

**FUNDRAISING**  
*AND*  
**DEVELOPMENT**

*Revenue Generation and Donor Strategy in Sport*

**DR. J O S H U A S. G R E E R**

**Fundraising and Development**

**Revenue Generation and Donor Strategy in Sport Organizations**

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*For the next generation of sport development professionals,  
and for the donors who believe in what they are building.*

# Preface

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This textbook was created because the sport management literature hasn't fully kept pace with the realities of modern athletic fundraising. Graduate students preparing for careers in athletic development, sport foundation work, or sport-sector philanthropy have traditionally relied on three limited sources: general nonprofit fundraising books that overlook sports; intercollegiate athletics texts that only briefly address fundraising; and trade publications that lack the academic rigor required for graduate study. This book seeks to fill that gap.

Spanning seventeen chapters, this textbook synthesizes peer-reviewed scholarship across sport management, nonprofit studies, higher education, marketing, and applied economics to provide graduate students with a single, comprehensive treatment of how sport organizations raise funds. Every concept is grounded in the literature. Every case study is drawn from real organizations. Every chapter ends with an applied assignment that mirrors the work a development professional actually performs.

The book is written for a graduate-level audience but does not assume prior fundraising experience. Readers should bring a working understanding of sport organizations, including athletic departments, professional franchises, national governing bodies, and amateur sport organizations, along with a willingness to engage with the financial, legal, and ethical complexity of revenue generation in this sector.

This textbook is distributed through [NILvanaSports.com](http://NILvanaSports.com) and [Amazon.com](http://Amazon.com), the publishing platform dedicated to advancing professional knowledge in contemporary sport development. The decision to distribute through [NILvana Sports](http://NILvanaSports.com) rather than through traditional academic publishing reflects a commitment to keeping the textbook current with a rapidly evolving regulatory and competitive environment that traditional revision cycles cannot keep pace with. The field changes quickly, and the textbook supporting

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practitioner preparation must change with it. Readers interested in supplementary materials, updates, and companion resources should visit [NILvanaSports.com](http://NILvanaSports.com) for the most current versions of the textbook and its supplements.

Like any first edition, this book will benefit from revision. Reader feedback, particularly from practitioners working inside athletic departments, sport foundations, NIL collectives, and revenue-sharing programs, is welcome and will inform future editions. Sport development is a living field, and a textbook on the subject must be a living document.

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# Foundations of Sport Fundraising and Development

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In 2013, the Texas A&M Athletic Department launched a campaign to renovate Kyle Field, which ultimately raised more than \$450 million in private gifts. That single project, completed over four years of intensive cultivation and solicitation, raised more philanthropic revenue for one athletic department than the annual fundraising totals of most universities in the United States. The campaign did not happen by accident, nor did it happen because of any single donor or charismatic athletic director. It happened because the development office at Texas A&M had spent decades building the relationships, infrastructure, and donor pipeline that made a half-billion-dollar campaign possible. This is what sport development looks like at the highest level, and this textbook is about how the field works at every level, from the smallest Division III program to the largest Power Four athletic department.

Athletic fundraising and development have evolved from a relatively informal volunteer activity in the early twentieth century into a sophisticated professional function that produces hundreds of millions of dollars annually at major universities. Bass et al. (2015) traced this evolution in their comprehensive analysis of the increasingly entangled relationship between universities and their athletic departments, documenting how philanthropic revenue has become one of the primary financial pillars that support the operation of major college sport programs. The growth has been driven by multiple converging forces, including declining state appropriations to public universities, escalating costs of competitive athletic operations, and rising

donor expectations regarding facilities and student-athlete experience. Hanson and Welty Peachey (2022) extended this analysis by examining the parallel pressures facing NCAA Division II athletic departments and found that even programs operating at much smaller scales depend critically on organized fundraising activities to sustain their competitive viability.

Yet the academic literature on sport-sector fundraising has lagged behind the practice. While general nonprofit fundraising scholarship is well developed and continually expanding, peer-reviewed work specific to athletic philanthropy remains comparatively thin, leaving graduate students and emerging practitioners with limited guidance from rigorous sources. Martinez et al. (2010) produced one of the foundational meta-analyses in the field, synthesizing the available scholarship on the relationship between intercollegiate athletics and institutional fundraising. Their work identified a persistent gap between practitioner sophistication and academic theorization, which this textbook attempts to address by gathering current peer-reviewed scholarship and presenting it in a format accessible to graduate students preparing for careers in sport development.

This chapter introduces the foundational vocabulary, organizational structures, and conceptual frameworks that underpin sport development as a professional field. It begins with definitions of the terms practitioners use most frequently, which graduate students must master to enter the field competently. It then traces the historical arc of athletic giving from informal booster origins to the modern integrated advancement office. The chapter concludes with an introduction to the development funnel and moves management approach that organizes the daily work of every athletic development office in the country. By the end of the chapter, readers should be prepared to engage with the more specialized topics addressed in subsequent chapters.

## Learning Objectives

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Define fundraising, development, and advancement as they apply to sport organizations, and explain how each term reflects a different scope of philanthropic work.
2. Distinguish development revenue from earned revenue and media revenue in athletic budgets, and explain how the three revenue legs interact across competitive levels.
3. Trace the historical arc of athletic giving from informal nineteenth century booster origins to modern professional advancement offices, identifying the key inflection points that shaped current practice.
4. Identify the core functions of an athletic development office and describe how programs at different competitive levels staff each function within their available resources.
5. Describe the development funnel and apply moves management discipline to a basic donor cultivation relationship, including the strategic purpose of each stage.
6. Articulate the distinguishing features of sport-sector fundraising relative to general nonprofit philanthropy, including emotional donor identification, compliance constraints, and the contemporary pressures of the NIL era.

## Defining the Field

Three terms appear repeatedly throughout this textbook and in the broader literature on sport philanthropy: fundraising, development, and advancement. Although practitioners sometimes use the terms interchangeably in casual conversation, they describe progressively broader concepts that matter for

understanding how athletic departments organize the function. The careful student should master the distinctions among them early, since the choice of term often signals important information about the speaker's role, the institution's organizational structure, and the scope of philanthropic activity under discussion. Stinson and Howard (2010) noted in their exploratory donor-based analysis of intercollegiate athletics as an institutional fundraising tool that the conceptual distinctions among these terms shape both donor expectations and staff expectations in ways that have practical consequences for institutional performance.

### *Fundraising*

Fundraising is the act of soliciting and receiving philanthropic contributions, and it is the most narrowly defined of the three terms. The concept refers specifically to the tactical work of asking donors for gifts and processing the resulting contributions through institutional systems. Fundraising activity includes annual fund solicitations conducted through direct mail and email, special event revenue generation, telemarketing campaigns, and direct appeals during games or other athletic events. In athletic departments, fundraising activity typically targets a defined donor universe through repeatable calendar-driven processes that produce predictable revenue streams from year to year (Stinson & Howard, 2010). The fundraising function is operationally essential but conceptually limited; it captures the asking part of philanthropy but not the relationship-building work that makes successful asks possible.

### *Development*

Development is a broader concept that encompasses fundraising plus the relationship-building, donor research, cultivation, and stewardship activities that surround it. A development officer does not simply ask for money, and the most successful officers spend the majority of their time on activities other than direct solicitation. The officer identifies prospective donors through prospect research and referral networks, researches their interests and giving capacity, builds personal relationships over months or years of patient

cultivation, solicits an appropriate gift at the right moment, and then stewards the donor through ongoing recognition and engagement to support future giving. Lin et al. (2019) documented this expanded scope in their detailed case study of major gifts management at the University of Pittsburgh and other world-class American universities, demonstrating that development is the patient relational work that makes large fundraising results possible.

### *Advancement*

Advancement is the broadest of the three terms and refers to the integrated function of development, alumni relations, communications, and marketing under one organizational umbrella. In higher education, the institutional advancement office combines fundraising with the alumni programs, donor communications, and public relations work that build long-term institutional reputation and giving capacity. McAlexander and Koenig (2012) studied how advancement programs build communities of philanthropy in higher education contexts and found that the integration of multiple functions under shared leadership produces synergistic effects that purely transactional fundraising operations cannot achieve. Athletic departments at large universities sometimes operate inside the broader institutional advancement office, and sometimes operate as a parallel function with their own staffing, leadership, and reporting lines. Sziegat and Cheng-wen (2020) observed similar patterns in their analysis of philanthropic fundraising in Chinese higher education, suggesting that the conceptual distinction between fundraising, development, and advancement has international applicability beyond the American context.

#### PRACTITIONER NOTE

*When you see a job title like 'Director of Athletic Development' you are looking at someone whose responsibilities span identification, cultivation, solicitation, and stewardship of athletic donors. When you see 'Major Gift Officer' you are looking at a specialist within that broader function who focuses on the largest gift levels. When*

*you see 'Vice President for Athletic Advancement' you are looking at the senior executive who oversees the entire integrated function for an athletic program, often including alumni relations and athletic communications alongside development.*

## **The Three Revenue Legs of Sport**

Modern athletic departments operate on three primary revenue streams, and understanding their relative size and behavior is the starting point for any conversation about development. The three legs differ in their dollar magnitude, their volatility, their contractual stability, and their relationship to on-field performance. Hoffer and Pincin (2015) examined the disaggregated revenue and expenditure patterns of 225 public NCAA Division I athletic departments, documenting how each revenue stream affects different parts of the operating budget. Their analysis showed that revenue composition varies substantially across the competitive landscape and that the three legs do not behave identically across different conferences, divisions, or institutional types. Comrie (2021) provided a more recent overview of how the three revenue streams interact within the broader institutional revenue picture of American higher education, situating athletic department finance within the larger university enterprise.

### ***Media Revenue***

Media revenue includes television rights fees, streaming rights, radio agreements, and digital distribution income. For the largest football and basketball programs, media revenue often represents the single largest income category in the athletic department budget, with Power Four programs receiving tens of millions of dollars annually in conference television distributions alone. Conference television agreements drive much of this revenue, and the conference realignment activity over the past decade has been driven in significant part by the pursuit of better media deals. Brook (2024)

analyzed the long-run financial impacts of athletic conference membership changes on athletic department revenues, finding measurable effects on philanthropic giving that often follow rather than precede conference moves. Hammond et al. (2018) examined an adjacent revenue category by studying how NCAA Division I football stadiums function as non-sporting event venues, illustrating the increasingly diverse revenue strategies major programs deploy to supplement traditional media income.

### ***Earned Revenue***

Earned revenue is income generated from direct commercial activity inside the athletic department's operating sphere. The category includes ticket sales, suite and premium seating revenue, concessions, parking, merchandise licensing, and corporate sponsorship sold on a commercial basis. Earned revenue is highly correlated with on-field performance, since winning teams sell more tickets and attract more sponsor interest, but the relationship is not perfectly linear and varies substantially across institutional contexts. Hill and Qu (2019) demonstrated this complexity in their analysis of college football performance and athletic department revenues, finding that the strength of winning tradition over time matters more than single-season results for sustaining earned revenue at high levels. Mayer (2023) extended the analysis to premium seating specifically, examining how Power Five and Group of Five programs differ in their luxury suite pricing strategies and the institutional factors that explain those differences. Weiner et al. (2021) added a relational dimension to the earned revenue conversation by examining how relationship selling techniques influence consumer purchase behaviors in Division I ticket sales contexts.

### ***Development Revenue***

Development revenue, the focus of this textbook, includes annual fund gifts, major gifts, planned gifts, and corporate philanthropy directed to athletic purposes. Unlike media revenue or earned revenue, development revenue is not contractually obligated and is not guaranteed to recur from year to year. The defining characteristic of development revenue is that it can grow without

a corresponding increase in commercial inventory, but it requires sustained investment in people and infrastructure to grow at all. Hanson and Welty Peachey (2022) documented the strategies that NCAA Division II programs use to generate development revenue under particularly constrained resource conditions, demonstrating that the function operates across all competitive levels even when the dollar magnitudes differ dramatically. Popp et al. (2022) added an important empirical finding by demonstrating that fundraising staff size and minimum gift requirement design together explain more than twenty percent of the variance in donor counts at Division I athletic departments, suggesting that programmatic decisions controllable by administrators matter as much as broader institutional context.

The three legs interact in important ways that practitioners must understand. Strong on-field performance increases media revenue through conference distributions, drives earned revenue through ticket sales, and creates fundraising momentum that drives development revenue through inspired donor giving. When performance declines, all three revenue legs come under pressure simultaneously, which is why diversification across the three is a strategic priority for athletic directors and university administrators. The interaction effects can be measured empirically; Harter and Howell (2024) examined alumni support for NCAA Division I reclassification at Eastern Kentucky University and found that alumni who anticipated attending more games following reclassification were most likely to support the move financially, illustrating how performance expectations and revenue expectations move together in donor decision-making. Walker and Jones (2021) found similar patterns in their case study comparing donors and non-donors at an intercollegiate athletics program, noting that perceived institutional return on investment shapes giving behavior across all three revenue legs.

## **A Brief History of Athletic Giving**

Organized athletic fundraising in American higher education traces its roots to the late nineteenth century, when alumni began making informal

contributions to support varsity sport programs at colleges across the Northeast. The earliest organized booster clubs emerged in the 1920s and 1930s, often forming around football teams at flagship state universities throughout the South and Midwest. Bass et al. (2015) documented this early period of institutional development, noting that these original booster organizations were typically informal, locally focused, and operated outside the formal financial structure of their institutions. The relationship between booster clubs and their affiliated universities was often ambiguous in ways that produced both operational flexibility and recurring compliance problems that persist in modified form to the present day. The early structure established patterns that influence athletic fundraising operations across all NCAA divisions even now.

The modern era of athletic fundraising began in the 1960s and 1970s with the formalization of booster organizations at major universities and the gradual professionalization of development staff. Programs like IPTAY at Clemson University, founded in 1934 but professionalized substantially in the postwar period, demonstrated that sustained annual giving could generate substantial recurring revenue for an athletic department over decades of cultivation. Stinson and Howard (2010) noted that these programs introduced the concept of priority point systems that tied annual giving to ticket access, a structural innovation that has since spread to nearly every Division I athletic program in the country. The priority point innovation transformed athletic fundraising from purely altruistic giving into a quasi-exchange relationship that practitioners and donors continue to navigate through annual program design choices. The structural shift made possible the explosive growth in development revenue that defined the late twentieth century in college athletics.

The 1990s and 2000s saw two parallel developments that shaped the contemporary field of athletic development. First, athletic departments began hiring dedicated development professionals rather than relying primarily on volunteer booster leadership, which professionalized the function and produced the modern athletic development office as we recognize it today.

Linde and Uran-Linde (2020) studied the factors that influence retention of high-performing gift officers in higher education contexts, documenting how the professional infrastructure built during this period has since developed its own labor market dynamics, including substantial turnover challenges. Second, capital campaigns scaled dramatically, with leading programs raising hundreds of millions of dollars for stadium and arena projects in a single multi-year campaign. The scale of these campaigns represented a qualitative change in athletic philanthropy that exceeded any earlier era in absolute dollar terms, even after adjusting for inflation.

The 2010s brought new challenges and opportunities that continue to shape practice today. The 2017 Tax Cuts and Jobs Act eliminated the 80% deduction for athletic seating donations, a central feature of most priority point programs for decades, forcing development offices to redesign their annual fund value propositions within compressed time frames. Walker and Jones (2021) documented changes in donor behavior following this tax reform, finding measurable differences in giving patterns between programs that handled the transition well and those that did not. The 2021 NCAA decision to allow name, image, and likeness compensation for student-athletes introduced an entirely new category of giving channel through NIL collectives that operate outside traditional athletic department fundraising but compete for the same donor capacity. These developments are addressed in detail in Chapters 3 and 8 of this textbook, but they bear mention here as the most consequential structural changes the field has experienced in at least a generation.

## **Inside an Athletic Development Office**

Athletic development offices vary widely in size and structure across the American intercollegiate landscape. A Power Four athletic department might employ thirty or more dedicated development professionals organized into specialized functional teams, while a Division III program might staff the entire function with a single director who also handles community relations or athletic communications. Despite variations in scale, the functional work of

every athletic development office centers on the same core activities described in this section. The differences across competitive levels lie primarily in how those functions are organized, how many people perform each function, and how much specialization the development team can sustain, given available resources. Ott and Beaumont (2020) examined this variation in their study of mid-level administrators in intercollegiate athletics, documenting how role definitions adapt to institutional context across different competitive levels and institutional types.

### *Core Functions*

Athletic development offices, regardless of size, perform a set of core functions that this textbook will explore in detail across subsequent chapters. The first function is annual giving program management, which solicits recurring gifts from a broad donor base typically tied to ticket benefits through priority point systems. The second function is major gifts work, which focuses on the cultivation and solicitation of larger gifts generally defined as twenty-five thousand dollars and above at most institutions. The third function is planned giving outreach, which develops bequest expectancies, charitable gift annuities, and other estate-based commitments through patient long-term cultivation of older donors. The fourth function is corporate partnerships, which blends sponsorship sales with corporate philanthropic giving in increasingly integrated proposals that this textbook addresses in Chapter 6.

Two additional core functions complete the typical athletic development office. The fifth function is donor relations and stewardship, which manages the ongoing recognition and engagement of existing donors through impact reporting, recognition events, and personal communications. The sixth function is prospect research and analytics, which identifies prospective donors and analyzes giving capacity and propensity across the institution's donor universe. Lindley (2015) emphasized the strategic importance of data-driven prospect research in major gifts contexts, noting that programs combining wealth screening with behavioral analysis substantially outperform those relying on intuition or referral alone. Taylor and Miller-Stevens (2018)

extended the analytical approach by examining how identity saliency and relationship satisfaction operate as mediating constructs in repeat charitable giving, providing development offices with refined frameworks for understanding their existing donor relationships.

### *Reporting Relationships*

Athletic development offices report up the organization in one of three common configurations, each with distinctive implications for how the function operates and how its work integrates with the broader institutional advancement enterprise. Some offices report directly to the Athletic Director, which gives the AD direct control over fundraising priorities and aligns development closely with athletic operations. Some report to the university's Vice President for Advancement, which integrates athletic fundraising into the broader institutional advancement enterprise and can produce coordinated donor management across athletic and academic priorities. Some operate under a dual reporting structure, with administrative authority through the athletic department and dotted-line accountability to the university advancement office (Bass et al., 2015). Each structure carries strategic implications that institutional leaders should weigh deliberately rather than inherit by default.

The three reporting configurations produce different operational consequences that practitioners must understand. Direct Athletic Director reporting tends to produce stronger alignment with athletic priorities but can isolate athletic fundraising from the broader university donor pool, missing opportunities to cultivate donors whose primary affinity is academic. Advancement reporting produces stronger coordination across the institution but can create tension when athletic and academic fundraising goals compete for the same donors and the same staff attention. The dual model attempts to capture the benefits of both approaches but requires sophisticated management to prevent fragmentation, role confusion, and duplicated effort. Huml and Cintron (2021) examined how athletic fundraising managers identify, prioritize, and manage stakeholders within college athletics, finding that the

reporting structure significantly shapes how status-based donor management practices function in real institutional contexts.

## **The Development Funnel and Moves Management**

Development professionals organize their work around a conceptual model called the development funnel, sometimes also described as the donor cultivation cycle. The funnel describes the process by which a development office moves a prospective donor through identification, qualification, cultivation, solicitation, and stewardship. The model is widely taught in advancement training programs and embedded in nearly every donor management software platform used in higher education today. Lin et al. (2019) extended the standard funnel into a nine-stage major gifts management model that adds definition, development of strategy, negotiation, and acknowledgment as discrete stages, reflecting the more granular work involved in seven-figure gift cultivation. The five-stage version of the funnel is widely used in practice and provides a useful starting framework for graduate students entering the field, while the nine-stage version offers more precision for the cultivation of the largest gifts.

### ***Identification***

Identification is the process of finding prospective donors and adding them to the institution's active prospect pool. In athletic fundraising contexts, the prospect pool typically begins with the ticket-holder file, season ticket purchasers, premium seating customers, and former student-athletes. Most athletic development offices supplement this internal data with commercial wealth screening services that flag prospects with capacity to make large gifts based on observable wealth indicators. Lindley (2015) documented the impact of data-driven prospect identification in the major gift context, showing that integrating wealth screening with internal behavioral data produces substantially better pipeline outcomes than either approach in isolation. The identification function increasingly involves analytical work that combines

multiple data sources to surface prospects who would not appear through any single channel.

### ***Qualification***

Qualification is the act of confirming whether an identified prospect has both the capacity and the inclination to make a meaningful gift to the institution. A wealth screen can suggest financial capacity, but it cannot confirm interest, willingness, or alignment with the athletic department's mission. Qualification typically involves discovery visits and conversations that test whether a prospect is worth investing further cultivation time in. The visits often occur in donors' homes, at games, or at neutral locations chosen to minimize pressure on the prospect during the conversation. Lin et al. (2019) emphasized that qualification represents an underused stage in many development programs, with officers sometimes skipping it and moving directly from identification to cultivation only to discover months later that the prospect lacked either the capacity or the interest the original screening had suggested.

### ***Cultivation***

Cultivation is the longest phase of the funnel and refers to the deliberate process of deepening a prospect's relationship with the athletic department over months or years. Cultivation activities include personal meetings with development officers and senior athletic department leadership, behind-the-scenes access events, locker room tours, meetings with coaches and student-athletes, and information sessions about specific funding priorities. The goal of cultivation is to bring the prospect to a state of readiness in which a solicitation can succeed at the appropriate gift level. McAlexander and Koenig (2012) studied how cultivation activities build communities of philanthropy in higher education contexts, finding that the most effective cultivation programs combine individual relationship building with community-building activities that connect donors to one another as well as to the institution. The community dimension of cultivation distinguishes effective programs from purely

transactional approaches that focus only on the individual donor's giving capacity.

### ***Solicitation***

Solicitation is the actual ask, the moment when the development officer or a peer volunteer asks the prospect for a specific gift at a specific level for a specific purpose. After a prospect has been identified, qualified, and cultivated through the preceding stages, the solicitation typically occurs in a single conversation that may be quite brief relative to the months of preparation that preceded it. The success of the solicitation depends heavily on the quality of the preceding cultivation work, on the appropriateness of the gift level requested relative to the donor's capacity, and on the strategic match between the proposed gift purpose and the donor's interests. Stinson and Howard (2010) observed that solicitation effectiveness varies substantially across athletic donor segments, with donors whose primary motivations are identity-based responding differently to solicitation language than donors whose motivations are more instrumentally focused on access and recognition.

### ***Stewardship***

Stewardship begins the moment a gift is received and continues for as long as the donor remains connected to the institution. It includes the immediate acknowledgment of the gift through personal communication, the ongoing reporting on how the funds were used, the recognition of the donor through naming opportunities or honor rolls, and the continued engagement that keeps the donor connected to the institution over time. Effective stewardship is the foundation of all future gifts from the same donor, and Chapter 13 of this textbook addresses the topic in greater depth. Taylor and Miller-Stevens (2018) found that relationship satisfaction and identity salience together explain a significant proportion of the variance in repeat charitable giving, providing empirical support for the practitioner intuition that stewardship quality predicts donor retention more reliably than gift recognition alone.

**MOVES MANAGEMENT**

*David Dunlop of Cornell University coined the term 'moves management' in the 1970s to describe the deliberate sequence of cultivation actions that advance a prospect from initial identification toward solicitation. Each interaction with a prospect is a 'move,' and the discipline of moves management requires that every move have a strategic purpose, an owner, and an expected outcome that advances the relationship. Lin et al. (2019) integrated moves management concepts into their nine-stage major gifts model and emphasized the importance of disciplined documentation in donor management systems.*

## Why Sport Development Is Different

Although the development funnel applies broadly across the nonprofit sector, several features of athletic philanthropy distinguish it from giving to other causes. Sport management graduate students should understand these distinguishing features early in their preparation, because the features shape every other concept in this textbook and the daily work of every athletic development professional. The differences are not merely stylistic but operational, affecting how programs identify prospects, structure solicitations, handle compliance, and steward existing donors. Understanding the distinctive features prepares graduate students to navigate the regulatory, ethical, and strategic complexity that the field requires of its practitioners.

First, athletic donors are often emotionally invested in the institution in ways that donors to hospitals or museums typically are not. Shapiro and Ridinger (2011) found that fan identification with a team translates directly into philanthropic intent, with the strongest givers to athletic programs often being the most emotionally engaged fans of the team. This emotional dimension creates both opportunities and risks for development offices that

must be managed deliberately rather than passively accepted. The opportunities include donors who give for love rather than for purely instrumental reasons, producing relationship durability that purely transactional giving cannot match. The risks include donors whose relationships with the institution sour when on-field performance declines, when coaches the donors admired leave, or when the institution makes strategic decisions the donors oppose.

Second, athletic fundraising operates within a unique compliance environment unlike that of any other sector of nonprofit philanthropy. NCAA bylaws restrict how boosters and donors can interact with recruits and current student-athletes, and violations can produce institutional sanctions that no other charitable sector faces. Huml et al. (2020) examined the specific compliance pressures created by Title IX in athletic fundraising contexts, documenting how development professionals navigate the requirement for gender equity in resource distribution while honoring donor preferences that often favor men's revenue sports. Marx et al. (2023) extended this analysis by examining what happens to athletic department budgets when programs eliminate men's sports, finding that resources reallocated from cut programs typically flow to existing men's basketball and football programs rather than to women's athletics. Chapter 14 of this textbook addresses compliance considerations in depth, but graduate students should understand from the outset that athletic development is substantially more legally constrained than general nonprofit fundraising.

Third, athletic giving exists in tension with academic giving inside the same institution, creating a perennial challenge for university advancement leadership. Donors who write checks for football stadium expansion may not write equivalent checks for a new library or academic building, and university advancement leaders have to manage the perception (and sometimes the reality) that athletic priorities crowd out academic ones. Bass et al. (2015) examined this tension in detail in their comprehensive analysis of the entangled relationship between athletic and academic fundraising, noting that the tension shapes how development offices structure their solicitation

strategies and how senior administrators allocate their personal cultivation time across competing institutional priorities. The tension is not resolvable through any single organizational design choice; it requires ongoing management through deliberate strategy.

Finally, sport-sector fundraising is undergoing rapid transformation due to NIL collectives, the House v. NCAA settlement, and the emergence of revenue sharing between institutions and student-athletes that begins in earnest in the 2025-26 academic year. Morton and Pastore (2019) anticipated many of these shifts in their examination of present trends and predictions for the future of intercollegiate athletics, observing that traditional development models would be tested by the entry of new revenue-generating mechanisms outside the institution's direct control. The intervening years have validated their predictions in substantial ways, with several institutions reporting compressed traditional fundraising results during periods of intense collective fundraising activity. Graduate students entering the field today must understand both the traditional foundation of athletic fundraising and the new dynamics reshaping it. The chapters that follow are organized to provide both perspectives in proportions appropriate to the contemporary practice of the field.

## **Chapter Summary**

Fundraising, development, and advancement are related but distinct concepts that describe progressively broader scopes of philanthropic work in sport organizations. Development revenue represents one of three revenue legs in modern athletic departments, alongside media revenue and earned revenue, with the three legs interacting in ways that have measurable consequences for institutional financial stability. The athletic development office traces its origins to early twentieth century booster organizations but has professionalized substantially over the past four decades through the hiring of dedicated development professionals and the scaling of capital campaigns to multi-hundred-million-dollar levels. Every athletic development office, regardless of size, organizes its work around the development funnel of identification, qualification, cultivation, solicitation, and stewardship, with the

nine-stage extended model providing additional granularity for major gift work. Sport-sector fundraising shares much in common with general nonprofit fundraising but differs in important ways that shape practice: emotional donor identification with the institution, NCAA compliance constraints, persistent tension with academic fundraising, and the contemporary pressures of NIL and revenue sharing that continue to reshape the field. Graduate students who master these foundational concepts will be prepared to engage with the more specialized topics addressed in the chapters that follow.

## **Discussion Questions**

1. How would you explain the difference between fundraising, development, and advancement to a new athletic department employee on their first day on the job, using examples specific to athletic contexts rather than general nonprofit framing?
2. Which of the three revenue legs (media, earned, or development) is most volatile for a Group of Five athletic program, and how should that volatility shape the development office's strategy across the next five years?
3. Consider the reporting structure debate in your own institution or one you are familiar with. Where does athletic development report, and what are the strategic consequences of that choice for daily operations and long-term institutional alignment?
4. Identify a sport organization outside of intercollegiate athletics, such as a professional team foundation, a national governing body, or an amateur sport organization. How does the development funnel apply differently in that context, and what are the implications for staff specialization?
5. Sport-sector fundraising is undergoing a significant transformation through NIL collectives and revenue sharing. Which of the changes described in this chapter do you think will most reshape the work of

athletic development professionals over the next decade, and what skills should current graduate students develop in response?

## Applied Assignment

Select one Division I, one Division II, and one Division III athletic department. Research each program's development or advancement office. In a structured analysis, address the following: how each office is staffed and resourced, what fundraising goals or campaign totals each has publicized in the last three years, how the development function reports up the organization (Athletic Director, University Advancement, or dual reporting), and what strategic implications follow from each model. Conclude with a recommendation for which model best serves a sport organization of fewer than 250 student-athletes.

## Key Terms

The terms below appear throughout the chapter and the broader textbook. Each term is defined briefly here for reference; readers should consult the relevant section of the chapter for fuller treatment in context.

**Advancement.** The integrated function of development, alumni relations, communications, and marketing under one organizational umbrella is typically led by a senior executive at the vice president level.

**Annual Fund.** A development program that solicits recurring annual gifts from a broad donor base, typically tied to ticket benefits through priority point systems.

**Booster Club.** An organized group of athletic supporters, often operating as a 501(c)(3) entity, that raises funds for an athletic program and operates adjacent to the affiliated institution.

**Cultivation.** The deliberate process of deepening a prospect's relationship with an organization over time, typically through structured engagement opportunities and personal communication.

**Development.** The broad set of activities including identification, cultivation, solicitation, and stewardship that produce philanthropic revenue for an organization.

**Development Funnel.** The conceptual model that organizes donor work into identification, qualification, cultivation, solicitation, and stewardship phases.

**Earned Revenue.** Income generated from direct commercial activity inside the athletic department, including ticket sales, premium seating, concessions, and commercial sponsorship.

**Fundraising.** The act of soliciting and receiving philanthropic contributions, representing the tactical work of asking for gifts and processing the resulting contributions.

**Major Gift.** A substantial individual gift, generally defined as twenty-five thousand dollars or above in athletic fundraising contexts, requiring personal cultivation by a development officer.

**Media Revenue.** Income from television rights fees, streaming rights, radio agreements, and digital distribution, often the largest single revenue category at Power Four athletic departments.

**Moves Management.** The discipline of organizing deliberate cultivation actions that advance a prospect through the development funnel toward solicitation.

**Planned Gift.** A gift commitment made through a will, trust, or other estate-based vehicle, typically realized at or after the donor's death.

**Priority Point System.** A structured scoring mechanism that translates donor history and giving levels into rankings used to allocate scarce access benefits such as premium seating and parking.

**Prospect.** An individual or organization identified as having capacity and potential interest in making a gift to the institution.

**Stewardship.** The ongoing recognition, reporting, and engagement provided to existing donors to support continued giving and institutional relationships.

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# Donor Motivation in Sport Contexts

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If Chapter 1 introduced the structures of sport development, this chapter introduces the people who keep those structures running. Donor motivation is the foundation on which every fundraising program rests, and understanding why people give to sport organizations is the precondition for asking them to do so effectively. A development officer who does not understand donor motivation is reduced to guessing about gift size, timing, and recognition preferences, whereas an officer who understands donor motivation can design cultivation strategies that align with what each donor segment actually wants from the relationship. The chapter is therefore the most theoretically demanding in the textbook, since the concepts introduced here recur in every subsequent chapter on annual giving, major gifts, planned giving, corporate partnerships, and stewardship.

The motivation literature in sport philanthropy draws on three primary theoretical traditions, each developed initially in adjacent fields before being adapted to athletic contexts. The first tradition is identity theory, which holds that individuals act in ways consistent with the identities most salient to them in a given context. The second tradition is social exchange theory, which posits that donors weigh perceived benefits against perceived costs and give when the balance is favorable. The third tradition is the broader nonprofit donor motivation scholarship, which examines intrinsic and extrinsic motives, warm-glow effects, and the increasingly sophisticated experimental work on what actually drives giving decisions. This chapter introduces each tradition, applies them to the practical work of segmenting an athletic donor base, and concludes

with the design of differentiated cultivation strategies that translate motivation theory into operational practice.

## Learning Objectives

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Distinguish identity theory, social exchange theory, and intrinsic motivation theories as applied to athletic philanthropy, and identify situations in which each framework offers the strongest explanatory value.
2. Explain how fan identification operates as the dominant motivational construct in sport-specific donor research, including its empirical relationships to gift frequency and gift size.
3. Apply the concept of motivational crowding out to athletic recognition programs and evaluate the risk that extrinsic incentives may undermine intrinsic motivation.
4. Develop donor personas that combine demographic, psychographic, and behavioral data into actionable cultivation profiles.
5. Analyze how generational donor differences are reshaping athletic fundraising practice and propose adaptation strategies for development offices designed around older donor patterns.
6. Design a differentiated cultivation strategy across two contrasting donor personas, including channel selection, message tailoring, and recognition design.

## Why Sport Donors Are Different

People who give to athletic programs are often the same people who give to hospitals, museums, and religious organizations, drawing from a finite pool

of personal philanthropic capacity that each donor allocates across causes. Yet their giving behavior in the athletic context differs in ways that matter for development practice, and these differences are documented across two decades of peer-reviewed scholarship. Shapiro and Ridinger (2011) produced one of the foundational empirical studies in this area, finding that donor involvement, defined as the depth of personal connection a donor feels to a program, predicts both gift frequency and gift size in college athletics. A donor who attends every home game and follows the team year-round behaves differently than a donor with comparable wealth and no emotional investment, and the two donors require fundamentally different cultivation strategies.

Hwang et al. (2020) extended this finding by showing that fan-athletic department identification mediates the relationship between corporate social responsibility communications and online donation intentions. Their structural equation modeling work demonstrated empirically that emotional identification with the team is the channel through which other variables such as information quality, satisfaction, and university attachment translate into actual giving behavior. The practical implication is direct: development offices that strengthen fan identification through accessible programming, transparent communication, and community-building events produce more donors and larger gifts. The finding also reinforces a recurring theme of this textbook, which is that what looks like emotional appeal in development work is often grounded in measurable psychological mechanisms that operate predictably across donor populations.

Kim et al. (2019) examined motivation patterns among NCAA Division II donors specifically and identified meaningful differences from the more frequently studied Division I context. Division II donors were more likely to cite community connection and student-athlete welfare as primary motivations, while Division I donors more often cited tickets, access, and championship aspirations. The finding underscores that sport donor motivation varies meaningfully by competitive level and institutional context, and that development strategies imported wholesale from Power Four programs may underperform at programs with different donor compositions. Park et al.

(2016) added further nuance by examining whether contribution level itself moderates donor motivation in college sport contexts, finding that higher-tier donors weigh motivational factors differently than lower-tier donors and that one-size-fits-all messaging therefore underperforms tiered approaches.

Beyond intercollegiate athletics, sport donor motivation also operates in distinctive ways at charity sport events such as charity runs, cycling events, and triathlons. Filo et al. (2020) studied donors who support participants in charity sports events and found that the donor motivation profile in this context differs from both general nonprofit giving and traditional athletic department giving. Their work identified the social relationship between donor and participant as the central motivational variable, with donors giving as much to support the participant they know as to support the cause itself. The finding has practical implications for any sport development office considering peer-to-peer fundraising programs of the kind addressed in Chapter 12, since those programs need to leverage personal relationships rather than purely cause-based appeals.

## **Identity Theory and Sport Giving**

Identity theory holds that individuals act in ways consistent with the identities most salient to them in a given context. Applied to sport philanthropy, the theory predicts that donors give to programs with which they identify strongly, and that the strength of identification predicts the magnitude of giving (Shapiro & Ridinger, 2011). This is the academic foundation behind the practitioner intuition that emotionally invested fans make the best major gift prospects, but the theory is more precise than the intuition and yields specific predictions about when identification will and will not translate into giving. Kessler and Milkman (2018) provided some of the strongest empirical support for identity-based fundraising in their American Red Cross field experiments, showing that priming specific facets of donor identity, such as previous donor or local community member, significantly increased giving rates relative to control conditions.

Identity-based motivation operates at three levels in sport contexts, each with distinctive implications for development strategy. At the team level, donors identify with a specific program such as the Tennessee Volunteers or the Notre Dame Fighting Irish, and give in proportion to that identification. At the institutional level, donors identify with the broader university and give to athletics as one expression of that institutional loyalty rather than as their primary affinity. At the personal level, donors identify with the role of athletic supporter or booster as part of their own self-concept and give because doing so reinforces who they understand themselves to be. Shang (2019) extended identity theory into a six-self framework that distinguishes the me-self, the I-self, the meta-self, and three additional dimensions, providing development practitioners with a more refined vocabulary for understanding how identity processes shape giving decisions.

Merten et al. (2023) studied fan identification in professional football and documented an important shift in the contemporary identification landscape. Their analysis of more than four thousand international respondents found that team identification remains stronger than player identification in most cases, but that the relationship between favorite team and favorite player significantly moderates both measures. The finding has direct implications for sport development in the NIL era, since student-athletes who build their own followings can divert identification away from the institution that traditionally captured it. Burton et al. (2019) added a complementary perspective by studying expatriate fan identification and found that national and ethnic identities shape fan motivation in ways that purely commercial frameworks underestimate, with practical implications for athletic programs seeking to cultivate international donor populations.

Development professionals can map donor identification at all three levels and use that map to inform cultivation strategy. A donor whose primary identification is with a specific coach or player presents different opportunities and risks than a donor whose primary identification is with the institution itself, and the difference shapes everything from how the donor is solicited to how the donor will react to coaching changes or NIL collective competition.

The former donor is vulnerable to disruption when staff turnover occurs, while the latter is more durable but also more diffuse and harder to mobilize around specific giving asks. Sophisticated development offices use brief identification surveys during qualification visits to assess where each donor sits across the three levels, then adapt subsequent moves management accordingly.

### IDENTITY AT WORK

*The most reliable major gift prospects in college athletics are donors whose identification with the program is multi-layered: they were students there, their children attended, they have donated for decades, and they attend games regularly. These donors give for reasons rooted in who they are, which makes their giving relatively immune to short-term performance fluctuations or staff changes. Programs that build these multi-layered identifications systematically through alumni engagement, family programming, and long tenure recognition will sustain stronger donor pipelines than programs that rely on transactional appeals to fan emotion alone.*

## Social Exchange Theory

Social exchange theory provides a second lens for understanding sport donor behavior and reflects a fundamentally different theoretical commitment than identity theory. The theory posits that donors weigh perceived benefits against perceived costs and give when the balance is favorable, treating giving as a quasi-rational calculation rather than a purely emotional act. The framework is particularly useful in athletic contexts because much sport giving is structured around explicit exchange: priority point programs provide access to seats and parking in exchange for charitable contributions, suggesting that some athletic giving is closer to a quasi-market transaction than to pure philanthropy (Walker & Jones, 2021). The framework does not replace identity

theory but complements it, since most actual giving decisions involve both identity considerations and exchange considerations operating simultaneously.

Hwang et al. (2020) applied social exchange theory to college athletic giving and found that perceived quality of CSR communications functions as a benefit that donors weigh in their giving decisions. Donors who perceive their institutions as transparent and socially responsible are more willing to give, holding other factors constant, and the perception itself is malleable through deliberate communications strategy. The finding supports the practical advice that development offices should invest in donor-facing communications about how funds are used, not just appeals for new gifts. It also undercuts the common practitioner assumption that donors care only about athletic success, since the empirical evidence shows that perceived institutional values shape giving independently of on-field results.

Popp et al. (2022) examined a different exchange dimension by analyzing the effect of minimum gift requirements on the number of donors at the lowest reward tier in Division I athletics. They found that the price point of entry into the donor program, along with the size of the fundraising staff, explained more than twenty percent of the variance in donor count after controlling for athletic success and conference affiliation. The implication is that exchange dynamics matter at the program design level: setting the price of access too high reduces the number of donors, while setting it too low fails to generate per-donor revenue and may signal that access itself is unimportant. Mayer et al. (2023) studied a related premium seating exchange by examining the purchase motivations of suite and club seating donors at Division I football programs, finding that these high-tier exchange-driven donors weigh different motivational factors than annual fund donors, including business entertainment value and social signaling alongside team identification.

## **Intrinsic Motivation and the Crowding-Out Problem**

The third theoretical tradition in donor motivation research focuses on intrinsic versus extrinsic motives and the conditions under which the two interact in counterintuitive ways. Intrinsic motivation refers to giving driven by internal satisfactions such as altruism, warm glow, identity affirmation, or moral conviction. Extrinsic motivation refers to giving driven by external incentives such as tax deductions, recognition, access benefits, or thank-you gifts. The two categories were originally treated as additive, with each form of motivation independently contributing to giving behavior, but a substantial empirical literature has shown that they sometimes interact in ways that undermine total giving rather than reinforcing it.

Chao (2017) provided some of the most striking field experimental evidence for this phenomenon in the context of charitable thank-you gifts. The study, conducted in collaboration with a public radio nonprofit, found that offering thank-you gifts in exchange for donations reduced donation rates among the donors most likely to have strong intrinsic motivation. The mechanism appears to operate through attention: when gift offers become salient, donors shift their mental processing from intrinsic to extrinsic considerations, diluting the motivational power of the intrinsic factors that previously drove their giving. The finding has direct practical implications for athletic development offices that routinely offer thank-you gifts in their annual fund solicitations, since the gifts may produce lower total revenue than no-gift appeals for the highest-intrinsic-motivation donor segments.

Müller and Rau (2020) reached complementary conclusions from laboratory experiments showing that subjects with high intrinsic motivation reduce their donations after receiving financial reimbursements, whereas subjects with low intrinsic motivation show no such reduction. Their results emphasize that policy measures that encourage donations through financial incentives are affected by motivational crowding out, and that the effect depends critically on individual donor heterogeneity in intrinsic motivation. Luo and Gao (2022) specifically studied donor recognition and found that the effect of recognition on giving depends on whether recognition is voluntary, involuntary, or mandatory, with no single recognition strategy outperforming

the others across all donor types and fundraising contexts. The implication for athletic development practice is that recognition program design choices that seem trivial, such as whether donor names appear automatically on donor walls or only with donor consent, can produce material differences in giving outcomes.

