The challenge of funding new athletic programs with no additional tax revenue has forced school districts to supplement their budgets with gate receipts, team fund raising, and corporate sponsorships. Interscholastic athletic directors and school administrators face the challenge of balancing the concepts of idealism and pragmatism. Corporate sponsorship is very prevalent in high school sports. Research indicates that from 1990-2000, corporate sponsorship of school programs and activities increased by 248 percent. However, corporate involvement in schools often goes beyond self-serving philanthropy to become commercial opportunism. Some school districts have passed commercial free school legislation banning commercialism in schools. It is the responsibility of athletic directors and school administrators to ensure that school-business relationships are based on sound principles that contribute to a high quality education. Guidelines for successful partnerships include establishing a business advisory council, evaluating and assessing the partnership on a regular basis, keeping corporate-sponsored materials as noncommercial as possible, and granting the district the final decision over advertising and product placement and content. (Contains 33 references.) (SM)
"What's In It for Us?"

Rethinking Corporate Sponsorships in Interscholastic Athletics

Allison J. McFarland, Ph.D.
Assistant Professor, Sport Management
Health, Physical Education & Recreation Department
Western Michigan University
Student Recreation Center, 4th Floor
Kalamazoo, MI 49008-3871
(616) 387-2680 office phone
(616) 387-2703 office fax
Allison.mcfarland@wmich.edu

March, 2002
"What's In It for Us? Rethinking Corporate Sponsorships in Interscholastic Athletics

The term "corporate sport" has long been used to describe the influence of the business ethic on intercollegiate sport. Issues such as naming rights to athletic facilities and exclusive agreements for apparel, equipment, and soft drinks clearly permeate the collegiate athletic domain. How near are we to using the term "corporate sport" to depict high school athletic programs? Maybe closer than you think.

Every day, interscholastic athletic directors and school administrators are faced with the challenge of balancing the concepts of idealism and pragmatism. We want to offer activities that meet the diverse needs of our student body, but the reality of budget cuts and increasing costs pull us the other direction. The challenge of funding new athletic programs with no additional tax revenue has forced school districts in the past to supplement their budget with gate receipts, team fund raising, and participation (pay-to-play) fees. The new option? Corporate Sponsorships. The new challenge? Balancing the need for cash with the integrity of the educational and athletic programs. Consumers Union, a nonprofit publisher of Consumer Reports recently suggested,

Business and education have a long and sometime troubling relationship. Schools have had a chronic need of funding for programs and equipment. Local businesses have long played a role in supporting schools with contributions in cash, time, expertise, or even equipment. In exchange for such handouts, businesses often get commercial plugs in school yearbooks, newspapers, and
events programming, or on school uniforms and playing fields. Such arrangements, though self-serving on the part of businesses, have been widely tolerated. But today, corporate involvement in schools often goes beyond self-serving philanthropy to become commercial opportunism (Captive Kids, 1998, 12).

**Commercialism in Athletics**

One does not have to look far to see just how prevalent corporate sponsorship in high school sports has become. Athletic departments across the country are selling broadcast opportunities to local radio and television stations; connecting with corporate sponsors for special events and promotions; seeking corporations who will agree to make a substantial financial contribution in return for naming rights to a local facility; signing deals with soda companies to distribute their product exclusively in exchange for new electronic scoreboards, uniforms, or equipment; and soliciting advertising revenue from game programs, field, arena, bus and rooftop signage, and halftime promotions (Montano, 1998; Hume, 1992; Fischl, 1997; Morrison, 1998). Specific examples abound: BlueCross BlueShield of Tennessee recently signed a three-year agreement to be the title sponsor of five high school football championships that will be named, "The BlueCross Bowl" (State Football, 2000). Both Adidas America and Chick-fil-A have purchased sponsorships for high school national championships coordinated by the National High School Coaches Association (Jensen, 1993). Some sections of the California Interscholastic Federation enjoy sponsorships from Gatorade, Spalding, and Rawlings who provide member schools with game balls, equipment and money (McGrane, 2000). FootAction extended its title sponsorship of the NFL Quarterback Challenge to include a 15-market competition to determine who's the best quarterback among high school
seniors (Lefton, 1996), and in California, some high schools have become known as
“shoe schools” as a product of their corporate sponsorship deals with well-known shoe
companies such as Nike, Reebok, and Adidas (Molnar & Reeves, 2001). Molnar &
Reaves go on to suggest,

