

## Funding for youth sport: Learning from the past and aligning resources for the future

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The importance of physical activity for children in the U.S. cannot be overstated, particularly considering the substantial increase in the prevalence of childhood obesity over the past few decades<sup>1</sup>. For many youth, activity often comes in the form of unstructured free play or organized school and community sports. City and non-profit sports leagues are often underfunded and understaffed, which often shifts the financial responsibility onto parents. Alternative options such as private sport clubs or travel teams exist, but are often more expensive than entry-level recreation leagues, and also often require resources that are too costly for middle-to-lower income parents. The overall financial burden on the average American family keeps many children from participating in organized sports. Addressing sport in the U.S. from an organizational and financial perspective offers a potential avenue to improving long-term health outcomes for the next generation.

The purpose of this research brief is to generate discussion and thought about funding sport and physical activity in the U.S., and creating a social movement. To this end, this brief report first addresses funding for past and present-day social movements and reviews key historical events which have promoted sport and play in the U.S. Lastly, this research brief describes the available opportunities for American youth to play on sport teams and the associated costs of participating at various competitive levels. Ultimately, discussion generated by this report will center on the role of government and private industry in allocating existing resources to youth sport and identifying new opportunities to grow resources for sport and physical activity in the U.S.

## Social Movements

### Social Movements of the Past and Present

Social movements are a type of formal or informal group action in which individuals and organizations seek to contribute to social change. Social movements often include organized campaigns, demonstrations, and public opposition to existing standards or groups who are in power.<sup>2</sup> Important social movements of the past include Market Capitalism,<sup>3</sup> the Civil Rights Movement,<sup>4</sup> Anti-Apartheid,<sup>5</sup> Women's Rights Movement,<sup>6</sup> Disabilities Movement,<sup>7</sup> and the Freeze Movement/nuclear disarmament.<sup>8</sup> Many of the important social movements of today also emphasize individual rights and opportunities. Notable movements in the present day include the Living Wage Movement,<sup>9</sup> Green Technology Movement,<sup>10</sup> Environmental and Climate Change Movement,<sup>11</sup> Immigration Movement,<sup>12</sup> and LGBT Social Movements.<sup>13</sup>

### The Funding of Social Movements

The legislative and judicial branches of our government can support laws which make it possible for a social movement to exist. For example, the recent decision of the federal court in Texas to strike down a ban on gay marriage<sup>14</sup> has followed continued judicial support of the LGBT Movement. When deemed necessary for the greater good of the people, national governments can fund social movements through the allocation of taxpayer dollars.<sup>15</sup> The Welfare program in the U.S. is an example of government assistance to a previous social movement that persists to this day. Although national agendas and funding have a significant impact on social movements, the rise of these movements can begin at a grassroots (local) level. From a bottom-up, or grassroots approach, many social movements are privately funded by supporters themselves or through willing donors. Collectively, organizations which represent the social movement in name may pool these funds or solicit donations from the public. Examples are organizations

such as the New World Foundation<sup>16</sup> and Women's Funding Network.<sup>17</sup> Groups such as these generally fund social movements related to human rights. Private corporations can also fund social movements. In some cases, the leaders of these companies support the movement themselves. However, in other cases, a company provides funding when it believes that supporting a particular movement improves its public image or will result in monetary rewards. Finally, there are a myriad of other non-profit organizations that lend support generally to social movements which improve economic or health outcomes for the disenfranchised.<sup>18</sup> These groups rely on set criteria or norms that define the movement and direct the best allocation of funds.

### Social Impact Bonds

The concept of Social Impact Bonds is a relatively new approach or model through which to fund social movements. Also known as a Social Benefit Bond, a social impact bond is a formal contract between the funding agency (e.g., government, investor) and the service delivery organization (e.g., not-for-profit) in which the investors give funds or support a social initiative in order to receive returns based on the outcome of the program.<sup>19</sup> Under this approach, the financial risk is shifted onto third parties. Public sector contracts pay for improved social outcomes that result in public sector savings in a performance-based incentive fashion. For example, in the health industry, money can be invested into early interventions, which lead to better social outcomes and fewer individuals requiring late/crisis medical interventions.<sup>20</sup> This lowers overall spending, therefore affording more funds for further social impact bonds.<sup>21</sup> Although the financial risk may lie with third parties, the real burden is on researchers and economists to convince their representatives and private investors that funding for a particular social movement will yield long-term dividends. There are several examples of social impact bonds that have been implemented in recent times.<sup>22-24</sup>