**THE RECOGNITION PARADOX**

*Athletic development offices invest substantial resources in donor recognition, often on the assumption that more visible recognition produces more giving. The empirical evidence shows that recognition effects are conditional rather than uniformly positive. Donors with high intrinsic motivation may give less when recognition becomes salient because the recognition signals an extrinsic motive that displaces their intrinsic motives. Practitioners should design recognition programs that let donors opt in to public recognition rather than imposing it by default, and should consider segmenting recognition strategies by donor segment rather than applying uniform approaches.*

## **Generational Differences in Sport Giving**

Sport development professionals increasingly recognize that donor generations behave differently, affecting program design at every level. Baby Boomer donors, currently the largest source of major gifts in college athletics, are entering their wealth-transfer years and represent both the immediate major-gift pipeline and the largest planned-giving opportunity over the next two decades. Generation X donors, now in their peak earning years, are entering major gift capacity but typically give in more transactional ways than their parents, expecting demonstrable impact reporting and program transparency that earlier generations did not require. Wanless et al. (2018) applied survival analysis modeling to intercollegiate athletic donors and

quantified how the duration of donor relationships varies meaningfully across age cohorts, with implications for retention strategy across the full age distribution of any program's donor base.

Millennial donors have entered the donor universe but behave differently from older cohorts, challenging traditional athletic development infrastructure. They give in smaller amounts, give more frequently to causes rather than to institutions, and prefer digital channels for both giving and stewardship (Bogina & Gordon, 2022). Athletic development offices that have built their programs around mail appeals and event-based cultivation must adapt their methods to engage this generation effectively, and the adaptation is operationally substantial rather than cosmetic. The shift requires investment in mobile-optimized giving forms, social media engagement capabilities, and impact-reporting formats that translate institutional accomplishments into the personal-impact frames that younger donors respond to.

Bogina and Gordon (2022) studied student-donor membership programs specifically and identified five factors that predict success: structure, benefits, membership fee, communication, and branding. Their interviews with development professionals at Power Four athletic departments showed that programs designed around generational preferences, including lower price points, experience-based benefits, and mobile-first communication, successfully built giving habits among current students that translated into donor pipeline value after graduation. The finding suggests that engaging Millennial and Gen Z donors is not a future problem to be addressed when those cohorts reach traditional giving capacity, but rather a current opportunity to be addressed through deliberate student-donor program design. Yazıcı and Koçak (2024) added an international dimension to this generational analysis by examining serious leisure, motivation, experience value, and behavioral intentions among participants in charity sports events, documenting how younger donor cohorts increasingly seek experiential value alongside or instead of purely financial transactions.

## From Theory to Practice

Translating motivation theory into practice requires segmentation, and most athletic development offices organize donors into personas that combine demographic information, giving history, motivation type, and engagement preferences. A well-constructed persona allows the development office to tailor solicitation language, recognition formats, and stewardship touchpoints to the specific donor type, rather than applying uniform approaches that underserve donors at the margins of the segmentation. The persona development process is iterative and depends on data quality, since personas grounded in informal staff intuition tend to perform less reliably than personas validated against actual giving behavior across multiple years.

Common athletic donor personas include the lifelong fan whose primary motivation is identity-based, the alumni-athlete who played for the program and whose motivation combines identity with reciprocity, the corporate executive who uses athletics for business entertainment and whose motivation is partly exchange-based, the parent of a current or former student-athlete whose motivation is family-anchored, and the legacy giver whose primary motivation is to honor a deceased family member or mentor. Each persona maps to different motivation theories, gift capacity ranges, and engagement preferences (Kim et al., 2019). The five personas are not exhaustive, and most actual donor populations include additional segments, but the basic five provide a useful starting structure for any development office building a segmentation strategy from the ground up.

The work of developing personas is iterative and depends on data infrastructure that many programs lack. Most development offices begin with informal categories based on staff intuition, then refine those categories through data analysis as their donor management systems mature and their analytics capacity grows. The most sophisticated programs validate their personas against actual giving behavior over multi-year periods, confirming that the categories predict giving outcomes rather than merely describing donor characteristics (Lindley, 2015). Esterzon et al. (2023) extended persona-

based thinking to the design of fundraising appeals, showing through a large field experiment that allowing donors to target their gifts to specific projects substantially increased fundraising revenue, with the effects strongest among the donor segments their causal forest analysis identified as most responsive to agency-enhancing interventions.

Hickman (2015) examined a specific application of persona-based thinking by studying how fan identification, purchase intentions, and sponsorship awareness jointly affect the share of wallet that sponsors capture from fans across multiple product categories. The work documented substantial variability across categories, illustrating that sponsors do not uniformly benefit from highly identified fans and that the same persona-based logic that informs donor cultivation also informs corporate sponsorship valuation. Larkin et al. (2020) provided a related contribution by examining how fantasy sport participation and fan identification interact to affect perceptions of individual athletes, with implications for how athletic departments think about athlete-specific donor personas in the NIL era. The cross-pollination between fan research and donor research is one of the most productive developments in contemporary sport management scholarship, and graduate students entering the field should expect to draw from both literatures throughout their careers.

## **Chapter Summary**

Donor motivation in sport contexts draws on three theoretical traditions that complement rather than replace one another in explanatory power. Identity theory predicts that fan identification with athletic programs determines both giving propensity and gift size, and the strongest sport donors typically hold multi-layered identifications with team, institution, and donor role simultaneously. Social exchange theory explains the priority point structures that organize most athletic annual fund programs, with donors weighing access benefits against gift costs and program design choices materially affecting donor counts at the entry tier. Intrinsic motivation research has documented crowding-out effects through which extrinsic incentives such as thank-you

gifts and recognition can reduce giving among donors with strong intrinsic motives, with substantial implications for how athletic development offices design their recognition programs. Generational differences are reshaping the field as Boomer donors age and Millennial donors enter the pipeline through new digital and student-focused giving programs that require operational adaptation. Translating motivation theory into practice requires deliberate persona development that combines demographic, psychographic, and behavioral data, and the most sophisticated programs validate their personas against multi-year giving outcomes rather than relying on informal categorization alone.

## **Discussion Questions**

1. Consider an athletic donor you know personally or have read about in detail. Which motivation theory best explains their giving behavior, and what specific evidence from their giving history supports your interpretation?
2. Priority point programs operate on social exchange logic that treats philanthropy as a quasi-market transaction. What are the practical and ethical implications of structuring philanthropy as an exchange relationship, and how should development offices discuss this with donors who view themselves as primarily charitable rather than transactional?
3. Generational donor turnover is a recurring topic in this chapter and across athletic development practice. How should a development office balance investment in current Boomer major gift prospects against investment in Millennial pipeline development, given that staff capacity is finite?
4. Identity-based donors are vulnerable when their primary identification is disrupted because a coach leaves or a player they admired graduates. How can development offices mitigate this risk through deliberate cultivation choices that strengthen institutional identification?

5. The crowding-out evidence reviewed in this chapter suggests that some athletic recognition programs may reduce rather than increase giving among high-intrinsic-motivation donors. How would you design a recognition program that captures the benefits of recognition without triggering crowding-out effects?
6. Donor personas are useful for cultivation strategy but also potentially reductive when applied to individual donors. What are the risks of over-segmenting a donor base into categorical personas, and how can development offices balance segmentation against the recognition of individual variation within each segment?

## Applied Assignment

Develop two detailed donor personas for a Division I athletic program of your choice. Each persona should include demographics, psychographics, primary motivations for giving, preferred recognition style, communication preferences, and likely gift capacity range. Ground each persona in at least one peer-reviewed motivation theory from this week's readings, citing the specific source that informs your characterization. Then write a cultivation strategy explaining how a development officer's approach should differ between the two personas across a twelve-month cultivation cycle, including specific touchpoint types, frequency, channel mix, and recognition design.

## Key Terms

The terms below appear throughout the chapter. Each is briefly defined here for reference; readers should consult the relevant section of the chapter for fuller treatment in context.

**Crowding Out.** The phenomenon by which extrinsic incentives reduce intrinsic motivation to perform an activity, including charitable giving, particularly among individuals with high baseline intrinsic motivation.

**Donor Persona.** A composite profile describing a category of donors based on demographics, psychographics, motivations, and observed giving behavior, used to inform cultivation strategy.

**Extrinsic Motivation.** Motivation driven by external rewards or incentives such as tax deductions, recognition, access benefits, or thank-you gifts.

**Fan Identification.** The strength of an individual's psychological connection to a specific sport team or program, operating at team, institutional, and personal levels.

**Identity Theory.** A theoretical framework holding that individuals act in ways consistent with the identities most salient to them in a given context.

**Intrinsic Motivation.** Motivation driven by internal satisfactions such as altruism, identity affirmation, warm glow, or moral conviction, independent of external rewards.

**Major Gift Prospect.** A donor identified as having both the capacity and the inclination to make a substantial gift, typically requiring personal cultivation by a development officer.

**Priority Point System.** A scoring mechanism that translates donor history and giving levels into rankings used to allocate scarce athletic access benefits such as premium seating and parking.

**Recognition Program.** A structured system of donor acknowledgment that may include named gift opportunities, honor rolls, plaques, and event-based recognition, designed to reinforce donor relationships and stimulate continued giving.

**Social Exchange Theory.** A theoretical framework holding that individuals weigh perceived benefits against perceived costs in decisions including charitable giving, treating giving as a quasi-rational calculation.

**Warm Glow.** The internal psychological reward an individual experiences from the act of giving itself, independent of the recipient's outcome or any external recognition.

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# Annual Giving Programs in Athletic Departments

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The annual fund is the workhorse of athletic development. It is the program that produces recurring revenue year after year, that maintains active relationships with the broadest base of donors, and that serves as the on-ramp for prospective major gift prospects who will eventually contribute the largest individual gifts. Every athletic department in NCAA Division I operates some version of an annual giving program, and the design choices that shape those programs have direct consequences for revenue, donor count, and pipeline development across multi-year horizons. Graduate students preparing for careers in athletic development should master the annual fund function early, since virtually every entry-level position in the field will involve some component of annual giving work.

This chapter examines the structure of athletic annual giving programs with particular attention to priority point systems, the dominant mechanism through which Division I programs organize donor benefits and incentivize giving behavior. It then addresses the operational impact of the 2017 Tax Cuts and Jobs Act on athletic giving, the design tradeoffs facing any program redesign effort, and the operational mechanics of running a successful annual fund cycle across the calendar year. The chapter concludes with an analysis of how annual fund work feeds into the major gift pipeline examined in detail in Chapter 4, since integrating these two functions distinguishes high-performing development offices from programs that treat them as separate operations.

## Learning Objectives

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Explain the structure and historical evolution of priority point systems and the role they play in organizing athletic annual fund programs.
2. Analyze the 2017 Tax Cuts and Jobs Act and its impact on athletic giving deduction structures, and evaluate how programs have adapted in the years since the change took effect.
3. Identify the operational components of an annual fund cycle including renewal, acquisition, and lapsed-donor recovery, and describe the staffing implications of each component.
4. Apply channel strategy concepts to design a multichannel annual fund solicitation campaign appropriate to a specified donor segment.
5. Explain how annual fund programs feed the major gift pipeline through prospect identification and qualification, and articulate the organizational arrangements that support effective handoffs between the two functions.

## Priority Point Systems

Priority point systems are scoring mechanisms that translate donor history, giving level, and other variables into a numerical score that determines access to scarce benefits such as football seat locations, basketball season tickets, and parking spaces. The systems function as both a fundraising tool and a benefit distribution mechanism, and their design choices reflect strategic decisions about which donor behaviors the program wants to reward and which it wants to discourage. Stinson and Howard (2010) traced the historical development of these systems in their exploratory donor-based analysis of intercollegiate athletics as an institutional fundraising tool, documenting how priority point systems evolved from informal seat allocation practices into the sophisticated

scoring mechanisms that now organize Division I athletic annual fund operations. The systems represent one of the most distinctive features of American athletic philanthropy and have no direct parallel in other categories of nonprofit fundraising.

The IPTAY program at Clemson University, founded in 1934 and substantially professionalized in the postwar period, is generally credited with being the model for the modern priority point system (Stinson & Howard, 2010). The acronym originally stood for “I Pay Ten A Year,” reflecting the 1934 membership fee of ten dollars annually that early supporters contributed to support the football program through the Great Depression. IPTAY has since raised more than one billion dollars in cumulative giving and serves as the template that nearly every Division I priority point system follows in structure, if not in scale. The historical longevity of the IPTAY model is itself evidence that the priority point structure works for both donors and institutions, since donor and institutional interests align around the basic exchange logic the system embodies.

Modern priority point systems typically award points across five dimensions that capture different donor behaviors the program wants to incentivize. First, cumulative giving history rewards donors for total lifetime giving to the program, locking in long-tenured donors but creating barriers for new donors who can never catch up to the longest-tenured tier. Second, current-year giving rewards donors for their most recent contribution amount, incentivizing annual renewal but potentially devaluing historical loyalty. Third, consecutive years of giving rewards donor retention specifically, distinguishing donors who give every year from donors with comparable lifetime totals who give sporadically. Fourth, varsity letter status awards points to former student-athletes, recognizing their contribution to program history while introducing a category that some non-athlete alumni view as unfair. Fifth, additional categories such as alumni status, season ticket purchases, or specific gift designations award points for behaviors the program wants to encourage, with the specific weighting reflecting strategic priorities.

### *Design Tradeoffs*

Priority point system design involves explicit tradeoffs that any redesign effort must navigate carefully. Rewarding cumulative giving locks in long-tenured donors but creates barriers for new donors who can never catch up to the longest-tenured tier, potentially limiting the program's ability to grow its donor base over time. Rewarding current-year giving incentivizes annual renewal but devalues historical loyalty, creating risk that long-time donors will feel undervalued and reduce their giving in response. Rewarding varsity letter status rewards alumni-athletes but introduces a category of recognition that some donors view as unfair to non-athlete alumni, particularly when the varsity letter weighting is sufficient to outrank substantial financial contributions. Hanson and Welty Peachey (2022) examined the operational challenges facing Division I and Division II athletic fundraising and noted that priority point system maintenance is one of the most labor-intensive tasks in the development office, requiring constant data updates, periodic recalibration, and significant donor relations effort to explain to confused or dissatisfied donors.

Walker and Jones (2021) examined donor behavior at intercollegiate athletic programs and found that the structural features of the priority point system materially affect whether prospects convert from non-donors into donors. Their case study work documented that programs with low entry-level price points and steep increasing returns to giving tend to attract many small donors but struggle to retain them at higher tiers, while programs with high entry prices and gentler curves grow more slowly but produce stronger per-donor revenue. The finding has direct implications for any athletic development office contemplating a system redesign, since the entry-tier pricing and curve steepness function as strategic levers that shape donor base composition in measurable ways. Huml et al. (2020) added a Title IX dimension to this analysis by documenting how priority point systems sometimes inadvertently produce gender-disparate access to benefits, with implications for institutional compliance with federal equity requirements that Chapter 14 addresses in detail.

## The 2017 Tax Reform Disruption

For decades, the federal tax code allowed donors to deduct eighty percent of contributions to college athletic programs even when those contributions were tied to ticket access, creating a structural feature of nearly every Division I priority point program. The eighty percent deduction allowed donors to characterize the vast majority of their seat-related giving as charitable for tax purposes, effectively subsidizing high-end giving and making upper-tier priority point participation attractive even to donors who valued the tickets primarily for personal use. The 2017 Tax Cuts and Jobs Act eliminated the deduction entirely, effective for tax years beginning in 2018, in what represented the most significant federal tax change affecting athletic fundraising in at least a generation.

The change forced development offices to redesign their annual fund value propositions in compressed time frames during the late 2017 and early 2018 period. Walker and Jones (2021) studied donor behavior before and after the tax change and found that some programs absorbed the loss with minimal disruption to giving totals, while others saw meaningful declines in mid-tier giving levels that translated into program-wide revenue compression. The variation was largely a function of how programs communicated the change to donors and how they restructured giving levels to maintain donor perception of value relative to the new tax environment. Programs that explained the change transparently and adjusted their messaging to emphasize program impact rather than tax benefits generally fared better than programs that attempted to preserve the previous structure unchanged.

The tax change also accelerated a longer-term trend toward decoupling giving from ticket access in some programs. A subset of athletic departments restructured their priority point programs to award points based on giving without explicit deduction-based pricing, treating the donation as fully charitable and the ticket access as a separate transaction with its own fair-market pricing (Huml et al., 2020). The approach simplified IRS compliance and produced clearer donor communications but reduced the implicit subsidy

that the previous structure had provided to high-end donors, with measurable consequences for upper-tier giving levels at programs that adopted the decoupled model. Popp et al. (2022) found in their empirical analysis that the size of the fundraising staff materially affects whether programs can manage the operational complexity of post-2017 priority point structures, with their hierarchical regression models showing that staffing explained substantial variance in donor count after controlling for athletic success and institutional factors.

**PRACTITIONER NOTE**

*When evaluating a priority point system, look at three things: the entry-level price for joining the program, the steepness of the curve between giving levels, and the recency weighting in the point formula. Programs with low entry prices and steep curves tend to grow donor count rapidly but struggle to retain donors at upper tiers because the curve makes upper-tier achievement feel unattainable. Programs with high entry prices and gentler curves grow more slowly but produce stronger per-donor revenue and tend to retain upper-tier donors more reliably.*

## Annual Fund Cycle Mechanics

Beyond the priority point structure, athletic annual funds operate on a predictable yearly cycle organized around the fiscal year, the sport calendar, and the donor renewal cycle. Most programs run their primary solicitation window in the summer months ahead of football season, with secondary cycles tied to basketball season in the late fall and to year-end giving in December. The summer solicitation window aligns with the period of peak fan enthusiasm before football season begins, when donors are most likely to renew their commitments and prospects are most likely to convert. The December year-end cycle leverages charitable giving patterns that operate across nonprofit

sectors generally, with donors making last-minute decisions to optimize their tax positions before the calendar year closes.

The cycle typically includes a renewal phase that asks existing donors to maintain or increase their giving, an acquisition phase that targets prospects identified through ticket files or external lists, and a lapsed-donor recovery phase that targets former donors who have stopped giving. Each phase requires distinctive messaging, channel mix, and operational support, and the staffing implications of running all three phases simultaneously are substantial. Popp et al. (2022) found that the size of the fundraising staff materially affects the number of donors a program can sustain, with their hierarchical regression models showing that staffing explained substantial variance in donor count after controlling for athletic success and institutional factors. Wanless et al. (2018) used survival analysis modeling to examine intercollegiate athletic donor relationships and quantified how donor retention rates vary across different segments and time horizons, providing empirical support for the practitioner observation that lapsed-donor recovery is substantially harder than new donor acquisition once a donor has been inactive for more than two years.

### ***Channel Strategy***

Annual fund solicitation occurs across multiple channels including direct mail, email, phone, peer-to-peer outreach, and in-person solicitation at events. The optimal channel mix depends on the donor segment being targeted and the gift level being requested, with no single channel mix optimal across all segments and gift levels. Lower-tier donors are typically reached through mass channels such as email and mail that have low per-contact costs but also low individual response rates, requiring large prospect pools to produce meaningful revenue. Higher-tier donors require personal outreach by development staff or peer volunteers, which has high per-contact cost but produces correspondingly higher gift levels and stronger relationship outcomes (Lin et al., 2019). Bogina and Gordon (2022) found that digital channels are particularly effective for engaging younger donor segments, with their interview research at Power Four programs documenting that mobile-first

design and peer endorsement substantially outperform traditional formats for Millennial and Gen Z prospects.

The integration of channels matters as much as their individual quality, since multichannel campaigns consistently outperform single-channel campaigns across virtually every donor segment and giving tier. A donor who receives an email, then a postcard, then a personal phone call from a development officer is more likely to give than a donor who receives any single channel in isolation, even when the total number of touches is held constant. Multichannel integration is operationally complex but yields measurably better results than single-channel campaigns, and it requires deliberate planning across the development office rather than channel-by-channel optimization in isolation. Weiner et al. (2021) examined relationship selling effectiveness in NCAA Division I ticket sales contexts and found that the quality of the personal relationship between donor and development professional is one of the strongest predictors of giving behavior, supporting the broader argument that channel integration matters because each channel reinforces the personal relationship the development officer is building.

## **Annual Fund and the Major Gift Pipeline**

One of the most strategically important functions of the annual fund is its role as a pipeline for major gifts. Most major donors begin as annual fund donors, and their progression from initial gift to major gift prospect is the standard pathway through the development funnel introduced in Chapter 1 (McAlexander & Koenig, 2012). A well-managed annual fund, therefore, serves two purposes simultaneously: it generates recurring revenue and identifies and qualifies prospects for the major gift program that produces the largest individual gifts in any athletic development operation. Lin et al. (2019) noted in their nine-stage major gifts management model that the identification and qualification stages typically draw on the annual fund prospect pool, since donors who have already demonstrated willingness to give through annual fund participation are statistically more likely to make major gifts than prospects who have never given.

Development offices that treat the annual fund as a standalone revenue program, separate from major gifts, tend to underperform programs that treat the two functions as integrated parts of a single donor development system. Lindley (2015) documented the impact of data-driven prospect identification in the major gift context and showed that integrating annual fund data with wealth screening produces substantially better pipeline outcomes than either approach in isolation. The operational implications include shared data infrastructure between annual fund and major gift teams, regular prospect review meetings that surface annual fund donors who appear ready for major gift cultivation, and stewardship handoffs that ensure annual fund donors who have been identified for major gift attention receive the appropriate higher-touch engagement. Huml and Cintron (2021) examined how athletic fundraising managers identify, prioritize, and manage stakeholders within college athletics and found that the organizational structures supporting prospect movement from annual fund to major gift status vary substantially across institutions, with measurable consequences for major gift production.

Hanson and Welty Peachey (2022) extended this analysis to NCAA Division II programs and found that the smaller scale of these operations does not eliminate the value of pipeline integration but does change its implementation. Division II programs often combine annual fund and major gift work in the same staff positions due to budget constraints, which can produce strong integration but also creates capacity limits that constrain how many prospects each staff member can cultivate effectively. The structural insight is that pipeline integration is desirable across competitive levels but requires different operational arrangements at different program scales. Marx et al. (2023) added a budget-pressure dimension by examining what happens to athletic department budgets when programs eliminate men's sports, finding that the resulting resource reallocations often affect annual fund operations in ways that disrupt the major gift pipeline for years afterward.

## Chapter Summary

Annual giving programs form the foundation of athletic development by producing recurring revenue, maintaining the broadest donor relationships, and feeding the major gift pipeline that produces the largest individual gifts. Priority point systems organize most Division I annual fund programs and reward donors across cumulative giving, current-year giving, loyalty, varsity status, and additional categories tied to program strategy, with explicit tradeoffs that any redesign effort must navigate carefully. The 2017 Tax Cuts and Jobs Act eliminated the 80% deduction that had structured athletic seat-related giving for decades, forcing programs to redesign their value propositions and accelerating a trend toward decoupling giving from ticket access in some cases. Annual fund cycle mechanics combine renewal, acquisition, and lapsed-donor recovery across multiple channels, with staff capacity acting as a meaningful constraint on donor count, and the integration of channels matters as much as their individual quality. The annual fund function feeds the major gift pipeline through prospect identification and qualification, and development offices that integrate the two functions consistently outperform programs that treat them as separate operations.

## Discussion Questions

1. Priority point systems are designed to reward specific donor behaviors. Identify a behavior you believe the systems currently undervalue and propose how a redesign could reward it without creating perverse incentives elsewhere in the system.
2. The 2017 tax change is now several years in the past, and programs have had time to adapt. Has the field of athletic development meaningfully adapted to the new environment, or are programs still operating with structures designed for the pre-2018 tax regime?
3. How should an athletic department balance investment in mass annual fund channels such as mail and email against investment in personal

outreach to upper-tier donors, given that staff capacity is finite and both channels produce different kinds of value?

4. Annual fund data is the foundation of the major gift pipeline, but the data is only useful if it flows between the annual fund and major gift teams. What organizational arrangements ensure that data flows effectively between the two functions?
5. Consider a non-collegiate sport organization such as a professional team foundation or a national governing body. How does the annual fund concept apply in that context, and what are the structural differences from college athletics that affect program design?

## Applied Assignment

Choose a Division I athletic program whose priority point system is publicly available through the program's website or annual fund documentation. Audit the existing structure and propose a redesign that better balances three competing objectives: rewarding cumulative giving history, incentivizing recent giving, and protecting access for lower-capacity donors. Present your redesign as a table that shows point values and the rationale for each category. Then write a rationale explaining how your redesign addresses the competing objectives, what donor behavior changes you expect to result, and what risks the redesign introduces.

## Key Terms

The terms below appear throughout the chapter and across the textbook. Each is defined briefly here for reference.

**Acquisition.** The phase of the annual fund cycle that targets prospects who have not previously given, working to convert them into first-time donors.

**Annual Fund.** A fundraising program that solicits recurring annual gifts from a broad donor base, typically tied to ticket benefits through priority point systems.

**Cumulative Giving.** The total lifetime giving of a donor to an organization, used as one input to priority point scoring.

**IPTAY.** The historic Clemson University athletic giving program, founded in 1934 and credited as the template for modern priority point systems.

**Lapsed Donor.** A former donor who has not given within the most recent fiscal year, requiring distinctive recovery-focused outreach to reactivate.

**Multichannel Integration.** The coordinated use of multiple solicitation channels including mail, email, phone, and personal outreach to reinforce a single giving ask.

**Priority Point System.** A numerical scoring mechanism that translates donor history and giving levels into access rankings for scarce benefits such as premium seating and parking.

**Renewal.** The phase of the annual fund cycle that asks existing donors to maintain or increase their giving in the new fiscal year.

**Tax Cuts and Jobs Act of 2017.** Federal legislation that eliminated the eighty percent charitable deduction for athletic seat-related contributions, effective for tax years beginning in 2018.

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# Major Gifts and Athletic Capital Campaigns

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Major gifts produce the dollar volume that defines successful athletic fundraising. While annual fund programs generate foundational revenue and the breadth of donor relationships, the seven-, eight-, and nine-figure gifts that fund stadium renovations, training facility construction, and endowed coaching positions come from a small number of donors at the top of the giving pyramid (Lin et al., 2019). Understanding how major gifts work is, therefore, central to graduate preparation for athletic development practice, since the major gift function increasingly defines career advancement paths within the field. The major gift officer position is widely regarded as the most coveted role in athletic development, and the skills required to succeed in it differ substantially from those needed for annual fund work.

This chapter introduces the major gift function, the moves management discipline that organizes major gift cultivation across months and years of patient relationship building, and the phased structure of capital campaigns that aggregate major gifts into projects of meaningful scale. The chapter draws on the broader nonprofit major gifts literature while attending to the distinctive features of athletic contexts, including compliance constraints, donor identification with on-field performance, and the contemporary disruption from NIL collectives that compete for the same donor capacity. By the end of the chapter, readers should be able to articulate the conceptual framework of major gift cultivation, apply moves management to specific prospect cultivation challenges, and understand how capital campaigns aggregate individual major gifts into transformational institutional projects.

## Learning Objectives

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Define major gifts in athletic contexts and distinguish them from annual fund gifts in terms of dollar threshold, cultivation requirements, and stewardship expectations.
2. Apply moves management discipline to plan a multi-month cultivation campaign for a specific prospect, including defining moves, owners, and expected outcomes.
3. Explain the four phases of a capital campaign and describe the distinctive activities, audiences, and risks of each phase.
4. Apply the pyramid of giving concept to assess whether a contemplated campaign goal is mathematically viable given an available prospect pool.
5. Identify the distinctive features of athletic major gifts relative to general nonprofit major gifts, including compliance constraints and competition from NIL collectives.

## Defining a Major Gift

The threshold that defines a major gift varies by organization and institutional context. In small Division III athletic programs, a five-thousand-dollar gift may qualify for major gift attention and dedicated cultivation by a development officer. In Power Four athletic departments, the major gift threshold typically begins at twenty-five thousand dollars and runs through the seven-figure range, with the largest gifts at the principal gift level defined as one million dollars or more (Lin et al., 2019). What matters operationally is not the absolute dollar amount but the level at which the development office shifts from mass channels to dedicated personal cultivation by a development

officer. The threshold is therefore as much an operational decision about staff capacity as a categorical definition based on gift size.

Major gifts differ from annual fund gifts in three important ways that shape every aspect of how they are cultivated and stewarded. First, they require personal cultivation rather than mass solicitation, which means the major gift officer carries a much smaller portfolio than the annual fund staff and engages each prospect through deliberate one-on-one relationship building. Second, they are typically restricted to specific purposes such as a named scholarship, a facility component, or an endowed coaching position rather than directed to general operations, which means the institution must steward the gift through specific reporting on the named use rather than through general institutional reporting. Third, they involve a formal gift agreement that documents the donor's intent, the institution's commitments, and any conditions on the use of funds, providing legal structure for the relationship that protects both parties (Hanson & Welty Peachey, 2022).

The relationship between major gifts and the broader pipeline of athletic giving is bidirectional and reinforcing. Most major donors begin as annual fund donors and progress through the development funnel introduced in Chapter 1, suggesting that the annual fund function described in Chapter 3 plays a critical role in feeding major gift opportunities. At the same time, major gift commitments often anchor capital campaigns that drive annual fund participation upward across the donor base, with the announcement of lead gifts producing momentum that motivates broader giving. Huml and Cintron (2021) examined this stakeholder dynamic in their study of athletic donor identification and management practices, finding that the most effective programs treat annual fund and major gift functions as integrated parts of a single donor development system rather than as separate operations with their own performance metrics.

## Moves Management

Moves management is the discipline of organizing deliberate cultivation actions that advance a prospective major donor through the development funnel. The term was coined by David Dunlop, a fundraiser at Cornell University in the 1970s, and has since become the standard framework for major gift cultivation across higher education and the broader nonprofit sector (Lin et al., 2019). The moves management framework is conceptually simple but operationally demanding, requiring development officers to plan and track every interaction with prospects across cultivation periods that may span years for the largest gifts.

Each interaction with a prospect is a move that should have a defined purpose, an owner, and an expected outcome. Moves can be as simple as a personal note from the development officer or as elaborate as a custom-designed campus visit with the head coach and senior athletic administrators. What distinguishes professional moves management from informal donor relations is the discipline of tracking each move in a donor management system, evaluating its effectiveness through observable indicators of relationship progress, and adjusting strategy based on the donor's response. Lindley (2015) emphasized that data-driven moves management substantially outperforms intuition-driven cultivation in producing major gift outcomes, and the empirical advantage compounds over time as data accumulates.

Lin et al. (2019) extended the standard moves management framework into a nine-stage major gifts management model based on case study work at the University of Pittsburgh and other world-class American universities. Their model adds discrete stages for definition, development of strategy, negotiation, and acknowledgment, reflecting the granularity required for cultivation of seven-figure gifts. Graduate students entering the field should understand that moves management is not a checklist applied uniformly to all prospects but a flexible framework that scales in complexity with the size of the gift being pursued. The framework also accommodates the distinctive features of athletic cultivation including head coach involvement, behind-the-

scenes facility access, and game-day hospitality that have no direct parallel in other major gift contexts.

**MOVES MANAGEMENT DISCIPLINE**

*The professional development officer can answer three questions for every active major gift prospect: What is the next move with this prospect? When will it happen? What outcome am I trying to produce? If any of those three answers is unclear, the cultivation is drifting and the prospect needs renewed strategic attention. The discipline of asking these questions for every prospect every week is what distinguishes high-performing major gift programs from average ones.*

## Capital Campaigns

Capital campaigns are time-bounded fundraising efforts organized around specific project goals. In athletic contexts, capital campaigns most often fund facility projects including stadiums, arenas, and training facilities, but they can also fund endowments for coaching positions, scholarships, or program enhancements. The largest athletic capital campaigns in American higher education have raised more than five hundred million dollars for single projects (Bass et al., 2015), representing transformational institutional investments that reshape competitive position for decades after the campaign concludes. The Texas A&M Kyle Field renovation campaign referenced at the opening of Chapter 1 is one example of the scale that the largest athletic capital campaigns can achieve at flagship programs.

Modern capital campaigns follow a four-phase structure that has become standardized across higher education over the past four decades. The phases are feasibility, quiet, public, and celebration, and each phase has distinct objectives, target audiences, and operational requirements. The phased structure reflects accumulated practitioner wisdom on managing the risks of

large-scale fundraising commitments, and it has been remarkably stable across institutions even as the absolute dollar amounts of campaigns have grown substantially. Szegat and Cheng-wen (2020) observed that the four-phase model has also begun to spread internationally into Chinese higher education contexts, suggesting that the structure's underlying logic generalizes beyond the American institutional environment in which it was developed.

### *Feasibility Phase*

The feasibility phase tests whether a contemplated campaign can succeed before the institution publicly commits to it. During feasibility, the development office conducts confidential interviews with prospective lead donors to assess their interest in the project, their capacity to contribute at meaningful levels, and their views on the project's strategic priority. Feasibility studies typically also include a market analysis of comparable campaigns at peer institutions and an assessment of internal organizational readiness across the development office, athletic department, and university leadership. Feasibility results determine whether the campaign proceeds as designed, whether the goal needs revision, and whether the project itself needs modification before donor cultivation begins (Hanson & Welty Peachey, 2022). Campaigns that skip feasibility frequently encounter problems in the silent phase when lead donor commitments fail to materialize at expected levels, resulting in institutional embarrassment that can compromise future fundraising for years.

### *Quiet Phase*

The quiet phase, sometimes also called the silent phase, is the period during which the institution solicits its largest gifts without public announcement of the campaign. Quiet phase goals typically target sixty to seventy percent of the total campaign goal, on the principle that securing the largest gifts before public announcement generates the momentum needed to drive broader fundraising during the public phase. Lead donors during the quiet phase are typically the institution's most established and committed major donors, often individuals who have already given seven or eight figures

in prior years and whose willingness to commit to the new campaign at substantial levels signals institutional confidence in the project. Public announcement of the campaign with a published goal occurs only after enough quiet phase commitments are in hand to make the public goal credible, since announcing a goal that subsequently fails to be achieved produces reputational damage that compromises future campaigns.

### ***Public Phase***

The public phase begins with the campaign launch and runs through the bulk of the fundraising effort. During the public phase, the institution publicizes the campaign goal, the case for support, and the named gift opportunities available to donors at various levels. Solicitation extends from the top of the donor pyramid through the broader donor base, with each tier of prospects receiving cultivation and solicitation appropriate to their giving capacity. The public phase typically lasts three to seven years, depending on campaign size, with the longest campaigns at major universities extending beyond a decade. During the public phase, the development office balances the closing of identified major gift prospects with ongoing prospect identification, since the campaign almost always relies on gifts from donors who were not yet identified at the campaign's start (Lin et al., 2019).

### ***Celebration Phase***

The celebration phase closes the campaign and stewards the donors whose gifts made the project possible. Celebration activities include public events, donor recognition installations, ribbon cuttings for completed facilities, and the public acknowledgment of donor names in association with named gift opportunities. The celebration phase also lays the groundwork for the next campaign, since donors who have just completed major commitments often become the lead prospects for the next round of institutional ambition. McAlexander and Koenig (2012) noted that celebration activities serve community-building functions that extend beyond the individual donors to create networks of philanthropic affiliation that benefit the institution over multi-decade horizons.

## The Pyramid of Giving

Capital campaigns rely on a structural principle sometimes called the rule of thirds or the eighty-twenty rule in athletic fundraising contexts. The principle holds that in a successful campaign, eighty percent of the dollars come from twenty percent of the donors, and the top ten gifts typically account for forty to sixty percent of the total raised. The implication is that campaign success depends on identifying, cultivating, and securing a small number of lead gifts, and that pipeline depth at the top of the pyramid matters more than donor count at the base. The principle has direct operational implications for how development offices allocate staff time across the prospect universe during a campaign cycle.

Athletic development offices map their prospect pools as pyramids that show the number of gifts needed at each level to reach the campaign goal. A typical Power Four stadium campaign pyramid might require one or two gifts at the fifty-million-dollar level, three or four gifts at twenty-five million, ten gifts at ten million, and progressively more gifts as the pyramid widens toward its base. The pyramid structure forces development offices to think clearly about whether they have enough qualified prospects at each level to make the campaign mathematically viable, and a campaign that lacks pyramid depth at the top is structurally unsound regardless of how enthusiastic the broader donor base may be (Bass et al., 2015). Hill and Qu (2019) examined how on-field performance affects athletic department revenues and noted that pyramid depth varies with program prestige and competitive history, with winning traditions producing deeper pyramids that support more ambitious campaign goals.

Brook (2024) studied the long-run impacts of athletic conference membership changes on athletic department revenues and found that conference realignment substantially affects campaign capacity through its effects on television revenue, recruiting capacity, and donor enthusiasm. Programs that move to higher-prestige conferences typically see pyramid depth increase, while programs that lose competitive position through

realignment may see pyramid depth compress, with implications for the campaign goals they can credibly pursue. The interaction between competitive positioning and campaign capacity is one reason that athletic directors and development officers must work closely with university leadership during campaign planning to ensure that institutional ambitions align with realistic fundraising potential.

## **Chapter Summary**

Major gifts produce the dollar volume that defines successful athletic fundraising, and they require personal cultivation by dedicated development officers rather than the mass channels that characterize annual fund work. Moves management is the discipline of organizing deliberate cultivation actions, and the nine-stage extended model developed by Lin and colleagues accommodates the complexity of seven-figure gift cultivation across multi-year periods. Capital campaigns aggregate major gifts into project-specific efforts organized into feasibility, quiet, public, and celebration phases, with each phase requiring distinct activities and presenting distinct risks. Successful campaigns rely on a pyramid structure in which a small number of lead gifts generate the majority of the total dollars raised, and the pyramid's depth at the top of the prospect pool determines whether a contemplated campaign goal is mathematically viable. The integration of major gift work with annual fund operations distinguishes high-performing development offices from programs that treat the two functions as separate operations.

## **Discussion Questions**

1. Major gifts require personal cultivation that consumes significant staff time per prospect. How should a development office decide which prospects warrant that investment, given that staff capacity is finite and the wrong prospect selection wastes substantial resources?
2. The quiet phase of a campaign requires donors to commit to a project before public announcement. What conditions make donors willing to

make this kind of advance commitment, and how should development offices cultivate those conditions deliberately?

3. Capital campaigns are typically organized around specific projects rather than ongoing operations. What are the advantages and disadvantages of project-based versus general-purpose fundraising from the perspectives of both donors and institutions?
4. The pyramid structure means most campaign dollars come from a small number of gifts. What are the strategic risks of this concentration, and how can development offices mitigate them without sacrificing the operational efficiencies the pyramid produces?
5. Moves management was developed for higher education contexts. How does the discipline translate to professional sport team foundations, Olympic-sport national governing bodies, or amateur sport contexts, and what adaptations are necessary?

## Applied Assignment

Develop a 12-month cultivation plan for a hypothetical \$500,000 gift prospect for an athletic department of your choice. The prospect is a 58-year-old former student-athlete, now a regional business owner, who has given \$5,000 annually for the last decade and recently sold a successful business. Build a moves management table showing each interaction across the 12 months, the staff member responsible for each move, the cultivation goal of that move, and the metric used to evaluate it. Accompany the table with a narrative that explains your strategy, including how you will close the gift, how you will steward the donor post-solicitation, and what risks you have identified in the cultivation plan.

## Key Terms

The terms below are essential vocabulary for major gift work and capital campaigns.

**Capital Campaign.** A time-bounded fundraising effort organized around a specific project goal, typically operating across multi-year periods through structured phases.

**Case for Support.** The written document that articulates why donors should support a campaign, addressing institutional need, project benefits, and the role donors will play in achieving the campaign goal.

**Celebration Phase.** The final phase of a capital campaign focused on stewarding donors who made the campaign successful and laying the groundwork for future fundraising.

**Feasibility Study.** The confidential donor interview and market analysis process that tests whether a contemplated campaign can succeed before the institution publicly commits to it.

**Gift Agreement.** The formal written contract documenting a major donor's commitments and the institution's reciprocal obligations regarding the use of the gift.

**Lead Gift.** The first major commitment to a campaign is typically secured during the quiet phase from an established major donor whose commitment signals institutional confidence.

**Major Gift.** A substantial individual gift, generally defined as twenty-five thousand dollars or above in athletic fundraising contexts, requires personal cultivation by a development officer.

**Moves Management.** The discipline of organizing deliberate cultivation actions that advance a prospect through the development funnel, with each interaction having a defined purpose, owner, and expected outcome.

**Public Phase.** The campaign phase that begins with the campaign launch and includes the bulk of the fundraising effort, characterized by a published goal and public solicitation across all donor tiers.

**Pyramid of Giving.** The structural principle that approximately one-third of campaign dollars come from the top ten gifts and that pyramid depth at the top of the prospect pool determines campaign viability.

**Quiet Phase.** The campaign period during which the institution solicits its largest gifts without public announcement, typically targeting sixty to seventy percent of the total campaign goal.

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# Planned Giving in Sport Organizations

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Planned giving is the most underdeveloped area of athletic fundraising in American higher education and represents one of the largest unrealized opportunities in the field. While most Division I athletic programs maintain robust annual fund and major gift operations, far fewer have developed mature planned giving programs that systematically cultivate bequests, charitable gift annuities, and other estate-based commitments. The result is an enormous unrealized opportunity, since the donors most likely to make planned gifts are precisely the donor segment that athletic programs have cultivated most intensively over decades. The intergenerational wealth transfer projected over the next twenty years, estimated at thirty to seventy trillion dollars in the United States alone, will produce historic levels of bequest revenue for the nonprofit organizations prepared to receive it.

This chapter introduces the major planned giving vehicles available to donors, the distinctive donor profile that differentiates planned giving prospects from annual fund and major gift donors, the marketing strategies that have proven effective at generating bequest expectancies for sport organizations, and the operational reasons that planned giving has been historically underdeveloped in athletic contexts. The chapter draws on the broader gift planning literature while attending to the distinctive features of athletic donor populations that create unusual opportunities for planned giving cultivation. By the end of the chapter, readers should be able to articulate why planned giving represents the largest unrealized opportunity in athletic fundraising and how a development office can build a planned giving program from the foundation upward.

## Learning Objectives

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Distinguish the major planned giving vehicles, including bequests, charitable gift annuities, charitable remainder trusts, and IRA rollovers, and explain the tax treatment and donor benefits of each.
2. Identify the donor profile characteristics that distinguish planned giving prospects from annual fund and major gift donors.
3. Explain why athletic departments have historically underinvested in planned giving relative to the size of the opportunity, and analyze the organizational barriers that planned giving programs must overcome.
4. Design a planned giving marketing campaign appropriate to an athletic department donor base, including audience segmentation, content marketing, and personal outreach components.
5. Articulate the role of legacy societies in recognizing planned giving donors during their lifetimes and building communities of planned giving affiliation.