If universities follow the lead of a group of central Arizona high schools, the Big
Ten could some day be known as the Boston Chicken Conference; schools in the
Southeastern Conference might be competing in the Subaru Region; and Stanford
could send its scholar-athletes to defend their Pac-Bell Championship instead of a
PAC 10 crown (p. 9).

It is clear that the over-saturation of advertising in traditional media has
encouraged marketing groups to pursue less cluttered alternatives. Consequently,
spending on sponsorships at the high school level has experienced double-digit growth
every year from 1984 to 1996. Of this investment, about 65 percent of the money
corporations give for all sponsorships goes to organized sport (Sponsorship spending,
1997). These statistics should come as no surprise. The demographics of major sports
are attractive to corporate promoters, and according to McAllister (1998), many fans feel
passionate about their sports; an emotion sponsors hope will translate to sponsor-brand
loyalty. McAllister (1998) continued,

...The ideology of sports may make the cultural form conducive to corporate
needs or at the very least not antagonistic to them. Sports, with their risk-free,
apolitical message of struggle and triumph, are safe messages for corporations to
sponsor (¶12).
Is corporate sponsorship in interscholastic sport an isolated event? Not quite. Research has demonstrated that the commercialization of athletic programs and the high schools in which they exist have become a major focus of strategic corporate marketing plans.

**Schoolhouse Commercialism**

In an attempt to estimate the presence of commercialism and corporate involvement in American schools, researchers from the Center for the Analysis of Commercialism in Education (CACE) analyzed the number of press citations in order to present an approximate picture of each category’s presence in schools for eight categories of commercialism (Molnar & Reaves, 2001). In their Fourth Annual Report on Trends in Schoolhouse Commercialism which measures increases in press citations of commercial activity from 1990 to 2000, researchers found that sponsorship of programs and activities (i.e. corporations paying for or subsidizing school events or activity in return for the right to associate their name with the event) increased by 248 percent. Exclusive agreements (i.e. agreements to serve only beverages from one soda bottler in exchange for a new scoreboard) increased by 1,384 percent. Incentive programs (corporate programs that provide awards to a student when they demonstrate specific skills) increased by 231 percent.

Appropriation of space (i.e. allocating school space such as scoreboards, walls, or textbooks for placement of corporate logos or messages) increased by 539 percent. Sponsored-educational materials (i.e. environmental education kits provided by a specific industry) increased by 1,875 percent. Electronic marketing (i.e. provision of electronic programming or equipment in exchange for the right to advertise to students or their families) increased by 139 percent, and privatization (i.e. charter schools funded by for-
profit corporations) increased by 3,206 percent. [See Figure 1] Of all the categories considered, sponsorship of programs and activities was “far and away the largest”, with corporate sponsorship tied to student athletics continuing to play a key role. When comparing 2000-2001 data to those of previous years, Molnar & Reaves (2001) indicated that although commercial activity had a declined for the first time in several categories, the overall trend continued to “climb dramatically”. Researchers also noted that the most common and lucrative type of commercial activities at high schools were soft-drink sales which most often took the form of exclusive vending contracts (Shaul, 2000; Molnar & Morales, 2000).

Of special note is the significant increase in on-site market research conducted in schools (included in the CACE category “appropriation of space”). Recent reports of 6th graders in Kansas City, Kansas filling out surveys for Toys “R Us (Farber, 1999), and schoolchildren in Lynnfield, Massachusetts comparing breakfast cereals (Tabor, 1999); both conducted in exchange for money provided by the sponsoring companies is not unusual. Consumers Union announced similar practices in its April, 2000 News Release, citing children in New Jersey completing a 27 page booklet called “My All About Me Journal” as a part of a marketing survey for a cable television channel, and a California company providing schools with free computers, software, and internet access in return for the right to monitor student’s web browsing patterns and sell the data to other companies in the future (Torres & Butler, 2000).