## Promoting sport and play in the U.S.: A synopsis of key historical events

### Playground Movement

The Playground Movement began as a way to address crowded cities and long work days during the industrial revolution. At its inception, it sought to save underserved (poor) children from crowded and unhealthy living environments, and was based on a belief in the benefits of play (e.g., physical and mental well-being), and building a stronger workforce and military. Furthermore, the playground movement developed “as a way to counter the perception that urbanization and immigration were threatening ‘American’ values.”<sup>25</sup> The Playground Movement began with the sand gardens in Boston in 1885. Sand gardens were located in parks and school yards, and were the forerunner for a national movement as playgrounds progressed from sand piles to equipment, gymnasiums and sports areas. By 1900 the value of play areas was recognized. It was discovered that children in neighborhoods with play areas performed better in school, were less disruptive and were in better physical health. The movement expanded to include all forms of recreation, and a community service mission. As the playground movement matured, it became more structured and evolved from “free play to directed play, from self-selected games to organized games, from a focus on individual satisfaction and rewards to group rewards, including public recognition and team and school trophies.”<sup>26</sup>

### Title IX of the Education Amendments of 1972

In the late 1960s and early 1970s there were very few female athletes at the high school or collegiate levels, and those who participated received little support from athletic department budgets. It was not until the enactment of Title IX that women began to see exponential gains in athletic participation at the high school and college level. The legislative impetus for Title IX was the Civil Rights Act of 1964. Its framework, forcing schools and employers to honor the civil rights of

minority students and employees, also forced them to recognize the rights of women. Title IX of the Education Amendments of 1972<sup>27</sup> provides that: “No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance.” Simply stated, Title IX prohibits programs that receive federal funding from excluding individuals from participating in them or denying individuals access to the benefits they might provide. The focus of Title IX is to prohibit discrimination against the underrepresented sex, which historically have been women. Although the law's prohibition of discrimination seems clear, many questions remain. Additionally, many misconceptions concerning Title IX still abound,<sup>28</sup> including the alleged loss of men's programs due to Title IX regulations.<sup>29</sup> In reality, Title IX says nothing about athletics; instead, its focus is on educational programs. However, courts quickly understood that athletic participation is a benefit within an overall educational program. As a result, the focus of Title IX litigation has been on athletic departments and organizations.<sup>30</sup>

### Land and Water Conservation Fund Act

The Land and Water Conservation Fund (LWCF) Act of 1965 was enacted to strengthen the health of US citizens by creating a fund in the U.S. Treasury to help preserve, develop, and assure access to outdoor recreation facilities. In addition to providing monies for federal land acquisition, the LWCF also funds a matching grant program to assist states in recreational planning, acquiring recreational lands and waters, and developing outdoor recreational facilities.<sup>31</sup> To be eligible for LWCF funding, a state must prepare a Statewide Comprehensive Outdoor Recreation Plan (SCORP). One function of the SCORP program is to evaluate the statewide supply and demand of public outdoor recreation resources and identify priorities for acquiring and developing outdoor recreation resources. LWCF funding, based on SCORP priorities, may be available to

develop outdoor recreation and sport facilities to serve the general public. A local unit of government within a community, for example, might receive LWCF funding via the state to acquire land and develop an athletic field. The field might be shared with schools or other community groups under certain conditions of use. Stakeholders can work with state and local government representatives to support on-going funding of the LWCF.