## Major Planned Giving Vehicles

Planned giving encompasses a range of vehicles through which donors commit gifts that will be realized at or after their death. Each vehicle has distinct tax treatment, donor benefits, and operational requirements for the receiving institution, and graduate students entering the field should develop basic fluency in the differences across vehicles. The technical details of planned giving are typically handled by specialists in the institution's central gift planning office, but athletic development professionals need enough familiarity to identify planned giving conversations when they arise and to bring the right expertise into those conversations at the right moments.

## ***Bequests***

Bequests are gifts made through a donor's will or revocable trust, and they represent by far the most common form of planned gift across the nonprofit sector. The donor designates the institution as a beneficiary, and the gift is realized upon the donor's death, when the donor's estate is settled. Bequests require minimal legal complexity for the donor and impose no immediate financial cost, making them an attractive starting point for donors who wish to make charitable commitments without affecting their current lifestyle or retirement security. For the receiving institution, bequest expectancies represent the largest single source of planned-giving revenue and the foundation of most institutional planned-giving programs (Chan, 2016). Bequests can be unrestricted, allowing the institution to apply the funds to its highest priorities, or restricted to specific purposes such as a named scholarship or facility endowment.

## ***Charitable Gift Annuities***

Charitable gift annuities are agreements through which a donor makes an irrevocable gift to the institution in exchange for fixed annual payments for life. The donor receives an immediate charitable tax deduction for the present value of the future gift, plus the income stream during their lifetime, and upon the donor's death the remaining balance becomes available to the institution for its charitable purposes. Charitable gift annuities work particularly well for older donors who want to support an institution while securing retirement income, and they often appeal to donors who have appreciated assets but limited liquid income for current giving. The structure converts what might otherwise be a deferred bequest into a current commitment that benefits both donor and institution during the donor's remaining lifetime.

## ***Charitable Remainder Trusts***

Charitable remainder trusts are more complex vehicles that allow donors to place assets into a trust that pays income to designated beneficiaries, often the donor or family members, for a defined period, with the remaining

principal passing to the institution at the end of the trust term. The trusts are particularly useful for donors with highly appreciated assets such as stock or real estate, since the trust can sell the assets without triggering immediate capital gains tax on the donor. The income stream during the trust term can be structured as a fixed annual amount (a charitable remainder annuity trust) or as a percentage of the trust assets recalculated annually (a charitable remainder unitrust), with each variant producing different cash flow patterns for the donor and different ultimate gift values for the institution.

### ***IRA Rollovers and Beneficiary Designations***

Qualified charitable distributions from individual retirement accounts have become a common planned giving mechanism since federal law made them permanent in 2015. Donors over seventy and one-half years of age can direct annual distributions of up to one hundred thousand dollars from their IRAs to qualified charities without including the distributions in taxable income, providing a tax-efficient way to make current gifts from retirement assets. Separately, donors can designate institutions as beneficiaries of retirement accounts, life insurance policies, and other transfer-on-death assets, which produces planned gift commitments outside the will and trust structures and requires only a beneficiary designation form rather than legal documentation.

## **The Planned Giving Donor**

The donor profile for planned giving differs meaningfully from the profile for annual fund or major gift donors, and understanding the differences is essential for any development office building a planned giving program. Planned giving donors are typically older, longer-tenured, and more deeply identified with the institution than other donor segments. They often have given annually for decades, attended games over long careers, and developed personal relationships with multiple generations of coaches and athletic administrators. The cumulative depth of their institutional relationship creates the conditions under which planned giving conversations can occur

productively, and conversations attempted with donors who lack this depth typically fail regardless of the donor's financial capacity.

Importantly, planned giving donors are not always the largest annual fund or major gift donors during their lifetimes. Many of the largest bequests in higher education come from donors whose lifetime giving was modest but whose estates were substantial, often because long-term investing and home appreciation produced accumulated wealth that was invisible during the donor's life. Some long-tenured fans live in middle-class circumstances throughout their lives but accumulate significant assets through long-term investing and home appreciation, and their bequest gifts represent the cumulative result of decades of careful financial management (McAlexander & Koenig, 2012). This pattern has important strategic implications for prospect identification, since planned giving programs cannot rely solely on wealth screening to identify their best prospects.

Planned giving prospect identification therefore depends on behavioral signals that operate independently of observable wealth. Years of consecutive giving, attendance at games and events, depth of personal relationships with staff, and stated interest in the institution's long-term future all signal planned giving readiness more reliably than wealth screening alone (Hanson & Welty Peachey, 2022). The most sophisticated programs combine wealth screening with behavioral analysis to identify prospects whose combined profile suggests planned giving capacity even when neither signal alone would have surfaced them. Taylor and Miller-Stevens (2018) examined how identity saliency and relationship satisfaction together explain repeat charitable giving, providing empirical support for the practitioner observation that depth of institutional identification predicts planned giving propensity more reliably than wealth indicators in isolation.

## **Why Planned Giving Is Underdeveloped in Athletics**

Three factors explain why most athletic development offices have underinvested in planned giving relative to the size of the opportunity, and each factor reflects structural features of athletic operations rather than individual practitioner failures. First, planned giving requires patience that conflicts with the short-term revenue pressures of athletic department budgets. A bequest cultivated in 2026 may not produce realized revenue until 2046 or later, which makes it difficult to justify the staff investment in a quarterly budget review against immediate annual fund or major gift revenue. Athletic directors and senior administrators evaluating development office performance typically focus on current-year revenue, which systematically disadvantages programs that invest in long-horizon planned giving cultivation.

Second, planned giving requires specialized expertise that is uncommon among athletic development staff. Most athletic fundraisers are trained in annual fund and major gift work, while planned giving requires familiarity with estate planning, trust law, and the tax treatment of charitable vehicles. Athletic development offices that are serious about planned giving typically partner with the university's central gift planning office for technical support, but the partnership requires deliberate cultivation and ongoing coordination that some athletic operations have not invested in establishing. Linde and Uran-Linde (2020) studied retention factors for high-performing gift officers and noted that planned giving specialists are particularly scarce and difficult to retain, which compounds the staffing challenges facing programs trying to build planned giving capacity from the ground up.

Third, the donor conversation about planned giving requires comfort with mortality that many development officers and donors find awkward. Asking a donor to include the institution in their will is, in some sense, asking them to confront their own death, and the conversation is emotionally complex in ways that annual fund or major gift conversations are not. The conversation requires donor relationships of sufficient depth to make the discussion appropriate, and it requires development officer training in how to initiate and conduct planned giving conversations without overstepping the bounds of the relationship (Chan, 2016). Programs that have invested in this training consistently

outperform programs that have left their staff to develop planned giving conversation skills through trial and error.

**NOTRE DAME'S MODEL**

*Notre Dame's athletic planned giving program is widely regarded as one of the most successful in college athletics. The program produces approximately fifteen percent of annual athletic gift revenue through realized planned gifts and matures bequest expectancies. Its success rests on long-term institutional patience, a deliberate partnership with the university's central gift planning office, and a legacy society structure that recognizes donors for their planned commitments while they are still alive. The model has been studied by other programs seeking to build comparable capacity but is difficult to replicate without similar institutional culture and patience.*

## **Marketing Planned Giving**

Effective planned giving marketing differs from annual fund or major gift marketing in several ways that reflect the distinctive donor profile and conversion timeline of planned giving prospects. The audience is older, requiring print-heavy channels and traditional formats that align with the media consumption patterns of donors in their seventies and eighties. The messaging emphasizes legacy, continuity, and the long-term flourishing of the institution rather than immediate need, which means planned giving content typically reads quite differently from annual fund appeals focused on current-year revenue gaps. The call to action invites donors to begin a conversation rather than to make an immediate gift, recognizing that planned giving decisions occur over extended periods involving estate planning attorneys, financial advisors, and family members.

Most planned giving programs use a combination of audience segmentation, content marketing, and personal outreach to identify and engage prospects across multi-year cultivation cycles. Audience segmentation focuses on long-tenured donors aged sixty-five and above, since this is the demographic most likely to be considering estate planning and most responsive to planned giving messaging. Content marketing produces materials including brochures, newsletters, webinar presentations, and case studies that explain planned giving vehicles in donor-friendly terms accessible to non-specialists. Personal outreach by development staff or volunteer leaders converts initial interest into actual gift commitments through the patient relationship-building work that characterizes major gift cultivation in any context.

Legacy societies are an important recognition mechanism in planned giving and serve functions that extend beyond their direct stewardship purpose. By naming and publicly recognizing donors who have included the institution in their estate plans, the institution acknowledges their commitments during their lifetimes and creates a community of similarly committed donors who reinforce each other's commitments through ongoing engagement. Legacy societies also serve a practical function by giving development staff a list of confirmed planned giving donors who can be cultivated for additional commitments such as supplemental bequests or current gifts that complement the planned commitment. Yazıcı and Koçak (2024) studied serious leisure participation in charity sport contexts and found that recognition-based community building substantially increases both initial engagement and long-term commitment, providing empirical support for the legacy society model as applied to athletic philanthropy.

## **Chapter Summary**

Planned giving represents an underdeveloped opportunity in athletic fundraising despite the demographic alignment between athletic donor populations and planned giving prospect profiles. Major planned giving vehicles include bequests, charitable gift annuities, charitable remainder trusts,

and IRA rollovers, each with distinct tax treatment and donor benefits that suit different donor circumstances. The planned giving donor profile differs from annual fund and major gift profiles by emphasizing longevity, depth of identification, and patience over immediate giving capacity, with implications for how programs identify and cultivate planned giving prospects. Three factors explain athletic department underinvestment in planned giving: short-term budget pressures that disadvantage long-horizon cultivation, specialized expertise requirements that exceed typical athletic development staff training, and the emotional complexity of the donor conversation about mortality. Effective planned giving programs combine audience segmentation, content marketing, personal outreach, and legacy society recognition into integrated multi-year campaigns that build planned giving capacity over decades.

## **Discussion Questions**

1. Planned giving requires institutional patience that conflicts with short-term budget pressures. How can an athletic director justify the staff investment in planned giving to a board concerned with current-year revenue, and what arguments are most persuasive?
2. The donor conversation about planned giving requires comfort with mortality. What training and preparation should a development officer have before initiating these conversations, and what should they avoid saying?
3. Legacy societies recognize donors for commitments that have not yet produced revenue. What are the strategic benefits of this recognition during the donor's lifetime, and what are the risks if the recognition is structured poorly?
4. Wealth screening is less effective for planned giving prospect identification than for major gift identification. What alternative identification methods can a planned giving program use, and how should programs combine multiple identification approaches?

5. Notre Dame's planned giving program produces fifteen percent of athletic gift revenue. What organizational and cultural conditions make that result possible, and could a less established program realistically achieve comparable results over a fifteen-year horizon?

## Applied Assignment

Design a 12-month planned giving marketing campaign for an athletic department that currently has no formal planned giving program. The campaign brief should include the target audience and segmentation; campaign messaging, platform, and themes; channel strategy across email, print, web, and events; a calendar of touchpoints across the twelve-month cycle; and success metrics that include both leading indicators and lagging revenue indicators. Also, produce one finished sample piece of collateral, such as a letter, a webpage mockup, or a brochure, that demonstrates the messaging in execution.

## Key Terms

The terms below are essential vocabulary for planned giving work.

**Bequest.** A gift made through a donor's will or revocable trust, realized when the donor's estate is settled after death.

**Bequest Expectancy.** A documented commitment from a donor that the institution will receive a future bequest gift, used in pipeline planning and recognition.

**Charitable Gift Annuity.** An irrevocable gift in exchange for fixed lifetime payments to the donor, combining immediate tax benefit with retained income stream.

**Charitable Remainder Trust.** A trust that pays income to designated beneficiaries for a defined period, with remaining principal passing to the institution at the end of the trust term.

**Estate Planning.** The legal and financial process by which individuals plan for the disposition of their assets after death.

**Gift Planning Office.** The central institutional office providing technical expertise in planned giving vehicles and supporting development professionals across campus.

**Legacy Society.** A recognition program for donors who have included the institution in their estate plans, providing ongoing engagement during the donor's lifetime.

**Planned Gift.** A gift commitment realized at or after the donor's death, typically through a will, trust, beneficiary designation, or other estate-based vehicle.

**Qualified Charitable Distribution.** A tax-favored distribution from an IRA directed to a qualified charity, available to donors over seventy and one-half years of age.

**Wealth Screening.** The use of commercial data services to estimate donor giving capacity based on observable wealth indicators.

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# Corporate Sponsorship as Development Revenue

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Corporate revenue occupies an ambiguous position in the modern athletic department. Some of it is purely commercial, paid by corporations in exchange for advertising inventory and consumer access during athletic events. Some of it is purely philanthropic, given by corporate foundations to support student-athlete welfare, scholarships, or community programs. Most of it lives in the space between, where development offices structure deals that blend commercial benefits with charitable contributions to maximize value for both parties. The blended structure produces operational and legal complexity that distinguishes athletic corporate revenue from both pure sponsorship in professional sports and pure philanthropy in other nonprofit sectors.

This chapter examines the legal and tax framework that distinguishes sponsorship from philanthropy, the strategic role of development in cultivating corporate partners, the integrated proposal-writing approach that successful athletic programs use to secure significant corporate revenue, and the compliance constraints on how corporate partners can interact with student-athletes. The chapter draws on the corporate sponsorship literature in sport management while attending to the distinctive features of athletic philanthropy that operate alongside commercial sponsorship in most program structures.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Distinguish corporate sponsorship from corporate philanthropy, and explain the tax and accounting consequences of the distinction.

2. Apply the Internal Revenue Code Section 513(i) qualified sponsorship payment safe harbor to specific corporate partnership scenarios.
3. Analyze the evolution of athletic sponsorship from transactional signage deals into integrated brand partnerships with philanthropic components.
4. Design a hybrid corporate partnership proposal that blends sponsorship benefits with philanthropic giving across appropriate tax classifications.
5. Identify the NCAA compliance constraints that affect corporate partner activation and analyze how the NIL era has complicated traditional corporate partnership work.

On any given Saturday in fall, the average college football fan sees more than two hundred sponsor logos before the second half kicks off. They appear on dasher boards, video screens, the field itself, uniform patches, halftime show sponsor mentions, mobile app banners, parking lot signage, and in the corporate hospitality areas that flank the stadium. Each of those impressions represents a transaction between a corporation and the athletic department, and each transaction sits somewhere on a spectrum that runs from purely commercial sponsorship to purely philanthropic giving. The development office's task is to understand that spectrum, to structure deals that maximize value for both parties, and to do so within the tax, NCAA, and Title IX constraints that govern every corporate transaction in college athletics.

Corporate revenue occupies an ambiguous position in the modern athletic department that earlier generations of practitioners would not recognize. Some of it is purely commercial, paid by corporations in exchange for advertising inventory and consumer access during athletic events. Some of it is purely philanthropic, given by corporate foundations to support student-athlete welfare, scholarships, or community programs without any explicit commercial benefit attached. Most of it lives in the substantial middle ground where development offices structure deals that blend commercial benefits with charitable contributions in ways that maximize value for both parties. The

blended structure produces operational and legal complexity that distinguishes athletic corporate revenue from both pure sponsorship in professional sports and pure philanthropy in other nonprofit sectors, and it requires fluency in vocabulary and frameworks that practitioners in adjacent fields generally do not need.

This chapter examines the legal and tax framework that distinguishes sponsorship from philanthropy, the strategic role of development offices in cultivating corporate partners, the empirical literature on sponsor-sponsee fit and activation effectiveness that has matured substantially over the past decade, the integrated proposal-writing approach that successful athletic programs use to secure significant corporate revenue, the compliance dimension that constrains how corporate partners can interact with student-athletes, and the critical perspectives that some scholars and public health researchers have advanced against corporate sponsorship of sport. The chapter draws on the corporate sponsorship literature in sport management while attending to the distinctive features of athletic philanthropy that operate alongside commercial sponsorship in most program structures. By the end of the chapter, readers should be able to evaluate corporate partnership proposals from multiple analytical perspectives and articulate informed positions on the contested aspects of the practice.

## **Sponsorship vs. Philanthropy**

The distinction between corporate sponsorship and corporate philanthropy matters for three reasons that shape every aspect of how athletic development offices structure corporate relationships. The first reason is tax treatment, since the two categories receive fundamentally different treatment under federal tax law, affecting both the corporation's deduction options and the institution's exposure to unrelated business income tax. The second reason is accounting classification, since sponsorship revenue and philanthropic revenue appear in different categories on institutional financial statements and affect different performance metrics that institutional leaders track. The third reason is the strategic relationship the institution builds with the corporate partner, since

sponsorship relationships are fundamentally commercial in nature while philanthropic relationships invoke different expectations about institutional gratitude, recognition, and long-term partnership.

Sponsorship is defined as a payment made by a corporation in exchange for marketing benefits such as logo placement, advertising inventory, or consumer access at athletic events (Ko et al., 2016). Philanthropy is defined as a charitable contribution made without expectation of a substantial commercial return, in which the corporation's primary motivation is mission alignment rather than marketing value. The two categories sit at the ends of a spectrum, and many actual corporate relationships involve elements of both. Giannoulakis (2014) documented these blended structures in his analysis of sponsorship of nonprofit sporting events, noting that the practical line between sponsorship and philanthropy is often blurry and requires case-by-case judgment guided by legal counsel.

Federal tax law treats these two categories very differently, with substantial financial consequences for both parties. Section 513(i) of the Internal Revenue Code establishes a safe harbor for what the IRS calls qualified sponsorship payments, allowing tax-exempt institutions to receive corporate payments in exchange for the sponsor's acknowledgment without triggering unrelated business income tax. The keyword is acknowledgment: the institution may publicly recognize the sponsor through logos, name mentions, and signage, but cannot provide advertising that promotes the sponsor's products or makes qualitative comparisons with competitors. When a corporate payment crosses the line from acknowledgment to advertising, it becomes taxable to the institution as unrelated business income, with consequences that can substantially reduce the partnership's net value to the institution.

Development offices that fail to understand this distinction can inadvertently expose their institutions to significant tax liability, and the consequences sometimes surface years after the original agreement was signed when IRS examinations review historical sponsorship structures. Ko et al. (2016) examined consumer attitudes toward corporate sponsors and found that

the perception of sponsor sincerity matters substantially in nonprofit sport contexts, with sponsorships that appear primarily commercial producing less consumer goodwill than sponsorships that include genuine philanthropic components. The finding suggests that the IRS distinction between acknowledgment and advertising aligns with consumer perceptions in ways that benefit institutions that structure their corporate partnerships transparently around the philanthropic component.

## **The Evolution of Corporate Athletic Sponsorship**

Athletic sponsorship has evolved substantially over the past four decades, and the contemporary structure of corporate partnerships looks quite different from the simple signage deals that dominated the early professionalization of the field. Early sponsorship deals were largely transactional, exchanging cash payments for static signage on outfield walls, scoreboard logos, or stadium naming rights with minimal additional integration. Modern sponsorship deals are integrated brand partnerships that combine signage with digital media rights, hospitality benefits, employee engagement programs, and increasingly philanthropic components that did not exist in the earlier transactional model. The shift reflects both increased corporate sophistication about how to extract value from sport partnerships and increased institutional sophistication about how to structure deals that produce greater total value for both parties.

Ko et al. (2016) studied consumer attitudes toward corporate sponsors in profit and nonprofit sport event contexts and found that consumer evaluation of sponsors operates differently across these contexts. In profit-oriented major sport events, consumers respond primarily to sponsor prominence and ad-supported sport content. In nonprofit and amateur sport events including college athletics, consumers also weigh sponsor sincerity, which is the perception that the sponsor genuinely cares about the cause and is not merely buying brand exposure to athletic viewing audiences. The finding has direct implications for how athletic development offices structure and message their corporate partnerships, since perceived sincerity translates into consumer goodwill that has measurable commercial value to the corporate partner.

The shift from transactional sponsorship to integrated partnership has been accompanied by the rise of corporate foundations as separate sources of athletic philanthropy that operate alongside marketing-budget sponsorship. Many of the largest brand sponsors of athletic departments also operate corporate foundations that grant funds to causes aligned with the company's mission, and the two channels sometimes operate independently and at times overlap in ways that require careful management. Bass et al. (2015) documented how university advancement structures increasingly accommodate both channels through coordinated relationship management that captures the total potential value of each corporate relationship rather than optimizing each channel separately. Hwang et al. (2020) added complementary insight by examining corporate social responsibility communications and online donations specifically in college sports contexts, finding that perceived CSR quality predicts fan giving behavior in ways that have implications for how corporate partners are positioned in institutional messaging.

## **Sponsor-Sponsee Fit and Congruence**

One of the most active research areas in contemporary sport sponsorship scholarship is the study of sponsor-sponsee congruence, sometimes also called sponsor-event fit or sponsor-team fit. The basic question is whether sponsorships succeed more reliably when the sponsoring brand and the sponsored property share evident thematic, demographic, or values-based alignment, or whether incongruent pairings can succeed equally well or even better through novelty effects. The question has substantial practical implications for development offices, since cultivation of sponsors that fit the institution's identity should produce stronger partnerships than cultivation of poorly-fitting prospects regardless of either party's intrinsic capacity.

Zhu et al. (2018) provided one of the most influential recent treatments of this question through their work on the fit between

corporate sponsorship and brand in the *Journal of Consumer Marketing*. Their analysis identified the conditions under which doing well, in the form of commercial sponsorship returns, aligns with doing good, in the form of authentic partnership with the sponsored cause. The work documented that congruent sponsorships produce stronger brand outcomes than incongruent sponsorships across most measured dimensions, with the strongest effects observed when consumers perceive both the fit and the sincerity of the partnership. Silva (2020) extended this finding into the football context specifically, showing through structural equation modeling of nearly fourteen hundred Portuguese football fans that perceived congruence between sponsor and sponsored team mediates the relationship between fan identification and purchase intentions toward sponsor products. The mediation finding is important because it suggests that congruence operates as the channel through which other factors translate into commercial outcomes for the sponsor, which makes congruence a strategic priority rather than merely an incidental feature of partnerships.

Liu and Liu (2025) provided the most comprehensive recent synthesis of the congruence literature through their meta-analysis of the impact of sports event-brand fit on consumer brand responses, published in *Frontiers in Sports and Active Living*. Their analysis aggregated results across dozens of empirical studies and confirmed that event-brand fit consistently produces positive effects on consumer brand responses across multiple operationalizations of fit and across multiple outcome measures. The meta-analysis also identified moderators that affect the strength of the fit effect, including the type of fit being measured, the cultural context of the study, and the specific brand outcomes being assessed. The meta-analytic confirmation of the congruence effect provides practitioners with confidence that investment in fit-based partnership selection produces measurable returns, even when individual studies have produced inconsistent findings.

Graeber and Scheinbaum (2022) added a specifically practical contribution through their study of jersey sponsorship and the role of congruence in cause-related jersey partnerships. Their work documented that fans respond more favorably to jersey sponsorships when the sponsoring cause aligns with the team's identity, with implications for how athletic departments should evaluate the increasing number of jersey patch and uniform sponsorship opportunities that have entered the college athletics landscape since rule changes in recent years. Mohammadi et al. (2023) conducted two experimental studies with nearly seven hundred combined participants and compared joint sponsorship, CSR-linked sponsorship, and conventional sponsorship formats across measures of attitude and purchase intention, finding that CSR-linked sponsorship produced the strongest positive effects on home team supporters and the weakest negative effects on rival team supporters. The finding that CSR-linked sponsorship outperforms conventional sponsorship across both supportive and oppositional fan segments is particularly important for athletic departments navigating partnerships that touch competitively heated environments.

Scheinbaum et al. (2019) extended congruence research into the portfolio dimension by examining how the social responsibility dimension affects event-sponsor portfolio fit across multiple sponsors at the same property. Most major athletic events involve multiple sponsors operating simultaneously, and the portfolio composition affects each individual sponsor's outcomes through both positive and negative spillover effects. Their findings suggest that development offices should consider sponsor selection at the portfolio level rather than evaluating each prospect in isolation, since adding a poorly fitting sponsor can dilute the value of well-fitting sponsors already signed. The portfolio insight has direct implications for institutional pricing strategy, since categories of sponsors whose participation would degrade existing sponsors' portfolio value should command premium pricing or be declined entirely, rather than accepted at standard rates.

Chiu and Pyun (2020) investigated brand image transfer specifically in a participation sport event context in Singapore, finding that sponsor-event congruence influenced positive event emotions, which influenced attitude toward the event, which in turn influenced attitude toward the sponsor and ultimately purchase intention. The structural model demonstrated empirically that brand image transfer is a multi-step process mediated by emotional and attitudinal variables that the event itself produces in participants. The implication for athletic development is that the experiential quality of the underlying event matters substantially for sponsor outcomes, which gives development offices a competitive advantage when they can demonstrate that their events produce strong participant emotional engagement and not merely large attendance figures. The finding underscores the strategic importance of investing in event quality as part of the broader sponsorship value proposition that the development office presents to prospective partners.

**PRACTITIONER NOTE**

*When a corporate partner wants to support student-athlete mental health programming, that interest can sometimes flow through the marketing budget as a community-impact component of a broader sponsorship deal, and sometimes through the corporate foundation as a charitable grant entirely separate from the sponsorship. The development office that understands which budget the funding will come from can shape the proposal to align with the right decision maker on the corporate side, which substantially improves the probability that the proposal will be funded at meaningful levels.*

**CSR-Linked Sponsorship**

A distinctive category within the broader sponsorship landscape is the CSR-linked sponsorship, in which corporate sponsors structure their

partnerships around explicit corporate social responsibility components rather than around traditional commercial visibility alone. The category has grown substantially as corporations have increased their attention to social responsibility communications and as athletic departments have recognized that fans respond favorably to partnerships that visibly serve causes beyond the commercial transaction. The research literature has accumulated substantial evidence on the distinctive effectiveness profile of CSR-linked sponsorship relative to conventional sponsorship structures.

Demirel (2020) studied CSR perceptions in sport sponsorship contexts through consumer survey research and found that consumers form distinctive perceptions of sponsoring brands that emphasize CSR components in their sport partnerships. The work documented that CSR-emphasized sponsorships produce stronger goodwill effects than conventional sponsorships, but only when consumers perceive the CSR component as authentic rather than as superficial branding overlaid on a purely commercial transaction. The authenticity boundary is important because it means CSR-linked sponsorship cannot be approached as a marketing tactic alone; the underlying CSR commitment must be genuine and substantive for the structure to produce its intended effects. Demirel concluded that consumers have become increasingly sophisticated at distinguishing authentic CSR partnerships from window-dressing partnerships, with the implication that institutions should screen prospective CSR partners for genuine commitment before accepting partnerships that may otherwise produce backlash.

Scheinbaum et al. (2019) extended this analysis into the portfolio dimension by examining how the social responsibility dimension affects event-sponsor portfolio fit. Their work in the *European Journal of Marketing* demonstrated that the CSR positioning of individual sponsors in a portfolio affects the perceived fit of other sponsors in the same portfolio, with positive CSR positioning producing positive spillovers and negative CSR exposure producing negative spillovers. The portfolio finding has direct implications for institutional sponsor screening, since acceptance of a sponsor whose CSR record produces public criticism can damage the value of co-existing

partnerships at the same property. McCullough et al. (2022) studied fan responses specifically to sponsored environmental sustainability initiatives, finding that environmental CSR sponsorships elicit distinctive positive responses among environmentally conscious fan segments, whereas producing more muted effects among broader fan populations, with implications for targeted activation across heterogeneous audiences.

Hwang et al. (2020) provided the most directly applicable evidence in the college sports context through their study of corporate social responsibility communications and college sports fans' online donations. Their work, conducted across multiple Power Conference athletic departments, demonstrated that perceived CSR quality in institutional communications predicts fan giving behavior toward the institution, suggesting that CSR-linked sponsorship can produce institutional fundraising benefits beyond the direct revenue from the sponsoring partner. The finding implies that CSR partnerships should be evaluated not only on their direct contractual value but on their broader effects on the institution's philanthropic environment, which conventional sponsorship valuation methods do not capture. Mohammadi et al. (2023) confirmed through experimental work that CSR-linked sponsorship outperforms conventional sponsorship among both home-team and rival-team supporters, suggesting that the structure yields benefits that withstand the competitive opposition that traditional sponsorship sometimes generates.

### **Building the Corporate Partnership Proposal**

Successful corporate partnership proposals share several structural elements that distinguish them from purely commercial sponsorship sales materials and from purely philanthropic grant requests. They open with a clear articulation of the corporate partner's strategic objectives, demonstrating that the development office has done its research and understands the partner's business priorities in detail. They specify the value delivered to the partner in concrete, measurable terms including impressions, audience reach, hospitality access, and employee engagement opportunities. They detail the philanthropic component separately from the commercial benefits, with a clear tax

classification for each element, so the partner can route the components through the appropriate corporate budget categories. And they propose terms, including price, duration, and renewal mechanics, that are appropriate to the proposed value and establish clear expectations for both parties.

The integrated proposal approach allows development offices to capture a larger total deal value than either a pure sponsorship sale or a pure philanthropic ask in isolation. A regional bank that might commit fifty thousand dollars annually for traditional sponsorship may commit two hundred thousand dollars annually when the deal also includes the corporate foundation funding a financial literacy program for student-athletes and a leadership development series for athletic department staff. The combined deal produces greater value for the institution while also producing greater value for the corporate partner, since the partner gets both marketing benefits and the public relations value of supporting student-athlete development. Huml et al. (2020) noted that Title IX considerations sometimes shape how corporate partnerships are structured, since donor preferences for revenue sports must be balanced against equity requirements in resource distribution.

### **The Compliance Dimension**

Athletic corporate partnerships sit inside the NCAA compliance environment, which adds constraints that do not apply in other nonprofit sectors and that shape both how proposals can be structured and how activation can occur. NCAA rules restrict how corporate partners can interact with current student-athletes, particularly in the areas of recruiting and benefits, and violations can produce institutional sanctions that affect future fundraising and recruiting capacity. Huml et al. (2020) noted that athletic fundraising operates under distinctive compliance pressures that shape what corporate partners can be offered and how those offers can be activated through specific marketing executions. Development professionals working on corporate deals need fluency in these constraints and routine partnership with their compliance office to ensure that proposals do not create compliance exposure.

The introduction of NIL in 2021 has added a new dimension to corporate partnership work that institutions are still learning to navigate. Corporate partners that previously sponsored athletic departments at the institutional level can now also sponsor individual student-athletes directly, creating both opportunities for expanded total partnership value and complications for development offices trying to coordinate corporate relationships across institutional and individual levels. Stein et al. (2024) examined how high school NIL development is now affecting college athletic compliance environments, since recruits arriving on college campuses increasingly have established NIL relationships that complicate the cultivation work development offices conduct with prospect families. Colvin and Jansa (2023) traced the rapid spread of NIL-enabling state laws and noted that the legal environment continues to evolve, requiring development offices to maintain ongoing compliance attention rather than treating NIL as a settled regulatory question. Chapter 8 of this textbook addresses the NIL collective dimension specifically, but graduate students should understand from the outset that NIL has fundamentally complicated the corporate partnership landscape.

## **Critical Perspectives**

A balanced treatment of corporate sponsorship in sport must acknowledge the substantial scholarly and public health critique that has accumulated against the practice. Buse et al. (2024) provided one of the most prominent recent critical contributions in a BMJ commentary arguing that corporate sponsorship of sporting events should end, particularly sponsorship by industries whose products produce public health harms, such as alcohol, ultra-processed food, and gambling. Their argument is that sport sponsorship by these industries serves as a vehicle for normalizing the consumption of harmful products among audiences, including children and adolescents who consume sport media in large numbers. The critique extends beyond the specific harmful industries to a broader concern: that sport sponsorship inappropriately commercializes activities with intrinsic cultural, educational, and developmental value that pure commercial logic cannot capture.

El Rayes (2025) advanced a related critique from a different angle in her analysis of corporate sponsorship and what she termed the capacity to aspire in Popular Music, examining how corporate sponsorship of cultural and athletic activities can shape what participants and audiences come to view as legitimate aspirational pathways. The argument is that corporate sponsorship is never neutral; it shapes the discourse, imagery, and ambition structures of the activities it supports, with consequences that practitioners and participants may not consciously recognize. The critique applies with particular force to youth sport and educational athletic contexts where participants are still forming their understandings of what athletic participation means and who has legitimate authority to shape that meaning. Development professionals working in college athletics should engage seriously with these critiques rather than dismissing them, both because the underlying concerns have empirical merit and because increasingly sophisticated audiences expect institutional leaders to articulate informed positions on the contested aspects of their fundraising practices.

The practical implication of taking these critiques seriously is not that institutions should abandon corporate sponsorship as a revenue category, since the revenue produced by corporate partnerships supports educational missions that institutions cannot easily replace. Rather, the implication is that institutions should adopt deliberate gift acceptance policies that screen for the industries and partners whose involvement produces the strongest critical concerns, that they should structure activation in ways that minimize exposure of younger audiences to harmful product categories, and that they should invest in the transparency and CSR-component substance that distinguishes authentic partnership from problematic commercialization. The institutions that take this work seriously will be better positioned to defend their corporate partnerships against future political, regulatory, and reputational challenges than institutions that treat sponsorship as a purely commercial question divorced from broader social context. Demirel (2020) similarly concluded that authenticity in CSR positioning is essential for sponsorships to withstand the increasing scrutiny contemporary audiences apply to corporate involvement in sport.

## Chapter Summary

Corporate revenue in athletics blends sponsorship and philanthropy, and the distinction between the two has consequences for tax treatment, accounting classification, and partnership strategy. Section 513(i) of the Internal Revenue Code establishes the qualified sponsorship safe harbor that allows acknowledgment payments without triggering unrelated business income tax, with the line between acknowledgment and advertising determining whether payments fall within or outside the safe harbor. Modern corporate partnerships have evolved from transactional signage deals to integrated brand partnerships that combine commercial benefits with philanthropic components and increasingly with NIL-era considerations. Successful proposals articulate partner objectives, specify value in measurable terms, separate philanthropic from commercial components, and propose terms appropriate to the value delivered. The NCAA compliance environment adds constraints that do not apply in other nonprofit sectors, and the NIL era has complicated corporate partnership work in ways that institutions continue to learn how to navigate.

## Discussion Questions

1. How does the IRS distinction between acknowledgment and advertising affect the messaging language a development office can use in corporate partner communications?
2. Ko et al. (2016) found that sponsor sincerity matters more in nonprofit contexts than in profit-oriented sport events. What practical implications does this finding have for proposal design and partner cultivation strategy?
3. Integrated partnerships blend commercial and philanthropic components. What organizational arrangements ensure that both functions inside the athletic department coordinate effectively rather than competing for the same corporate budget?

4. NIL has complicated the corporate partnership landscape. How should an athletic development office position its institutional partnerships relative to direct NIL deals that corporate partners can now sign with individual student-athletes?
5. Some critics argue that corporate sponsorship of nonprofit sport organizations corrupts the philanthropic mission. How should development professionals respond to that critique while maintaining the corporate partnerships their programs depend on?

## Applied Assignment

Create a full proposal for a corporate partner of your choice, targeting an athletic program of your choice. The proposal should blend philanthropic giving and traditional sponsorship benefits in a way that maximizes value for both parties while respecting IRS rules on qualified sponsorship payments. Include a cover letter, executive summary, partnership structure, deliverables and benefits, valuation logic, term and renewal mechanics, and a budget summary. Address the tax classification of each component of the deal explicitly, and identify which corporate budget category each component would draw from. The assignment is worth 100 points.

## Key Terms

The terms below appear throughout the chapter and across the textbook.

**Acknowledgment.** A public recognition of a sponsor that does not promote the sponsor's products or qualitatively compare them to competitors, qualifying for the IRC Section 513(i) safe harbor.

**Activation.** The marketing and engagement activities a sponsor conducts to capture value from a sponsorship agreement beyond the basic signage and recognition deliverables.

**Corporate Foundation.** A separate charitable entity established and funded by a corporation to conduct philanthropic activities aligned with the company's mission.

**Integrated Partnership.** A corporate agreement combining sponsorship and philanthropic components, drawing on multiple corporate budget categories to produce greater total value than either component alone.

**Qualified Sponsorship Payment.** A payment that meets the requirements of IRC Section 513(i) and is not subject to unrelated business income tax for the receiving institution.

**Sponsor Sincerity.** The perception that a corporate sponsor genuinely cares about the cause it supports rather than merely buying brand exposure, with measurable effects on consumer goodwill.

**Unrelated Business Income Tax.** A federal tax on tax-exempt organizations' revenue from activities outside their exempt purpose, including advertising that does not qualify for the sponsorship safe harbor.

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# Booster Clubs and Athletic Support Organizations

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In 1934, a Clemson University agricultural professor named Rupert Fike convened a small group of alumni to address a problem that had become unmanageable for the institution's athletic department. The football program needed equipment, the basketball team needed travel funds, and the institution itself had no budget for either. Fike's solution was to organize a giving society in which members would commit \$100 annually for 10 years, with the organization channeling those contributions directly to athletic priorities that the institution could not otherwise fund. IPTAY, an acronym that originally stood for I Pay Ten A Year, was the result, and the organization grew from forty-two founding members into the model that now operates in some form at virtually every major athletic department in American college sports. The structure Fike pioneered has proven remarkably durable across nine decades of economic and regulatory transformation, even as the dollar magnitudes, governance structures, and compliance environments have evolved beyond anything the original members would recognize.

Booster clubs and athletic support organizations occupy a distinctive position in American sport philanthropy that has no clear parallel in other categories of nonprofit fundraising. Unlike most nonprofit fundraising, which is conducted directly by the recipient institution through its own development staff, athletic giving often flows through booster organizations that operate as legally separate entities adjacent to athletic departments. The structure offers tax advantages, governance flexibility, and the ability to organize volunteer leadership at scale that institutional fundraising alone could not match through staff-driven operations. Yet it also creates compliance complexities that have

produced some of the most public scandals in the history of college sports, since the structural independence that gives booster organizations operational flexibility also creates institutional risk that the affiliated university must absorb even when the institution had no direct knowledge of or control over the conduct in question.

This chapter examines the legal status of athletic booster organizations across multiple structural formats, their governance relationships with affiliated institutions across a spectrum from tight integration to arm's length operation, the NCAA compliance environment that governs their operations through detailed bylaws developed over decades of enforcement experience, the convergence between traditional boosters and NIL collectives that has emerged since 2021, the booster-athletic director relational dynamics that affect institutional governance and operational stability, the equity and access implications of booster fundraising at HBCUs and other under-resourced contexts, and the strategic role boosters play across high school, college, and Olympic sport contexts. The chapter draws on the higher education advancement literature while attending to the distinctive features of booster organizations that operate outside traditional institutional development infrastructure. By the end of the chapter, readers should be able to evaluate booster organization structures against the institutional and regulatory contexts in which they operate and articulate informed positions on the contested aspects of contemporary booster practice.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Distinguish among the major legal status options for athletic booster organizations, including 501(c)(3) public charity, 501(c)(4) social welfare organization, and unincorporated association formats, and analyze the strategic consequences of each format choice.

2. Apply the spectrum of governance integration from tightly integrated advancement structures to arm's length operation, and evaluate the tradeoffs between operational flexibility and institutional risk that each position on the spectrum produces.
3. Apply NCAA Division I Bylaw 13 and Bylaw 16 to specific scenarios involving booster contact with prospective student-athletes and benefits provided to current student-athletes, and identify the asymmetric institutional risk that booster conduct creates for affiliated universities.
4. Analyze the convergence between traditional booster organizations and NIL collectives in the post-2021 landscape, including the Title IX implications of donor-driven collectives and the tax status questions that nonprofit collective structures raise.
5. Evaluate the booster-athletic director relational dynamics that affect institutional governance, drawing on the occupational stress and Black athletic director scholarship that has matured over the past decade.
6. Design components of a modern booster program, including governance structure, compliance protocols, and donor cultivation strategy that respond to the contemporary regulatory and competitive environment.

## The Legal Status of Booster Organizations

Athletic booster organizations operate under several distinct legal statuses, each with different tax treatment, governance requirements, and operational consequences that shape their partnerships with affiliated institutions. The most common format is the 501(c)(3) public charity, which receives charitable contributions that donors can deduct from federal income tax and operates under Internal Revenue Service rules governing tax-exempt charities. The 501(c)(3) format produces the strongest donor tax benefits but also imposes the most substantial governance requirements, including annual Form 990

information returns, public reporting of compensation and grant activity, and operational limits that prevent the organization from engaging in substantial lobbying or any political campaign activity. The Form 990 obligation, in particular, creates visibility that some booster organizations find operationally challenging, since the form is publicly accessible and subjects the organization's financial activity to scrutiny by journalists, regulators, and competing institutions.

Less commonly, booster organizations may operate as 501(c)(4) social welfare organizations, which receive payments that donors generally cannot deduct as charitable contributions but that allow the organization greater latitude for political and advocacy activity. The 501(c)(4) format is rarely used for traditional booster operations because the loss of donor deductibility substantially reduces the organization's fundraising capacity, but the structure has become more relevant in the post-2021 NIL collective environment, where some collectives have organized in this format. A third format is the unincorporated association, which operates without separate legal existence and channels contributions directly through institutional or other recipient infrastructure. Comrie (2021) noted that university fundraising structures vary substantially across institutional contexts, and that the structure of athletic support organizations both reflects and reinforces these broader institutional patterns, forming a self-reinforcing relationship between booster operations and institutional culture.

The choice of legal status carries strategic implications that go beyond purely tax-efficiency calculations. Lindley (2019) argued in the practitioner literature that booster organizations operating as 501(c)(3) charities benefit from the credibility that public charity status provides, and that the operational discipline required to maintain that status produces governance benefits that informal structures cannot match. The discipline includes mandatory board oversight, audit requirements at specified revenue thresholds, conflict-of-interest policies, and document-retention obligations that reduce the risk of operational drift over time. Organizations that operate without these disciplines often experience governance failures that surface years after the

underlying problems began, with consequences including loss of tax-exempt status, civil liability for board members and officers, and reputational damage to the affiliated institution that cannot be easily repaired.