As a result of such initiatives, school districts like the San Francisco United School District have passed Commercial Free School Acts banning any sort of commercialism in its schools. Recent legislation introduced by Senators Chris Dodd (D-
Conn) and Richard Shelby (R-Ala) would require schools to obtain parental consent before allowing commercial companies to collect market-research data from students. Titled the Student Privacy Protection Act, this proposed legislation would require schools to give full and adequate notice to parents before engaging in school sponsored market research. In his legislative appeal, Dodd stated,

More and more, schools are being perceived not just as centers for learning, but centers for consumer research. Our children should be instilled with knowledge, not tapped for information on their spending habits. Their privacy, and that of their parents should be respected not exploited (Dodd Acts, 2000, p. 1)

What's In It For Them?

It has long been assumed that the primary goal of negotiating corporate sponsorships is to convey the positive returns the business will receive from a sponsorship agreement. In other words, our sponsorship mantra in the past has always been, “What’s in it for them?” Lately it has become increasingly obvious that corporations are clearly receiving both short and long-term advantages from sponsorship deals, and are eager to engage in such business arrangements. Why the dramatic acceleration of marketing to kids? David Walsh, president of the National Institute on Media and the Family (a Minneapolis-based non-profit organization focused on evaluating the effects of media on children) answered:

First, the largest market segment in the country is made up of those born since 1979, now approaching 84 million. Second, this is a group with great purchasing power and even greater purchasing influence. Third, this is a group attending school for up to 30 hours a week, and fourth, most companies are in a race to
establish brand loyalty with young consumers before their competitor does (Thompson, 2000, p. 30).

In her 1995 article titled Customers in the Classroom, Shaker quoted promotional descriptions of the youth market as the “new, hot target market”, and as “rich, eager recipients of the advertising message; willing brand switchers, and future adult consumers (¶19)”. At the conclusion of Shaker’s commentary, the Chair and CEO of Prism Communications was quoted as stating, “They aren’t children so much as what I like to call ‘evolving consumers’”. With an estimated 43 million “evolving consumers” spending at least 20 percent of their time in school, marketers have been quick to establish programs that capitalize on this impressionable market (Molnar, 1995; Stipp, 1993). While financial pressure on schools may make them more dependent on corporate handouts, corporations have also become more dependent on schools for providing access to the youth market. Lifetime Learning Systems, a firm that specializes in youth targeted advertising suggested,

School is... the ideal time to influence attitudes, build long-term loyalties, introduce new products, test markets, promote sampling and trial usage, and – above all – generate immediate sales (Burke, 2001, ¶17)

Naming rights to athletic facilities are clearly a part of this strategy. The link between sporting events or the performing arts and car dealerships or telephone companies may not be obvious, but the corporate community agrees that putting their name on school facilities is an effective, low cost method of reaching and building awareness with a wide segment of consumers. The president of SAFECO, a company
that recently purchased naming rights to the Seattle Mariner’s new baseball stadium acknowledged,

As with all forms of advertising, the frequency and consistency of the message is what drives the eventual benefit. Three generations of people will pass into our prime demographic targets over our 20-year commitment, and the images of SAFECO will be far deeper ingrained in them than it would be otherwise (p. 42).

Meredith Rosenberg, senior analyst of consumer markets at The Yankee Group echoed these benefits by adding,

It’s a consumer play. It’s all about trying to establish yourself as a consumer brand….A company making such a large, public investment can reap intangible benefits. If I have the capital to invest in a stadium naming deal, then I must be doing well. It sends a strong message… (p.22).

It is clear that the audience numbers and exposure gained by investing in naming rights at the interscholastic level clearly makes such sponsorships a good investment versus the cost of image advertising on television or other media. So what’s the problem? Schools need money to build new facilities and support expanding extracurricular activities, and corporations need new and profitable methods of promoting their products. Is this not a match made in heaven? For many, including New York Senator Hillary Rodham Clinton, this is a dangerous partnership.