### Urban Parks and Recovery Act (1978 – 2002)

Under the Urban Parks and Recovery Act (UPARR), funding was allocated (from 1978-2002) to provide matching grants and technical assistance to economically distressed urban communities. One type of grant, the rehabilitation grant, was created by the Act to provide capital funding to renovate or redesign existing local, close-to-home recreation facilities. Another type of grant, the innovation grant, was intended, with more modest funding, to support specific activities that either increased the number of recreation programs or improved upon the efficiency of the local government to operate existing programs. A third type of grant created by the Act was the planning grant. This grant provided funds for the development of a Recovery Action Program plan. The Recovery Action Program is a guide to local action planning and a commitment from the community to UPARR goals. Under APARR, 1461 grants, totaling \$272 million, were awarded to 380 local jurisdictions.<sup>32</sup> The 2014 National Parks Service budget includes appropriations to refund UPARR through the LWCF.<sup>33,34</sup>

## Who funds youth sport programs in U.S.?

*To understand the funding resources, it is important to first recognize there are several models of programs that serve youth engaged in sports.*

### Types of Programs

**City and Town Recreation Leagues:** Cities and towns across the country provide recreation leagues for players

of all skill levels. Frequently, these leagues feature low-to-medium competition levels and may serve as an entry level opportunity for youth to gain exposure to various sports. Playing time is dictated by the coach, but all players are given the opportunity to play. Additionally, some recreation leagues have differing levels of competition (e.g., A-League vs. B-League) to ensure that all players get the best experience. In these instances, talent is distributed across teams based on set criteria prior to the season (e.g., coaches' decision, player drafts, early season form, previous season win-loss record). Cost is often low to moderate for parents.

**Non-profit Organizations (e.g., YMCA, Boys&/Girls Clubs):** These organizations also tend to offer low-to-medium level of competition for youth. Many of these organizations operate similarly to city recreation leagues and may even compete with teams in those leagues.

**Private Club Sport Organizations and Select Teams:** These leagues and organizations offer a medium-to-high level of competition. Players have established skill and experience in the sport and may have graduated to these leagues after previously competing in recreation leagues. Players may be scouted, invited, or simply pay to play for these organizations, starting in the grade school years. Playing time in private sports clubs may not be guaranteed and is usually determined by the coach. Cost is substantially more than recreation or non-profit leagues. Training on these teams can be valuable in securing playing time on high school varsity teams.<sup>35</sup>

**Competitive Travel and Professional Development:** These leagues offer the highest level of competition for youth and often feature players with the highest skill level in their age group. Players are often invited or selected from a sample of private club teams in the area or state. Tournament and other games are played against other travel/competitive teams from other big cities in the state or against teams from other states. Children on these teams are often the early bloomers of their peers, and playing on a travel team does not

predict future success at a professional or major college level. Cost is on par or more expensive than private clubs, depending on travel funds and the schedule of play.

### Sources of Youth Sports Funding

**Parents:** Parents are the primary, consistent sources of funding for youth sport in the U.S. The actual cost to parents can vary based on the type of sport, level of competition, and local economics. Funds are frequently used to pay for coaches, referees, scorekeepers, equipment, and any other costs associated with putting on the sport that are not covered by other sources (e.g., lights, sprinklers).

**State and City Funds:** Local recreation centers/facilities are partially funded through city Parks & Recreation Departments or Leisure & Community Service. These funds may be partially allocated from LWCF. Cities and towns may also use a portion of taxpayer dollars to spend on local recreation activities. In both cases, funds can be used to build facilities, parks, courts, and fields. Additionally, money can be allocated by local recreation departments for facility and utility costs associated with running the sport (e.g., lights, water, waste management, lawn care, field rental). Finally, state funds may be allocated for miscellaneous administrative costs (e.g., background checks).

**Grants and Available Subsidies:** Other sources of funding are going to be highly variable by organization and sport. In some instances, national grants, state grants, and private company grants (e.g., Liberty Mutual,<sup>36</sup> Daniels Fund<sup>37</sup>) may be available for community sports programs who need additional funding. Professional Sport Entities also have youth sport grants for equipment, coach certifications, new/refurbished fields, etc. Examples include the U.S. Soccer Foundation (soccer),<sup>38</sup> Baseball Tomorrow Fund (softball and baseball),<sup>39</sup> NFL Foundation (non-profit for football),<sup>40</sup> and the USTA (tennis).<sup>41</sup> One of the most

significant contributions was made by the 1984 Olympic Games, which generated a \$234 million surplus, a portion of which was directed to fund the LA84 Foundation. LA84 has used the endowment to subsidize youth sports programs for underserved children in Los Angeles for more than a quarter of a century.<sup>42</sup>