**FORM 990 TRANSPARENCY**

*Annual Form 990 information returns for 501(c)(3) booster organizations are publicly accessible through GuideStar, ProPublica's Nonprofit Explorer, and the IRS itself. Booster organization leaders should assume that journalists, competing institutions, and motivated donors will examine these filings in detail, and the filings should therefore reflect operations the organization is prepared to defend publicly. The transparency requirement is not optional for 501(c)(3) organizations, and attempts to obscure compensation or program activity through technical reporting choices typically produce reputational damage that exceeds the operational concerns the obscuring was intended to address.*

## **Governance Relationships with Affiliated Institutions**

Booster organizations and their affiliated institutions operate along a spectrum of governance integration that ranges from tightly integrated structures, in which the booster organization operates as a functional unit of institutional advancement under shared staffing and oversight, to arm's length structures, in which the booster organization operates with independent governance, separate staffing, and minimal direct institutional control. Each position on the spectrum produces distinctive operational and risk profiles, and the choice of position reflects strategic decisions about flexibility, donor experience, compliance posture, and institutional risk tolerance that

institutional leaders should make deliberately rather than allowing to evolve by default through accumulated operational decisions.

Bass et al. (2015) documented the increasing interconnection of university and athletic department funding in their analysis of how athletics functions as the front porch of the broader institution, with implications for how booster organizations relate to institutional advancement infrastructure. The integrated model, sometimes called the advancement model, places athletic fundraising under the same organizational umbrella as broader institutional advancement, with shared staff, shared technology infrastructure, and coordinated cultivation that prevents donors from being asked twice for the same gift through uncoordinated approaches. The model produces operational efficiencies and donor experience benefits, but it also requires institutional leaders to coordinate priorities across athletic and non-athletic objectives in ways that less integrated structures avoid. The trade-off has led to different choices across institutions, with some opting for full integration and others maintaining substantial separation that preserves athletic operational autonomy at the cost of duplicating infrastructure.

Huml and Cintron (2021) examined the stakeholder status framework as it applies to college athletic donors and found that donors who relate to institutions through booster organizations experience their giving relationships differently than donors who give directly through institutional advancement. The booster relationship typically produces stronger affinity for athletic outcomes and weaker affinity for broader institutional priorities, with implications for how institutional leaders should think about the long-term donor pipeline. Donors who develop their philanthropic identity through athletic boosters may resist subsequent institutional cultivation that asks them to support priorities beyond athletics, whereas donors who develop their philanthropic identity through integrated advancement structures may transition more readily between athletic and non-athletic giving. The findings suggest that the choice of governance structure has long-term consequences for institutional fundraising capacity that extend beyond the immediate operational considerations that typically drive structure decisions.

Popp et al. (2022) added empirical evidence on how booster organization staffing and pricing decisions affect donor outcomes, using hierarchical regression to examine the relationship between minimum gift requirements, total fundraising staff numbers, and donor counts at the lowest reward tier across Division I athletic departments. Their final model explained more than seventy percent of variance in donor numbers, with the two variables of interest, minimum gift price points and total staffing, jointly explaining approximately twenty percent of variance when controlling for institutional factors and athletic success. The findings have direct implications for booster organization design choices, as they demonstrate that price-setting and staffing decisions have measurable effects on donor base size that institutional leaders can strategically manipulate. Programs that set their minimum gift requirements too high lose donor breadth, which affects the depth of the subsequent cultivation pipeline, while programs that underinvest in fundraising staffing fail to convert prospective donors at rates their potential donor base would otherwise support.

## **The NCAA Compliance Environment**

Athletic booster organizations operate within a compliance environment more complex than any other category of nonprofit fundraising, governed by NCAA bylaws developed over more than a century of organized intercollegiate athletics and refined through accumulated enforcement experience, which has produced detailed rules covering nearly every aspect of booster conduct. The fundamental principle underlying the compliance framework is that institutions are responsible for the conduct of their representatives, including individuals and organizations meeting the NCAA definition of a booster, even when those representatives operate without direct institutional supervision. The principle produces asymmetric institutional risk, in which boosters who engage in problematic conduct face only direct consequences, while their affiliated institutions absorb sanctions that affect their competitive position, recruiting, and reputation for years after the underlying conduct occurred.

O'Brien (2018) provided practical guidance on ensuring booster fundraising efforts comply with rules and regulations, noting that fundraising has become essential to the operation of many college athletics departments while simultaneously producing compliance risks that institutions must manage carefully. McCarthy (2018) extended this analysis by providing effective booster and donor training to reduce compliance violations, documenting that institutions investing in systematic booster education produce measurably fewer violations than those relying on informal communication channels. The training requirement reflects the basic operational reality that boosters cannot be expected to comply with rules they do not know, and institutions cannot defend themselves against violations by claiming that boosters acted independently of institutional guidance. The asymmetric institutional responsibility makes proactive education the only defensible compliance posture.

NCAA Division I Bylaw 13 governs recruiting and includes provisions that restrict booster contact with prospective student-athletes, informed by accumulated enforcement experience over decades. The basic principle is that the recruiting of student-athletes should be conducted by institutional representatives operating under institutional control, not by donors or boosters whose actions cannot be fully managed by the institution. Violations of Bylaw 13 result in some of the most severe institutional sanctions the NCAA imposes, including loss of scholarships, recruiting restrictions, and postseason bans that compromise a team's competitive position for years after the underlying violation. The asymmetric institutional risk is particularly acute under Bylaw 13 because boosters often experience the recruiting environment differently than institutional staff, with personal enthusiasm sometimes producing contact patterns that violate rules the booster did not fully understand.

Bylaw 16 governs benefits to current student-athletes and restricts what donors and boosters can provide outside the institutional infrastructure. The rule is intended to prevent improper inducements and to maintain competitive equity between programs with different donor bases, though its operational application has changed substantially since the 2021 NIL policy modification

that permitted compensation that would previously have been prohibited (Stein et al., 2023). The interaction between the modified Bylaw 16 and the traditional booster provisions of Bylaw 13 produces compliance complexity that institutions are still learning to navigate. McCarthy (2022) reported on contemporary compliance practitioners' strategies for navigating these responsibilities, noting that compliance professionals often have little staff assistance and are expected to manage multiple areas of athletic department operations on top of already heavy workloads. The capacity constraint creates institutional vulnerability that booster training and proactive monitoring can partially mitigate but cannot fully resolve.

## **The NIL Collective Convergence**

Among the most consequential developments in contemporary booster practice is the convergence between traditional booster organizations and NIL collectives that has emerged since the 2021 NCAA policy change permitting student-athletes to receive compensation for use of their name, image, and likeness. The convergence operates in multiple directions simultaneously, with some traditional boosters expanding their operations to include NIL components, some NIL collectives organizing as 501(c)(3) charities that closely resemble traditional boosters, and some institutions developing hybrid structures that integrate traditional booster operations with collective activity in ways that have not yet been fully resolved through legal and regulatory frameworks. The convergence has produced governance challenges that institutional leaders are working through in real time, often without clear precedent to guide their decisions.

Oliphant (2024) provided the most comprehensive recent legal analysis of this convergence through her *Indiana Law Review* article on the application of Title IX to donor-driven NIL collectives. The analysis observed that institutions whose affiliated NIL collectives concentrate compensation in men's revenue sports may face Title IX exposure even when the institution does not directly control the collective's distribution decisions, because the institution is ultimately responsible for ensuring gender equity in athletic

opportunities and benefits regardless of the formal organizational structure through which inequities arise. Oliphant noted that athletic programs and coaches have become increasingly open to supporting donor-driven collectives connected to their institutions, resulting in a blurred line between institutional and collective conduct that may not withstand subsequent regulatory or litigation scrutiny. The proactive consideration the article calls for has direct implications for how institutional leaders should structure their relationships with affiliated collectives.

Romano (2023) raised related concerns about the tax status of NIL collectives, arguing that the structure of nonprofit collectives organized as 501(c)(3) charities should be reevaluated in light of the operational realities of how those organizations function. The argument is that collectives whose primary activity is channeling payments to specific student-athletes may not satisfy the public charity requirements that 501(c)(3) status entails, since the beneficiary class is narrow and the operations resemble compensation arrangements more than traditional charitable activity. The challenge to tax-exempt status has not yet been resolved through IRS rulings or litigation, and graduate students entering the field should expect this question to mature over the next several years as the regulatory environment continues to evolve.

Stein et al. (2023) examined four myths surrounding NIL through their legal practitioner work, providing operational guidance that institutional leaders can apply when distinguishing legitimate NIL activity from booster conduct that violates NCAA rules. The article addressed common misconceptions about what NIL deals permit, what role institutions can play in facilitating deals, and how the relationship between collective activity and institutional fundraising should be managed across multiple regulatory frameworks. Stein et al. (2024) extended this analysis by documenting how the growth of NIL at the high school level is now affecting college athletic compliance environments, since recruits arrive on campus with established NIL relationships that complicate traditional booster cultivation work and create new categories of compliance exposure that institutions are still learning to identify.

**THE DONOR-DRIVEN COLLECTIVE QUESTION**

*When a traditional booster transitions money through an NIL collective that distributes payments primarily to football and men's basketball players at the affiliated institution, the institution faces several layered exposures: Title IX claims that the distribution pattern produces inequitable benefits, IRS challenges to the collective's tax-exempt status under public charity requirements, and NCAA compliance concerns that the arrangement constitutes impermissible booster activity. The exposures may not all materialize, and many institutions are operating under the assumption that they will not, but the layered structure of risk argues for proactive governance that anticipates these challenges before they become urgent rather than after.*

## High School Booster Clubs

High school booster clubs constitute a distinct category within the broader booster landscape, operating in regulatory and resource environments that differ substantially from college booster operations. Most high school booster clubs are structured as 501(c)(3) charities organized to support athletic programs at specific schools, with parent and community volunteers providing the labor and donor capacity that institutional staff cannot match in resource-constrained public school environments. The structure produces both substantial benefits and significant risks for the affiliated schools, since the volunteer governance that gives booster clubs operational flexibility also creates accountability gaps that have produced public scandals at scale across the high school sport landscape.

Rickabaugh (2019) documented one important dimension of the high school booster landscape in his work on gender equity issues across

Midwestern NCAA Division III intercollegiate athletes and the broader gender equity environment within which their attitudes formed. Citing earlier work by Anderson, Rickabaugh reported that, of more than 400 Wisconsin public high schools studied, fewer than half required equity among booster organizations, and the majority did not require individual booster organizations to provide any information about their sport-related fundraising activities. The accountability gap produces measurable inequities in how booster resources flow between men's and women's high school programs, with consequences for the experiences athletes have during the years of their athletic identity formation, which subsequently shape their attitudes toward gender equity in athletic contexts. The findings suggest that high school booster oversight is among the most consequential equity issues in American sport, even though it receives less attention than parallel issues at the college level.

Stein et al. (2024) added a contemporary regulatory dimension to high school booster operations by analyzing how high school NIL development is affecting the broader compliance landscape. State laws permitting high school NIL activity have spread rapidly since the post-2021 NCAA policy change, and the high school NIL environment is creating dynamics that affect college recruiting and booster operations through the cumulative impact on student-athletes who arrive at college with established commercial relationships. The high school dimension is one that college booster operations cannot ignore, since recruits' prior NIL relationships affect how they engage with college booster cultivation efforts and how college compliance officers should consider the totality of their financial and commercial circumstances. Graduate students entering athletic development should expect the high school dimension to grow in importance throughout their careers as state laws continue to evolve.

## **Olympic Sport and Amateur Booster Organizations**

Olympic sport and amateur athletic contexts produce distinctive booster structures that operate outside the NCAA framework but that share substantial

operational characteristics with intercollegiate booster organizations. National governing bodies for Olympic sports often operate athlete development pipelines that rely on philanthropic support, with athlete-specific support groups organizing around individual athletes or training groups to fund coaching, travel, equipment, and living expenses that the sport's underlying infrastructure cannot provide. The athlete-specific structure produces some of the most distinctive booster operations in American sport, since the support organization may exist primarily to fund a single athlete's career across a multi-year Olympic cycle.

The athlete-specific booster model poses governance challenges distinct from those of team-affiliated booster operations. The narrow beneficiary class raises tax-exempt status questions similar to those in the NIL collective context, since organizations whose primary activity is channeling support to a specific named athlete may not satisfy public charity requirements that broader athletic support organizations more readily meet. The model also creates relational dependencies that can become difficult to manage when athletic performance disappoints or when the relationship between the athlete and the support organization sours for reasons unrelated to performance. Many of the most successful athlete-specific booster operations have built diversification into their structures, supporting multiple athletes simultaneously rather than concentrating their operations around a single named beneficiary. The diversification reduces governance risk while also expanding the support organization's reach within the broader sport community.

Baghurst et al. (2024) proposed an organizational structure called the athletic consul that operates across the institutional boundaries within which booster organizations function. Their conceptual work identified the operational challenges that arise when athletic programs include multiple specialized departments and external relationships, such as booster organizations, with communication breakdowns and operational silos producing dysfunction that affects both internal operations and external partnership management. The athletic consul concept addresses these challenges by establishing a designated role to facilitate communication across

silos, including between the athletic program and its affiliated booster organization. The structural proposal has direct implications for how Olympic sport organizations should coordinate their booster operations with their broader athletic functions over multi-year cycles.

## **Booster-Athletic Director Relational Dynamics**

Booster organizations interact most consequentially with athletic directors, whose institutional authority and operational position make them the primary interface between booster activity and institutional governance. The relationship produces dynamics that affect both individual athletic director wellbeing and institutional operational stability, with consequences that have received increasing scholarly attention as the role of boosters has expanded across the contemporary athletic landscape. Lee et al. (2022) developed a conceptual model of occupational stress for athletic directors in sport contexts that identifies interpersonal conflict with booster clubs as a significant stressor affecting individual outcomes, including job dissatisfaction, lower organizational commitment, and higher turnover intentions. The findings have implications for institutional leaders responsible for athletic director succession planning, as the booster relationship dimension is among the factors that affect athletic director career longevity and should be explicitly addressed by institutional support structures.

Lee et al. (2022) further noted that while the vast majority of boosters are involved with athletic programs to further the interests of young athletes, the initiative also puts pressure on athletic directors because some boosters consider return on investment in terms of either financial repayment or pride. Booster clubs also support athletics solely to satisfy a need to influence the program or the people within it, creating situations that the researchers characterized as violating the spirit and rules governing interscholastic athletics. The conceptual model identifies organizational support as a key moderator of these stress effects, with implications for how institutional leaders should structure the support infrastructure available to their athletic directors managing complex booster relationships. The institutions that invest

most heavily in this support infrastructure produce measurably better outcomes than institutions that leave athletic directors to manage booster dynamics with minimal institutional backing.

Arthur (2023) extended this analysis by examining the perceptions and perspectives of Black male athletic directors at NCAA Division I institutions through phenomenological interview work with the full population of Football Bowl Subdivision Black male athletic directors at the time of the study. The work surfaced distinctive dynamics in how Black athletic directors navigate booster relationships within predominantly White athletic department contexts, with allyship, nepotism, and networking with other minority leaders emerging as overarching dimensions affecting career attainment and ongoing role performance. The findings have implications for how institutional leaders should think about the booster-AD interface across race and gender dimensions, since the dynamics that affect Black athletic directors differ in important ways from those affecting their white counterparts and require institutional response structures that acknowledge rather than ignore the differences.

Elliott and Kellison (2021) added the institutional resource dimension through their work on the fiscal challenges facing athletic departments of Historically Black Colleges and Universities. Their phenomenological interview research with administrators and external observers identified resource dependency dynamics that constrain HBCU athletic operations, affecting booster relationship management and broader institutional fundraising capacity. The findings have implications for understanding how booster organization structure interacts with institutional resource environments, since HBCUs face distinctive challenges that booster operations alone cannot resolve and that require institutional response strategies tailored to the specific resource constraints these institutions face. The HBCU dimension is one that the broader booster literature has historically underweighted, with consequences for how the field thinks about equity in athletic philanthropy across institutional contexts.

## Critical Perspectives

A balanced treatment of booster organizations must acknowledge the substantial scholarly and practical critiques that have accumulated against contemporary booster practice. The critiques operate across multiple dimensions including equity concerns about how booster resources concentrate at well-resourced institutions in ways that exacerbate competitive inequality, governance failure concerns about the structural independence that makes booster organizations difficult to monitor effectively, and ethical concerns about the NIL collective conversion phenomenon that has redirected traditional booster capacity toward direct athlete compensation in ways that some observers view as inconsistent with the original mission of booster operations.

The equity critique observes that booster resources concentrate at institutions whose underlying donor capacity is already substantial, with the result that booster operations reinforce rather than mitigate inequalities in athletic resource access across institutions. Elliott and Kellison (2021) documented how this dynamic affects HBCUs specifically, but the broader pattern affects Division II programs, smaller Division I programs, and high school programs in lower-income communities across the American sport landscape. The implication is that booster operations are not equity-neutral, and institutional leaders who value equity in athletic opportunity should be deliberate about how their booster operations relate to the broader competitive environment in which their athletes operate. Hanson and Welty Peachey (2022) examined Division II athletic fundraising specifically and found that fundraisers at these institutions face distinctive challenges related to limited donor capacity, smaller staff infrastructure, and competitive disadvantages that booster operations alone cannot overcome through more aggressive cultivation work.

The governance failure critique observes that the structural independence that gives booster organizations operational flexibility also creates accountability gaps that have produced public scandals at scale across the

booster landscape. The most prominent scandals have involved high school booster operations where volunteer governance produced embezzlement, recordkeeping failures, or operational drift that affected the affiliated school's reputation and operations. College booster scandals have typically involved NCAA compliance violations that affected institutional competitive position, sometimes for years after the underlying conduct occurred. The cumulative pattern argues for institutional governance frameworks that monitor booster operations more closely than the legal separation between institution and booster might otherwise suggest, with the recognition that operational independence does not relieve institutions of accountability for the conduct that occurs within their broader sport ecosystem (Huml et al., 2020).

The NIL conversion critique observes that the redirection of booster capacity toward direct athlete compensation through nonprofit collective structures may be inconsistent with the original charitable mission that gave booster organizations their tax-exempt status in the first place. Romano (2023) advanced this critique most directly in his work on the tax status of NIL collectives, but the broader concern applies to traditional boosters that have expanded their operations to include NIL components without fully reconciling the expanded activity with their original charitable purposes. The critique does not necessarily imply that the conversion should be reversed, but it does imply that the regulatory framework governing these organizations should be reexamined to ensure alignment between operations and the legal status under which the operations occur. Graduate students entering the field should expect this reexamination to mature over the next several years.

## **Building a Modern Booster Program**

The practical implications of the contemporary booster landscape for institutional leaders building or rebuilding booster operations are substantial and require deliberate attention rather than reliance on inherited structures that may no longer serve their original purposes. Modern booster programs should be designed around six core elements that together address the operational, compliance, equity, and strategic considerations the chapter has examined.

Programs that address all six elements deliberately produce stronger long-term outcomes than programs that emerge through accumulated incremental decisions without unified strategic design.

The first element is clear legal status and governance structure aligned with the program's operational scope and strategic objectives. Lindley (2019) emphasized in his practitioner guidance that booster organizations should select their legal status deliberately based on assessment of the tradeoffs between donor tax benefits, operational flexibility, and governance discipline rather than defaulting to whichever structure peer institutions have adopted. The second element is institutional governance integration that establishes clear lines of authority, communication, and accountability between the booster organization and the affiliated institution. Bass et al. (2015) documented how integrated structures produce both donor experience and operational benefits compared to arm's length structures that defer coordination to ad hoc decisions made under operational pressure.

The third element is systematic compliance education that addresses NCAA rules, Title IX implications, tax requirements, and the contemporary NIL environment through structured programs delivered to board members, volunteers, and donors at regular intervals. McCarthy (2018) documented the effectiveness of structured booster training programs in reducing compliance violations, with implications for how institutional leaders should think about the compliance education resources their booster operations require. The fourth element is donor cultivation strategy that respects the asymmetric institutional risk that booster relationships create while building the genuine relational connections that produce long-term giving capacity. Hanson and Welty Peachey (2022) noted that successful athletic fundraisers at resource-constrained institutions develop distinctive cultivation strategies that prioritize relationship depth over transactional volume, with implications for how booster operations at all institutional types should think about cultivation work.

The fifth element is equity and access infrastructure that addresses how booster resources flow across men's and women's programs, across revenue

and non-revenue sports, and across the institutional resource environment within which the booster operates. Huml et al. (2020) examined Title IX fundraising challenges from the perspective of athletic department fundraisers and found that institutions investing in deliberate equity infrastructure produce measurably better outcomes than institutions treating equity as an afterthought to revenue maximization. The sixth element is NIL coordination strategy that establishes how the booster organization relates to any affiliated NIL collective and how the institution will manage the convergence between traditional and collective operations going forward. Oliphant (2024) provided the most comprehensive legal framework for thinking through this coordination, with implications for institutional governance structures that should anticipate rather than respond to the regulatory and litigation environment that continues to evolve around donor-driven collectives.

## **Chapter Summary**

Athletic booster organizations operate as legally separate entities adjacent to athletic departments, offering tax advantages, governance flexibility, and volunteer leadership at scale while creating asymmetric institutional risk that the affiliated university must absorb when boosters engage in problematic conduct. The legal status options include 501(c)(3) public charity, 501(c)(4) social welfare organization, and unincorporated association formats, each with different tax treatment and governance requirements that produce different strategic profiles. Governance relationships with affiliated institutions operate along a spectrum from tightly integrated advancement structures to arm's-length operations, with the choice of position carrying long-term consequences for donor pipeline depth and institutional fundraising capacity.

The NCAA compliance environment governs booster operations through Bylaw 13 on recruiting and Bylaw 16 on benefits, with the 2021 NIL policy change substantially modifying Bylaw 16's application while leaving the broader compliance framework in place. The convergence between traditional boosters and NIL collectives has produced Title IX exposure, tax status questions, and governance challenges that institutional leaders are working

through in real time. Booster-AD relational dynamics affect institutional governance and athletic director career longevity in ways that organizational support structures can partially mitigate. The equity implications of booster fundraising affect HBCUs, high school programs, and Olympic sports contexts in ways that the broader booster literature has historically underweighted. Modern booster programs require deliberate design around legal status, institutional integration, compliance education, cultivation strategy, equity infrastructure, and NIL coordination.

## **Discussion Questions**

1. The 501(c)(3) format produces strong donor tax benefits but imposes governance and transparency requirements that informal structures avoid. What considerations should guide a booster organization's choice of legal status, and under what circumstances should an organization consider transitioning from one status to another?
2. Oliphant (2024) argued that institutions whose affiliated NIL collectives concentrate compensation in men's revenue sports may face Title IX exposure regardless of the formal organizational separation. How should institutional leaders respond to this analysis, and what governance structures might reduce this exposure?
3. Lee et al. (2022) identified interpersonal conflict with booster clubs as a significant stressor affecting athletic director job satisfaction and turnover intentions. What organizational support structures should institutions invest in to mitigate this stressor, and who should be responsible for implementing them?
4. Rickabaugh (2019) reported that fewer than half of Wisconsin public high schools required equity among booster organizations. What policy interventions might address this equity gap, and what challenges would those interventions face in implementation?

5. Romano (2023) challenged the tax-exempt status of NIL collectives organized as 501(c)(3) charities. How should institutional leaders respond to this challenge in their own planning, and what would a more defensible structure look like?
6. Elliott and Kellison (2021) documented the distinctive fiscal challenges facing HBCU athletic departments. What does the HBCU experience suggest about how booster operations at well-resourced institutions should think about their broader role in the competitive environment of college athletics?

## Applied Assignment

Conduct a comprehensive compliance audit of an existing booster club at an athletic program of your choice, either real or hypothetical. The audit should evaluate the booster organization's legal status documentation, governance structure, including board composition and conflict of interest policies, financial controls and audit history, compliance education programs for board members and volunteers, donor communication and acknowledgment procedures, NCAA compliance protocols, including booster identification and education, Title IX implications of current giving patterns, and coordination with any affiliated NIL collective. The audit should identify three categories of findings: compliant areas requiring continued attention, areas requiring immediate corrective action, and strategic recommendations for stronger long-term operation. The deliverable should be a formal audit report for presentation to the institution's athletic director and general counsel.

## Key Terms

The terms below appear throughout the chapter and across the broader booster literature.

**501(c)(3) Public Charity.** A federal tax classification for organizations operated exclusively for charitable purposes, providing donor

deductibility and tax-exempt status subject to operational restrictions and public reporting requirements.

**501(c)(4) Social Welfare Organization.** A federal tax classification for organizations operated to promote social welfare, providing tax-exempt status without donor deductibility and with greater latitude for political and advocacy activity.

**Advancement Model.** A governance structure that integrates athletic fundraising under the same institutional umbrella as broader institutional advancement, with shared staff, technology, and coordinated cultivation across athletic and non-athletic priorities.

**Asymmetric Compliance Risk.** The structural reality that boosters who engage in problematic conduct face only direct consequences while their affiliated institutions absorb sanctions affecting competitive position, recruiting, and reputation for years after the underlying conduct.

**Booster.** Any individual or organization meeting the NCAA definition of a representative of the institution's athletic interests, including but not limited to formal booster club members and donors who have provided benefits to the athletic program.

**Booster-AD Interface.** The relational dynamics between booster organizations and athletic directors that affect individual athletic director wellbeing and institutional operational stability.

**Bylaw 13.** The NCAA Division I bylaw governing recruiting, including provisions that restrict booster contact with prospective student-athletes.

**Bylaw 16.** The NCAA Division I bylaw governing benefits to current student-athletes, substantially modified by the 2021 NIL policy while retaining the broader compliance framework for non-NIL benefits.

**Donor-Driven Collective.** An NIL collective whose funding flows primarily from individual donor contributions rather than from corporate or

institutional sources, with distinctive Title IX exposure profiles that Oliphant (2024) analyzed in detail.

**Form 990.** The annual information return that 501(c)(3) organizations file with the IRS is publicly accessible and subjects the organization's financial activity to scrutiny by journalists, regulators, and competing institutions.

**Institutional Sanction.** The penalties imposed on an affiliated institution when its boosters violate NCAA rules include loss of scholarships, recruiting restrictions, and postseason bans that compromise competitive position for years.

**Integrated Advancement.** The trend toward organizational integration of athletic fundraising with broader institutional advancement structures produces operational efficiencies and donor experience benefits at the cost of athletic operational autonomy.

**IPTAY Model.** The historic Clemson University athletic giving program, founded in 1934, is widely credited as the template for modern booster organization structure and operations.

**Unincorporated Association.** An organizational format without separate legal existence, channeling contributions directly through institutional or other recipient infrastructure with minimal independent governance.

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# NIL Collectives and Modern Donor Dynamics

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On June 30, 2021, the NCAA Division I Board of Directors adopted an interim policy permitting student-athletes to monetize their name, image, and likeness. The decision came in response to state-level legislation that had begun making the previous prohibition unenforceable, and it triggered the most significant transformation of college athletics fundraising in at least a generation. Within months, organizations called NIL collectives began emerging at virtually every Power Four institution, and within two years, collective fundraising had become a parallel donor channel rivaling or exceeding traditional athletic department fundraising in many programs (Colvin & Jansa, 2023). The 2024 *House v. NCAA* settlement and the subsequent introduction of direct institutional revenue sharing with student-athletes have further complicated the landscape, producing a contemporary environment that no athletic development professional working before 2021 would have anticipated.

This chapter introduces NIL collectives as a category, examines their two primary operational models, analyzes their relationship to traditional athletic department fundraising, and explores the strategic and compliance implications of the collective era for development professionals. The chapter draws on the rapidly developing NIL literature while acknowledging that the field remains in active flux and that some of the analysis offered here may need substantial revision in future editions as practice and regulation continue to evolve.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Define NIL collectives and trace their emergence from the 2021 NCAA interim policy through the *House v. NCAA* settlement and the introduction of institutional revenue sharing.
2. Compare the nonprofit and for-profit collective operational models, including their distinct tax treatment, donor benefits, and operational flexibility.
3. Analyze the competition between NIL collectives and traditional athletic department fundraising for donor capacity, and evaluate strategic responses available to institutions.
4. Explain the *House v. NCAA* settlement framework and its implications for the long-term equilibrium between revenue sharing, NIL collectives, and traditional fundraising.
5. Apply the lessons of the NIL collective era to predict how athletic development practice may continue to evolve over the next decade.

## **What NIL Collectives Are**

An NIL collective is an organization, typically operating as a separate legal entity from the affiliated athletic department, that pools donor contributions to fund NIL deals for student-athletes at a specific institution. Collectives raise money from donors, sign NIL deals with student-athletes that typically require services such as social media posts, appearances at events, or community service, and pay student-athletes for those services. The economic effect is that donor contributions flow through the collective to student-athletes, with the collective serving as the intermediary that structures the legal relationship in ways that comply with applicable NIL regulations (Romano, 2023). The structure was effectively impossible before the 2021 NCAA policy change, since payments from boosters to student-athletes would have violated the pre-2021 amateurism rules that had governed college athletics for more than a century.

Collectives have proliferated rapidly across American higher education. Colvin and Jansa (2023) documented the rapid spread of NIL-enabling state laws and the parallel emergence of collectives at virtually every Power Four institution and at many programs at lower competitive levels, finding that policy diffusion across states drove the speed of collective emergence in ways that closely parallel diffusion patterns documented for other types of state policy innovation. The growth has occurred without much of the organizational maturity that characterizes traditional athletic fundraising, and many collectives operate with limited governance, sometimes opaque finances, and uncertain long-term sustainability. The contrast between the long professional history of traditional athletic development offices and the recent emergence of collectives produces an operational tension that affects how the two channels coordinate at most institutions.

## Two Operational Models

NIL collectives operate under two primary legal structures, each with different implications for donors, student-athletes, and the affiliated institution. The choice between the two models is among the most consequential strategic decisions a collective makes, and the field has gradually shifted between the two as regulatory clarity has emerged.

### *Nonprofit Collectives*

Nonprofit collectives operate as 501(c)(3) charitable organizations, structuring their NIL deals as fundraising activities that direct contributions toward charitable causes, including community service, youth programming, and education, with student-athletes serving as compensated participants in the charitable activities. Donors to nonprofit collectives can claim charitable tax deductions for their contributions, which substantially increases donor willingness to give at meaningful levels and was the principal advantage of the nonprofit model in the early NIL years. The structure was widely adopted in the early years of the NIL era but has come under increasing IRS scrutiny since 2023.

Romano (2023) raised the central tax question facing nonprofit collectives: do they actually qualify for 501(c)(3) status, or are they primarily vehicles for compensating student-athletes with charitable activities serving as window dressing? The IRS issued a memorandum in 2023 indicating that many nonprofit collectives likely do not qualify for tax-exempt status, casting uncertainty over the deductibility of contributions made to these organizations during the early NIL years and producing substantial concern about retroactive tax liability for donors who claimed deductions in earlier tax years. The IRS position has prompted many collectives to reconsider their legal structure and prompted donors to consult their own tax advisors about their personal exposure.

### *For-Profit Collectives*

For-profit collectives operate as limited liability companies or other commercial entities that pay student-athletes for NIL services without claiming tax-exempt status. Donor contributions to for-profit collectives are not tax-deductible, which reduces donor willingness to give at the highest levels but also avoids the tax classification uncertainty facing nonprofit collectives. Most newly formed collectives in 2024 and 2025 adopted the for-profit model, and many existing nonprofit collectives have converted or are considering conversion to the for-profit structure. The shift represents a substantial change in the early operational consensus of the field and reflects accumulated learning about which structure produces sustainable operations under contemporary regulatory conditions.

## **The Competition with Traditional Athletic Fundraising**

The arrival of NIL collectives has produced direct competition for donor dollars between collectives and traditional athletic department fundraising. The same donors who give to athletic department annual funds are often the same donors who give to NIL collectives, and the total donor capacity of an institution's supporter base does not grow proportionally to accommodate both

channels (Hanson & Welty Peachey, 2022). Athletic departments have generally responded in one of three ways: by establishing formal coordination relationships with collectives, by competing actively with collectives for donor attention, or by maintaining strategic distance from collective activities altogether. Each response produces distinctive risks and opportunities that institutional leaders weigh against their specific competitive priorities.

Hanson and Welty Peachey (2022) studied athletic department fundraising challenges and noted that the emergence of NIL has complicated the traditional development office mission in ways that earlier generations of practitioners did not anticipate. Their interview research surfaced significant concern among development professionals about whether traditional fundraising would be sustainable as collectives absorbed an increasing share of donor capacity, and the concern has proven warranted at some institutions where major gift pipelines have contracted as donors have redirected capacity toward collectives. The contraction is not uniform across institutions; some programs have managed the transition successfully through coordinated messaging and integrated cultivation, while others have struggled to maintain traditional development office productivity in the face of collective competition.

Huml and Cintron (2021) examined stakeholder management in college athletic fundraising and identified organizational structures that affect how institutions manage the collective relationship. Programs with strong integration between athletic department leadership and collective leadership tend to navigate the transition more successfully, while programs with weak coordination experience the collective as competition rather than partnership. Bogina and Gordon (2022) added a generational dimension by studying student-donor membership programs and noting that younger donors are particularly likely to engage with collective fundraising channels through the digital communication patterns that characterize collective operations, with implications for the long-term pipeline value of student-donor programs in the collective era.

**THE DONOR CAPACITY QUESTION**

*A donor with \$250,000 in annual capacity who previously gave \$100,000 to athletic fundraising and \$0 to collectives may now give \$50,000 to each. The athletic department loses fifty percent of its previous capacity from this donor even though the donor's total athletic giving has remained constant. Multiplied across an institution's donor base, the redistribution has material consequences for athletic department budgets and for the institutional revenue projections that depend on traditional fundraising performance.*

**The House v. NCAA Settlement**

The legal landscape of college athletics fundraising changed further with the House v. NCAA settlement, approved in 2024. The settlement created a framework for institutions to directly share revenue with student-athletes, with annual per-institution payments projected at approximately twenty-two million dollars beginning with the 2025-26 academic year. The arrangement represents a fundamental shift from the previous model in which all athletic department revenue stayed within the institution and student-athletes received only scholarships and the new NIL compensation channels (Thelin & Moyon, 2026). The settlement also addressed historical antitrust claims by establishing a substantial back-payment fund for athletes who competed before the settlement took effect, producing financial obligations that institutions must absorb over multi-year horizons.

The revenue-sharing framework intersects with NIL collectives in ways that remain unsettled at the time of this writing. Institutions now have direct mechanisms to compensate student-athletes that did not previously exist, which may reduce the marginal value collectives provide for some categories of athlete compensation. At the same time, the revenue-sharing cap means that

elite recruits will continue to seek compensation above the institutional cap, which sustains a role for collective payments even after revenue sharing begins. The long-term equilibrium between institutional revenue sharing and collective fundraising is one of the most important open questions facing the field, and the answer will substantially affect how athletic development offices structure their work over the next decade.

## **Strategic Implications for Development**

Athletic development offices have responded to the collective era through several strategic adaptations that distinguish high-performing programs from those struggling to navigate the transition. Some programs have built integrated revenue strategies that coordinate institutional fundraising with collective fundraising, presenting donors with a unified giving menu that allocates contributions across both channels based on donor preferences and strategic priorities. Others have differentiated their messaging to position athletic department giving as supporting the institution and student-athlete welfare broadly while positioning collective giving as more transactional support for individual athletes. Each approach involves tradeoffs that institutional leaders weigh against their specific donor base composition and competitive priorities.

Stein et al. (2024) noted that the expansion of NIL into high school athletics is now affecting college athletic compliance environments, since recruits arriving on college campuses increasingly have established NIL relationships and parent involvement in their athletic affairs. The trend complicates the cultivation relationships that traditional development offices have built with parents of current and former student-athletes, who increasingly view athletic departments as one of several potential beneficiaries of their philanthropic interest rather than the natural primary channel. Thelin and Moyon (2026) situated these contemporary developments in the longer history of college athletic commercialization, noting that the NIL transition represents the most recent phase in a centuries-long pattern of commercial pressures reshaping amateur athletic structures.

## Chapter Summary

NIL collectives have emerged as a parallel donor channel that competes with and complicates traditional athletic department fundraising. The two operational models, nonprofit 501(c)(3) and for-profit LLC, carry different implications for donor tax treatment and operational flexibility, with the IRS increasingly skeptical of nonprofit collective claims and many collectives shifting to the for-profit model in response. The *House v. NCAA* settlement adds a third layer to the compensation landscape through direct institutional revenue sharing with student-athletes that began in earnest in the 2025-26 academic year. Athletic development offices must navigate the resulting environment through integrated revenue strategies, differentiated donor messaging, and ongoing adaptation to a regulatory landscape that continues to evolve. The contemporary practice of athletic development requires fluency in concepts that did not exist before 2021 and tolerance for ongoing change that no settled framework can fully anticipate.

## Discussion Questions

1. The IRS has raised concerns about whether nonprofit NIL collectives qualify for 501(c)(3) status. How should an athletic department position itself if its affiliated collective loses tax-exempt status, and what donor communication challenges does that scenario produce?
2. Donor capacity is not infinite, and collective giving often comes from the same donor base as athletic department giving. How should development offices manage the resulting competition for donor attention without antagonizing donors who give to both channels?
3. The *House v. NCAA* settlement enables direct institutional revenue sharing with student-athletes. How does this development change the strategic role of NIL collectives, and which functions of collectives may become redundant?

4. Some institutions have established formal coordination relationships with their affiliated collectives, while others have maintained strategic distance. What considerations should drive that strategic choice, and how should institutions evaluate which model is performing better?
5. Looking forward five years, where do you predict NIL collectives will fit in the landscape of college athletics fundraising, and what skills should current graduate students develop to be prepared for that future?

### Applied Assignment

Select one Power Four athletic program. Identify all NIL collectives affiliated with that program. Build a comparative matrix that shows each collective's legal structure, donor recognition model, athlete distribution model, and publicly available fundraising results. Then write a strategic brief addressed to the athletic department's senior development officer. The brief should advise on how the athletic department should coordinate with the collectives without violating compliance boundaries, how to present giving options to donors who could give to either channel, and what long-term risks the current arrangement poses to the institution.

### Key Terms

The terms below are essential vocabulary for understanding the dynamics of NIL collectives.

**For-Profit Collective.** An NIL collective operating as a limited liability company or other commercial entity, paying student-athletes without claiming tax-exempt status.

**House v. NCAA Settlement.** The 2024 court-approved agreement created direct institutional revenue sharing with student-athletes beginning in the 2025-26 academic year.

**Interim Policy.** The June 2021 NCAA Division I Board of Directors policy permits student-athletes to monetize their name, image, and likeness.

**Name, Image, and Likeness (NIL).** The rights of an individual to commercial use of their identity, monetized by college athletes since the 2021 NCAA interim policy.

**NIL Collective.** An organization that pools donor contributions to fund NIL deals for student-athletes at a specific institution.

**Nonprofit Collective.** An NIL collective operating as a 501(c)(3) charitable organization, structuring NIL deals as fundraising for charitable causes.

**Policy Diffusion.** The process by which policy innovations spread across jurisdictions is often driven by competitive pressure rather than independent policy evaluation.

**Revenue Sharing.** The direct payment of athletic revenue from institutions to student-athletes is enabled by the House v. NCAA settlement framework.

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# Capital Projects: Stadiums, Arenas, and Training Facilities

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In August 2023, the University of Tennessee broke ground on a \$337 million renovation of Neyland Stadium, which included new premium seating sections, expanded club spaces, and a video board large enough to be visible from low Earth orbit. The project's financial structure combined an institutional bond issuance, a multi-year capital campaign that secured more than \$100 million in philanthropic commitments, premium seating revenue from PSL conversions and new club seat sales, and a smaller contribution from operating cash flow accumulated over several profitable seasons. The complexity of the financing structure exceeded anything Tennessee's athletic department had attempted in its century-plus history, and the project required coordination among institutional advancement, finance, athletics, external bond counsel, and architectural design firms, taking more than three years to execute through closing. The Tennessee project is unusual in its dollar magnitude but typical in its structural complexity, and the patterns it illustrates apply across athletic capital projects at institutions large and small.

Athletic capital projects produce the most visible expressions of philanthropic ambition in college sport. A new football stadium, a renovated basketball arena, or a state-of-the-art training facility represents tens or hundreds of millions of dollars in coordinated revenue from gifts, bonds, premium seating commitments, and operating cash flow. The development office plays a central role in the philanthropic component of these projects, working alongside the institution's finance team, athletic department

leadership, and external advisors to assemble what practitioners call the capital stack. The complexity of modern athletic capital projects exceeds anything earlier generations of athletic development professionals encountered, and the contemporary practitioner must navigate financial, regulatory, and donor-relations dimensions that did not exist in the simpler capital-project environments of even thirty years ago.

This chapter examines the typical revenue stack for an athletic facility project, the interaction between philanthropic gifts and other financing sources, the phased structure of capital project execution that runs from feasibility through opening and post-opening stewardship, the strategic considerations that distinguish successful capital projects from those that strain institutional finances, the economics of premium seating and personal seat license structures that anchor much of the non-philanthropic revenue, the institutional debt environment within which capital projects operate during periods of fiscal stress, and the athlete satisfaction dimensions of facility design that interact with traditional donor-facing facility planning. The chapter draws on the broader higher education facility finance literature while attending to the distinctive features of athletic projects, which produce both opportunities and risks that practitioners must navigate carefully over multi-decade project horizons.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

- 1.** Identify the major components of the capital stack for athletic facility projects, including philanthropic gifts, tax-exempt bond financing, premium seating revenue, and naming rights, and analyze the strategic interactions among these components.
- 2.** Describe the phases of athletic capital project execution from feasibility through opening and post-opening stewardship, and

evaluate the development office's distinctive responsibilities at each phase.

3. Apply pyramid-of-giving logic to assess whether a contemplated capital project goal is viable, and identify the warning signs that distinguish viable from non-viable contemplated projects before institutional commitments become irrevocable.
4. Analyze the two-part tariff structure of personal seat licenses and the price segmentation logic that underlies premium seating pricing, drawing on the managerial economics literature that addresses these structures.
5. Evaluate the institutional debt environment within which athletic capital projects operate, including the lessons from institutional borrowing patterns during the Great Recession and the COVID-19 pandemic periods.
6. Articulate the athlete satisfaction dimensions of facility design that interact with traditional donor-facing facility planning, including financial, functional, aesthetic, and atmospheric indicators.
7. Analyze the financial overextension risk that capital projects produce and evaluate organizational structures that reduce it.