Commercialism Backlash

During her campaign in the Fall of 2000, Senator Clinton stated, “Too many companies simply see our children as little cash cows that they can exploit” (Campanelli, 2000). Senator Clinton is not alone in her concerns.
McAllister (1998) suggested that “the commercialization of sports is yet another illustration of the way practically every activity, diversion, and form of expression is pressed into corporate service” (p. 380). Does corporate sponsorship devalue the integrity and essence of amateur sports and our educational system? Many who are tired of the over-commercialization of our culture are shouting, “Yes”.

Sometimes it takes those of us in Education a while to realize that the motivation and morals of corporate sponsorships may stand in contrast to those we hold for our students. For those of us who teach, coach, and administrator interscholastic programs, it serves us well to be exposed to the “corporate mentality” evidenced in the following quote:

We...are excited to see that area school systems are finally beginning to augment their incomes with corporate sponsorship. Unimaginative educators have far too long harbored a prejudice against teaching the benefits of healthy greed. We believe privatization can only improve public education, directly by monetary profit and indirectly by teaching kids lifelong lessons in sales, marketing, and the bottom line (Matthews, 2001, A11).

It is this mentality that has school administrators turning down million dollar contracts with soda companies, and re-evaluating current and future corporate sponsorships.

The American people are poorly served when our public school become educational flea markets open to anyone with the money to set up a table.... The failure of the education community to critically assess the impact of commercial activities on the character and quality of schools reveals an ethical blindness not
worthy of a profession that seeks to serve the best interests of the children (Molnar, 2000 p. 28).

With a growing resentment towards the invasion of corporate principles and presence in our American school system, many educators and parents are asking why schools are allowing business to engage in the battle for what ad agencies call “mind share” with a captive audience forced into participation under compulsory education attendance laws. Combine this forced participation with the implicit (and often explicit) promotion of materialism, consumption, self-gratification, and an implied product endorsement, and you've created a new atmosphere for negotiating school-business relationships.

**Educational Partnerships vs. Business Deals**

The reasons businesses interact with public school are as diverse and complex as the forms these interactions take. Regardless of the reason or form, it is the responsibility of athletic directors and school administrators to ensure that school-business relationships are based on sound principles that contribute to a high quality education (Business Partnerships, 2000). In light of the fact that many parents support the idea of school-business relationships, yet are suspicious of blatant advertising in the classroom and school, Gladstone and Jacobsen (1999) encouraged school representatives to clearly define for stakeholders what constitutes an educational partnership, and what constitutes a business deal.

Clearly, if there is no direct educational benefit to children, then the relationship is not an educational partnership (Education Policies, 2000). When the goal of a corporation is to negotiate deals in which schools are enticed into exclusive partnerships
with companies such as Reebok, Nike, or Adidas for the purpose of outfitting athletic teams, replacing old scoreboards, and providing discounted or free athletic apparel; or with Coca-Cola or Pepsi for the purpose of establishing “pouring rights”, this is clearly a business deal with no measurable impact on learning.

Becton and Sammon (2001) elaborated on the distinction between business deals and educational partnerships by suggesting that successful partnerships are no longer about “occasional forays into schools for special programs and activities”, but rather long-term commitments, involvement, and a shared sense of responsibility to improve the quality of student’s lives. Clearly, the first step in making wise choices regarding school and business relationships is to be honest and explicit regarding the type of affiliation one is about to embrace. All corporate dealings must be critically evaluated from both the perspective of student exploitation and preventing the promotion of an educational system fitted solely to the needs and mentality of business.

Evidence suggests that school-business partnerships are becoming a standard fixture in American schools. Supporters of school-business alliances spotlight the potential benefits to schools, while critics warn against the harmful effect of schoolhouse commercialism. In light of current data, how can school personnel ensure that the education environment is not being manipulated by corporations to the detriment of the students?

