use of other alternative revenue strategies were significant in predicting the optimism of athletic directors regarding the sale of sponsorship in the future. Large athletic departments indicated a significantly greater likelihood of pursuing sponsorship in the future than small athletic departments, and schools already engaging in fundraising and participation fees indicated a significantly greater likelihood of using sponsorship in the future than athletic departments not already activating those revenue streams.

While the most often cited reason for not pursuing sponsorship was that a plan for soliciting or administering a sponsorship program had not yet been developed, 53% of athletic directors reported not utilizing sponsorship as a result of a philosophical opposition to sponsorship, either in the form of working in a school that prohibited sponsorship or due to personal beliefs. Again, similar trends were identified that have previously been discussed. First, schools that charged participation fees were twice as likely to not be philosophically opposed to corporate sponsorship as schools not charging a participation fee. Second, regional differences existed, including schools in the Northeast being the most likely to indicate a philosophical opposition to corporate sponsorship. However, one surprising finding was that as the size of the athletic department grew larger, it decreased the odds of having a reason other than philosophical opposition to sponsorship.

Future Research

While this study attempted to place the use of sponsorship within high school athletics in a broader context, future research could examine specific issues within sponsorship. For example, research could examine the prospecting, negotiation, sale, and value of naming rights in high school athletics. Research could also examine third-party sport marketing firms responsible for selling national sponsorships in terms of sponsor satisfaction, consumer awareness, and the administration of such agreements. Studies could also be done at the state level to draw specific conclusions about sponsorship in a given area.

Conclusion

As interscholastic athletic administrators continue to combat shortfalls in the budget during times of periodic economic recession and reduced funding from school boards, corporate sponsorship plays a critical role in the funding mix to balance athletic department budgets and provide opportunities for student-athletes. This paper fills a significant void in the academic literature regarding the prevalence, nature, and importance of corporate sponsorship at high schools in the United States. While 57% of high school athletic departments are soliciting corporate sponsorship, administrators have been cautious in the solicitation of sponsorship as evidenced by the small dollar amounts involved and overall impact on the budget, reliance on game program advertisements and facility signage to activate sponsorships, and a lack of outsourcing to sport marketing firms to sell the sponsorships. There is clearly room for growth in the interscholastic sport sponsorship market.

Similar trends were identified between schools that already utilize sponsorship and those schools that indicated they will likely pursue sponsorship in the future. The presence of a fundraising program and having a large number of sports offered were significant predictors of sponsorship usage, while schools in the Northeast were the least likely to utilize sponsorship and possess a philosophical opposition to using sponsorship.

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Address for correspondence:
David Pierce
Ball State University,
School of Physical Education,
Sport, and Exercise Science
Muncie, IN 47306
e-mail: dapierce@bsu.edu