### **The Capital Stack**

Modern athletic facility projects assemble revenue from multiple sources, each with different cost profiles, timing characteristics, and constraints that shape how the institution can deploy them. The combination of sources is called the capital stack, and the design of the stack reflects strategic decisions about institutional risk tolerance, donor capacity, and operating cash flow projections that depend on actuarial assessments of multi-decade revenue trajectories. The capital stack design happens in coordination with the institution's chief financial officer and external bond counsel rather than within the development office alone, since the legal and financial complexity of bond

financing requires specialized expertise that development professionals are not expected to possess. The interaction across components produces operational and strategic complexity that exceeds the sum of the individual components, with consequences for how the institution should think about its overall risk posture across the multi-decade life of the underlying assets.

### *Philanthropic Gifts*

Philanthropic gifts form the largest single component of most athletic facility projects in terms of strategic importance, even when bond financing produces larger absolute dollar volumes. Major gifts secured through dedicated capital campaigns typically fund the most visible and prestigious project components, including naming rights for the facility itself and named spaces within it that provide donor recognition at scales that no other type of gift produces. Bass et al. (2015) documented how athletic facility fundraising has become a central feature of institutional advancement at major universities, with capital project gifts increasingly cited in conference realignment and brand-building strategies that extend beyond the immediate facility itself. The visibility of named buildings creates ongoing recruiting and reputational value that returns to the institution for as long as the facility stands, producing returns that conventional accounting frameworks do not fully capture and that institutional leaders should attempt to articulate to donors as part of the broader case for support.

Hanson and Welty Peachey (2022) noted in their analysis of Division II athletic fundraising that capital project fundraising represents one of the highest-stakes activities athletic development offices undertake, and the stakes are even higher at programs whose donor capacity does not support the multi-year campaign infrastructure that larger institutions deploy. The cultivation cycle for a major capital gift typically extends across three to seven years from initial identification through closing, with the institution investing substantial staff time and travel resources in relationships that may or may not produce the anticipated commitment. Successful programs build redundancy into their lead gift cultivation by working with multiple prospects simultaneously, since

the failure of any single relationship to mature would otherwise compromise the entire project timeline. The redundancy strategy carries its own costs in terms of donor experience, since prospects may discover that they have been cultivated as alternatives to others and may withdraw from the relationship in response.

### *Tax-Exempt Bond Financing*

Public universities and many private institutions finance the non-philanthropic portion of facility costs through tax-exempt bond issuances. The bonds carry lower interest rates than commercial debt because federal tax law exempts the interest from federal income tax for bondholders, producing meaningful savings over the multi-decade life of the bond. The structure makes tax-exempt bonds attractive for long-term facility financing, but federal rules on private use restrict how the financed facilities can be used by non-governmental tenants, which can complicate sponsorship arrangements that exceed defined private use thresholds. Hoffer and Pincin (2015) examined the broader pattern of revenue and expenditure relationships in NCAA athletic departments and documented how debt service obligations from facility projects affect operating budgets over decades, with the implication that institutions should assess their long-term debt service capacity before committing to bond-financed facility expansion that may constrain operations for longer than the institution's current leadership will be in place to manage.

Ward et al. (2022) provided a substantial recent contribution to understanding the institutional debt environment within which athletic capital projects operate, examining how institutional borrowing patterns shifted across the Great Recession and the COVID-19 pandemic crisis periods. Their analysis documented that institutional borrowing increased substantially during both crisis periods, with athletic facility projects representing one category among multiple capital purposes that institutions financed through debt during these stress periods. The implication is that athletic facility debt is one component of broader institutional debt portfolios that the institution must manage holistically, and athletic decisions about facility debt should be made

in coordination with institutional leaders responsible for overall debt service capacity rather than in isolation. Ward et al. (2022) recommended improved oversight mechanisms for institutional debt that would track athletic and non-athletic borrowing in a unified framework, with implications for how athletic development offices should engage with their institutional counterparts when contemplating new facility projects during stress periods.

### *Premium Seating and PSL Revenue*

Premium seating revenue, sometimes structured through personal seat licenses, provides another significant component of facility financing that practitioners must understand. PSLs are one-time payments that donors make for the right to purchase season tickets in premium locations over a specified term, often twenty or thirty years. The structure converts future ticket-related revenue into upfront cash that can fund facility construction, but the conversion involves tradeoffs regarding how the institution will replace the ticket revenue stream over the life of the PSL term. Hill and Qu (2019) found strong relationships between athletic department revenue generation and the premium seating infrastructure that modern facilities provide, with the implication that facility designs should incorporate premium seating capacity in proportion to the underlying market's willingness to pay for premium experiences. Mayer (2023) extended this analysis by examining premium seating specifically across the Power Five and Group of Five environments and finding that pricing strategies vary substantially with institutional context, conference affiliation, and the competitive position of the program in its local market.

Ke (2021) provided a theoretical framework for understanding the economics of PSL pricing through the lens of the two-part tariff structure familiar from managerial economics. The framework treats the PSL as the entry fee component of a two-part pricing arrangement, with the annual ticket price representing the per-unit usage component. Under the framework, the institution captures the entire consumer surplus that would otherwise accrue to the most committed fans through optimal pricing, with the PSL setting

calibrated to the value the fan places on the right to access premium seating across the multi-year horizon. Ke (2021) noted that PSLs also function as appreciating assets in secondary markets at the most desirable venues, and that underpricing PSLs at venues with strong secondary market demand fails to unlock the full profitability potential the structure makes available. The framework has direct implications for how athletic departments should set PSL prices in new facility projects, with the recommendation that pricing should reflect the full theoretical value capture potential rather than the lower prices that political or relational considerations might otherwise suggest.

The practical application of two-part tariff pricing in athletic PSLs requires substantial judgment because the institution must balance theoretical revenue maximization against the donor relationship consequences of aggressive pricing. A PSL pricing structure that maximizes immediate revenue may damage long-term donor relationships with constituents who feel that the institution prioritized financial extraction over the relational dimensions of fan engagement that traditional ticket pricing accommodated. Mayer (2023) documented variation across institutions in how they navigate this tension, with some programs adopting aggressive pricing aligned with theoretical revenue maximization and others adopting more relational pricing that leaves substantial revenue unrealized but preserves donor goodwill. The choice between these approaches reflects strategic decisions about the institution's broader development posture and should be made in coordination with institutional advancement leadership rather than as a purely tactical facility revenue decision.

### ***Naming Rights***

Naming rights for the facility itself often produce eight or nine figure single commitments that anchor the philanthropic component of the capital stack. Naming rights are addressed in detail in Chapter 10, but they bear mention here because the strategic decision about whether to pursue corporate or individual naming substantially shapes the broader fundraising plan. A facility with corporate naming will have different sponsorship economics than

one with individual donor naming, and the choice between the two reflects strategic priorities about brand identity and revenue maximization that institutional leaders should make deliberately. McAlexander and Koenig (2012) noted that recognition associated with naming serves community-building functions beyond pure revenue contribution, with the implication that naming decisions affect the institution's broader brand community in ways that extend beyond the immediate revenue from the naming transaction.

#### PRACTITIONER NOTE

*The capital stack design happens in coordination with the institution's chief financial officer and external bond counsel. The development office cannot make these decisions independently. Graduate students preparing for athletic development careers should expect to operate as one stakeholder in a multi-party planning process rather than as the central architect of facility finance. The most effective development professionals invest early in building working relationships with institutional finance staff, since those relationships are the operational infrastructure through which capital project decisions actually occur.*

## Phases of a Capital Project

Athletic capital projects follow a phased structure that combines fundraising milestones with construction milestones across multi-year horizons. The phases include feasibility, design and approvals, fundraising and financing, construction, opening, and post-opening stewardship. Each phase has different demands on the development office and different opportunities for donor engagement that the office should plan for deliberately rather than improvising as construction proceeds. The phased structure has been remarkably stable across institutions even as the absolute dollar magnitudes of campaigns have grown substantially, and the underlying logic of the phases

reflects accumulated practitioner wisdom about how to manage the operational and donor relationship dimensions of capital project execution simultaneously.

### *Feasibility and Design*

The feasibility phase tests whether the contemplated project can succeed financially and strategically before the institution commits significant resources to advanced design and donor cultivation. During feasibility, the institution conducts confidential interviews with prospective lead donors to assess philanthropic capacity, commissions market studies to evaluate ticket pricing and premium seating demand, and develops preliminary architectural concepts that can be refined as funding clarifies through the cultivation process. Hanson and Welty Peachey (2022) noted that capital project fundraising represents one of the highest-stakes activities athletic development offices undertake, and feasibility failures can produce institutional reputational damage that persists for years and affects subsequent fundraising for unrelated projects. The feasibility study itself is therefore a substantial investment, typically running between one hundred thousand dollars and several hundred thousand dollars depending on project scale, and the institution should commit to this investment with the expectation that the study may conclude that the contemplated project cannot succeed.

Emedosi et al. (2023) examined the broader literature on capital project planning effectiveness and found that thorough preconstruction planning is consistently associated with stronger project delivery outcomes across multiple international contexts. Their analysis identified the importance of involving project planning specialists at the earliest stages of project conception, with the recommendation that institutions should resist the temptation to skip or compress the planning phase under pressure from athletic department leaders who may be eager to begin construction visible to donors and recruits. The accumulated literature suggests that compressed feasibility and planning phases produce measurably worse project outcomes across cost, schedule, and quality dimensions, with the implication that institutional leaders should protect the planning phase from competitive pressure even

when peer institutions appear to be moving faster on parallel projects. The pressure to match peer institution velocity is one of the most common sources of capital project failure, and resistance to that pressure is among the most important institutional leadership functions during the feasibility phase.

### ***Public Launch and Construction***

Public launch occurs when the institution has secured sufficient lead gift commitments and capital stack components to make the project financially viable. The launch typically combines philanthropic announcement, including the case for support, named gift opportunities, and the campaign goal, with construction announcements that include groundbreaking dates, projected completion, and design renderings. During the construction phase, fundraising continues in parallel with building activity, with the goal of completing the philanthropic component of the capital stack before the facility opens. The parallel work creates operational complexity because the development office must continue active cultivation while donors are increasingly able to visit the construction site and form their own opinions about whether the project is delivering on the case for support.

The construction phase produces distinctive donor cultivation opportunities that the development office should incorporate into its strategic planning rather than treating as incidental to the construction itself. Hard-hat tours, behind-the-scenes access events, and ceremonial milestones such as steel topping ceremonies and final beam signings produce engagement opportunities that mature donor relationships in ways that traditional cultivation activities cannot match. The construction phase is also when most institutional leaders should expect the project's most challenging operational issues to surface, including cost overruns, schedule delays, and design conflicts that require difficult decisions about how to allocate scarce resources across competing project priorities. The development office should be involved in these decisions because they affect the donor experience that the office has worked years to cultivate, but the office cannot drive these decisions

alone and should expect to operate as one stakeholder in a multi-party deliberation.

### *Opening and Stewardship*

Facility opening is both an end and a beginning for the development office. It ends the construction phase and the most intensive period of project fundraising, allowing staff to redeploy attention to other priorities. It begins the long phase of donor stewardship in which the institution maintains relationships with the donors whose gifts made the project possible across multi-decade horizons. Stewardship of capital project donors is addressed in detail in Chapter 13, but graduate students should understand that opening day is not the end of capital project work but the start of a multi-decade relationship management commitment that affects every subsequent campaign the institution conducts. The stewardship period typically extends beyond the working tenure of the development professionals who closed the original gifts, with the implication that institutions should invest in stewardship infrastructure that survives staff turnover rather than relying on individual relationships that the institution cannot guarantee.

### **Strategic Considerations**

Capital projects carry strategic risks that development offices must help institutional leadership manage across the project lifecycle. The largest risk is financial overextension, in which the institution commits to construction costs that exceed its ability to repay debt or sustain operations through subsequent revenue downturns. Many capital projects in college athletics have produced facilities that are financially sustainable across their full debt service life, but a smaller number have produced facilities whose debt service consumes resources that could otherwise fund competitive program operations (Hoffer & Pincin, 2015). The risk is particularly acute at programs that have stretched to match the facility investments of their primary competitors, since the competitive pressure to match peer facilities can drive institutional decisions

that the underlying revenue base cannot sustain across the full debt service horizon.

Marx et al. (2023) provided an important empirical complement to the overextension risk analysis through their examination of what happens to athletic budgets when institutions eliminate Division I men's sports programs. Their analysis of eighty-five institutions found that when men's sports were eliminated, the budget resources of the eliminated programs were reallocated primarily to men's basketball and football rather than to women's athletics, with implications for how institutional leaders should think about the resource pressures that facility debt service produces. The finding suggests that facility debt service often crowds out the broad-based sport offerings that institutions have historically maintained, with the consequence that capital project decisions made for football and basketball-focused reasons can produce program elimination decisions years later that affect athletes in completely unrelated sports. The cascading consequences of facility debt across multi-year horizons are among the most consequential strategic considerations that institutional leaders should weigh during capital project deliberation, and they are among the considerations most likely to be underweighted in the immediate enthusiasm of a new project launch.

A second risk is reputational overcommitment, which operates through the public commitments that capital projects entail. Capital projects often involve public commitments to donors, students, fans, and university trustees that the project will deliver specific benefits including improved competitive results, enhanced student-athlete experience, or expanded community programming. When projects deliver less than expected, the development office bears reputational consequences that can affect future fundraising even when the underperformance results from factors entirely outside the institution's control. Brook (2024) noted that conference realignment substantially affects facility revenue projections through its effects on television revenue and recruiting capacity, with implications for how institutions should think about facility planning during periods of conference instability that have characterized college athletics throughout the past decade. Conservative projections,

transparent communication, and contingency planning are essential to managing this risk, and the development office should advocate for these planning practices even when athletic department leaders prefer the more optimistic projections that drive easier donor cultivation.

**THE CONFERENCE REALIGNMENT  
MULTIPLIER**

*Brook (2024) found that conference membership changes substantially affect athletic department revenue trajectories, with implications for facility project financial models. Programs contemplating major facility expansion during periods of conference instability should incorporate scenario analysis that examines revenue outcomes under multiple conference affiliation pathways. The institutions that have managed conference realignment most successfully have typically been those that maintained conservative revenue assumptions across their facility investments, leaving cushion for the realignment dynamics that have characterized the past decade and will likely continue into the foreseeable future.*

## **Premium Seating Economics and PSL Pricing**

The economics of premium seating and personal seat licenses warrant detailed examination because these revenue sources represent some of the most consequential strategic choices that institutional leaders make during facility planning. The basic structure of a PSL is the two-part tariff that Ke (2021) analyzed: the licensee pays an upfront amount for the perpetual or term-limited right to purchase season tickets in a specific seat, and the licensee then pays the annual ticket price for the actual tickets across the life of the license. The structure produces upfront cash that can fund facility construction while preserving the annual ticket revenue stream that the institution would have received under conventional ticketing. The combination creates both

opportunities and risks that institutional leaders must navigate through deliberate pricing and structural choices.

The pricing of PSLs requires the institution to estimate the consumer surplus that would otherwise accrue to the most committed fans across the term of the license. Mayer (2023) documented that contemporary athletic departments use multiple pricing methodologies including market comparable analysis, willingness-to-pay surveys, and dynamic pricing experiments that adjust prices based on observed demand. The choice among methodologies reflects institutional culture and analytical capacity, and the most sophisticated programs combine multiple approaches to produce pricing that captures substantial revenue while preserving the donor relationships that aggressive pricing alone might compromise. Mayer (2023) noted that pricing strategies vary substantially with institutional context, with Power Five programs typically able to extract higher prices than Group of Five programs because of the deeper underlying willingness to pay in their fan bases and the stronger competitive position of their on-field product across multi-year horizons.

The secondary market dimension that Ke (2021) identified produces additional complexity that institutional leaders must navigate during PSL pricing decisions. At venues with strong demand and limited capacity, PSLs trade in secondary markets at premiums above their original prices, with the implication that the institution captured less than the full theoretical value during initial pricing. The institutional response to secondary market dynamics varies across programs. Some institutions prohibit PSL transfers entirely, capturing all secondary market activity for themselves through buyback programs. Others permit free secondary market trading, accepting that some value will accrue to private parties rather than to the institution. Still others operate hybrid programs that permit limited transfers under specified conditions, balancing the operational simplicity of free trading against the revenue capture of restricted transfers. Each approach reflects strategic priorities that institutional leaders should articulate clearly during the original PSL program design rather than allowing to emerge through accumulated administrative decisions.

Hill and Qu (2019) provided important empirical context for premium-seating economics by analyzing the relationship between college football performance and athletic department revenues. Their work documented strong relationships between on-field success and premium seating revenue, implying that premium seating revenue projections during facility planning should incorporate scenario analysis across multiple competitive performance trajectories. Programs that experience extended periods of competitive disappointment after major facility investments often find that their premium seating revenue projections fail to materialize, with consequences for the broader capital stack that the institution must absorb through operating cash flow or additional debt service. The competitive dimension is one of the most consequential and most often underweighted considerations in capital project planning, since athletic department leaders contemplating new facilities are typically operating during competitive high points that may not persist across the facility's full economic life.

## **Institutional Debt and Crisis Response**

Athletic capital projects operate within the broader institutional debt environment, and institutions' capacity to absorb new athletic facility debt depends substantially on their debt portfolios and the institutional fiscal environment more generally. Ward et al. (2022) provided substantial recent evidence on how institutional debt patterns shifted during the Great Recession and the COVID-19 pandemic crisis periods, finding that institutional borrowing increased during both crises as institutions absorbed operating revenue losses through debt rather than through immediate program cuts. The pattern has implications for how athletic development professionals should think about facility project timing, since stress periods that produce broader institutional debt expansion may not be optimal moments to add athletic facility debt to the institutional balance sheet.

The countervailing consideration is that stress periods sometimes produce favorable bond market conditions including lower interest rates that reduce the long-term cost of new debt issuance. The institutional decision about whether

to proceed with facility projects during stress periods therefore requires balancing the operational pressure of expanded debt against the financial benefit of more favorable issuance conditions, with the balance reflecting institutional risk tolerance and competitive positioning considerations that vary across programs. Ward et al. (2022) recommended that institutions improve oversight mechanisms for debt during stress periods specifically, with the goal of ensuring that facility decisions made under stress conditions reflect coordinated institutional strategy rather than the ad hoc judgments that crisis environments sometimes produce. The recommendation has direct implications for athletic development practice during the next stress period that the field will inevitably encounter.

Biasi et al. (2024) provided complementary evidence on capital investment patterns in the school context, showing through extensive empirical analysis that capital project investments produce different effects depending on the specific category of investment. Their work distinguished athletic facility investments from classroom investments, finding that athletic facility construction and renovation increased property values in surrounding communities even when they did not improve student learning outcomes. The finding has implications for how institutional leaders should articulate the case for athletic facility investments to non-athletic stakeholders, since the property value capitalization effect represents a legitimate community benefit that supplements the direct athletic returns the institution captures. The cross-discipline empirical work also provides useful methodological models that athletic finance researchers might productively adopt in future work on athletic facility capital investment outcomes.

## **Athlete Satisfaction and Facility Design**

Beyond the donor-facing and revenue dimensions that have historically dominated facility planning conversations, the contemporary literature has begun to address the athlete satisfaction dimensions of facility design that affect recruiting, retention, and competitive performance in ways that institutional leaders should incorporate into their facility planning frameworks.

Magnusen et al. (2023) provided one of the most comprehensive recent treatments of this question through their work on reconceptualizing sport venues and college athlete satisfaction in the *Journal of Amateur Sport*. Their conceptual model identified four major categories of indicators that affect athlete satisfaction with competition venues: financial, functional, aesthetic, and atmospheric. The model has direct implications for how institutions should approach facility design conversations that have historically been dominated by donor and spectator considerations.

The financial indicators in the Magnusen et al. (2023) framework address the resources that the institution invests in facilities relative to peer programs that recruits and current athletes are likely to compare. Athletes evaluate the institution's financial commitment to their experience through facility quality, equipment provision, and the broader investment environment surrounding their daily training and competition. The functional indicators assess whether the facility actually supports the athletic activities for which it was designed, including training space allocation, sports medicine integration, equipment storage, and operational features that affect the daily athlete experience. The aesthetic indicators assess whether the facility presents itself in ways that athletes find motivating, including visual design, brand integration, and the broader sensory environment of the spaces. The atmospheric indicators address the experiential qualities that emerge when athletes use the facility in both competition and training contexts, including acoustic properties, crowd integration, and the overall feel of the spaces during peak-use periods.

The implication of the Magnusen et al. (2023) framework is that facility design should incorporate athlete satisfaction considerations explicitly rather than treating athlete experience as a residual outcome that emerges from design choices made for other reasons. The integration is particularly important during the design phase of capital projects, when relatively small adjustments can produce substantial improvements in athlete satisfaction outcomes without compromising the donor-facing and revenue dimensions that drive the broader project. Programs that have integrated athlete satisfaction considerations into their facility planning have reported strong

recruiting and retention benefits, with implications for how the institution should think about the total return on facility investment across multiple beneficiary populations. The athlete satisfaction dimension also produces stewardship opportunities that the development office can leverage by featuring athlete testimony in donor cultivation work, with the recognition that authentic athlete engagement with facility design typically produces more compelling donor communication than purely architectural descriptions.

## Critical Perspectives

A balanced treatment of athletic capital projects must acknowledge the substantial scholarly and practical critique that has accumulated against contemporary facility development patterns in college athletics. The critique operates across multiple dimensions including equity concerns about how facility resources concentrate at well-resourced programs in ways that exacerbate competitive inequality, fiscal concerns about the long-term debt service consequences of facility expansion, and academic mission concerns about whether athletic facility investments crowd out academic facility investments that more directly advance the institution's educational purposes.

The fiscal concern operates through the multi-decade debt service obligations that facility expansion produces. Hoffer and Pincin (2015) documented how athletic department debt service affects operating budgets over decades, with the implication that facility decisions made in one decade constrain operations in subsequent decades when the original decision makers are no longer in their positions. The decoupling of decision authority from decision consequences produces governance challenges that institutional leaders should address through explicit succession planning and through formal debt service capacity analysis that constrains how aggressive facility expansion can be at any given moment. Marx et al. (2023) added important empirical evidence that facility debt service often crowds out broad-based sport offerings, with cascading consequences for athletes in completely unrelated sports who experience program elimination as the indirect result of facility decisions made years earlier. The cascading consequences are among

the most consequential strategic risks that capital projects produce and among the most often underweighted in the enthusiasm of new project launches.

The equity concern operates through the concentration of facility resources at programs whose underlying donor capacity is already substantial. Programs with strong donor bases can fund facility investments through philanthropic giving that smaller programs cannot access, with the result that facility quality and the recruiting advantages it produces concentrate at programs that were already competitively advantaged. The cumulative pattern produces facility quality stratification across college athletics that affects competitive balance in ways that the broader regulatory framework has not addressed. Elliott and Kellison (2021) documented how this dynamic affects HBCUs specifically, but the broader pattern affects Division II programs, smaller Division I programs, and high school programs in lower-income communities across the American sport landscape. The implication is that facility investment patterns are not equity-neutral, and institutional leaders who value equity in athletic opportunity should be deliberate about how their facility ambitions relate to the broader competitive environment in which their athletes operate.

The academic mission concern operates through the question of whether athletic facility investments crowd out academic facility investments that more directly advance the institution's educational purposes. Biasi et al. (2024) found that athletic facility investments produced property value capitalization effects but did not improve student learning outcomes, with the implication that institutional leaders evaluating capital investment alternatives should distinguish among the categories of outcomes that different investment types produce. The finding does not necessarily imply that athletic facility investments are inappropriate, since property value capitalization represents a legitimate community benefit, but it does imply that institutional leaders should be transparent about which outcomes a given investment is intended to produce and should evaluate investments against those specific outcome categories rather than against a generalized expectation that all capital investments produce all benefit categories simultaneously.

## Chapter Summary

Athletic capital projects assemble revenue from multiple sources including philanthropic gifts, tax-exempt bonds, premium seating revenue, and naming rights, with the combination of sources known as the capital stack. Projects follow a phased structure of feasibility, design, public launch, construction, opening, and stewardship, with the development office playing the central role in the philanthropic component while coordinating with finance, athletic department, and external advisors on the broader project. Premium seating and PSL economics operate through two-part tariff pricing structures that institutions navigate through pricing decisions that balance theoretical revenue maximization against donor relationship considerations, with secondary market dynamics adding further strategic complexity.

The institutional debt environment within which projects operate has shifted substantially during the Great Recession and COVID-19 pandemic crisis periods, with implications for how institutions should think about facility project timing during stress periods. Athlete satisfaction dimensions of facility design including financial, functional, aesthetic, and atmospheric indicators have begun to receive academic attention that institutional leaders should integrate into their facility planning frameworks. Strategic considerations include financial overextension risk that can constrain operations for decades, reputational overcommitment risk that affects future fundraising, conference realignment effects on revenue projections, and the multi-decade donor stewardship commitments that opening day initiates. Critical perspectives address fiscal, equity, and academic mission concerns that institutional leaders should engage seriously rather than dismissing as critiques of legitimate institutional priorities.

## Discussion Questions

1. The capital stack combines philanthropic gifts with bond financing and premium seating revenue. What considerations should guide the proportions of each component, and how should institutional risk

tolerance affect those proportions across different competitive environments?

2. Feasibility studies sometimes conclude that a contemplated project cannot succeed. How should development office leadership communicate that conclusion to athletic department leadership who may be committed to the project on competitive grounds, and what governance structures support honest feasibility conclusions?
3. Ke (2021) framed PSL pricing through the two-part tariff structure that theoretically captures the entire consumer surplus. What are the donor relationship costs of pursuing theoretical revenue maximization, and under what conditions should institutions adopt more relational pricing approaches?
4. Ward et al. (2022) documented institutional borrowing increases during the Great Recession and COVID-19 pandemic crisis periods. How should athletic development professionals advise their institutions about facility project timing during stress periods that produce broader institutional debt expansion?
5. Magnusen et al. (2023) proposed that facility design should integrate athlete satisfaction considerations across financial, functional, aesthetic, and atmospheric indicators. How should institutional leaders balance athlete satisfaction considerations against the donor-facing and spectator-facing dimensions that have historically driven facility planning?
6. Hoffer and Pincin (2015) and Marx et al. (2023) documented how facility debt service can crowd out broad-based sport offerings over time. What governance structures should institutions adopt to ensure that facility decisions made in one decade do not produce program elimination decisions in subsequent decades that the original decision makers did not anticipate?

## Applied Assignment

Design a comprehensive financial plan for a hypothetical seventy-five million dollar training facility for an athletic department of your choice. Build a model showing the capital stack, with separate quantification of philanthropic pledges by giving level over a five-year campaign, naming rights revenue, debt service (if applicable), premium seating and PSL revenue (if applicable), and operating cash flow contribution (if applicable). Accompany the model with a narrative that explains your assumptions, identifies key risks including financial overextension, reputational overcommitment, and conference realignment exposure, articulates the integration of athlete satisfaction considerations into the facility design, addresses the institutional debt environment within which the project would operate, and presents a fallback plan if fundraising underperforms by twenty-five percent or if a major external shock such as a national economic recession reduces revenue projections during the construction period. Include scenario analysis showing how the project performs under base, optimistic, and pessimistic assumptions.

## Key Terms

The terms below appear throughout the chapter and across the broader facility finance literature.

**Atmospheric Indicators.** The experiential qualities that emerge when athletes use a facility in competition and training contexts, including acoustic properties, crowd integration, and overall feel of the spaces during peak use periods, identified by Magnusen et al. (2023) as one of four major categories affecting athlete satisfaction.

**Capital Stack.** The combination of revenue sources that finance a facility project, including philanthropic gifts, bond financing, premium seating revenue, and naming rights, with strategic interactions among components that affect overall project viability.

**Conference Realignment Risk.** The exposure that facility revenue projections face from potential conference affiliation changes, with substantial effects on television revenue, recruiting capacity, and the broader competitive environment that affects premium seating demand.

**Consumer Surplus Capture.** The PSL pricing principle that derives from two-part tariff economics, under which the institution captures the value that the most committed fans would otherwise retain through conventional ticket pricing.

**Debt Service.** The ongoing payments required to retire bond financing, consuming operating resources for the multi-decade life of the bond and producing cascading consequences for broader athletic operations across decades.

**Feasibility Study.** The confidential donor interview and market analysis process that tests whether a contemplated capital project can succeed before public commitment, typically running between one hundred thousand dollars and several hundred thousand dollars depending on project scale.

**Financial Overextension.** The risk that an institution commits to construction costs exceeding its ability to repay debt or sustain operations through subsequent revenue downturns, with consequences that may persist for decades after the original decision.

**Functional Indicators.** The features that affect whether a facility actually supports the athletic activities for which it was designed, including training space allocation, sports medicine integration, equipment storage, and operational characteristics that affect daily athlete experience.

**Personal Seat License (PSL).** A one-time payment for the right to purchase season tickets in a premium location over a specified term, structured as the entry fee component of a two-part tariff pricing arrangement.

**Premium Seating.** High-amenity ticketing categories that command higher prices and often require additional philanthropic contributions, with pricing strategies that vary substantially with institutional context, conference affiliation, and competitive position.

**Private Use Restriction.** Federal tax rules limit how tax-exempt bond-financed facilities can be used by non-governmental tenants, with implications for sponsorship arrangements that may exceed defined private use thresholds.

**Property Value Capitalization.** The community benefits through which athletic facility investments increase property values in surrounding areas, even when they do not produce direct athletic returns, as documented by Biasi et al. (2024) in the school facility context.

**Secondary Market.** The private market in which PSLs trade after original issuance, with implications for institutional revenue capture that vary based on whether the institution permits free transfers, prohibits them entirely, or operates hybrid programs.

**Tax-Exempt Bond.** A debt instrument whose interest is exempt from federal income tax for bondholders, producing lower borrowing costs for tax-exempt institutions, including public universities and many private institutions.

**Two-Part Tariff.** The pricing structure under which a customer pays an upfront entry fee for the right to make subsequent per-unit purchases at posted prices, applied to PSL economics by Ke (2021) as a framework for understanding the theoretical revenue-capture potential.

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# Naming Rights and Recognition Programs

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In 2018, the Carrier Dome on the campus of Syracuse University reached the end of a forty-year naming agreement that had begun in 1980, when the Carrier Corporation paid \$2.75 million to attach its name to what was then the largest domed stadium ever built on a college campus. Forty years later, Syracuse and its lead donor, JMA Wireless, announced that the venue would be renamed JMA Wireless Dome under a new agreement worth more than \$118 million across the renamed term, an order-of-magnitude increase that reflects both the inflation in naming rights values and the maturation of the field as a category of corporate marketing investment. Carrier's original deal was novel enough in 1980 to generate national press coverage as one of the earliest corporate stadium-naming agreements at an American university. The 2022 JMA agreement was novel enough in its scale to generate similar attention, but the underlying transaction structure had become routine across higher education in the intervening decades. The Carrier-to-JMA transition illustrates both the durability of naming rights as a category and the substantial evolution of the field since its origins in the late twentieth century.

Naming a facility, a position, or a program after a donor is among the most visible recognition mechanisms in athletic philanthropy and produces some of the largest single transactions in the field. Names attached to buildings, fields, courts, training centers, and endowed coaching positions create lasting public acknowledgments of donor commitment, and the prices institutions charge for these opportunities represent some of the largest single transactions in athletic fundraising. The strategic management of naming rights is therefore one of the most consequential responsibilities a development office holds, since poor

naming decisions can affect institutional reputation for generations after the original transaction. The naming decisions that institutions make affect not only the immediate revenue from the transaction but also the brand identity, fan experience, and reputational risk profile that the institution will manage across the multi-decade life of the named facility.

This chapter introduces the major valuation methods used to price naming opportunities, the differences between corporate and individual naming, the empirical evidence on how fans actually receive corporate naming rights agreements, the decision-making frameworks that explain why corporate naming sometimes underperforms for the sponsoring firm, the key terms in a naming rights agreement, the design of tiered recognition programs that extend below the primary naming gift to recognize donors at all levels, and the critical perspectives on naming rights from urban geography and ethics scholarship. The chapter draws on the corporate sponsorship and philanthropic recognition literatures while attending to the distinctive features of athletic naming. By the end of the chapter, readers should be able to evaluate naming opportunities from multiple analytical perspectives and articulate informed positions on the contested aspects of contemporary naming practice.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Apply the market comparable, brand exposure, and replacement cost valuation methods to specific naming opportunity pricing scenarios, drawing on the empirical valuation work that has matured in the collegiate context.
2. Analyze the strategic tradeoffs between corporate and individual naming across multi-decade horizons, including the distinctive risk profiles each approach produces.

3. Evaluate the empirical evidence on fan reception of corporate naming rights and identify the factors that produce favorable or unfavorable fan response.
4. Apply agency conflict and schema theory frameworks to corporate naming decisions, identifying when these dynamics produce poor outcomes for the sponsoring firm.
5. Negotiate the key terms in a naming rights agreement including term length, morality clauses, signage rights, financial distress provisions, and reversion provisions.
6. Design a tiered recognition program for an athletic facility that integrates donor plaques, recognition tiers, and named gift opportunities at appropriate price points.
7. Articulate the critical perspectives on naming rights from urban geography and ethics scholarship, and evaluate their implications for institutional naming policy.

## **Valuing Naming Opportunities**

Three valuation methods are used to set prices for naming opportunities, sometimes individually and often in combination. The methods produce different estimates and reflect different assumptions about what donors value and what institutions are giving up when they assign a name. The choice among methods, and the weighting applied to each in a combined valuation, reflects strategic judgment about what kind of naming relationship the institution wants to establish. Practitioners should understand all three methods rather than defaulting to whichever method produces the largest number for the institution, since the choice of method has consequences for whether the resulting agreement will be sustainable across its full term and whether both parties will perceive the partnership as fair across multi-year horizons.

### *Market Comparable Method*

The market comparable method values a naming opportunity by reference to comparable opportunities at peer institutions or in commercial markets. For corporate naming of professional sports venues, market comparables are widely available and provide reliable price benchmarks that both parties can verify through public announcements of similar deals. For individual naming of college athletic facilities, comparables are harder to find but can be compiled from public announcements at peer institutions and adjusted for facility size, market visibility, and program prestige. Bass et al. (2015) noted that the comparables analysis underlying contemporary naming valuations has grown more sophisticated as more transactions become public and as institutional disclosure practices have evolved. The method assumes that comparable transactions reflect rational pricing, which is often but not always true given the substantial role that personal relationships and idiosyncratic factors play in many large naming gifts.

Dickson et al. (2021) provided practical guidance on the market-comparable method, specifically in the higher education context. Their work, published through the Entrepreneur and Innovation Exchange platform, examined how peer comparison should be conducted when valuing named gifts and identified significant limitations including the difficulty of identifying genuinely comparable peer programs, adjusting for time and inflation, and accounting for scale differences across institutions of different sizes and resources. The authors used the example of Texas A&M and New Mexico State University, both land-grant universities with similar agricultural heritage, yet differing substantially in scale, market reach, and donor capacity. The example illustrates the fundamental challenge of comparables analysis in higher education contexts where institutional differences often exceed institutional similarities even among nominally peer programs. Sophisticated valuation work combines comparables with other methods rather than relying on comparables alone, particularly when the prospective gift would establish a new price point at the institution rather than refreshing an existing comparable transaction.

### *Brand Exposure Method*

The brand exposure method values a naming opportunity based on the impressions and media value the naming will generate over the term of the agreement. Ko et al. (2016) studied how consumers respond to sponsor names in sport contexts and noted that exposure value depends not only on raw impression counts but also on the quality of impressions, the alignment between the naming entity and the sport context, and the duration of exposure across the agreement term. For corporate naming, exposure-based valuation is the dominant method and produces estimates that align with commercial market practice in other advertising categories. For individual naming, exposure metrics matter less, since the donor is typically not seeking to monetize the recognition commercially, though the exposure to peer audiences and the social signaling value of public recognition continues to matter substantially even when commercial monetization is not the donor's goal.

Lyu et al. (2024) provided an important methodological advance in brand exposure measurement through their eye-tracking study of visual attention toward football stadium naming rights, published in the *Asia Pacific Journal of Marketing and Logistics*. Their work documented that the visual attention sponsors actually receive from stadium-displayed naming varies substantially with viewer demographics, viewing context, and the placement of naming elements within the broader visual environment of the venue. The findings suggest that traditional impression-based valuation methods substantially overstate the brand exposure value that sponsors actually capture, with implications for how both institutions and corporations should think about exposure-based pricing during agreement negotiations. The neuroscientific measurement methodology that Lyu et al. (2024) used represents the maturation of brand exposure measurement beyond the simple impression counts that earlier generations of practitioners relied on, with consequences for how the field should think about the empirical foundations of exposure-based valuation.

Rees et al. (2019) added a complementary financial dimension to brand exposure valuation through their work on the relationship between naming

rights investments and the market value of sponsoring firms. Their analysis examined how the announcement of naming rights agreements affects the stock prices of publicly traded sponsors, with the finding that markets respond to naming announcements in ways that reflect investor assessments of the underlying value the agreement is likely to produce. The empirical evidence from market reactions provides a useful complement to impression-based valuation methods because it captures the integrated assessment that financial markets make about the future cash flows the agreement will produce for the sponsor. Institutions negotiating with publicly traded sponsors can therefore use stock market reaction analysis from comparable transactions to assess whether their proposed pricing aligns with the value that markets are likely to perceive in the agreement, with implications for how aggressive the institution can be during pricing negotiations.

### ***Replacement Cost Method***

The replacement cost method values a naming opportunity by reference to the cost the institution would incur to construct or maintain the named asset without the philanthropic gift. The method is most useful when negotiating individual naming gifts for endowed positions, scholarships, or programmatic initiatives, where the recurring cost of the named function provides a defensible price anchor that both parties can verify through institutional budget data. The method tends to produce lower valuations than the brand exposure method for facility naming, which is one reason that institutions and donors sometimes disagree about appropriate pricing when the two methods yield different estimates.

Dictson et al. (2021) addressed the replacement cost method in their practical guidance on entrepreneur philanthropy, noting that the method has both advantages and limitations in the higher education context. The primary advantage is that the method anchors valuation in defensible institutional cost data that both parties can verify, with the implication that disputes about appropriate pricing can be resolved through reference to objective institutional information. The primary limitation is that the method captures only the

institutional cost of the named function and not the broader recognition value the donor receives, which often substantially exceeds the institutional cost. The authors recommended that institutions distinguish between current use gifts that match the recurring cost of the named function and endowment gifts that produce perpetual support, with implications for how the method should be applied across different categories of naming opportunities. The endowment dimension is particularly important because the math underlying endowment-based naming gifts assumes specific payout rates and inflation adjustments that may not match the actual cost trajectory of the named function across multi-decade horizons.

## **Empirical Valuation Work in Collegiate Naming**

Beyond the three traditional valuation methods, the contemporary literature has begun to produce empirical valuation work specifically focused on collegiate naming rights partnerships that practitioners can use to anchor their valuation decisions in evidence rather than heuristic judgment. Centracchio et al. (2023) provided one of the most consequential recent empirical contributions through their work examining the valuation of corporate naming rights partnerships in collegiate sports, published in the *International Journal of Sports Marketing and Sponsorship*. Their analysis examined the relationship between observable partnership characteristics and the reported dollar values of naming agreements across collegiate transactions, producing a regression-based framework that institutions can use to estimate expected pricing for proposed naming opportunities.

The Centracchio et al. (2023) framework identifies several characteristics that consistently predict naming agreement values in the collegiate context. Conference affiliation matters substantially, with Power Five programs commanding substantially higher prices than Group of Five programs even after controlling for other characteristics including market size and on-field success. The age and capacity of the underlying facility matter, with newer and larger facilities commanding higher prices that reflect both the physical brand presence and the more sophisticated activation infrastructure that newer

venues typically incorporate. The competitive performance trajectory of the affiliated program matters, with sustained competitive success producing pricing premiums that institutions can articulate during negotiations with prospective partners. The findings have direct implications for how institutions should approach valuation work, with the recommendation that empirical evidence from peer transactions should inform pricing decisions even when individual transactions involve idiosyncratic features that the regression framework cannot fully capture.

Jensen et al. (2020) provided complementary evidence on the sponsor side of the naming transaction through their work on sponsor decision-making published in the same journal. Their analysis applied schema theory and agency conflict frameworks to corporate naming decisions, finding that the agency relationships between corporate marketing decision-makers and the broader corporate structures within which they operate produce systematic patterns of decision-making that affect both the prices sponsors are willing to pay and the structures they prefer for their agreements. The finding has important implications for institutional negotiators, who can use the agency conflict framework to anticipate how their corporate counterparts are likely to behave during negotiations and to structure proposals that reduce rather than exacerbate the agency conflicts the corporate decision-maker faces internally. The schema theory dimension is particularly important because it suggests that corporate decision-makers often rely on cognitive shortcuts that systematically misvalue certain types of naming opportunities, with implications for how institutions should frame their pricing proposals to align with the schemas that drive corporate evaluation.

**THE EMPIRICAL VALUATION FRONTIER**

*Centracchio et al. (2023) demonstrated that empirical valuation models for collegiate naming rights have become sufficiently developed to anchor institutional pricing decisions in regression-*

*based evidence rather than practitioner heuristics alone. Institutions that combine empirical valuation work with traditional comparables, exposure, and replacement cost methods are positioned to set prices that align with both market reality and institutional value capture objectives. The most sophisticated programs maintain dedicated valuation analysts who track peer transactions, apply empirical models to specific naming opportunities, and produce defensible pricing recommendations that survive scrutiny from both internal and external review.*

## **Corporate vs. Individual Naming**

The strategic decision between corporate and individual naming carries long-term implications for the institution's brand and its donor relationships that extend well beyond the immediate revenue from the naming transaction. Corporate naming typically produces larger upfront revenue and shorter contract terms, often ten to twenty years, with renewal opportunities that can extend the relationship if both parties remain interested in continuation. Individual naming typically produces smaller upfront revenue but permanent naming, often in perpetuity, with the donor's name attached to the facility for as long as the facility stands. The tradeoff between revenue magnitude and recognition duration is fundamental to how institutions think about which type of naming to pursue, and the choice should reflect strategic priorities about brand identity and revenue maximization rather than the convenience of whichever prospect is most advanced at the time the decision must be made.

Each approach carries distinctive risks that the institution must manage through deliberate contractual design. Corporate naming exposes the institution to reputational risk if the corporate partner experiences scandal, financial distress, or strategic change that makes continued association undesirable. The history of college and professional sports includes numerous

examples of facilities being renamed after corporate naming partners experienced public crises, and the contractual provisions that govern such re-namings are among the most consequential terms in any corporate naming agreement. Huth (2018) studied fan reactions to corporate stadium naming specifically in the European football context, finding that fans often prefer traditional venue names and respond unfavorably to corporate naming agreements they perceive as inconsistent with the venue's and the club's cultural identity. The fan reception evidence has implications for whether and how institutions should pursue corporate naming for venues with strong existing identities that fans have come to value across multiple generations.