Guidelines for Successful Partnerships

The U.S. General Accounting Office found that in most cases, local school officials are responsible for making decisions about commercial activities (Guidelines for, 2000). Although not practical to construct a single, comprehensive set of
recommendations, researchers (Morrison, 1998; Becton & Sammon, 2001; Shaker, 1995),
the Center for Analysis of Commercialism in Education (1999), and education-oriented
groups such as the National Association of State Boards of Education and the National
Parent-Teacher Association (Education Policies, 2000) provided the following guidelines
and suggestions for athletic directors and school administrators when entering into
school-business relationships:

1. Establish a Business Advisory Council that includes school officials, teachers,
athletic directors, community and Parent-Teacher Association members.

2. Designate one person in your school with the requisite skills and necessary
time and support to work with business partners.

3. Take the time to learn about your corporate partner’s needs, and develop a
common vision and understanding of the two very different cultures in which
schools and businesses operate. (For example, few businesses understand the
legal requirements of Title IX on athletic department funding.)

4. Evaluate and assess the partnership on a regular basis.

5. Keep corporate-sponsored materials as noncommercial as possible, with any
identification kept to a minimum.

6. Prohibit corporate sampling and gathering of data on school premises or at
school functions.

7. Send a formal statement outlining corporate involvement in schools
(sponsorship, advertising) to parents at the beginning of each school year.

8. Require soft drink vendors to provide a full range of products, including
healthy alternatives to soft drinks, and refuse to sign any contract that requires
your school to reach a product consumption quota or provide unlimited product availability.

9. Grant the district the final decision over advertising and product placement and content.

10. Make it clear that school-business partnerships do not indicate endorsement of a product by the school district, and that partnerships will not influence curricular content or school policy.

Morrison (1998) concluded by offering the following summary statement:

If commercialism already exists in education, then the real decision may be how to monitor and control the level of commercialism that students are exposed to so that the primary educational mission is not compromised and new sources of funding can be developed to support student programs... Most importantly, school leaders must maintain a clear and consistent stance that the education of students is the primary mission, and that nothing in the corporate partnership will detract from the efforts... to educate students (¶ 18, 21).

Conclusion

Business leaders have been among the nation's most enthusiastic proponents of improving education. In recent years however, resource limits have forced many schools to rely on corporations to supplement existing resources, provide new equipment, or sponsor student activities. This in turn has led to a learning environment flooded by corporate marketing maneuvers (Dodd Acts, 2000). Executive director of the Center for Commercial-Free Public Education, Andrew Hagelshaw laments, "We've gotten to the
point where students don’t mind being used. They don’t see anything wrong with using themselves to advertise for their sponsors (Molnar & Reaves, 2001).

Budget shortfalls do not give school decision makers free reign to pursue and accept any offer of financial assistance. It is the responsibility of the athletic director, teachers, coaches, and school administrators to carefully weigh the benefits of corporate sponsorship with the recognized disadvantages. In other words, it is our responsibility to see the bigger picture. Fege and Hagelshaw (as cited in Guidelines for, 2000) offered the following reminder:

Corporate sponsorship provides resources that are just a drop in the bucket compared to the overall funding and actual needs of public education, yet the price of sponsorship may include a compromised learning environment, parental and community protest, and litigation (¶18).

Fege and Hagelshaw continued by reminding readers that the adequacy of the public school agenda should not depend on marketing tactics made by private corporations. The sufficiency of public school facilities, supplies, and programs is the responsibility of all taxpayers, and public officials must be held accountable for providing students with the funds necessary for a quality education. Despite their initial appeal and short term benefit, corporate sponsorships can backfire when the public (having seen corporate funded extras such as a new athletic facility) underestimates the true needs of their schools and decide not to vote for necessary funds in the future. Fege and Hagelshaw (as cited in Guidelines for, 2000) agreed in their warning that “the more schools resort to private enterprise as a source of funding for public education, the less
the school board, state legislature, and Congress feel obligated to allocate from the public purse”(¶23).

Corporate sponsorship in educational settings has moved far beyond its humble beginnings when the local grocery store offered to advertise in the game program in order to support the local football team. Full-scale commercialism is rocking the interscholastic world, and school personnel must be prepared to navigate their way in a world driven by profit margins and financial ratios. Gone are the days when the primary focus of corporate sponsor negotiations was, “What can we do for you”? Research clearly demonstrates that the financial and strategic goals of the corporate sponsor have not only been realized but surpassed. A new day has dawned. The paramount question for interscholastic corporate partnerships must now be, “What can you do for us?”