**Local Corporate Sponsorships:** Local companies provide another source of income for youth sport. In many instances, local businesses will exchange advertising (e.g., name on jersey, banner in the outfield) for sponsorship of a youth sport/team. Business contributions include paying for t-shirts or jerseys, donating equipment, offsetting the cost of participation per athlete, or helping to pay for travel. Many of these funds are garnered through organization-directed outreach in the community. Therefore, sport organizations must seek out these opportunities on their own, and the ability to get corporate sponsorship may depend on the popularity of the sport.

**Crowd-Funding:** This form of funding is increasingly popular in generating revenue for organizations, and has been previously used as a kick starter method with the arts.<sup>43</sup> In 2014, the Dick's Sporting Goods Foundation began using this tool to increase available funds for low-income teams.<sup>44</sup> Specifically, the foundation matches funds raised by teams in the amount of up to \$2 million per year. Youth sport organizations may also improve their chances of raising funds by identifying organizations with a vested interest who they can partner with.

### Full Cost of Participation for U.S. Families

In addition to the one-time registration fees that parents pay for their child to participate per season, which is based on multiple factors listed above (e.g., level of competition and organization), there are additional costs to American families that want their children to play sports. The evidence suggests that the commercialized aspects of sport will see these costs continue to rise in the future.<sup>45</sup> One type is the cost of equipment. The cost of equipment is highly variable based on the sport a child

is playing. For example, youth hockey players require pads, helmets, skates, sticks, and pucks. Additionally, there may be skating lessons. Contrast that with youth basketball players who may only require suitable footwear and a ball. Although youth sport offers many parents a potential child-care alternative, the cost of transportation is another factor to consider. The amount of money spent on traveling to and from practices and games is a significant barrier for many families. Transportation is dependent on distance to the field/court, availability of public-transportation and associated costs, and safety issues.

## Concluding Thoughts

Basic lessons that emerge from the literature review:

- Create buy-in at the local, state and national level through outreach and marketing
- Mobilize non-profits, philanthropic organizations, private corporations, academic institutions and governmental entities who are interested in the movement
- Encourage donors to support the movement.
- Procure funds and make them available to key stakeholders
- Use collective research and evidence to develop new ideas and solve problems around getting and keeping kids active in sport

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Bradley Fawver, of the [University of Florida Performance Psychology Laboratory](#), and Dr. John O. Spengler, Professor and Director of the University of Florida Sport Policy & Research Collaborative (SPARC) coauthored this research brief on behalf of the Aspen Institute's Project Play. UF Performance Psychology undergraduate researcher, Courtney Howard, provided research assistance. Editorial observations were provided by Tom Farrey, director of the Aspen Institute's Sports & Society Program.



The SPARC is an interdisciplinary research collaborative within the Sport Management Program in the Department of Tourism, Recreation and Sport Management at the University of Florida. SPARC is comprised of Sport Management faculty within the UF Sport Management Program, as well as research and policy experts serving as associate members from both within and external to the University of Florida. SPARC serves to bring together talented faculty, and cohesion to individual research efforts and successes. Dr. J.O. Spengler serves as the Director of SPARC and Dr. Michael Sagas, professor and chair of the Department of Tourism, Recreation and Sport Management, provides support and oversight to the collaborative. The purpose of SPARC is to produce relevant and timely research that addresses sport as a facilitator of the physical, social, and emotional health of individuals, and the economic health of communities. SPARC is the official research partner of the Aspen Institute's Project Play.



The Aspen Institute's Project Play is a two-year project that will lay the foundation for the nation to get and keep more children involved in sports, with a focus on addressing the epidemic of physical inactivity. Since 2013, the Sports & Society Program has convened more than 200 sport, health, media, policy and other leaders in a series of roundtable and other events, and at the end of 2014 will offer a framework for action that can help U.S. stakeholders create "Sport for All, Play for Life" communities. More: [www.AspenProjectPlay.org](http://www.AspenProjectPlay.org)

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