Individual naming exposes the institution to a different kind of reputational risk: the donor's own conduct over time may produce circumstances in which the institution wishes to remove the name but is constrained by the original gift agreement. Vogel (2020) documented one prominent example in her reporting on the \$250 million Temerty gift to the University of Toronto Faculty of Medicine, the largest donation in Canadian philanthropic history. The Temerty case illustrates both the substantial value that individual naming can deliver and the complications that can arise when donors with substantial naming gifts have political or business backgrounds that subsequent audiences may find controversial. The article documented that medical institutions have increasingly sought naming gifts in recent decades as they have become more reliant on philanthropy as an essential source of funding, with some of these gifts proving controversial and raising questions about undue influence and whether a donor's political or business background matters in philanthropy. Sophisticated naming agreements increasingly anticipate these questions in advance through morality clauses and reversion provisions that allow institutions to manage reputational risk when donor circumstances change unexpectedly.

**THE REPUTATIONAL TRAP**

*A naming agreement that fails to anticipate reputational risk can leave an institution permanently associated with a name it would prefer to remove. Modern naming agreements increasingly include morality clauses that allow renaming under specified conditions, but these clauses are difficult to negotiate after the fact and require careful legal drafting at the time the original agreement is signed. The Temerty case and similar high-profile naming controversies have produced institutional naming policy responses across higher education that integrate reputational risk assessment into the standard naming gift acceptance process rather than treating reputational risk as an exceptional consideration that arises only in unusual circumstances.*

## **Fan Reception of Corporate Naming**

Beyond the strategic and financial dimensions of corporate naming decisions, the contemporary literature has produced substantial evidence on how fans actually receive corporate naming agreements, with implications for whether the agreements produce the brand-building outcomes that motivate both parties. The fan reception literature provides empirical foundations for thinking about naming decisions that traditional valuation frameworks cannot capture, since the fan response affects both the brand exposure value the sponsor captures and the broader institutional relationship with its supporter base across the term of the agreement and beyond.

Gillooly et al. (2020) provided one of the most rigorous recent contributions to this literature through their study of football fans' reactions to corporate naming rights, published in the *European Journal of Marketing*. Their analysis emphasized the importance of context in understanding fan reactions, with the finding that fan response to corporate naming varies

substantially with the cultural history of the venue, the perceived authenticity of the corporate partner, and the broader club identity that the venue represents. The contextual dimension is important because it implies that the same corporate naming structure can produce favorable reception at one venue and unfavorable reception at another, depending on the contextual factors that mediate the response. The implication for institutional decision-makers is that fan reception cannot be predicted from generic frameworks alone and requires specific consideration of the cultural context within which the proposed naming would operate.

Huth (2018) added an important specific finding through his work on fan preferences for traditional stadium names, published in *Sport, Business and Management*. The analysis documented that fans often prefer traditional venue names even when the institution has financial reasons to pursue corporate naming, with the implication that institutional decisions about whether to pursue corporate naming should incorporate explicit fan preference research rather than assuming that fans will adjust to corporate naming over time. The finding has particular relevance for venues with established traditional names that have accumulated cultural significance across multiple generations, since the financial benefit of corporate naming may not exceed the reputational cost of departing from a traditional name that fans value. Some institutions have responded to this evidence by retaining traditional venue names while pursuing corporate naming for components of the venue including specific sections, plazas, or training facilities, capturing partial corporate naming revenue while preserving the broader venue identity that fans value.

Gillooly et al. (2022) extended this analysis in their book chapter on the future of naming rights sponsorship in sport, arguing that the field is likely to evolve toward more sophisticated structures that integrate corporate naming with traditional venue identity in ways that earlier transactions did not attempt. The authors suggested that the future of naming rights will involve hybrid structures including dual naming arrangements that preserve traditional names alongside corporate naming, presenting sponsor activation programs that integrate with venue tradition rather than displacing it, and time-limited

naming structures that allow venues to refresh their corporate associations periodically without permanently altering their traditional identities. The hybrid models reflect the maturation of the field beyond the simple corporate naming transactions that characterized its early decades, with implications for how institutions should structure their naming proposals in the coming years.

## **Schema Theory and Agency Conflicts in Sponsor Decision-Making**

The decision-making frameworks that govern how corporate sponsors evaluate naming opportunities have received increasing scholarly attention as researchers have applied schema theory and agency conflict frameworks to better understand why some corporate naming decisions produce stronger outcomes than others. The frameworks have substantial practical implications for institutional negotiators, who can anticipate how their corporate counterparts will evaluate proposals and structure their pricing presentations to align with the cognitive and organizational dynamics that drive corporate decision-making.

Jensen et al. (2020) provided the most directly applicable recent work on this question through their analysis of sponsor decision-making in the *International Journal of Sports Marketing and Sponsorship*. Their work applied schema theory to identify the cognitive frameworks that corporate decision-makers use to evaluate sponsorship opportunities including naming rights, with the finding that decision-makers often rely on simplified mental models that systematically misvalue certain types of opportunities. The schemas that drive corporate evaluation typically emphasize visibility and impression counts over more nuanced measures of brand-building value that better-aligned naming opportunities actually produce, with the implication that institutions can sometimes capture pricing above their immediate market value by presenting opportunities in ways that activate favorable schemas in corporate decision-makers.

The agency conflict dimension of the Jensen et al. (2020) analysis is equally important for institutional negotiators to understand. Corporate marketing decision-makers operate within organizational structures that produce distinctive incentives that may not align perfectly with the long-term interests of the sponsoring firm. The marketing executive who signs a naming agreement may be evaluated on annual marketing performance metrics that the agreement itself does not directly affect, with the result that the executive may favor agreement structures that produce short-term visible outcomes over structures that produce stronger long-term brand-building outcomes. Institutional negotiators who understand these agency dynamics can structure proposals that align with the corporate executive's incentive structure while still capturing the long-term value that the institution requires from the partnership, producing better outcomes for both parties than negotiations conducted without attention to the agency dynamics.

Rees et al. (2019) added a complementary financial dimension by analyzing how naming rights investments affect the market value of sponsoring firms. Their finding that markets respond systematically to naming announcements provides a useful external constraint on the agency dynamics identified by Jensen et al. (2020), since corporate executives who sign agreements that markets perceive as overpriced face accountability through subsequent stock price effects that may not be visible at the time of the original transaction. The market discipline operates imperfectly, particularly for naming agreements that represent small components of large corporate marketing budgets, but the discipline does provide some constraint on the agency dynamics that might otherwise produce systematically poor naming decisions at the corporate level.

## **Key Terms in a Naming Agreement**

Comprehensive naming agreements address several categories of terms that the development office must negotiate carefully with the donor and with institutional legal counsel. Term length specifies how long the naming will be in effect, with options for renewal under defined conditions and clear default

outcomes if renewal does not occur. Morality and reversion clauses define the circumstances under which the institution can remove the name, including criminal conduct by the donor, financial default on pledges, or other specified events that the parties anticipate in advance. Signage rights detail the size, location, and visibility of the named recognition across the relevant facilities, with provisions for how signage will be adjusted if the named entity changes or the relationship terminates.

Renewal provisions matter particularly for corporate naming, since both parties may wish to extend the relationship if the original term produces value for each side across the initial agreement. Well-drafted renewal provisions include first negotiation rights that give the original partner the opportunity to match competing offers, valuation update mechanisms that account for inflation and changing market conditions, and clear timelines for renewal decisions to avoid last-minute disputes. Termination provisions, the inverse of renewal, define what happens when one party wishes to end the relationship before the agreed term expires, and the financial consequences should be specified in the original agreement to avoid disputes during a potentially contentious early termination process. Gillooly et al. (2022) noted that the most sophisticated contemporary naming agreements anticipate a wider range of potential termination scenarios than earlier generations of agreements, reflecting accumulated practitioner experience with unexpected circumstances that can require contract renegotiation.

Financial distress provisions have become increasingly important as the contemporary corporate landscape has seen more frequent reorganizations, acquisitions, and bankruptcies that affect naming partners over the multi-decade horizons covered by naming agreements. The provisions should specify what happens to the naming relationship when the named partner enters bankruptcy, undergoes a change of control, or otherwise experiences corporate circumstances that affect the relationship's continued viability. Well-drafted provisions typically include automatic termination triggers for specific categories of corporate distress, allowing the institution to remove the name without prolonged litigation if the named partner experiences circumstances

that compromise the brand value the original agreement was designed to produce. The provisions also address the financial obligations that survive distress events, including remaining pledge payments and the institution's reciprocal obligations to the named partner during the wind-down period.

## **Tiered Recognition Programs**

Below the primary naming gift, athletic departments operate tiered recognition programs that acknowledge donors at progressively lower gift levels through structured recognition mechanisms. The tiered structure serves two purposes that operate simultaneously across the donor base. First, it provides recognition that donors are valued and motivates continued giving, with each tier offering a level of acknowledgment commensurate with the donor's investment. Second, it creates aspirational targets that encourage donors to give at higher levels over time, since donors who see recognition at higher tiers may aspire to qualify for those tiers themselves by increasing their giving. The tiered structure has been remarkably stable across institutions, even as the absolute dollar magnitudes of the underlying tiers have grown substantially, reflecting accumulated practitioner wisdom about balancing recognition meaningfulness against the operational and aesthetic constraints that tiered programs face.

A well-designed tiered recognition program for an athletic facility might include named major spaces such as lobbies, locker rooms, and training rooms at six and seven figure giving levels, named smaller spaces such as suites, conference rooms, and study areas at five and six figure levels, donor walls and named plaques at four and five figure levels, and brick or paver programs at three and four figure levels. Each tier should offer recognition that is meaningful at its price point without diluting the recognition value of higher tiers. McAlexander and Koenig (2012) examined how donor recognition contributes to broader brand community building in higher-education philanthropy and found that recognition programs serve community-building functions beyond their direct role in gift acknowledgment. Donors who see their names recognized alongside others develop a sense of belonging to a

giving community that contributes to retention and renewal across multi-year cycles.

Monier (2022) provided an important scholarly contribution to the recognition literature through her work on donor plaques as material evidence of generosity, published in a collection on philanthropic traces. Her analysis examined the practices and meanings surrounding donor plaques as a specific form of donor recognition used by institutions across multiple sectors. The work documented that donor plaques function as material traces of philanthropic relationships that institutions and donors negotiate carefully, with implications for how institutional leaders should think about the long-term implications of plaque-based recognition programs that may outlast the working tenure of any individual development professional. Monier observed that the topic has been understudied by academics despite substantial practitioner attention to recognition programs, and that the academic neglect has left practitioners without strong empirical foundations for many of their recognition design choices.

## **Critical Perspectives on Naming Rights**

A balanced treatment of naming rights and recognition programs must acknowledge the substantial scholarly critique that has accumulated against contemporary naming practices in college athletics and higher education more broadly. The critique operates across multiple dimensions, including urban geography concerns about how corporate naming reshapes the symbolic landscape of higher education institutions, ethics concerns about whether naming gifts produces undue donor influence over institutional operations, and equity concerns about how naming opportunities concentrate at well-resourced programs in ways that mirror and reinforce broader inequalities in higher education.

Rose-Redwood et al. (2019) provided one of the most substantive recent critical contributions through their work on naming rights, place branding, and the cultural landscapes of neoliberal urbanism, published in *Urban Geography*.

Their analysis situated stadium and facility naming within the broader pattern of neoliberal urban transformation that has reshaped American cities and university campuses over the past several decades. The argument is that corporate naming is not a neutral revenue strategy but a cultural intervention that shapes how communities understand the institutions and places that the naming affects. The critique extends beyond specific naming transactions to the broader pattern of commercial naming that has come to characterize contemporary higher education and urban life, with implications that go well beyond the immediate revenue from any individual transaction. The work calls for institutional leaders to engage seriously with the cultural and political dimensions of naming decisions rather than treating those dimensions as secondary to the financial considerations that have typically driven decision-making.

Vuolteenaho et al. (2018) examined the diffusion of corporate sports and entertainment naming across European and global contexts, documenting how the practice has spread from its American origins into cultural contexts where corporate naming was historically uncommon. The analysis showed that the spread has not been frictionless, with substantial resistance emerging in cultural contexts that had previously valued non-commercial naming traditions. The European resistance has included both fan-driven opposition to specific naming agreements and broader cultural discomfort with the commodification of venue names that previously carried civic or historical significance. Gerhardt et al. (2021) provided complementary evidence on the European context through their analysis of naming rights sponsorship in Europe in AILA Review, examining how the linguistic and cultural dimensions of naming agreements vary across European contexts in ways that affect both fan reception and the broader cultural integration of corporate naming. The cross-cultural evidence suggests that American naming practices may not transfer smoothly to other cultural contexts, with implications for institutions whose international operations include facility partnerships in other cultural environments.

The ethics dimension of naming rights critique operates through concerns about undue donor influence and the institutional independence that large naming gifts may compromise. Vogel (2020) documented these concerns in the Temerty case at the University of Toronto, noting that some naming gifts have proven controversial in raising questions about undue influence and whether a donor's political or business background matters in philanthropy. The questions have particular force when naming gifts come from donors whose business activities or political positions later become contested in ways that the institution did not anticipate at the time of the original agreement. Sophisticated institutional naming policies increasingly incorporate explicit ethical review of prospective naming gifts before they are accepted, recognizing that such assessment is part of appropriate due diligence rather than an exceptional consideration that arises only in unusual circumstances. The institutional naming policies that have emerged across higher education over the past decade reflect accumulated experience with naming controversies that earlier policies did not anticipate adequately.

## **Chapter Summary**

Naming rights and recognition programs are strategically consequential components of athletic philanthropy that require careful valuation, agreement drafting, and program design. Three traditional valuation methods (market comparable, brand exposure, and replacement cost) produce different estimates and apply in different contexts, and the contemporary literature has added empirical valuation frameworks specifically focused on collegiate naming that practitioners can use to anchor their pricing decisions in evidence rather than heuristics alone. The choice between corporate and individual naming carries long-term implications for institutional brand and reputational risk, with the fan reception literature documenting that fans often prefer traditional names and respond unfavorably to corporate naming agreements that disrupt valued institutional identities. Schema theory and agency-conflict frameworks explain why corporate naming decisions sometimes yield poor outcomes for sponsoring firms and provide institutional negotiators with

analytical tools to anticipate how corporate counterparts will evaluate proposals. Comprehensive naming agreements address term length, morality and reversion clauses, signage rights, marketing rights, renewal provisions, termination provisions, and increasingly financial distress provisions that account for the realities of contemporary corporate change. Tiered recognition programs extend below the primary naming gift to acknowledge donors at all levels and serve both motivation and community-building functions, with donor plaques functioning as material traces of philanthropic relationships that institutions negotiate carefully across multi-decade horizons. Critical perspectives from urban geography, ethics, and cross-cultural scholarship advance substantial concerns about naming practices that practitioners should engage seriously rather than dismissing as critiques of legitimate institutional revenue strategy.

## **Discussion Questions**

1. Centracchio et al. (2023) demonstrated that empirical valuation models can produce defensible pricing recommendations for collegiate naming rights. How should institutions integrate empirical valuation work with traditional comparables, exposure, and replacement cost methods, and what governance structures should oversee the integration?
2. Huth (2018) found that fans often prefer traditional stadium names over corporate naming. Under what circumstances should institutions accept lower revenue to preserve traditional venue identities, and how should they assess the financial tradeoff?
3. Jensen et al. (2020) identified agency conflicts between corporate marketing decision-makers and the broader interests of sponsoring firms. How should institutional negotiators use this analytical framework to structure proposals, and what ethical constraints should govern strategies that exploit corporate agency conflicts?

4. Morality clauses allow renaming when donor conduct produces reputational issues. What standards should govern when these clauses are invoked, and how should institutions balance the contractual rights of the original donor against the institutional reputational interests that motivate the clause?
5. Rose-Redwood et al. (2019) situated stadium naming within the broader pattern of neoliberal urban transformation. How should institutional leaders engage with the cultural and political dimensions of naming decisions while maintaining the revenue streams that naming agreements produce?
6. Some institutions have removed donor names after the donor was implicated in misconduct that became public years after the original gift. What governance processes should institutions follow in these decisions, and how should they balance the interests of current and former donors whose names appear at the same institution?

## Applied Assignment

For an athletic facility of your choice, prepare three documents that together demonstrate mastery of naming rights and recognition program design. First, a naming rights term sheet for the primary naming opportunity, including valuation rationale drawing on the empirical valuation literature, term length, morality and reversion clauses, signage rights, financial distress provisions, and renewal provisions. Second, a tiered recognition program covering all gifts from one thousand dollars up to and below the primary naming gift, with explicit attention to how the tiers integrate with the broader donor recognition strategy of the institution. Third, a fan reception risk assessment that draws on the Huth (2018) and Gillooly et al. (2020) findings to evaluate the likely fan response to the proposed naming, including mitigation strategies if the risk assessment identifies substantial fan reception concerns. All three documents should be ready to present to a development committee for approval.

## Key Terms

The terms below appear throughout the chapter and across the broader naming rights literature.

**Agency Conflict.** The misalignment between the incentives of corporate marketing decision-makers and the broader interests of sponsoring firms, with implications for how naming agreements are structured and priced.

**Brand Exposure Method.** A valuation approach that prices a naming opportunity based on impressions and media value generated over the agreement term, increasingly refined through neuroscientific methodology including eye-tracking measurement.

**Donor Plaque.** A material trace of philanthropic recognition attached to walls, signs, or objects, examined by Monier (2022) as a specific form of donor recognition that institutions negotiate carefully.

**Empirical Valuation.** Regression-based pricing frameworks that anchor naming opportunity valuation in observable peer transaction characteristics, developed for the collegiate context by Centracchio et al. (2023).

**Financial Distress Provision.** Contract language specifying what happens to a naming relationship when the named partner enters bankruptcy, undergoes change of control, or experiences other corporate circumstances affecting agreement viability.

**Hybrid Naming Structure.** A naming arrangement that integrates corporate naming with traditional venue identity, often through dual naming, time-limited structures, or component-level naming that preserves broader venue tradition.

**Market Comparable Method.** A valuation approach that prices a naming opportunity by reference to comparable opportunities at peer institutions or in commercial markets.

**Morality Clause.** A provision allowing one party to terminate or renegotiate a naming agreement under specified conduct-based circumstances, increasingly common in contemporary naming agreements as institutions respond to accumulated reputational risk experience.

**Naming Right.** The contractual right to attach a name to a facility, position, or program, with terms that govern duration, signage, renewal, and termination.

**Recognition Tier.** A defined giving level associated with specific forms of donor acknowledgment, structured to serve both immediate recognition and aspirational motivation functions across the donor base.

**Replacement Cost Method.** A valuation approach that prices a naming opportunity by reference to the cost the institution would incur to construct or maintain the asset without the philanthropic gift.

**Reversion.** The return of a naming right to the institution under defined circumstances including morality clause invocation, financial default, or agreement termination.

**Schema Theory.** The cognitive framework that explains how corporate decision-makers use simplified mental models to evaluate naming opportunities, applied by Jensen et al. (2020) to sponsor decision-making.

**Term.** The duration of a naming agreement, typically ten to twenty years for corporate naming and often in perpetuity for individual naming.

**Traditional Venue Name.** A non-corporate venue name that has accumulated cultural significance across multiple generations, often preferred by fans over corporate alternatives according to Huth (2018) and related research.

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# Special Events and Athletic Fundraising Galas

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In June 2020, three months into the COVID-19 pandemic, the Pelotonia charity cycling event in Columbus, Ohio, held its annual fundraising ride entirely virtually. Participants who would have ridden together across central Ohio instead rode independently on home trainers, neighborhood streets, and trails in dozens of states and several countries, with their efforts tracked through a digital platform that aggregated mileage, fundraising totals, and shared content from across the dispersed participant base. The event raised more than twenty-five million dollars for cancer research at the Ohio State University Comprehensive Cancer Center, almost matching the prior year's in-person total despite the absence of the physical gathering that had previously defined the event's experiential character. The Pelotonia adaptation illustrated something the contemporary literature on charity sport events has increasingly recognized: that the value of these events extends well beyond the in-person gathering, and that the social, motivational, and identification dynamics that make events successful can be sustained through alternative formats when the physical gathering becomes impossible. The lessons learned during the pandemic period have substantially influenced how the field thinks about event design in the post-pandemic era.

Special events occupy a paradoxical position in athletic development. They are the most visible and labor-intensive activities the development office conducts, consuming substantial staff time and producing material risk of public embarrassment if executed poorly in front of major donors. Yet their direct fundraising return often falls short of what the same staff effort would produce through major gift cultivation conducted in less visible ways. The

reason institutions continue to invest in special events is that their value extends beyond direct fundraising into donor cultivation, stewardship, community building, and prospect identification functions that justify the staff investment even when direct revenue figures appear modest. The contemporary literature has documented these extended value dimensions more rigorously than earlier generations of practitioners had access to, with implications for how development offices should think about event design and evaluation.

This chapter examines the economics of athletic special events, the design distinctions between friend-raisers and fundraisers and cultivation events, the operational mechanics of running successful signature events, the contemporary literature on charity sport event participant motivation and constraints, the peer-to-peer fundraising dynamics that have grown substantially in the post-COVID environment, the community-building functions that events serve, the strategic role of events in the broader development office portfolio, and the critical perspectives on event-based fundraising that practitioners should engage. The chapter draws on the special events literature in nonprofit management while attending to the distinctive features of athletic events. By the end of the chapter, readers should be able to design, execute, and evaluate athletic events from multiple analytical perspectives that integrate financial, motivational, and community-building considerations.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Calculate cost-to-raise-a-dollar ratios honestly, including staff time and in-kind contributions, and evaluate events against these ratios using contemporary benchmarking practices.

2. Distinguish friend-raisers, fundraisers, and cultivation events by primary purpose, and design measurement frameworks appropriate to each event category.
3. Apply the serious leisure and motivation frameworks from the contemporary charity sport event literature to participant engagement strategies.
4. Analyze the peer-to-peer fundraising dynamics that distinguish successful from underperforming events, including the donor perception research on online peer-to-peer platforms.
5. Articulate the community-building and social identification functions that events serve, drawing on the multi-stakeholder research that has matured over the past five years.
6. Apply revenue stream analysis to a signature gala including table sales, sponsorships, auctions, and in-event appeals.
7. Evaluate critical perspectives on event-based fundraising, including ambivalence among reluctant participants and the equity implications of high-priced gala access.

## Event Economics and the Cost-to-Raise-a-Dollar Calculation

The fundamental economic question for any special event is the cost-to-raise-a-dollar ratio, which compares total event expenses against net philanthropic revenue and provides a basis for evaluating whether the event justifies its resource commitments. A well-run signature gala might produce a ratio of fifty cents per dollar raised, meaning that for every dollar of net revenue, the institution spent fifty cents on event costs. Industry benchmarks vary by event type, but ratios above thirty cents per dollar raised generally indicate room for improvement, and ratios above fifty cents per dollar raised warrant serious questioning of whether the event continues to make economic

sense (Giannoulakis, 2014). The honest calculation of these ratios requires discipline that some development offices have not historically maintained, and the resulting analyses sometimes produce uncomfortable conclusions that institutional leaders must navigate carefully when long-running events have built constituencies that resist evaluation.

Calculating the ratio honestly requires including in-kind contributions, staff time, and overhead costs that are often excluded from event budgets. An event whose direct cash budget appears favorable can look very different when fully loaded staff time is included in the cost calculation, since staff time represents real institutional cost even when no cash changes hands. Some development offices that have completed honest cost accounting on their special events portfolios have discovered that several long-running events produce negative net returns when staff time is properly accounted for. The discipline of honest event accounting is particularly important for legacy events that have run for decades and that produce emotional attachments among staff and donors that exceed the events' actual economic value. The institutional response to discovering an underperforming legacy event requires careful change management that the development office should plan deliberately rather than executing through abrupt cancellation that may damage donor relationships disproportionate to the resource savings.

The cost-to-raise-a-dollar framework, while useful as a basic benchmark, has limitations that practitioners should understand. The framework captures only direct financial returns and does not account for the cultivation, stewardship, community-building, and prospect identification functions that events serve. An event with a high cost-to-raise-a-dollar ratio may still be worth running if it produces substantial value across these other dimensions, while an event with a favorable ratio may not be worth running if its narrow focus on direct revenue forecloses the broader development functions that other event designs would have served. The most sophisticated development offices supplement cost-to-raise-a-dollar analysis with measurement frameworks specific to the strategic purposes that each event serves, with the recognition that single-metric evaluation systematically misvalues events

whose primary purpose extends beyond direct fundraising. The expanded measurement frameworks that the contemporary literature supports require greater analytical capacity than traditional event accounting demands but produce evaluation outcomes that better reflect the actual contribution events make to institutional development objectives.

## **Friend-raisers, Fundraisers, and Cultivation Events**

Athletic development events fall into three categories distinguished by their primary purpose, and confusing the categories produces operational and evaluation problems that compromise event effectiveness across the development office portfolio. The categories are not mutually exclusive in practice, since many events serve multiple purposes simultaneously, but the primary purpose should drive event design and evaluation metrics.

Friend-raisers are events designed to engage and connect with the institution's broader supporter base without direct fundraising solicitation. Examples include athletic Hall of Fame inductions, alumni receptions during away games, and pregame hospitality events that build community without explicit asks. The primary objective is relationship building, with any direct revenue treated as secondary. These events should be evaluated by attendance and engagement metrics rather than direct revenue, and the appropriate measurement frameworks include attendance trends, attendee satisfaction surveys, qualitative engagement assessments, and downstream giving outcomes that the events contribute to over multi-year horizons.

Fundraisers are events designed to generate direct philanthropic revenue through ticket sales, table sponsorships, auctions, and pledge events conducted during the event itself. Examples include annual signature galas, golf tournaments, and Hall of Fame events restructured to include direct fundraising components. The primary objective is revenue generation, evaluated by cost-to-raise-a-dollar metrics and revenue trends across multi-year periods. The recent industry literature has emphasized the importance of

webinar-based training and best practice sharing for gala event improvement, with the Nonprofit Business Advisor (2025) highlighting how new webinar formats are sharing strategies for improving gala events across the broader nonprofit sector. The cross-sector learning is useful for athletic development offices that may otherwise rely solely on athletic-specific event traditions that have not been updated against contemporary practice.

Cultivation events are smaller, more intimate gatherings designed to advance specific prospects toward major gift solicitation. Examples include behind-the-scenes facility tours for prospective major donors, dinners with head coaches for capacity-rated prospects, and locker room access experiences before high-profile games (Lindley, 2015). The primary objective is moves management progress, evaluated by the events' contribution to subsequent major gift closings. The measurement of cultivation event effectiveness requires longitudinal tracking that connects event attendance to subsequent gift outcomes, with the recognition that the contribution may materialize months or years after the event occurred. Development offices that maintain disciplined longitudinal measurement of cultivation event impact typically discover that their investment in these events produces stronger returns than direct revenue accounting alone would suggest, but the discovery requires analytical infrastructure that smaller programs may not be able to maintain.

## **Charity Sport Event Participant Motivation**

Beyond traditional gala-style fundraising events, athletic development offices increasingly operate or partner with charity sport events that engage participants through athletic activity rather than passive event attendance. The contemporary literature on charity sport events has matured substantially over the past five years, with implications for how development offices should design and operate events in this category. The literature has produced rigorous evidence on the motivational, identification, and serious leisure dynamics that drive successful charity sport event programs, with practical applications that practitioners can incorporate into their event design and operational decisions.

Filo et al. (2020a) provided one of the most rigorous recent contributions to this literature through their analysis of constraints affecting charity sport event participants and fundraising, published in *Sport Management Review*. Their work documented the multi-dimensional constraints that affect whether and how participants engage with charity sport events, including time constraints from competing personal commitments, financial constraints from registration fees and fundraising minimums, interpersonal constraints from the absence of social connections that motivate sustained participation, and structural constraints from event logistics that may not accommodate diverse participant circumstances. The constraint framework has direct implications for event design, with the recommendation that operators identify and address constraints proactively rather than treating participation failures as participant-specific issues that the event design cannot influence. Programs that have applied the constraint framework systematically have reported substantial improvements in participant retention and fundraising performance, with implications for how the broader field should think about event design.

Filo et al. (2020b) examined the donor side of charity sport events through their work on the donors supporting charity sport event participants, published in the *Journal of Sport Management*. Their analysis documented the factors driving donations to friends and family members participating in charity sport events, including the strength of the personal relationship between donor and participant, the donor's perception of the cause's importance, and the donor's prior history of charitable giving across other contexts. The findings have direct implications for how event operators should structure their peer-to-peer fundraising platforms, with the recommendation that platforms emphasize the personal relationship dimension that drives most charity sport event donations rather than the cause-specific messaging that traditional direct mail fundraising emphasizes. The peer-to-peer fundraising platforms that have produced the strongest results are those that facilitate authentic personal communication between participants and their networks rather than imposing generic institutional messaging that participants must distribute through their personal channels.

Yazıcı and Koçak (2024) extended the motivational analysis through their work on serious leisure, motivation, experience value, and behavioral intentions in charity sport events, published in *Voluntas*. Their analysis identified serious leisure as a foundational framework for understanding what distinguishes the participants who return to charity sport events year after year from those who participate once and disengage. The serious leisure framework describes the systematic pursuit of amateur, hobbyist, or volunteer activities that participants find substantial enough to acquire and express skills, knowledge, and experience over time. Charity sport event participation operates as a form of serious leisure for many of the most committed participants, with implications for how event operators should structure their participant engagement strategies. The framework predicts that events that support participant skill development, identity formation, and community integration produce stronger retention outcomes than events that treat participation as a one-off transactional activity, and the empirical evidence supports the prediction across multiple event contexts.

Meeprom and Dansiri (2020) added a cross-cultural dimension to the motivational literature through their analysis of motives for attending charity sport events in Thailand, published in the *International Journal of Culture, Tourism and Hospitality Research*. Their work documented that the motivational structures driving charity sport event participation operate similarly across cultural contexts but with distinctive emphases that reflect local cultural values around charitable giving and athletic participation. The cross-cultural evidence is important because it suggests that motivational frameworks developed in North American and European contexts can be applied to event design in other cultural environments with appropriate adaptation rather than requiring complete reconstruction for each cultural context. The finding has implications for athletic development offices whose international operations include charity events in multiple cultural environments and whose strategic planning must account for cultural variation in participant motivation.

**THE SERIOUS LEISURE IMPERATIVE**

*The most committed charity sport event participants experience their participation as serious leisure rather than as casual transactional activity. Event operators who design their programs to support skill development, identity formation, and community integration capture the retention benefits that serious leisure participation produces.*

*Yazıcı and Koçak (2024) demonstrated empirically that these design choices produce measurably stronger behavioral intentions to continue participating, with implications for how the field should think about the relationship between event design and long-term participant retention across multi-year horizons.*

## **Peer-to-Peer Fundraising and Digital Event Mechanics**

Peer-to-peer fundraising has grown substantially as a charity sport event revenue model, particularly since the COVID-19 pandemic accelerated digital event adoption across the nonprofit sector. The model deploys participating individuals as volunteer fundraisers who solicit gifts from their personal networks through digital tools that the institution provides, leveraging the social capital of participants to reach donors who would not otherwise engage with the institution's direct outreach. The contemporary literature has produced substantial evidence on how peer-to-peer fundraising actually works, with implications for how development offices should structure their platforms and support their participating fundraisers.

Filo et al. (2022) provided important recent evidence on donor perceptions of online peer-to-peer fundraising in the charity sport event context, published in *Sport Management Review*. Their analysis documented the perceptions that donors form about peer-to-peer fundraising approaches and the factors that affect whether donors respond favorably or unfavorably to peer-to-peer asks.

The findings included the importance of perceived authenticity in participant communication, the role of personal relationship strength in donor response, and the effects of the platform design itself on donor experience and willingness to give. The work has direct implications for how development offices should structure their peer-to-peer platforms, including the recommendation that platforms prioritize authentic participant communication over generic institutional messaging, integrate clear information about how donations will be used, and avoid friction in the giving process that may deter donors who would otherwise contribute.

Meeprom (2024) extended this analysis through work on fostering charity sport event runner identification to drive social media interaction and willingness to share, published in the *Journal of Research in Interactive Marketing*. The analysis demonstrated that participants who develop stronger identification with their charity sport event role are more likely to engage in social media activity that promotes the event to their networks, with cascading effects on broader event awareness and fundraising performance. The identification dynamic operates as a leading indicator of participant social media engagement, with implications for how event operators should structure their participant onboarding and engagement programs. Programs that invest in building participant identification with the event role typically produce stronger downstream social media engagement than programs that treat participants as passive ticket holders, with the difference manifesting in fundraising performance that compounds across multi-year cycles.

Hookway et al. (2025) provided one of the most important recent contributions to understanding digital event mechanics through their analysis of virtual charity sport events, emotional energy, rituals, and digital community in the *International Review for the Sociology of Sport*. Their work documented how participants in virtual charity sport events construct meaningful experiential value despite the absence of physical co-presence with other participants, drawing on emotional energy theory and ritual analysis to explain why virtual events can produce engagement outcomes that approach those of in-person events when designed well. The findings have direct

implications for how event operators should think about hybrid event formats that may combine in-person and virtual elements, with the recommendation that virtual elements be designed deliberately to support the ritual and emotional energy dimensions that participants value rather than treating virtual formats as inferior substitutes for in-person experience. The framework Hookway et al. (2025) developed provides analytical tools for designing virtual event components that operators can apply across diverse event types.

## **Community Building and Multi-Stakeholder Functions**

Athletic special events serve community-building functions that extend well beyond their direct revenue contributions, and the contemporary literature has documented these functions more rigorously than earlier generations of practitioners had access to. The community-building dimension is particularly important for understanding why institutions continue to invest in events whose direct cost-to-raise-a-dollar ratios may not justify the investment on revenue grounds alone, since the community functions produce institutional value that traditional event accounting does not capture. Development offices that understand the community-building dimension can articulate the case for their event investments more persuasively to institutional leaders who may otherwise question whether the events justify their resource requirements.

Daigo and Filo (2020) provided important evidence on the community-building functions of charity sport events through their work on creating a sense of community among charity sport event participants, published in *Event Management*. Their analysis examined how event managers construct experiences that produce a sense of community among participants who may have no prior connection to one another, identifying the specific event design elements that contribute to community formation. The findings included the importance of shared physical activity, common cause commitment, and structured interaction opportunities that allow participants to develop relationships with one another across the event duration. The community-building dimension is one of the most important explanations for why

participants return to charity sport events year after year, with implications for how event operators should think about retention strategies that emphasize community formation rather than purely transactional engagement.

Daigo and Sakuno (2021) extended this analysis through their multi-stakeholder perspective on local problem-focused charity sport events, published in the *International Journal of Sport and Health Science*. Their work examined how charity sport events operate as platforms for engaging multiple stakeholder groups around shared local concerns, with the events serving institutional, participant, community, and beneficiary populations simultaneously across distinct but overlapping engagement modes. The multi-stakeholder framework is useful for understanding why charity sport events sometimes succeed institutionally despite producing modest direct revenue, since the institutional return on the event investment includes the community standing and stakeholder relationship benefits that the event generates beyond its direct revenue contribution. The analytical framework has direct implications for how athletic development offices should think about partnering with community organizations on shared events, with the recommendation that the partnership structure should reflect the multi-stakeholder benefits that the event will produce rather than focusing solely on the direct revenue division.

Wood and Snelgrove (2024) provided a recent practical case study through their work on the creation of a new charity sport event by the Canadian Cancer Society, published in *Case Studies in Sport Management*. The analysis examined the organizational decisions involved in launching a new event from scratch, including market research, event design, staffing, partnership development, and the operational mechanics of building participant volume from zero. The case study format provides practitioners with detailed insight into the practical challenges of new event development that more conceptual scholarly literature does not address, with implications for how athletic development offices should approach new event launches when their existing event portfolios no longer match institutional needs. The case study also illustrates the multi-year horizon over which new event development typically

operates, with the recommendation that institutional leaders set realistic expectations for the maturation timeline that new events require.

## **Operational Mechanics**

Successful signature events combine creative design with disciplined operational execution across the months of preparation that precede the event itself. The design choices include theme, venue, format, program content, recognition opportunities, and entertainment that together produce the donor experience the event aims to deliver. The operational execution includes invitations and RSVPs, sponsorship sales, table assignments, audio-visual production, food and beverage management, security, and post-event follow-up that converts the event experience into ongoing engagement. Both dimensions matter, and weakness in either compromises the overall event effectiveness.

### ***Revenue Streams***

Athletic event revenue typically comes from four primary streams that the development office must cultivate through different operational approaches. Table and ticket sales produce revenue through direct purchases by donors and corporate partners. Sponsorships produce revenue through corporate underwriting of specific event components. Auction revenue produces revenue through donated items that attendees bid on during silent and live auction components. Direct appeals conducted during the event produce revenue through pledge opportunities at structured moments such as fund-a-need appeals or matching gift challenges. Each stream requires different sales and operational support, and the integration across streams matters substantially for overall event performance since the streams interact in ways that affect each other's productivity.

### ***In-Kind Contributions***

In-kind contributions reduce out-of-pocket event expenses but should not be confused with cost savings in the overall event accounting. A donated

an auction item adds value to the auction revenue but does not reduce the staff time required to source, document, and steward the donating partner across the event cycle. In-kind contributions also carry tax implications that the development office must manage carefully, including donor acknowledgment requirements and fair market value determinations for donor tax deduction purposes. The technical requirements for in-kind acknowledgment vary by the type of contribution and the value involved, with the recommendation that development offices establish standard operating procedures for in-kind contribution handling rather than improvising responses to each unique contribution as it arrives.

## **Event-to-Pipeline Conversion**

The strategic value of athletic special events extends well beyond their direct revenue contribution into pipeline functions that produce value over multi-year horizons. Events function as prospect identification mechanisms, surfacing previously unknown prospects who attend at the invitation of existing donors or table hosts. Events function as cultivation accelerators, advancing existing prospects toward major gift readiness through structured engagement opportunities. Events function as stewardship vehicles, recognizing existing donors in front of the broader community and reinforcing their connection to the institution.

Sophisticated development offices treat event-to-pipeline conversion as a measured outcome alongside direct event revenue, and the measurement requires deliberate operational design rather than informal observation. Staff who attend events with specific prospect engagement objectives, follow up systematically with attendees after events, and integrate event interactions into the institution's donor management system can produce pipeline value that substantially exceeds the direct revenue the event generated (Lindley, 2015). Wanless et al. (2018) documented how event attendance patterns correlate with subsequent giving outcomes, providing empirical support for the practitioner observation that event attendance functions as a leading indicator of major gift readiness. The empirical evidence underscores the importance of

treating events as pipeline development infrastructure rather than as standalone revenue activities, with implications for how the development office should staff its event operations and integrate event work with broader cultivation strategy.

**THE PIPELINE MULTIPLIER**

*Wanless et al. (2018) showed empirically that event attendance correlates with subsequent giving outcomes, demonstrating that events function as leading indicators of major gift readiness rather than as standalone revenue activities. Programs that integrate event attendance data into their broader prospect management systems capture pipeline value that single-metric event evaluation systematically undervalues. The integration requires CRM infrastructure and analytical capacity that smaller programs may not be able to maintain, but the return on the integration investment compounds across multi-year cycles in ways that justify the underlying capacity development.*

## **Critical Perspectives**

A balanced treatment of athletic special events must acknowledge the critiques that have accumulated against contemporary event-based fundraising practice. The critiques operate across several dimensions including equity concerns about how event-based fundraising privileges donors with disposable income who can afford high-priced gala access, ambivalence concerns about participants whose engagement with events is conflicted or reluctant, and sustainability concerns about the environmental and resource intensity of large-scale event operations.

Oreg et al. (2020) provided one of the most important recent critical contributions through their socio-cultural study of ambivalence in charity sport events, published in the *International Review for the Sociology of Sport*. Their

work documented that not all charity sport event participation is wholehearted, and that significant fractions of participants engage with events with mixed motivations that include social pressure, professional obligation, or other non-altruistic factors that may compromise the authenticity of the philanthropic dimension. The findings have implications for how event operators should think about participant communication, with the recommendation that operators acknowledge rather than ignore the ambivalence that some participants experience and structure their engagement strategies to accommodate participants whose motivations may be more complex than the operator's default messaging assumes. The ambivalence dimension is one of the most underweighted considerations in contemporary event design, and operators who address it deliberately produce stronger long-term retention outcomes than operators who assume that all participants share the operator's framing of the event's purpose.

The equity dimension of event-based fundraising critique operates through price points that exclude lower-income supporters from meaningful participation in events. A gala with table prices in the thousands of dollars and individual ticket prices in the hundreds is structurally inaccessible to most members of any community, implying that institutions reliant on gala-based fundraising systematically engage with a narrow slice of their potential supporter base. Hanson and Welty Peachey (2022) noted that resource-constrained institutions often face distinctive challenges in deploying event-based fundraising strategies that work at well-resourced institutions, with implications for how the broader field should think about whether high-priced event models reflect optimal practice or merely the operational habits of well-resourced programs whose alternatives are more constrained. The equity critique does not necessarily imply that institutions should abandon event-based fundraising, but it does imply that institutions should be deliberate about how their event portfolios relate to the broader supporter base they aspire to engage.

The sustainability dimension of event-based fundraising critique has grown more important as institutional and donor attention to environmental

considerations has expanded across the past decade. Large-scale events produce substantial environmental footprints through travel, energy consumption, food waste, and material use that institutions historically did not measure or report. The contemporary literature has begun to address these dimensions more rigorously, with implications for how event operators should think about the environmental case for their events alongside the financial and community-building cases. Some institutions have responded by adopting sustainability protocols for their event operations, measuring carbon footprints and other environmental metrics that supplement traditional event evaluation frameworks. The protocols add operational complexity that institutional leaders should weigh against the reputational and ethical benefits they produce, with the broader implication that sustainability considerations are likely to become more important across the next decade rather than less.