Increase in Interscholastic Commercialism 1990-2000

Figure 1. Percentage increase in commercialism activity in high schools as measured by number of press citations 1990-2000 (Molnar, A. & Morales, J. 2000).
**Replication Release**

**I. DOCUMENT IDENTIFICATION:**

<table>
<thead>
<tr>
<th>Title:</th>
<th>What's in It for Us? Rethinking Corporate Sponsorship in Intercollegiate Athletics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author(s):</td>
<td>McFarland, Allison J.</td>
</tr>
<tr>
<td>Corporate Source:</td>
<td></td>
</tr>
<tr>
<td>Publication Date:</td>
<td></td>
</tr>
</tbody>
</table>

**II. REPRODUCTION RELEASE:**

In order to disseminate as widely as possible timely and significant materials of interest to the educational community, documents announced in the monthly abstract journal of the ERIC system, Resources in Education (RIE), are usually made available to users in microfiche, reproduced paper copy, and electronic media, and sold through the ERIC Document Reproduction Service (EDRS). Credit is given to the source of each document, and, if reproduction release is granted, one of the following notices is affixed to the document.

If permission is granted to reproduce and disseminate the identified document, please CHECK ONE of the following three options and sign in the indicated space following.

<table>
<thead>
<tr>
<th>Level 1 documents</th>
<th>Level 2A documents</th>
<th>Level 2B documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY</td>
<td>PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE AND IN ELECTRONIC MEDIA FOR ERIC COLLECTION SUBSCRIBERS ONLY HAS BEEN GRANTED BY</td>
<td>PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY</td>
</tr>
<tr>
<td>TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)</td>
<td>TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)</td>
<td>TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)</td>
</tr>
</tbody>
</table>

Check here for Level 1 release, permitting reproduction and dissemination in microfiche or other ERIC archival media (e.g., electronic) and paper copy. Check here for Level 2A release, permitting reproduction and dissemination in microfiche and in electronic media for ERIC archival collection subscribers only. Check here for Level 2B release, permitting reproduction and dissemination in microfiche only.

Documents will be processed as indicated provided reproduction quality permits. If permission to reproduce is granted, but no box is checked, documents will be processed at Level 1.
I hereby grant to the Educational Resources Information Center (ERIC) nonexclusive permission to reproduce and disseminate this document as indicated above. Reproduction from the ERIC microfiche, or electronic media by persons other than ERIC employees and its system contractors, requires permission from the copyright holder. Exception is made for non-profit reproduction by libraries and other service agencies to satisfy information needs of educators in response to discrete inquiries.

Signature: 
Printed Name/Position/Title: Allison J. McFarland, Ph.D. Asst. Professor
Organization/Address: Western Michigan Univ. HPER Dept. Kalamazoo, MI 49008
Telephone: 616-387-2680 Fax: 616-387-2204
E-mail Address: allison.mcfarland@wmich.edu
Date: 5/10/02

III. DOCUMENT AVAILABILITY INFORMATION (FROM NON-ERIC SOURCE):

If permission to reproduce is not granted to ERIC, or, if you wish ERIC to cite the availability of the document from another source, please provide the following information regarding the availability of the document. (ERIC will not announce a document unless it is publicly available, and a dependable source can be specified. Contributors should also be aware that ERIC selection criteria are significantly more stringent for documents that cannot be made available through EDRS.)

Publisher/Distributor:
Address:
Price:

IV. REFERRAL OF ERIC TO COPYRIGHT/REPRODUCTION RIGHTS HOLDER:

If the right to grant this reproduction release is held by someone other than the addressee, please provide the appropriate name and address:

Name:
Address:

V. WHERE TO SEND THIS FORM:

Send this form to the following ERIC Clearinghouse:

However, if solicited by the ERIC Facility, or if making an unsolicited contribution to ERIC, return this form (and the document being