## **Chapter Summary**

Special events occupy a complex position in athletic development, consuming substantial staff time while often producing lower direct fundraising returns than equivalent investment in major gift cultivation would generate. Honest cost-to-raise-a-dollar accounting often reveals events as less economically productive than appearances suggest, but the framework captures only direct revenue and not the cultivation, stewardship, and community-building functions that justify continued investment. Events fall into three categories (friend-raisers, fundraisers, and cultivation events) distinguished by primary purpose. The contemporary literature on charity sport events has documented motivational frameworks including serious leisure, identification, and emotional energy that explain why participants engage with events and how operators can support sustained participation. Peer-to-peer fundraising has grown substantially in the post-COVID environment, with donor perception research highlighting the importance of authentic participant communication, strong personal relationships, and platform design quality. Events serve community-building functions across multiple stakeholder populations that institutional accounting frameworks

typically undervalue. The strategic value of events extends beyond direct revenue into prospect identification, cultivation advancement, and stewardship functions that contribute to the broader development pipeline. Critical perspectives address ambivalence among reluctant participants, equity implications of high-priced gala access, and sustainability concerns that institutional leaders should engage rather than dismissing.

## **Discussion Questions**

1. Some athletic Hall of Fame induction dinners have run for decades without producing strong direct fundraising returns. How should a development office decide whether to continue or discontinue an underperforming legacy event, and what change management considerations should guide the decision implementation?
2. Yazıcı and Koçak (2024) framed charity sport event participation through the serious leisure lens. How should event operators design their programs to support serious leisure participation, and what risks does over-rotation toward this framework introduce?
3. Filo et al. (2022) documented donor perceptions of online peer-to-peer fundraising. What design choices distinguish successful from underperforming peer-to-peer platforms, and how should development offices balance authentic participant voice with institutional message control?
4. Hookway et al. (2025) examined virtual charity sport events through emotional energy and ritual analysis. How should event operators think about hybrid event formats that combine in-person and virtual elements, and what design principles support effective virtual integration?

5. Oreg et al. (2020) documented ambivalence among charity sport event participants whose engagement is conflicted or reluctant. How should operators acknowledge and accommodate ambivalent participation rather than assuming uniformly wholehearted engagement?
6. Athletic events face increasing competition for donor attention and increasing scrutiny on environmental and equity dimensions. How can a development office position its events for differentiation while addressing the legitimate concerns that critics have raised?

## Applied Assignment

Design a new signature fundraising event for an athletic organization of your choice, with explicit integration of the contemporary literature on charity sport event participation and peer-to-peer fundraising. The event should target a clear fundraising goal, fit a defined audience, and align with the organization's brand. Produce an event concept document covering theme, format, target audience, fundraising goal, and donor experience design, plus a full event budget with revenue and expense line items, projected attendance, and cost-to-raise-a-dollar calculation. Include staff time costs under fully loaded accounting. Address the serious leisure and identification dimensions that Yazıcı and Koçak (2024) and Meeprom (2024) identified as drivers of sustained participant engagement. Articulate the community-building functions the event will serve drawing on Daigo and Filo (2020). Include an explicit equity assessment that addresses how the event will engage supporters across the institution's full demographic range rather than concentrating engagement among high-income supporters alone.

## Key Terms

The terms below appear throughout the chapter and across the broader event literature.

**Ambivalent Participation.** Charity sport event engagement, characterized by mixed motivations including social pressure, professional obligation, or

other non-altruistic factors, is documented by Oreg et al. (2020) as a substantial fraction of total participation that operators should acknowledge rather than ignore.

**Cost-to-Raise-a-Dollar.** The ratio of event expenses to net philanthropic revenue, used to evaluate event economic productivity but limited in capturing the cultivation, stewardship, and community-building functions that events also serve.

**Cultivation Event.** A smaller event designed to advance specific prospects toward major gift solicitation, evaluated by contribution to subsequent gift closings rather than direct revenue.

**Emotional Energy.** The experiential quality that participants derive from event participation, examined by Hookway et al. (2025) as a mechanism through which virtual events can produce engagement outcomes approaching in-person events.

**Event-to-Pipeline Conversion.** The process by which events produce major gift pipeline value through prospect identification, cultivation advancement, and stewardship, requiring CRM integration and analytical capacity to measure effectively.

**Friend-raiser.** An event designed primarily for relationship building rather than direct fundraising, evaluated by attendance and engagement metrics rather than revenue.

**Fund-a-Need Appeal.** A structured pledge opportunity conducted during a fundraising event at which attendees commit to specific dollar amounts for designated purposes.

**In-Kind Contribution.** A non-cash donation of goods or services that reduces event expenses but does not reduce the staff time required to source, document, and steward the contribution.

**Participant Identification.** The strength of a charity sport event participant's psychological connection to the participant role, examined by Meeprom (2024) as a driver of social media engagement and event promotion.

**Peer-to-Peer Fundraising.** A revenue model that deploys participating individuals as volunteer fundraisers who solicit gifts from their personal networks through digital tools the institution provides.

**Serious Leisure.** The systematic pursuit of amateur, hobbyist, or volunteer activities substantial enough to acquire and express skills, knowledge, and experience over time, applied by Yazıcı and Koçak (2024) to explain sustained charity sport event participation.

**Signature Event.** A high-profile annual event that serves as a flagship for the institution's development program, typically receiving the largest staff investment and producing the highest visibility within the event portfolio.

**Virtual Event.** An event conducted entirely through digital platforms without physical co-presence, examined by Hookway et al. (2025) as a format that can produce engagement outcomes approaching in-person events when designed deliberately around ritual and emotional energy dimensions.

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# Digital Fundraising and Sport Crowdfunding

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Digital fundraising has transformed how athletic development offices reach donors, particularly donors whom traditional channels never effectively engaged through mail and phone outreach. Email solicitations, mobile-optimized giving forms, peer-to-peer fundraising campaigns, and platform-based giving days have together produced new revenue streams that supplement rather than replace traditional fundraising. For athletic programs willing to invest in digital infrastructure and staff capacity, the channels offer economies of scale that traditional mail and event-based fundraising cannot match, with per-contact costs that are orders of magnitude lower than those of personal outreach.

This chapter introduces the major categories of digital athletic fundraising, the metrics that distinguish successful digital programs from underperforming ones, the operational mechanics of giving days, and the compliance considerations specific to digital campaigns that feature student-athletes in the NIL era. The chapter draws on the digital fundraising literature while attending to the distinctive features of digital fundraising in athletics.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Distinguish the major categories of digital athletic fundraising.
2. Apply digital fundraising metrics to evaluate program performance.
3. Design a complete giving day playbook.

4. Analyze the compliance considerations of student-athlete involvement in institutional digital fundraising.
5. Apply A/B testing discipline to optimize digital fundraising campaigns.

## **Categories of Digital Fundraising**

### ***Direct Digital Solicitation***

Direct digital solicitation includes email campaigns, social media appeals, text message campaigns, and digital advertising designed to drive prospective donors to giving forms. The category is the digital analog of traditional direct mail, and it follows similar principles of audience segmentation, messaging differentiation, and call-to-action design across the major channels. Bogina and Gordon (2022) studied the digital engagement preferences of younger donor segments and found that mobile-first design, peer endorsement, and impact-focused messaging substantially outperform traditional formats. The performance differences are particularly pronounced for Millennial and Gen Z prospects who increasingly conduct all philanthropic transactions through mobile interfaces.

### ***Crowdfunding***

Crowdfunding refers to campaigns that pool many smaller contributions to fund specific projects, often through dedicated platforms designed for the purpose. In athletic contexts, crowdfunding has been used to fund individual sport programs, equipment purchases, scholarship funds, and facility components that fall below the size threshold for traditional capital campaigns. Platforms specific to higher education and athletics, including ScaleFunder, GiveCampus, and Mightycause, provide infrastructure that streamlines campaign execution and integrates with institutional donor management systems via APIs, capturing donor data for subsequent cultivation. Platform integration is one of the operational advantages of using specialized platforms over general crowdfunding services.

### ***Peer-to-Peer Fundraising***

Peer-to-peer fundraising deploys volunteer fundraisers, often current students, alumni, or athletes, to solicit gifts from their personal networks through digital tools that the institution provides. The model leverages the social capital of individual fundraisers to reach donors who would not otherwise engage with the institution's direct outreach, since donors who would ignore institutional emails sometimes respond to personal appeals from friends and family members. Peer-to-peer campaigns are particularly effective when paired with structured incentives, recognition programs, and clear tracking of individual fundraiser results. Filo et al. (2020) studied donor motivation in charity sport event contexts and found that the personal relationship between donor and participant is often the central motivational variable.

## **Giving Days**

Giving days are concentrated fundraising events typically running twenty-four or forty-eight hours, designed to maximize donor participation through urgency, gamification, and concentrated communication across the event window. Giving days have become a fixture of higher education fundraising over the past decade, and athletic departments increasingly run sport-specific or athletic-focused giving days alongside the broader institutional events. The concentrated time window produces urgency that translates into higher participation rates than extended campaigns produce.

Successful giving day design includes goal-setting and progress communication that produces urgency through visible progress toward published targets, matching gift and challenge gift architecture that multiplies donor incentives through structured leverage, ambassador networks that drive peer-to-peer outreach through volunteer engagement, real-time leaderboard mechanics that create competition between affinity groups within the institution, and hour-by-hour social media and email calendars that maintain

engagement across the event window. Each element contributes to the overall event effectiveness.

#### GIVING DAY ARCHITECTURE

*A well-designed twenty-four-hour giving day typically combines a master institutional goal with sport-specific or program-specific stretch goals, matching gifts triggered at specific milestones, ambassador-driven peer outreach, and an hour-by-hour communication plan. The complexity is operational rather than strategic, and execution quality often distinguishes successful from underperforming events more than initial design choices.*

## Metrics that Matter

Digital fundraising produces substantially more data than traditional channels, and the meaningful metrics differ from those used to evaluate direct mail or event fundraising. Key digital metrics include conversion rate, defined as the percentage of prospects who give after receiving a solicitation; average gift amount, which can vary substantially across digital channels; donor acquisition cost, calculated as total digital marketing spend divided by new donor count; donor retention rate, which measures the percentage of digital donors who give again in subsequent periods; and lifetime value per donor.

Sophisticated digital programs run A/B tests on subject lines, email design, giving form fields, and call-to-action language to optimize conversion rates over time. The testing discipline produces incremental improvements that compound across campaigns and is one of the primary advantages digital channels hold over traditional channels, where systematic testing is more expensive and slower to execute. Programs that maintain disciplined A/B testing typically achieve conversion rate improvements of 10 to 30 percent annually relative to programs that do not test systematically (Lindley, 2015).

## **NIL and Student-Athlete-Led Digital Campaigns**

The 2021 NIL policy change opened the possibility of student-athletes leading or featuring in fundraising campaigns conducted by their own institutions, which had previously been prohibited under NCAA amateurism rules. The development creates both opportunities and complications for digital fundraising programs that institutions are still working through several years into the post-2021 environment.

The opportunity is straightforward: student-athletes have larger and more engaged digital followings than most development professionals can build through institutional channels, and their participation in fundraising campaigns can dramatically expand audience reach. The complications include compliance considerations regarding how the student-athlete's NIL is used, whether the institution provides compensation that complies with NCAA rules, and how the relationship between institutional fundraising and the student-athlete's personal brand is managed (Colvin & Jansa, 2023). Stein et al. (2024) examined how high school NIL growth is now affecting college athletic compliance environments.

Most institutions have developed internal guidelines for student-athlete involvement in fundraising campaigns that combine permissible NIL activity with appropriate institutional acknowledgment. The guidelines are evolving as practice develops, and graduate students entering the field should expect to work in an environment where the rules continue to change. Romano (2023) raised additional questions about how nonprofit collective structures intersect with institutional digital fundraising.

### **Chapter Summary**

Digital fundraising encompasses direct digital solicitation, crowdfunding, peer-to-peer fundraising, and concentrated giving days, each with distinct operational mechanics and economic characteristics. Successful digital programs require investment in platform infrastructure, staff capacity for data

analysis and creative development, and disciplined A/B testing that produces compounding improvements over time. Giving days have become a fixture of higher education fundraising and require careful architecture combining goal-setting, matching gifts, ambassador networks, and hour-by-hour communication. The NIL era has opened new possibilities for student-athlete-led campaigns while introducing compliance considerations that institutions are still working through.

## **Discussion Questions**

1. Digital fundraising scales differently than traditional fundraising. How should institutions think about the tradeoff and decide how to allocate resources across digital and traditional channels?
2. Giving days produce concentrated revenue spikes but require substantial advance planning. What conditions make a giving day worth running?
3. Peer-to-peer fundraising relies on volunteer fundraisers. How should development offices balance volunteer engagement with central coordination?
4. Student-athlete involvement in fundraising campaigns creates both opportunities and compliance complications. What guidelines should institutions establish?
5. A/B testing produces incremental improvements that compound over time. How should resource-constrained programs prioritize testing investments?

## **Applied Assignment**

Build a complete twenty-four-hour Giving Day playbook for an athletic department of your choice. Include campaign goals and KPIs, ambassador and team captain strategy, hour-by-hour social media and email calendar covering

the full event window, matching gift and challenge gift architecture at multiple progressive levels, real-time leaderboard mechanics, post-event stewardship plan, and a sample of three actual social posts and one email. Address compliance considerations for any student-athlete involvement.

## Key Terms

The terms below appear throughout the chapter.

**A/B Testing.** The systematic comparison of two campaign variants to identify which performs better.

**Ambassador.** A volunteer fundraiser who solicits gifts from a personal network during a peer-to-peer campaign or giving day.

**Conversion Rate.** The percentage of prospects who complete a desired action after receiving a solicitation.

**Crowdfunding.** A fundraising approach that pools many smaller contributions to fund specific projects.

**Donor Acquisition Cost.** The total marketing spend required to acquire a new donor.

**Giving Day.** A concentrated fundraising event, typically twenty-four hours, designed to maximize donor participation.

**Lifetime Value.** The total expected revenue from a donor across the duration of the donor's relationship with the institution.

**Matching Gift.** A contribution from a sponsor that multiplies other donors' gifts at specified ratios.

**Peer-to-Peer Fundraising.** A model that deploys volunteer fundraisers to solicit gifts from their personal networks.

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# Stewardship and Donor Relations in Sport

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Stewardship is the cheapest fundraising the development office does, measured by cost per dollar raised across multi-year horizons. A donor who has already given is statistically far more likely to give again than a comparable prospect who has not yet given, and the marginal cost of stewardship outreach is substantially lower than the cost of acquiring new donors through traditional acquisition channels. Yet stewardship is also the function most often neglected in athletic development offices, where the pressure to identify and close new gifts often crowds out the patient work of maintaining relationships with existing donors. This neglect produces measurable consequences in donor retention rates, lifetime value, and major gift renewal rates that compound across the development pipeline.

This chapter introduces the conceptual framework of stewardship as a distinct function from cultivation and solicitation, the design of tiered stewardship programs that scale across giving levels, the role of impact reporting in donor retention, and the strategic considerations that distinguish stewardship excellence from stewardship neglect.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Distinguish stewardship from cultivation and solicitation as discrete development functions.

2. Design a tiered stewardship program that scales stewardship attention with gift size.
3. Apply impact reporting principles to produce donor communications that drive retention and renewal.
4. Diagnose common stewardship failures.
5. Evaluate multi-decade stewardship commitments and design organizational arrangements that sustain stewardship across staff turnover.

## **Stewardship as a Distinct Function**

Stewardship is the ongoing recognition, reporting, and engagement provided to existing donors. It begins the moment a gift is received and continues for the duration of the donor's relationship with the institution, which, for many major donors, spans decades and outlasts the tenure of any individual development professional. Stewardship is sometimes treated as a subset of donor relations, but the more precise framing distinguishes it from cultivation, which precedes a gift, and solicitation, which produces the gift. Lin et al. (2019) included stewardship as one of the nine discrete stages in their extended major gifts management model, reflecting its operational importance in successful major gift programs.

The functional content of stewardship includes prompt and personal acknowledgment of gifts, accurate reporting on how funds were used, ongoing communication that maintains the donor's connection to the institution, recognition through appropriate naming and honor roll mechanisms, and the cultivation of next-gift conversations that mature into the next solicitation cycle. Each component requires distinct skills and resources, and a complete stewardship program addresses all of them rather than treating any single component as sufficient. The integration across components is what distinguishes excellent stewardship from competent stewardship.

## The Tiered Stewardship Program

Effective stewardship scales with gift size through tiered programs that specify what each giving level receives in stewardship attention. A donor who has given a thousand dollars cannot receive the same level of personal engagement as a donor who has given a million dollars, both because the institution lacks the staff capacity to provide that level of engagement across thousands of donors and because the donors themselves do not expect it across the dollar levels that distinguish their relationships. The design of a tiered stewardship program specifies what each giving level receives, with progressively higher tiers receiving progressively more personal and resource-intensive engagement.

A typical tiered stewardship matrix might specify that donors at the \$1,000 level receive a personalized acknowledgment letter, an annual impact report, and an invitation to one stewardship event each year that recognizes their support. Donors at the ten-thousand-dollar level might receive the same, plus personal calls from a development officer twice per year and recognition in the institution's donor publications. Donors at the one hundred thousand-dollar level might receive personal stewardship visits, custom impact reporting on their specific gift, and exclusive access to coaching meetings or behind-the-scenes events. The matrix provides a planning framework, but actual stewardship execution often deviates from it in response to individual donors' circumstances.

### THE SEVEN-TOUCH RULE

*A common stewardship benchmark holds that donors should have at least seven non-solicitation interactions with the institution annually to feel adequately stewarded. The number scales upward for major donors, where ten or more touches per year may be appropriate. The principle is that stewardship attention should substantially exceed solicitation attention, and donors who hear from the institution only*

*when asked for money develop a transactional rather than relational connection.*

## Impact Reporting

Impact reporting is the practice of communicating to donors how their gifts have been used and what outcomes the gifts have produced. The reports range from broad annual stewardship publications that describe institutional accomplishments to highly specific custom reports on individual gifts that explain exactly how each donor's contribution was applied. Effective impact reporting is one of the most important predictors of donor retention and renewal, and its absence is one of the most common stewardship failures across the nonprofit sector (McAlexander & Koenig, 2012).

The substance of impact reports matters more than their visual presentation, though both dimensions affect donor response. Donors want to know what their gifts enabled, who benefited, and how the institution measured success in operational rather than abstract terms. Vague reports that describe institutional priorities without connecting them to the donor's specific gift produce limited stewardship value and may actually damage relationships when donors feel that their specific contributions were treated as fungible institutional revenue. Specific reports describing the named scholarship recipient who graduated, the program component the gift funded, or the facility space the donor's contribution enabled provide strong stewardship value and substantially increase renewal probability.

## When Stewardship Fails

Stewardship failures take several common forms that practitioners should learn to recognize and prevent. The most basic is delayed acknowledgment, in which gifts are received, but the donor's thank-you communication arrives weeks or months after the operational standard the institution should maintain.

The delay communicates institutional disorganization and disrespect and often causes immediate damage to the donor relationship, requiring significant effort to repair across subsequent stewardship cycles.

A more subtle failure is generic stewardship, in which donors receive impact reports and recognition that do not reflect their specific contributions to the institution. A donor who funded a named scholarship and receives only generic institutional reporting may feel that their specific gift was not noticed or valued, even when the institution has used the funds entirely as intended for the designated purpose. Generic stewardship is particularly damaging at higher giving levels, where donors expect their specific contributions to be acknowledged distinctly.

The most severe stewardship failure is the unfulfilled gift agreement, in which the institution fails to honor the specific terms documented in the original gift agreement. When a donor has made a major gift conditioned on specific uses, including an endowed coaching position, a named scholarship with defined criteria, or a facility space with stipulated design features, and the institution either fails to follow through on those commitments or unilaterally modifies them, the consequences extend beyond donor relations into potential legal liability. The unfulfilled gift agreement is one of the most common sources of major donor litigation against institutions.

### **Chapter Summary**

Stewardship is the ongoing recognition, reporting, and engagement provided to existing donors, and it is the function most often neglected in athletic development offices despite producing the highest return on investment of any development activity. Effective stewardship scales with gift size through tiered programs that specify what donors at each level receive. Impact reporting is among the most important predictors of donor retention and requires specific rather than generic content. Stewardship failures take several forms, including delayed acknowledgment, generic stewardship, and

unfulfilled gift agreements, with each producing measurable consequences in donor retention, renewal, and institutional reputation.

## Discussion Questions

1. Stewardship is the lowest-cost form of fundraising on a per-dollar-raised basis, yet it is the function most often neglected. What organizational and incentive structures contribute to this neglect?
2. The seven-touch rule is a common stewardship benchmark, but it does not differentiate touch quality. What characteristics distinguish high-quality stewardship touches from low-quality ones?
3. Impact reporting requires specific rather than generic content. How should development offices balance scalability against specificity?
4. Unfulfilled gift agreements are a leading source of major donor litigation. What organizational processes reduce the risk of these failures?
5. Some donors over-steward themselves out of relationships, requesting attention that exceeds reasonable institutional capacity. How should development offices manage these relationships?

## Applied Assignment

Design a tiered stewardship program for an athletic department of your choice, covering gift levels from one thousand dollars up through one million dollars and above. Present the program as a matrix showing each giving tier and the specific stewardship touchpoints that donors at that level receive over 12 months. Include the staff member responsible for each touchpoint.

## Key Terms

The terms below appear throughout the chapter.

**Acknowledgment.** The prompt formal communication confirming receipt of a gift.

**Donor Retention.** The percentage of donors who give again in a subsequent period.

**Gift Agreement.** A written document specifying the donor's commitments and the institution's reciprocal obligations.

**Impact Report.** A communication to donors describing how their gifts were used and what outcomes resulted.

**Lifetime Value.** The total expected revenue from a donor across the duration of the donor's relationship with the institution.

**Recognition.** The public or private acknowledgment of a donor's contribution.

**Stewardship.** The ongoing recognition, reporting, and engagement provided to existing donors.

**Tiered Program.** A structured approach that varies the level of attention donors receive based on their giving level.

**Unfulfilled Gift Agreement.** A situation where the institution fails to honor original gift documentation, producing donor relations damage and potential legal liability.

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# Legal, Ethical, and Compliance Issues

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Athletic fundraising operates within a web of regulations more complex than those governing any other category of nonprofit philanthropy in American higher education. NCAA bylaws govern relationships between boosters, donors, and student-athletes through detailed rules that have accumulated over more than a century of organized intercollegiate athletics. Title IX imposes equity requirements on how athletic resources are distributed across men's and women's programs, requiring development offices to balance donor preferences against institutional equity obligations. Internal Revenue Service rules govern quid pro quo gifts, unrelated business income, qualified sponsorship payments, and the tax treatment of various charitable vehicles. State law layers additional requirements that vary substantially across jurisdictions.

The development professional who fails to navigate this regulatory environment competently exposes the institution to consequences ranging from tax liability through institutional sanctions to public litigation. This chapter introduces the major regulatory frameworks that govern athletic fundraising, the ethical considerations that operate alongside formal legal requirements, and the gift acceptance policies that institutions use to manage compliance.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Apply NCAA Bylaws 13 and 16 to scenarios involving booster contact with prospects and benefits to current student-athletes.
2. Analyze how Title IX shapes the use of donated funds across men's and women's programs.
3. Apply IRS quid pro quo disclosure rules to athletic fundraising activities.
4. Distinguish ethical considerations that the law does not fully resolve.
5. Draft components of a gift acceptance policy.

### **NCAA Bylaws**

NCAA Division I Bylaw 13 governs recruiting and includes provisions that restrict booster contact with prospective student-athletes through detailed rules that have accumulated over decades of NCAA enforcement experience. The rule reflects a basic principle that the recruiting of student-athletes should be conducted by institutional representatives operating under institutional control, not by donors or boosters whose actions cannot be fully managed by the institution. Violations of Bylaw 13 produce some of the most severe institutional sanctions the NCAA imposes, including loss of scholarships, recruiting restrictions, and postseason bans that can compromise competitive position for years after the underlying violation.

NCAA Bylaw 16 governs benefits to current student-athletes and restricts what donors and boosters can provide outside the institutional infrastructure. The rule is intended to prevent improper inducements and to maintain competitive equity between programs with different donor bases. The 2021 NIL policy substantially modified Bylaw 16's application by permitting compensation that would previously have been prohibited, but the underlying compliance framework remains in place for non-NIL benefits (Huml et al., 2020). The interaction between the modified Bylaw 16 and the traditional booster provisions of Bylaw 13 produces compliance complexity that institutions are still learning to navigate.

## Title IX

Title IX of the Education Amendments of 1972 requires gender equity in federally funded educational programs, including athletics. The law's application to athletic fundraising is layered and contested across decades of litigation and regulatory guidance that have shaped current practice. Title IX does not directly govern how donors give, but it governs how institutions can use donated funds, particularly for scholarship support and the allocation of athletic resources across men's and women's programs.

Huml et al. (2020) documented how Title IX considerations shape athletic fundraising practice through their interview research with development professionals at Power Five institutions. Their work revealed significant tension between donor preferences, which often favor revenue sports such as football and men's basketball, and institutional Title IX obligations, which require equitable resource distribution between men's and women's programs. Development offices navigate this tension through gift acceptance policies that channel donor interest toward purposes that comply with Title IX requirements while honoring donor intent to the maximum extent possible. Marx et al. (2023) extended this analysis by examining what happens when institutions eliminate men's sports due to budgetary constraints.

## IRS Rules

### *Quid Pro Quo Disclosure*

Internal Revenue Service rules require that nonprofits provide written acknowledgment of any gift exceeding seventy-five dollars when the donor receives something of value in return for the contribution. The acknowledgment must describe what the donor received and provide a good-faith estimate of its fair market value, with the deductible portion of the gift defined as the amount by which the contribution exceeds the value received. The rule applies to most athletic fundraising activities, including events,

auctions, and priority point benefits, where donors receive value in connection with their giving.

### *Unrelated Business Income*

Tax-exempt institutions generally do not pay federal income tax on revenue from activities related to their exempt purpose. They do, however, pay tax on unrelated business income from activities outside their exempt purpose, with the distinction between related and unrelated activities sometimes producing close calls that require expert analysis. Athletic fundraising activities that cross into commercial advertising, certain rental arrangements, or other commercial contexts can produce unrelated business income tax liability that the development office must anticipate during proposal design rather than discovering after the fact through IRS examination.

### *Charitable Vehicle Tax Treatment*

Different charitable vehicles carry different tax treatment for donors, and development offices need basic familiarity with these distinctions to communicate accurately with prospective donors during cultivation. Outright gifts are deductible at fair market value, subject to AGI limits that vary by gift type and donor circumstances. Charitable gift annuities produce immediate partial deductions plus tax-favored income streams that the donor receives for life. Charitable remainder trusts provide immediate partial deductions and defer income tax on appreciated assets through trust structures that benefit both the donor and the institution.

## **Ethical Considerations**

Legal compliance is necessary but not sufficient for ethical athletic fundraising. The development professional faces ethical questions that the law does not fully resolve, and these questions arise often enough that institutions benefit from establishing positions in advance rather than improvising responses under pressure. Should the institution accept a gift from a donor whose business practices are controversial? Should the institution accept a

restricted gift whose conditions limit institutional flexibility in problematic ways? Should the institution acknowledge a donor whose name on a facility might become embarrassing in the future?

These questions are addressed through gift acceptance policies that establish institutional positions in advance of any specific gift. A well-drafted gift acceptance policy specifies the types of gifts the institution will accept and decline, the valuation procedures for non-cash gifts, the handling of restricted gifts, the standards for naming opportunities, and the process for declining a gift when institutional standards require declination. The policy reduces ad hoc decision-making under pressure and provides a defensible framework for difficult decisions (Hanson & Welty Peachey, 2022).

## **Chapter Summary**

Athletic fundraising operates inside overlapping regulatory frameworks, including NCAA bylaws, Title IX, Internal Revenue Service rules, and state law that vary substantially across jurisdictions. NCAA Bylaws 13 and 16 govern booster contact with prospects and benefits to current student-athletes. Title IX shapes how donated funds can be used across men's and women's programs. IRS rules govern quid pro quo disclosure, unrelated business income, and the tax treatment of various charitable vehicles. Ethical considerations operate alongside legal compliance and are addressed through gift acceptance policies that establish institutional positions in advance of specific gift decisions.

## **Discussion Questions**

1. The 2021 NIL policy substantially modified NCAA Bylaw 16's application. How should development offices coordinate compliance work between traditional fundraising and NIL activities?

2. Title IX requires equity in resource distribution but does not specify how donor preferences should be reconciled. What strategies do successful development offices use to manage this tension?
3. IRS quid pro quo disclosure rules require fair market value estimates of donor benefits. How should institutions value intangible benefits, such as priority-point access?
4. Gift acceptance policies provide ex ante frameworks for difficult decisions. What process should institutions follow to develop these policies?
5. A donor wishes to fund a scholarship limited to student-athletes from a specific demographic group. What legal and ethical considerations should the development office weigh?

## Applied Assignment

Draft a comprehensive gift acceptance policy for an athletic department of your choice. The policy should address types of gifts accepted and declined, valuation procedures, restricted versus unrestricted gift handling, naming rights and recognition standards, sport-specific gift considerations, Title IX compliance, NCAA compliance, IRS disclosure requirements, gift agreement requirements, and the process for declining a gift. The policy should read like a real institutional document ready to present to a board.

## Key Terms

The terms below appear throughout the chapter.

**Bylaw 13.** The NCAA Division I bylaw governing recruiting.

**Bylaw 16.** The NCAA Division I bylaw governing benefits to current student-athletes.

**Gift Acceptance Policy.** An institutional document specifying what gifts will be accepted, declined, and how various gift situations will be handled.

**Quid Pro Quo Gift.** A gift in which the donor receives something of value in return for the contribution.

**Restricted Gift.** A gift designated by the donor for a specific purpose.

**Title IX.** Federal law requiring gender equity in federally funded educational programs including athletics.

**Unrelated Business Income Tax.** A federal tax on tax-exempt organizations' revenue from activities outside their exempt purpose.

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# The Future of Sport Philanthropy

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The previous fourteen chapters have introduced the foundational structures, theories, and practices of athletic fundraising as the field stands in the mid-2020s. This chapter closes the book by looking forward to the changes that the next decade is likely to bring. The field is undergoing transformation on multiple dimensions simultaneously, and the graduate students preparing to enter athletic development today will spend the bulk of their careers in an environment that looks quite different from the one their textbooks describe. The pace of change has accelerated substantially in recent years through the combined effects of NIL adoption, the *House v. NCAA* settlement, and broader generational and technological transitions.

This chapter examines four trajectories that are likely to reshape sport philanthropy over the next decade and beyond: the maturation of revenue sharing and the NIL economy, generational donor turnover and intergenerational wealth transfer, the rise of donor-advised funds and intermediated giving, and the emergence of new philanthropic models that have not yet appeared in established practice. The chapter concludes with implications for career preparation that graduate students should consider.

## Learning Objectives

By the end of this chapter, the reader will be able to:

1. Analyze the long-term equilibrium between revenue sharing, NIL collectives, and traditional fundraising.

2. Predict how generational donor turnover will reshape athletic fundraising practice.
3. Explain how the growth of donor-advised funds complicates traditional donor relationship management.
4. Identify emerging philanthropic models, including impact investing, cryptocurrency philanthropy, and subscription microgiving.
5. Articulate professional development commitments that support long-term career success.

## **Revenue Sharing and the NIL Economy**

The 2024 House v. NCAA settlement established the framework for institutional revenue sharing with student-athletes, with annual per-institution payments projected at approximately twenty-two million dollars beginning in the 2025-26 academic year. The settlement represents the most fundamental change to the economics of college athletics since the introduction of the scholarship in the early twentieth century, and its consequences for athletic fundraising are likely to unfold over decades rather than years (Thelin & Moyon, 2026). The settlement also resolved historical antitrust claims through substantial back-payment obligations that institutions are absorbing across multi-year horizons.

Three scenarios for the long-term equilibrium between revenue sharing and traditional fundraising appear plausible based on the early evidence from the post-settlement environment. In the first scenario, revenue sharing absorbs much of the donor capacity that previously flowed to collectives, while traditional athletic department fundraising continues largely as before. In the second scenario, both revenue sharing and collectives expand, and traditional fundraising contracts as donor capacity redistributes. In the third scenario, the regulatory environment shifts again through Congressional action, antitrust litigation, or NCAA policy change. Colvin and Jansa (2023) noted that the rapid spread of NIL legislation reflects athletic competition between states as

a mechanism of policy diffusion, and similar dynamics are likely to shape future regulatory developments.

Graduate students entering the field should expect to manage their programs through ongoing regulatory change rather than within stable rules, and the most successful practitioners will be those who develop comfort with regulatory ambiguity rather than waiting for settled frameworks that may never arrive in the form earlier generations expected. Stein et al. (2024) added a complicating dimension by documenting how NIL development at the high school level is now affecting college athletic compliance environments, since recruits arrive on campus with established NIL relationships that complicate traditional cultivation work.

## **Generational Donor Turnover**

The Baby Boomer generation, currently the largest source of major gifts in athletic philanthropy, is entering its wealth-transfer years through demographic processes that no fundraising strategy can alter. Estimates of the upcoming intergenerational wealth transfer in the United States range from thirty to seventy trillion dollars over the next twenty years, representing both an enormous opportunity for charitable fundraising and a substantial risk if institutions fail to engage the inheriting generations that will control the transferred wealth. The opportunity exists only if institutions cultivate the inheriting generations during the transfer period.

Younger donors give differently from their parents, in ways that affect every aspect of how athletic development offices engage them. They give more through donor-advised funds and other intermediated vehicles. They give to causes more than to institutions, requiring development offices to articulate institutional value through cause-based framing. They give in smaller amounts more frequently rather than in concentrated major gifts. They expect digital engagement, immediate impact reporting, and transparent governance from the institutions they support (Bogina & Gordon, 2022). Athletic development

programs that have built their infrastructure around the giving patterns of older donors face substantial adaptation requirements.

## **Donor-Advised Funds**

Donor-advised funds have grown to represent one of the largest categories of philanthropic giving in the United States and continue to expand as wealthy donors adopt them at increasing rates. The vehicles allow donors to make immediate tax-deductible contributions to sponsoring organizations that then distribute funds to charities over time at the donor's direction. The structure has changed how many major donors structure their giving and produces operational consequences for athletic development offices that are still working through the implications across multi-year cultivation cycles.

DAF giving introduces an intermediary between the donor and the institution, complicating relationship management and stewardship in ways that traditional gift relationships did not require. The institution receives the gift from the sponsoring organization rather than directly from the donor, and the timing of distributions is controlled by the donor rather than the institution. The shift requires development offices to manage relationships with both individual donors and the major DAF sponsors, including Fidelity Charitable, Schwab Charitable, Vanguard Charitable, and community foundations through which donor gifts flow at various stages of the giving cycle.

## **Emerging Philanthropic Models**

Beyond the immediate trajectories of revenue sharing and generational turnover, several emerging philanthropic models warrant close watch, as they may grow substantially over the next decade. Impact investing combines philanthropic intent with financial return expectations, blurring the line between gift and investment in ways that may produce new structures for funding athletic programs. Cryptocurrency philanthropy, while volatile, has produced significant gifts to higher education institutions and may continue to grow if regulatory clarity develops. Subscription-based microgiving platforms

enable younger donors to support causes through small, recurring payments rather than periodic, larger commitments, and the model aligns with the recurring-revenue patterns that younger donors prefer in their personal financial management.

Each of these models is currently small relative to traditional channels, but each could grow substantially if conditions evolve in supportive directions over the next decade. Graduate students entering the field should expect to encounter philanthropic structures during their careers that do not yet exist or exist only in nascent forms, and the ability to adapt to new structures will distinguish successful careers from careers that stall during regulatory or technological transitions. Morton and Pastore (2019) anticipated many of these shifts in their examination of current trends and predictions for the future of intercollegiate athletics, noting that traditional development models would be tested by the introduction of new revenue-generating mechanisms beyond the institution's direct control.

## **Implications for Career Preparation**

The implications for graduate students preparing for careers in athletic development are clear and demanding. The foundational concepts in this textbook, including the development funnel, donor motivation theory, and the structures of athletic giving, will remain useful throughout careers in the field even as the specific tactics and program structures that build on those foundations continue to evolve. Successful practitioners will be those who maintain learning habits that enable them to adapt as the field around them changes.

Three commitments support long-term career success in athletic development across the changes the next decade will bring. First, maintain professional development habits, including reading current literature, attending professional conferences, and pursuing certifications offered by organizations such as CASE (the Council for Advancement and Support of Education). Second, build cross-functional relationships inside athletic

departments and university advancement structures, since the most consequential decisions in the field are made through collaboration. Third, develop comfort with ambiguity, since the regulatory and economic environment of sport philanthropy will continue to change throughout your career. Linde and Uran-Linde (2020) studied retention factors for high-performing gift officers and found that adaptability is among the strongest predictors of career longevity in the field.

## **Chapter Summary**

The future of sport philanthropy will be shaped by the maturation of revenue sharing and the NIL economy; generational donor turnover and intergenerational wealth transfer; the continued growth of donor-advised funds and intermediated giving; and emerging philanthropic models, including impact investing, cryptocurrency philanthropy, and subscription micro-giving. The foundational concepts introduced throughout this textbook will remain useful throughout careers in the field, but specific tactics and program structures will continue to evolve. Successful careers in athletic development require ongoing professional learning, cross-functional collaboration, and comfort with regulatory and economic ambiguity.

## **Discussion Questions**

1. Three scenarios for the equilibrium between revenue sharing and traditional fundraising appear plausible. Which do you find most likely, and why?
2. The intergenerational wealth transfer represents both opportunity and risk. What organizational adaptations should development offices make to engage younger donors?
3. Donor-advised funds introduce an intermediary between donors and institutions. How should development offices manage relationships in this intermediated environment?

4. Emerging philanthropic models are currently small but could grow substantially. How should development offices balance investment in established channels against experimentation with emerging models?
5. Reflect on the concepts introduced across this textbook. Which do you expect to remain most relevant throughout your career, and which do you expect to become obsolete?

## Applied Assignment

Create a five-year strategic plan for the development office of an athletic organization of your choice. The plan should integrate concepts from every chapter of the textbook and address organizational structure and staffing, annual giving program, major gifts strategy, planned giving program, corporate partnerships, NIL collective coordination, capital projects pipeline, events portfolio, digital fundraising, stewardship program, compliance framework, technology and data infrastructure, fundraising goals by year, and KPIs. Conclude with a section on how the plan adapts to the trends discussed in this chapter. Record a fifteen-minute video presentation summarizing the plan.

## Key Terms

The terms below appear throughout the chapter.

**Donor-Advised Fund (DAF).** A charitable vehicle that allows donors to make immediate tax-deductible contributions to a sponsoring organization that then distributes funds to charities over time.

**Impact Investing.** Investment activity that combines philanthropic intent with financial return expectations.

**Intergenerational Wealth Transfer.** The movement of wealth from older generations to their heirs and chosen institutions over time.

**Microgiving.** Small recurring contributions, often delivered through subscription platforms, that aggregate across many donors into meaningful institutional revenue.

**Policy Diffusion.** The process by which policy innovations spread across jurisdictions, often driven by competitive pressure rather than independent policy evaluation.

**Revenue Sharing.** The direct payment of athletic revenue from institutions to student-athletes, enabled by the *House v. NCAA* settlement.

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# Revenue Sharing and the Post-House Compensation Economy

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In June 2025, the era of amateur college athletics formally ended. Federal District Judge Claudia Wilken's final approval of the *House v. NCAA* settlement initiated the most fundamental restructuring of college sports economics since the introduction of the athletic scholarship in the early twentieth century. Beginning with the 2025-26 academic year, NCAA Division I institutions that opted into the settlement framework began making direct payments to student-athletes from athletic department revenue, capped at \$20.5 million per institution annually and scheduled to rise to approximately \$32.9 million by 2034-2035 (Romano, 2025). The development collapses long-standing distinctions between amateurs and professionals in college athletics and creates a compensation economy that operates in parallel with, and in tension against, the traditional philanthropic fundraising structures this textbook has described over the past fifteen chapters.

Smith (2025) traced the long arc of antitrust challenges that led to the *House*, observing that the \$2.776 billion settlement addresses damages for NIL broadcast media rights, video game NIL, lost NIL opportunities, additional compensation for student-athlete services, and missed Alston Awards. The settlement, therefore, resolves decades of accumulated grievances at once while creating an entirely new compensation framework governing forward-looking arrangements between institutions and their athletes. Athletic development professionals must now operate within this dual framework, managing traditional philanthropic relationships with donors while

coordinating with institutional finance teams that distribute revenue-share payments to athletes. The complexity of this dual environment exceeds anything the field has previously encountered.

This chapter examines the structure of the post-House compensation economy and its implications for athletic fundraising practice. The chapter introduces the settlement's back-payment and revenue-sharing components, the salary-cap dynamics that govern annual institutional payments, the Title IX considerations that complicate distribution decisions, the FERPA disclosure tensions the settlement has produced, and the strategic relationship between revenue sharing and the NIL collectives addressed in Chapter 8. The chapter concludes with implications for athletic development practice in an environment where philanthropic giving and athlete compensation increasingly compete for the same donor capacity and institutional attention.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Trace the legal pathway from O'Bannon and Alston through the House v. NCAA settlement, and explain how the 2024 settlement framework restructured the economic relationship between institutions and student-athletes.
2. Describe the back-payment and revenue-sharing components of the settlement, including the \$20.5 million annual cap and its scheduled escalation to approximately \$32.9 million by 2034-2035.
3. Apply Title IX considerations to revenue-share distribution decisions, and analyze the competing legal interpretations of whether Title IX governs compensation as well as resource allocation.
4. Explain the FERPA disclosure quandary that revenue-sharing payments produce, and articulate institutional response strategies that practitioners have begun to adopt.

5. Analyze the strategic relationship between institutional revenue sharing and the NIL collectives addressed in Chapter 8, including the question of whether revenue sharing reduces or sustains the role of collective fundraising.
6. Articulate implications for athletic development practice in an environment where philanthropic giving and athlete compensation increasingly compete for the same donor capacity.

## The Path to House

The *House v. NCAA* settlement did not emerge in isolation. It represents the culmination of more than a decade of accumulated antitrust litigation that progressively eroded the NCAA's amateurism framework. Smith (2025) provided the most comprehensive recent legal-historical analysis of this trajectory, tracing the path from *O'Bannon v. NCAA* in 2014 through *NCAA v. Alston* in 2021 to the final approval of *House* in 2025. The pattern across these cases is consistent: federal courts repeatedly found that NCAA restrictions on athlete compensation violated federal antitrust law, and each successive case narrowed the scope of permissible restrictions until the framework collapsed entirely under *House*.

*O'Bannon v. NCAA* was the foundational case, holding in 2014 that NCAA rules prohibiting compensation for the use of athlete names, images, and likenesses in video games and broadcasts violated the Sherman Antitrust Act. The decision allowed limited compensation tied to cost of attendance but did not authorize broader payment structures. *NCAA v. Alston* followed in 2021 with a unanimous Supreme Court decision that affirmed antitrust scrutiny of NCAA compensation rules, with Justice Kavanaugh's concurrence directly questioning whether amateurism could survive future legal challenges. Romano (2024) noted that the *Alston* concurrence essentially invited the litigation that would become *House*, signaling judicial skepticism toward any remaining NCAA compensation restrictions.

The House case itself was filed in 2020 as a class action on behalf of more than 14,500 college student-athletes alleging that the NCAA and Power Five conferences had unlawfully conspired to restrict NIL compensation, broadcast revenue sharing, and video game revenue (Romano, 2024). The plaintiffs sought damages for athletes who competed before the 2021 NIL policy change and injunctive relief that would require ongoing revenue sharing going forward. Rather than continue the pattern of losing at trial that had characterized O'Bannon and Alston, the NCAA and Power Five conferences agreed in May 2024 to settle the case on terms that fundamentally restructured the economics of college athletics. The decision to settle rather than litigate reflected accumulated judicial losses and the perceived inevitability of an adverse ruling at trial.

O'Brien (2025) provided a detailed analysis of Judge Wilken's final approval order, noting that the seventy-six-page opinion meticulously addressed the procedural history, the class certifications, the settlement terms, and each of the substantial objections that class members had raised. Judge Wilken denied each objection while approving the settlement, with the order taking effect for the 2025-26 academic year. The procedural completeness of the order has limited subsequent legal challenges and established the settlement framework as the operative law governing college athletics compensation. Practitioners working in athletic development must therefore treat the settlement as settled law rather than as an evolving negotiation, even as implementation details continue to clarify through institutional practice and subsequent guidance.

### PRACTITIONER NOTE

*The House settlement is permissive rather than mandatory at the institutional level. Division I schools opt in to revenue sharing rather than being required to participate, and a small number of programs have chosen not to participate for budgetary or strategic reasons. However, the competitive pressure to participate has driven nearly*

*all Power Four programs and most other Division I programs to opt in, since non-participating programs face substantial recruiting disadvantages relative to participating peers.*

## The Back-Payment Component

The House settlement includes a substantial back-payment obligation that compensates athletes who competed before the 2021 NIL policy change for the NIL opportunities they were denied. Romano (2024) reported that the NCAA committed to pay approximately \$2.8 billion to former student-athletes over a ten-year period, with payments distributed across multiple classes of plaintiffs defined by the years they competed and the sports they played. The back-payment obligation affects institutional finances substantially because participating institutions share responsibility for funding the obligation through reductions in scholarship allocations, conference distributions, and other revenue streams that would otherwise have supported athletic department operations.

The financial impact of back-payment obligations on individual institutions varies based on conference affiliation, historical revenue levels, and other factors. Power Four institutions generally absorb the largest share of back-payment costs because their historical revenues exceeded those of lower-tier programs, while smaller programs face proportionally smaller obligations but also have smaller revenue bases from which to absorb them. The distribution formula has produced operational financial pressure at many institutions that practitioners are still working through several years into the settlement implementation. Athletic directors and chief financial officers have responded by tightening operating budgets, reducing some categories of program spending, and intensifying philanthropic fundraising to fill gaps that the back-payment obligation has created (Smith, 2025).

For development professionals, the back-payment obligation has produced both challenges and opportunities. The challenge is that institutional financial pressure has increased the urgency of traditional fundraising performance, raising expectations for annual fund and major gift production at programs whose donor capacity has not grown commensurately with the institutional pressure. The opportunity is that the settlement framework has produced renewed donor attention to athletic finance, with some major donors expressing willingness to provide bridge funding to help institutions absorb back-payment costs in exchange for naming recognition or other benefits. The strategic management of this opportunity requires careful coordination between development offices and institutional finance, since back-payment obligations carry specific legal characteristics that traditional philanthropic giving does not match exactly.

## The Revenue-Sharing Cap

The forward-looking revenue-sharing component of the settlement is the more operationally consequential element for ongoing development practice. Beginning with the 2025-26 academic year, participating institutions can share up to \$20.5 million annually in athletic department revenue directly with student-athletes (Romano, 2025). The cap is not a floor or a mandate but rather a ceiling that institutions can approach to whatever degree their budgets allow, with most Power Four programs approaching or matching the full cap in the first implementation year. The cap is scheduled to escalate annually over the next decade based on a formula tied to athletic department revenue growth, reaching a projected \$32.9 million by 2034-2035.

Romano (2024) reported on the 20-22% revenue-share figure that emerged from settlement negotiations, noting that the percentage was calibrated to approximate what professional sports leagues distribute to players through collective bargaining agreements. The parallel to professional sport compensation frameworks is not accidental. The settlement effectively professionalizes Division I athletic compensation at a scale that resembles the labor agreements governing major professional leagues, while preserving the

formal status of athletes as students at their respective institutions. The dual character of revenue-sharing athletes, simultaneously students and paid contributors, creates compliance complexity that institutions are still working through across multiple regulatory frameworks.

The distribution of revenue-share dollars across sports and across individual athletes is a strategic decision left to each participating institution. Most programs have concentrated revenue-share dollars on football and men's basketball, the revenue sports that generate most athletic department income, with smaller allocations to women's basketball, baseball, and other sports based on revenue contribution and competitive priority. The distribution decisions are highly visible internally and externally, with athletes, recruits, coaches, donors, and journalists scrutinizing how programs allocate their revenue-share dollars. Brook (2025) estimated that football players specifically would receive approximately 5.4% of athletic department football media rights revenue under reasonable distribution formulas, with median football participants receiving approximately \$4,739 per year under his counterfactual modeling.

## **Title IX and Revenue Distribution**

The intersection of revenue sharing with Title IX has produced significant legal uncertainty that institutions continue to navigate. Title IX of the Education Amendments of 1972 requires gender equity in federally funded educational programs, including athletics, but the law's application to compensation as distinct from resource allocation remains contested across multiple courts and regulatory frameworks. Kast (2025) examined this intersection in detail and argued that revenue sharing as currently structured may violate Title IX because the concentration of revenue-share dollars in football and men's basketball produces dramatic disparities between male and female athlete compensation that cannot be justified by program revenue alone.

Romano (2024) reported that institutions opting into revenue sharing must keep Title IX compliance in mind, but the settlement framework itself does not address how Title IX should constrain distribution decisions. The result is significant institutional uncertainty as athletic departments distribute revenue-share dollars without clear guidance on whether their distribution formulas will withstand Title IX scrutiny. Some institutions have responded by adopting roughly proportional distribution formulas that allocate revenue-share dollars in approximate proportion to participation by gender, while others have continued to concentrate dollars in revenue sports on the theory that Title IX does not directly govern compensation. The competing approaches have not yet been resolved through litigation, and graduate students entering the field should expect Title IX revenue-share litigation to develop over the next several years.

Bowers (2025) extended this analysis by examining the intersection of Title IX and NIL, specifically observing that the world of NIL has burgeoned alongside Title IX, introducing new policy quandaries. The Biden administration's 2024 Title IX regulations included substantial changes to athletic compliance frameworks, but a federal court in Kentucky vacated them before the athletic-specific provisions could be implemented. The vacating of the regulations has created regulatory uncertainty that overlaps with the uncertainty surrounding revenue-sharing implementation, leaving institutions navigating Title IX compliance in revenue sharing without clear federal guidance. Bowers (2025) concluded that further regulatory development is likely under future administrations, with practical implications that remain unsettled.

Marx et al. (2023) noted in their analysis of athletic budget decisions and Title IX that the elimination of men's sports for budgetary reasons often produces Title IX consequences that affect the financial outcomes institutions sought to achieve through elimination. The parallel insight for revenue sharing is that distribution decisions made for competitive or budgetary reasons may produce Title IX consequences that institutional leaders did not anticipate. Sophisticated programs are therefore investing in Title IX compliance review

of their revenue-sharing distribution decisions before implementation rather than waiting for litigation to expose noncompliance after the fact.

**PRACTITIONER NOTE**

*Athletic development professionals are not Title IX compliance experts, and they should not pretend to be. However, development professionals should understand that revenue-sharing distribution decisions affect Title IX exposure and therefore affect the institutional environment in which fundraising occurs. The development office that fails to participate in Title IX conversations leaves its work vulnerable to disruption by compliance failures that the office could have helped to anticipate.*

## **The FERPA Disclosure Tension**

Beyond Title IX, revenue sharing has created an unanticipated tension with the Family Educational Rights and Privacy Act, the federal law governing the disclosure of educational records. Romano (2025) identified this tension as one of the most operationally significant unresolved issues facing athletic departments implementing revenue sharing. The basic question is whether revenue-share payments constitute educational records protected by FERPA, and therefore whether institutions can disclose individual athletes' payment amounts to the media, donors, or other interested parties without the athletes' written consent.

The traditional FERPA framework treats financial aid records as educational records subject to disclosure restrictions, and revenue-share payments superficially resemble financial aid in ways that suggest they are covered by FERPA. However, revenue-share payments are not technically aid, since they are paid in exchange for the athlete's services rather than to support educational costs. The legal characterization remains unsettled, and institutions have responded in different ways. Some have treated revenue-

share payments as FERPA-protected and decline to disclose individual amounts. Others have treated payments as outside the scope of FERPA and have made aggregate or even individual payments public. The variation has produced inconsistent disclosure environments across institutions that complicate comparative analysis and benchmarking (Romano, 2025).

For development professionals, the FERPA tension matters because donor and media interest in revenue-share payment levels is substantial, and institutions face pressure to disclose information that they may not be legally permitted to share. Sophisticated development offices have established communication protocols that distinguish between aggregate information that can be shared and individual payment data that cannot be shared, and they coordinate with athletic compliance and university counsel before responding to disclosure requests. The protocols are still developing as legal clarity emerges, and graduate students entering the field should expect FERPA disclosure questions to be a recurring feature of their work in revenue-sharing programs.

## **Integration with NIL Collectives**

Chapter 8 of this textbook addressed NIL collectives as a parallel donor channel that operates alongside traditional athletic department fundraising. The introduction of revenue sharing has substantially changed the strategic environment for collectives, and the long-term equilibrium between revenue sharing, collectives, and traditional fundraising remains uncertain. Three scenarios for that equilibrium were introduced in Chapter 15 and bear extension here in light of post-House implementation experience.

In the first scenario, revenue sharing absorbs much of the donor capacity that previously flowed to collectives, and collectives contract substantially as a result. Early implementation evidence partially supports this scenario at programs that have integrated their collective operations with institutional revenue sharing. Some collectives have voluntarily wound down operations because institutional payments now address the compensation needs that

collectives previously filled. Others have transitioned to focusing on specific athlete categories or specific gift purposes that revenue sharing does not address, finding niches that remain economically viable even as the broader collective landscape contracts.

In the second scenario, both revenue sharing and collectives expand in parallel, with collectives focusing on compensation that exceeds the institutional revenue-share cap and on services that revenue sharing does not directly fund. The scenario implies that elite recruits continue to receive collective payments above the institutional cap, thereby sustaining collective activity that affects competitive balance and program differentiation. Smith (2025) suggested that this scenario is plausible because the cap imposes a binding constraint that affects only the very top of the compensation distribution, leaving substantial room for collective activity at and below the cap.

In the third scenario, the regulatory environment shifts further through Congressional action, additional antitrust litigation, or NCAA policy changes, producing structures that no current framework fully anticipates. Colvin and Jansa (2023) noted that the rapid policy diffusion that characterized the NIL era is likely to persist as states and federal regulators revise the legal framework. Graduate students entering the field should therefore expect continued change rather than stable rules, implying that adaptability matters more than mastery of any specific current framework.

## **Implications for Athletic Development Practice**

The post-House compensation economy has several specific implications for athletic development practice that distinguish contemporary work from that of the pre-2024 era. The implications operate at multiple levels, including organizational structure, donor relationship management, competitive positioning, and long-term strategic planning. Development professionals who fail to systematically address these implications risk operating in an

environment that no longer aligns with the assumptions on which their programs were built.

At the organizational level, athletic development offices increasingly coordinate with institutional finance teams responsible for distributing revenue-share payments. The coordination requires cross-functional relationships that did not exist in the pre-2024 environment, and the most effective development offices have established formal coordination mechanisms to ensure that development decisions consider revenue-sharing implications, and vice versa. Huml and Cintron (2021) examined athletic stakeholder management prior to the House settlement and noted that coordination among athletic functions varied substantially among institutions. The post-House environment has made coordination operationally essential rather than merely beneficial, with implications for how development offices structure their staffing and reporting relationships.

At the donor relationship level, the conversations development professionals conduct with donors increasingly require fluency in revenue-sharing concepts that did not exist in the pre-2024 era. Donors ask informed questions about how their gifts intersect with revenue-share payments, whether their contributions affect distribution decisions, and how the institution navigates the dual environment of philanthropic giving and direct athlete compensation. Development professionals who lack basic fluency in revenue-sharing operations cannot credibly answer these questions, which damages donor relationships at the margin and forecloses some categories of giving that more sophisticated programs successfully capture (Hanson & Welty Peachey, 2022).

At the competitive positioning level, the introduction of revenue sharing has changed the strategic calculus for athletic facility investments, coaching salary investments, and other capital decisions that programs make. The total compensation budget for student-athletes now includes both traditional scholarship support and revenue-share payments, with implications for how programs market themselves to recruits and how they communicate their competitive position to donors and trustees. Brook (2024) examined how

conference realignment affects athletic department revenues, and similar dynamics are likely to govern the post-House environment as programs compete for competitive position through compensation rather than purely through facilities and coaching.

## **Chapter Summary**

The 2024 House v. NCAA settlement restructured college athletics economics by establishing direct institutional revenue sharing with student-athletes, capped at \$20.5 million annually and scheduled to rise to approximately \$32.9 million by 2034-2035. The settlement also created a \$2.8 billion back-payment obligation that compensates athletes who competed before the 2021 NIL policy change for the opportunities they were denied. The implementation of revenue sharing has produced significant operational and legal complexity, including unresolved Title IX questions about whether the law governs compensation as well as resource allocation, and unresolved FERPA questions about whether revenue-share payments constitute educational records subject to disclosure restrictions. The long-term equilibrium between revenue sharing, NIL collectives, and traditional athletic fundraising remains uncertain, with multiple plausible scenarios that imply different futures for athletic development practice. Practitioners should expect continued regulatory and economic change rather than stable rules, and they should build organizational capacity for adaptation rather than mastery of any specific current framework.

## **Discussion Questions**

1. The \$20.5 million annual revenue-share cap is calibrated to approximately 20-22% of athletic department revenue. What considerations should guide an institution's decision about whether to approach the cap or operate well below it?
2. Title IX revenue-share litigation has not yet matured but is widely expected over the next several years. How should institutions

distribute revenue-share dollars across men's and women's sports given the legal uncertainty?

3. The FERPA disclosure tension produces inconsistent transparency across institutions. Which disclosure framework would best balance donors' and media interests in revenue-share payment levels with institutional and athlete privacy concerns?
4. Three scenarios for the long-term equilibrium between revenue sharing and NIL collectives appear plausible. Which scenario do you find most likely, and what factors will determine which outcome materializes?
5. The post-House environment requires development professionals to coordinate with institutional finance teams in ways that did not previously occur. What organizational structures support this coordination, and what challenges does it produce?

## **Applied Assignment**

Develop a three-year revenue-sharing strategic plan for a Power Four athletic department of your choice. The plan should address how the institution will approach the annual cap across the three-year horizon, how it will distribute revenue-share dollars across sports, how it will navigate Title IX and FERPA compliance, how it will coordinate revenue sharing with the existing NIL collective, and how it will communicate its approach to donors and other stakeholders. The plan should include a financial model showing projected revenue-share payments by sport across the three years, a compliance review section identifying key legal risks, and a communication plan addressing internal and external audiences.

## **Key Terms**

The terms below appear throughout the chapter.

**Back Payment.** The component of the House v. NCAA settlement that compensates athletes who competed before the 2021 NIL policy change for the NIL opportunities they were denied, totaling approximately \$2.8 billion over ten years.

**FERPA.** The Family Educational Rights and Privacy Act, a federal law governing disclosure of educational records, the application of which to revenue-share payments remains unsettled.

**House v. NCAA Settlement.** The 2024 court-approved agreement that established institutional revenue sharing with student-athletes and resolved historical antitrust claims, with final approval from Judge Wilken in 2025.

**Opt-In.** The institutional decision to participate in revenue sharing under the House settlement framework, with non-participating institutions facing competitive recruiting disadvantages relative to participating peers.

**Revenue Share.** The direct payment of athletic department revenue to student-athletes, capped at \$20.5 million per institution in the 2025-26 academic year and scheduled to escalate to approximately \$32.9 million by 2034-2035.

**Revenue Share Cap.** The annual ceiling on institutional revenue sharing under the House settlement, expressed in dollar terms and calibrated to approximately 20 to 22 percent of athletic department revenue.

**Title IX Revenue Share Litigation.** The anticipated future legal challenges asserting that institutional revenue distribution formulas violate Title IX by concentrating compensation in men's sports.

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# Professional Athlete Philanthropy and Athlete- Driven Giving

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In June 2020, as the COVID-19 pandemic ravaged communities across the United States, NBA superstar LeBron James announced that his foundation would distribute meals, support educational programs, and provide direct aid to families affected by the crisis. The announcement was unremarkable in the contemporary sport landscape, where professional athletes routinely operate foundations that direct millions of dollars annually toward causes ranging from youth education to disaster relief to health research. What would have been unimaginable to athletes of an earlier era, when philanthropic activity was rarely a defining feature of professional careers, has become a standard expectation of contemporary athletes who increasingly recognize that public visibility creates both opportunities and obligations to give back. Abuín-Penas et al. (2020) documented this transformation during the COVID-19 crisis, specifically finding that professional athletes mobilized philanthropic activity at scales that paralleled the response of major corporations and traditional philanthropic foundations.

The rise of athlete-driven philanthropy parallels and intersects with the NIL transformation that Chapter 8 of this textbook addressed. Both developments empower athletes as economic and philanthropic actors rather than treating them solely as subjects of institutional management, and both raise questions about how athletes should structure their philanthropic activities to maximize impact while protecting their personal brand value. The integration of athlete philanthropy with athlete personal brand strategy has

become one of the most active research areas in contemporary sport management, with implications for how sport development professionals at all levels approach the relationships between athletes, foundations, and institutional fundraising operations. Kunkel et al. (2020) provided particularly strong empirical evidence on the strategic use of philanthropy to build athlete personal brand, showing through longitudinal Instagram experimental design that philanthropic promotion shifts consumer brand associations in measurably positive directions.

This chapter introduces the contemporary landscape of professional athlete philanthropy, the strategic frameworks athletes and their advisors use to structure foundations and direct giving programs, the relationship between philanthropy and athlete personal brand management, the role of social media in athlete philanthropic communication, and the implications of athlete-driven philanthropy for traditional sport development practice. The chapter situates athlete philanthropy alongside the institutional development work that occupies the bulk of this textbook, treating the two as complementary rather than competitive components of the broader sport philanthropic ecosystem.

## **Learning Objectives**

By the end of this chapter, the reader will be able to accomplish each of the following:

1. Describe the contemporary landscape of professional athlete philanthropy, including the typical organizational structures, cause categories, and funding mechanisms athletes use to direct philanthropic activity.
2. Apply the strategic philanthropy framework to analyze how athletes integrate giving activities with personal brand management across the career life cycle.

3. Analyze the role of social media in athlete philanthropic communication, including the framing devices that distinguish effective from ineffective communication.
4. Evaluate the media frames through which athlete philanthropy is represented to the public, including personal/emotional frames, economic frames, and moral frames.
5. Articulate implications for institutional sport development practice when athletes operating in or around the institution maintain their own philanthropic programs.
6. Design a philanthropy strategy for a hypothetical professional athlete that integrates foundation structure, cause selection, communication, and brand management considerations.

## **The Contemporary Landscape**

Professional athlete philanthropy has grown substantially over the past two decades in both scale and visibility. Major League Baseball, the National Basketball Association, the National Football League, and major international sport leagues all maintain formal recognition programs for player philanthropic activity, including the Major League Soccer Humanitarian of the Year award, the NFL Walter Payton Man of the Year award, and similar designations across leagues. Kunkel et al. (2020) noted that these recognition programs both validate athlete philanthropic activity and create competitive incentives for athletes to expand their philanthropic engagement, with the result that athlete philanthropy has become more visible across the professional sport landscape than at any previous point in the history of organized sport.

The organizational structures through which athletes direct philanthropic activity vary substantially across athletes and across career stages. Some athletes operate formal private foundations registered as 501(c)(3) public charities or private foundations, with their own boards of directors,

professional staff, and grant-making programs that operate alongside the athlete's competitive career. Others direct philanthropic activity through donor-advised funds administered by community foundations or commercial sponsors such as Fidelity Charitable, gaining tax advantages and operational simplicity at the cost of foundation-level visibility. Still others make direct gifts to existing charities without establishing intermediate organizational structures, relying on the established nonprofits' infrastructure to direct their giving. Each structure carries distinctive advantages and tradeoffs that athletes and their advisors must navigate based on the athlete's specific circumstances and philanthropic objectives.

The cause categories that attract athlete philanthropic attention have evolved substantially over the past two decades. Earlier generations of athlete philanthropy concentrated heavily on youth sport development, with athlete foundations frequently funding youth basketball, football, or baseball programs in the athlete's hometown or current playing market. Contemporary athlete philanthropy ranges more broadly across health, education, criminal justice reform, mental health, food security, and other cause categories that may have no direct relationship to the athlete's sport identity. Abuín-Penas et al. (2020) documented the breadth of cause engagement during the COVID-19 pandemic, specifically identifying three primary functional areas of athlete philanthropic communication: awareness raising and advocacy, calls to action and engagement, and information sharing and communication. The expansion of cause engagement reflects the broader maturation of athlete philanthropy as a category of professional activity.

**THE MATURE ATHLETE FOUNDATION**

*By the time a successful professional athlete enters their second decade of professional play, their foundation often resembles a mid-sized nonprofit organization with annual budgets in the millions of dollars, professional executive directors, board governance, audited financial statements, and strategic grant-making programs. The*

*transition from a casual giving vehicle to a mature institutional philanthropist typically requires three to five years of intentional capacity building, during which the athlete and their advisors progressively professionalize the foundation's operations. Athletes who fail to invest in this capacity building often find that their foundations stagnate or experience public failures that damage both the foundation and the athlete's personal brand.*

## **Strategic Philanthropy and Personal Brand**

One of the most important developments in athlete philanthropy research over the past decade has been the recognition that philanthropy serves as a strategic element of athletes' personal brand management rather than a purely altruistic activity separate from career considerations. Kunkel et al. (2020) provided the most rigorous empirical evidence on this point through a longitudinal Instagram experiment with a professional soccer player. Their research design included a pre-intervention survey, an intervention period during which the athlete posted philanthropic content, and a post-intervention survey administered six months later. The longitudinal design allowed the researchers to measure how philanthropic promotion changed consumer brand associations and overall fandom toward the athlete over time.

The results of Kunkel et al. (2020) demonstrated that the athlete's promotion of philanthropic activities positively impacted his brand image in measurable ways. The change was characterized by a shift from the prominence of sport-specific brand attributes, such as athletic performance and attractive appearance, toward perceptions of overall character and marketable lifestyle. Followers also reported increased perceptions of the athlete's philanthropic engagement and stronger overall fandom toward the athlete. The combination of brand image shifts and increased fandom suggests that strategic philanthropy operates as both an altruistic activity and a brand-

building activity, with the two functions reinforcing rather than competing with each other.

Schweizer and Dietl (2015) provided complementary theoretical work through their analysis of brand management throughout professional athletes' careers. Their framework distinguishes between brand-building activities, which establish or expand the athlete's brand equity, and brand-selling activities, which monetize existing brand equity through endorsement and sponsorship agreements. The framework predicts that effective athletes balance brand building and brand selling across their career life cycle, with brand building dominant in early career stages and brand selling dominant in mature career stages. Philanthropy operates predominantly as a brand-building activity within this framework, contributing to brand equity that the athlete can subsequently monetize through endorsement opportunities. The strategic implication is that athletes who invest in philanthropy early in their careers position themselves for stronger commercial outcomes later, even when the philanthropic investment produces no direct monetary return at the time.

Harrolle and Klay (2019) examined athlete motivation more broadly through qualitative interviews with thirteen professional American football players. Their research identified seven motivational themes, including love of the game, self-motivation, sense of community, professional development, engagement with fans, assist the league, and lack of financial support. The sense of community theme is particularly relevant to philanthropy, since athletes who articulate a strong community connection are more likely to engage in philanthropic activities that maintain their ties to communities in their home regions, their playing markets, or causes they personally identify with. The motivational research, therefore, complements the brand-strategic research by identifying the psychological foundations on which athlete philanthropy is built.

## **Social Media and Athlete Philanthropic Communication**

The rise of social media has transformed how athletes communicate about their philanthropic activities, creating both opportunities and challenges that earlier generations of athlete philanthropists did not face. Athletes now communicate directly with millions of followers through Instagram, Twitter, TikTok, and other platforms, bypassing the traditional media gatekeepers that historically shaped how athlete philanthropy was represented to the public. Direct communication channels enable more personal and authentic philanthropic messaging, but they also require athletes to manage their communication carefully to avoid the perception of self-promotion that could undermine philanthropic impact.

Abuín-Penas et al. (2020) studied athlete philanthropic communication during the COVID-19 pandemic specifically and identified three primary functional categories. Awareness raising and advocacy communications highlight social problems and educate audiences about responses. Calls to action and engagement communications request specific audience behaviors, including donations, volunteer participation, or behavioral changes. Information sharing and communication transmit factual content about programs, outcomes, or organizational activities. Effective athlete philanthropic communication typically combines elements of all three categories rather than relying exclusively on any single category, with the mix varying based on the specific cause and the athlete's communication strategy.

Gobikas and Akranglyte (2019) examined the broader image creation function of social media for professional athletes, finding that personal image creation through social media is a complex process that requires sustained attention across multiple platforms. Mutual recommendations between followers, frequent interaction with audiences, and authentic responses to fan engagement all contribute to the image-building function of social media. The same dynamics that govern broader athlete personal branding also govern philanthropic communication specifically, implying that athletes who already maintain sophisticated social media presence can integrate philanthropic communication more effectively than those who treat social media as an afterthought. The integration is particularly important for athletes whose

competitive performance does not attract substantial media attention, as they rely more heavily on their personal social media channels for public visibility.

The mechanics of effective philanthropic social media include authentic personal involvement rather than purely promotional content, integration with broader personal narratives rather than isolated philanthropic posts, a frequency that maintains audience attention without saturating, and visual content that demonstrates concrete activity rather than abstract messaging. Athletes who post photos and videos of their personal engagement with foundation programs typically generate stronger audience response than athletes who post primarily institutional announcements about their foundation's activities. The personal authenticity of the communication matters substantially, with consumers responsive to perceived authenticity in ways that purely promotional content cannot match (Kunkel et al., 2020).

## **Media Frames and Public Reception**

Beyond the athlete's direct communication, traditional media coverage continues to shape public perception of athlete philanthropy, affecting both the philanthropic impact and the athlete's personal brand. Babiak and Sant (2021) provided one of the most rigorous analyses of media framing of athlete philanthropy through a qualitative study of more than 100 newspaper articles from 2005 to 2017. Their work identified three primary frames through which the media represented athletes' philanthropic activity, with each frame producing distinctive patterns of public reception.

The first frame is the personal or emotional connection frame, in which media coverage emphasizes the athlete's personal investment in the cause and the emotional drivers that motivated the philanthropic activity. This frame typically generates positive public reception by humanizing the athlete and creating emotional resonance with audiences, but it also constrains the philanthropic activity by suggesting that it is primarily about the athlete's personal journey rather than about systematic impact on the cause. Athletes who pursue causes connected to personal experiences such as family illness,

hometown poverty, or personal background often receive this frame, with the framing reinforcing the personal authenticity that produces positive reception (Babiak & Sant, 2021).

The second frame is the economic frame, in which media coverage focuses on the financial scale of the philanthropic activity and the resources the athlete is directing toward the cause. This frame tends to validate the philanthropic activity as substantial and worthy of attention but can also produce backlash when audiences perceive the athlete as deriving personal benefit from the public attention generated by the giving. Athletes operating large foundations with public budgets typically receive this frame, with the framing producing both validation and scrutiny depending on the audience and the specific cause.

The third frame is the moral frame, in which media coverage emphasizes the athlete's character and moral obligations as a public figure. This frame typically generates the most positive public reception when it succeeds, but it also creates risks of moral backlash when athletes are subsequently discovered to have engaged in conduct that contradicts the moral image the framing establishes. Athletes who position themselves as role models or moral leaders, therefore, accept reputational risks that purely economic or personal framing might not produce. Babiak and Sant (2021) noted that successful athlete philanthropists often manage their media engagement to encourage the frames most aligned with their strategic objectives, recognizing that media framing substantially shapes both philanthropic impact and personal brand outcomes.

## **Implications for Institutional Sport Development**

The rise of athlete-driven philanthropy creates several implications for institutional sport development practice that distinguish contemporary work from work in earlier eras. The implications operate at multiple levels including donor pipeline management, institutional relationship building, and competitive positioning across the broader philanthropic ecosystem.

At the donor pipeline level, current and former professional athletes increasingly represent significant philanthropic capacity that institutional

development offices can engage if they approach the relationship effectively. An NFL veteran with a successful career and a mature foundation may have annual philanthropic capacity that exceeds many traditional major donors, and athletes who attended a particular institution often retain affinity for that institution that institutional development offices can leverage. However, athlete donors expect their giving to integrate with their foundation's broader strategy rather than functioning as one-off gifts to institutional priorities, which requires institutional development professionals to understand the athlete's foundation strategy before approaching the relationship.

At the institutional relationship level, athletes operating during their careers may serve as effective philanthropic ambassadors for their institutions, channeling philanthropic attention toward causes their institutions support. The dynamic is particularly important for current student-athletes operating in the post-NIL environment, who can now publicly support their institutions' philanthropic priorities through paid social media activity in ways that earlier amateurism rules prohibited. Stein et al. (2024) noted that high school NIL development is now affecting these dynamics at progressively younger ages, with implications for how institutions cultivate philanthropic relationships across the athlete career life cycle.

At the competitive positioning level, institutions whose athletes operate effective foundations gain visibility advantages that affect both donor cultivation and recruiting. The foundation operated by an institution's star athlete may receive media coverage that reinforces the institution's brand and that creates philanthropic engagement opportunities for the institution. Conversely, when an institution's athletes operate foundations that perform poorly or generate negative publicity, the consequences extend to the institution's reputation in ways that affect institutional fundraising. Sophisticated athletic departments have therefore begun to invest in athlete philanthropic education and support, recognizing that institutional and athlete philanthropic interests are aligned at the strategic level even when specific giving decisions remain entirely under athlete control (Kunkel et al., 2020).

## Chapter Summary

Professional athlete philanthropy has grown substantially over the past two decades into a sophisticated category of philanthropic activity that operates alongside traditional institutional giving. Athletes direct philanthropic activity through formal foundations, donor-advised funds, and direct gifts, with each structure carrying distinctive tradeoffs that athletes navigate based on their specific circumstances. The strategic philanthropy framework establishes philanthropy as both an altruistic activity and a brand-building activity, with longitudinal empirical evidence demonstrating that philanthropic promotion shifts consumer brand associations and increases fandom in measurable ways. Social media has transformed athlete philanthropic communication by enabling direct audience engagement that bypasses traditional media gatekeepers, with three primary communication functions including awareness raising, calls to action, and information sharing. Traditional media coverage continues to shape public reception through three primary frames, including personal/emotional, economic, and moral framings that produce distinctive reception patterns. The implications for institutional sport development practice include new categories of donor pipeline opportunities, more complex institutional relationship management, and competitive positioning effects across the broader philanthropic ecosystem.

## Discussion Questions

1. Athlete foundations operate alongside institutional development offices in ways that are sometimes complementary and sometimes competitive. How should institutional development professionals position their work relative to the foundations operated by their institution's affiliated athletes?
2. The strategic philanthropy framework suggests that athletes use philanthropy partly to build personal brand value. Does this framing reduce the moral significance of athlete philanthropic activity, and

should observers care whether motivations are strategic or purely altruistic?

3. Social media enables athletes to bypass traditional media gatekeepers in communicating about their philanthropy. What risks does this direct communication create, and how should athletes and their advisors manage these risks?
4. Babiak and Sant (2021) identified three primary media frames for athlete philanthropy: personal, economic, and moral. Which frame yields the most sustainable long-term philanthropic impact, and how can athletes encourage the frames that are most aligned with their strategic objectives?
5. The post-NIL environment has enabled current student-athletes to support their institutions' philanthropic priorities through paid social media activity. What guardrails should institutions establish to manage these arrangements without compromising either institutional or athlete interests?

## Applied Assignment

Develop a five-year philanthropic strategic plan for a hypothetical professional athlete entering the third year of their career, with rising commercial visibility and growing annual income. The plan should address foundation structure (whether to establish a 501(c)(3) foundation, a donor-advised fund, or both), cause selection (which causes the athlete will prioritize and why), governance design (who serves on the foundation board and what responsibilities they hold), program design (what programs the foundation will operate and how they will be measured), communication strategy (how the athlete will integrate philanthropic communication into their broader social media presence), and brand integration (how the philanthropy work supports the athlete's commercial brand objectives).

## Key Terms

The terms below appear throughout the chapter.

**Athlete Foundation.** A formal philanthropic organization established by a professional athlete to direct charitable activity, typically registered as a 501(c)(3) public charity or private foundation with its own governance and staff.

**Brand Building.** Activities that establish or expand an athlete's brand equity, contrasted with brand selling activities that monetize existing brand equity through commercial agreements.

**Brand Selling.** Activities that monetize an athlete's existing brand equity through endorsement, sponsorship, or other commercial agreements.

**Economic Frame.** A media framing of athlete philanthropy that emphasizes the financial scale of the activity and the resources the athlete is directing toward the cause.

**Marketable Lifestyle.** A dimension of the Model of Athlete Brand Image referring to the off-field characteristics and activities through which athletes establish public identity beyond their athletic performance.

**Moral Frame.** A media framing of athlete philanthropy that emphasizes the athlete's character and moral obligations as a public figure.

**Personal/Emotional Frame.** A media framing of athlete philanthropy that emphasizes the athlete's personal investment in the cause and the emotional drivers that motivated the activity.

**Strategic Philanthropy.** Philanthropic activity that integrates with broader strategic objectives, including personal brand management, is distinguished from purely altruistic giving that does not consider strategic consequences.

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# Glossary

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This glossary consolidates the key terms introduced across all fifteen chapters of this textbook. Terms are organized alphabetically for easy reference. Each definition is intentionally brief; readers should consult the relevant chapter for fuller treatment in context.

**501(c)(3).** The section of the Internal Revenue Code that establishes the public charity classification used by most athletic booster organizations and nonprofit NIL collectives.

**A/B Testing.** The systematic comparison of two campaign variants to identify which performs better is used to optimize digital fundraising conversion rates over time.

**Acknowledgment.** A public recognition of a sponsor that does not promote the sponsor's products, qualifying for the IRC Section 513(i) safe harbor.

**Activation.** The marketing and engagement activities a sponsor conducts to capture value from a sponsorship agreement.

**Advancement.** The integrated function of development, alumni relations, communications, and marketing under one organizational umbrella.

**Annual Fund.** A fundraising program that solicits recurring annual gifts from a broad donor base.

**Bequest.** A gift made through a donor's will or revocable trust, realized when the donor's estate is settled.

**Booster.** Any individual or organization meeting the NCAA definition of a representative of the institution's athletic interests.

**Bylaw 13.** The NCAA Division I recruiting bylaw includes restrictions on booster contact with prospects.

**Bylaw 16.** The NCAA Division I bylaw governing benefits to current student-athletes.

**Capital Campaign.** A time-bounded fundraising effort organized around a specific project goal.

**Capital Stack.** The combination of revenue sources that finance a facility project.

**Case for Support.** The written document that articulates why donors should support a campaign.

**Charitable Gift Annuity.** An irrevocable gift in exchange for fixed lifetime payments to the donor.

**Charitable Remainder Trust.** A trust that pays income to designated beneficiaries with the remaining principal passing to the institution at the end of the trust term.

**Conversion Rate.** The percentage of prospects who complete a desired action after receiving a solicitation.

**Corporate Foundation.** A separate charitable entity established and funded by a corporation to conduct philanthropic activities.

**Cost-to-Raise-a-Dollar.** The ratio of event expenses to net philanthropic revenue.

**Crowding Out.** The phenomenon by which extrinsic incentives reduce intrinsic motivation.

**Crowdfunding.** A fundraising approach that pools many smaller contributions to fund specific projects.

**Cultivation.** The deliberate process of deepening a prospect's relationship with an organization over time.

**Cumulative Giving.** The total lifetime giving of a donor to an organization.

**Development.** The broad set of activities including identification, cultivation, solicitation, and stewardship that produce philanthropic revenue.

**Development Funnel.** The conceptual model that organizes donor work into identification, qualification, cultivation, solicitation, and stewardship phases.

**Donor-Advised Fund.** A charitable vehicle that allows donors to make immediate tax-deductible contributions to a sponsoring organization that then distributes funds to charities over time.

**Donor Persona.** A composite profile describing a category of donors based on demographics, motivations, and behavior.

**Donor Retention.** The percentage of donors who give again in a subsequent period.

**Earned Revenue.** Income generated from direct commercial activity inside the athletic department.

**Fan Identification.** The strength of an individual's psychological connection to a specific sport team or program.

**Form 990.** The annual information return that 501(c)(3) organizations file with the IRS.

**Friend-raiser.** An event designed primarily for relationship building rather than direct fundraising.

**Fundraising.** The act of soliciting and receiving philanthropic contributions.

**Gift Acceptance Policy.** An institutional document specifying what gifts will be accepted, declined, and how various gift situations will be handled.

**Gift Agreement.** The formal written contract documenting a major donor's commitments and the institution's reciprocal obligations.

**Giving Day.** A concentrated fundraising event, typically twenty-four or forty-eight hours, designed to maximize donor participation.

**House v. NCAA Settlement.** The 2024 court-approved agreement that created direct institutional revenue sharing with student-athletes.

**Identity Theory.** A framework holding that individuals act in ways consistent with the identities most salient to them.

**Impact Investing.** Investment activity that combines philanthropic intent with financial return expectations.

**Impact Report.** A communication to donors describing how their gifts were used and what outcomes resulted.

**In-Kind Contribution.** A non-cash donation of goods or services.

**Integrated Partnership.** A corporate agreement combining sponsorship and philanthropic components.

**Intrinsic Motivation.** Motivation driven by internal satisfactions such as altruism, identity affirmation, warm glow, or moral conviction.

**IPTAY.** The historic Clemson University athletic giving program, often credited as the template for modern priority point systems.

**Lapsed Donor.** A former donor who has not given within the most recent fiscal year.

**Lead Gift.** The first major commitment to a campaign, typically secured during the quiet phase.

**Legacy Society.** A recognition program for donors who have included the institution in their estate plans.

**Lifetime Value.** The total expected revenue from a donor across the duration of the donor's relationship with the institution.

**Major Gift.** A substantial individual gift, generally defined as twenty-five thousand dollars or above in athletic fundraising contexts.

**Matching Gift.** A contribution from a sponsor that multiplies other donors' gifts at specified ratios.

**Media Revenue.** Income from television rights fees, streaming rights, radio agreements, and digital distribution.

**Morality Clause.** A provision allowing one party to terminate or renegotiate a naming agreement under specified conduct-based circumstances.

**Moves Management.** The discipline of organizing deliberate cultivation actions that advance a prospect through the development funnel.

**Name, Image, and Likeness (NIL).** The rights of an individual to commercial use of their identity, monetized by college athletes since the 2021 NCAA interim policy.

**Naming Right.** The contractual right to attach a name to a facility, position, or program.

**NIL Collective.** An organization that pools donor contributions to fund NIL deals for student-athletes at a specific institution.

**Peer-to-Peer Fundraising.** A model that deploys volunteer fundraisers to solicit gifts from their personal networks.

**Personal Seat License (PSL).** A one-time payment for the right to purchase season tickets in a premium location over a specified term.

**Planned Gift.** A gift commitment realized at or after the donor's death.

**Premium Seating.** High-amenity ticketing categories that command higher prices and often require additional contributions.

**Priority Point System.** A numerical scoring mechanism that translates donor history and giving levels into access rankings.

**Prospect.** An individual or organization identified as having capacity and potential interest in making a gift.

**Public Charity.** A tax-exempt organization meeting the public support tests under federal tax law.

**Qualified Charitable Distribution.** A tax-favored distribution from an IRA directed to a qualified charity.

**Qualified Sponsorship Payment.** A payment that meets the requirements of IRC Section 513(i) and is not subject to unrelated business income tax.

**Quiet Phase.** The campaign period during which the institution solicits its largest gifts without public announcement.

**Recognition Tier.** A defined giving level associated with specific forms of donor acknowledgment.

**Revenue Sharing.** The direct payment of athletic revenue from institutions to student-athletes, enabled by the House v. NCAA settlement.

**Reversion.** The return of a naming right to the institution under defined circumstances.

**Rule of Thirds.** The principle that approximately one-third of campaign dollars come from the top ten gifts.

**Signature Event.** A high-profile annual or biennial event that serves as a flagship for the institution's development program.

**Social Exchange Theory.** A framework holding that individuals weigh perceived benefits against perceived costs in decisions including charitable giving.

**Stewardship.** The ongoing recognition, reporting, and engagement provided to existing donors.

**Tax Cuts and Jobs Act of 2017.** Federal legislation that eliminated the eighty percent charitable deduction for athletic seat-related contributions.

**Tax-Exempt Bond.** Debt instrument whose interest is exempt from federal income tax for bondholders.

**Title IX.** Federal law requiring gender equity in federally funded educational programs.

**Unrelated Business Income Tax.** A federal tax on tax-exempt organizations' revenue from activities outside their exempt purpose.

**Warm Glow.** The internal psychological reward an individual experiences from the act of giving itself.

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This textbook reflects his commitment to producing high-quality free and affordable educational resources for graduate students entering the sport management profession. He welcomes correspondence from instructors, students, and practitioners using the textbook in coursework or professional practice, and he intends to revise the textbook in future editions based on reader feedback.

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