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**Who Gives More?
A Comparative Perspective of Philanthropic Giving through
Foundations within the UEFA and the NFL**

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A Comparative Perspective of Philanthropic Giving through Foundations within the UEFA and the NFL

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Abstract

Due to the specifics of the football governance systems and cultures of Europe and the United States, we hypothesize that the involvement in charitable foundations of the National Football League (NFL) and its teams is more pronounced than that of the Union of European Football Associations (UEFA) and its Champions League (UCL) clubs. On the basis of a literature review, web research and emails to foundation staffs, the study produces the following findings, which support our hypothesis: At the association/league as well as team level, the NFL is both stronger and longer involved in charitable foundations than UEFA. At the team level, three times as many NFL team foundations as UCL team foundations exist. The minimum amount given by NFL teams to their foundations is thirteen times higher than that of UCL clubs to their foundations. On average, NFL team foundations are more than twice as old as their UEFA equivalents.

Keywords: Sports philanthropy; Social responsibility; Foundations; Football; UEFA; Champions League; NFL; Europe; United States; Governance; Culture

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1. Introduction

In today's globalized world, corporations are expected to assume not only economic and legal, but also ethical and philanthropic responsibility (Carroll, 1979, 1991). This concept of Corporate Social Responsibility (CSR) is also applicable to professional sports organizations that are in a position to make a difference, because they can reach more people than organizations in other industries (Babiak & Wolfe, 2006). CSR initiatives in the professional sport sector were still rare at the beginning of the 1990s, but have gained considerable ground in the last few years. Many sports organizations assume responsibility in areas where CSR is a logical match to their core values, such as health and exercise promotion, social and cultural enrichment, violence prevention, education, fairness and humanitarian aid. Currently, nearly all professional sports organizations in Europe and the United States have a department of community affairs or social responsibility and many have charitable foundations that support social or humanitarian causes, referred to as sports philanthropy (Lau, Makhanya, & Trengrouse, 2004; Babiak & Wolfe, 2006; Robinson 2005). The use of foundations as a CSR tool is also of increasing interest to professional football organizations such as the Union of European Football Associations (UEFA) and the North American National Football League (NFL), which represent the most profitable sports organizations in Europe and the United States, respectively (Hoehn & Szymanski, 1999; Dietl & Franck, 2008).

In contrast to the growing literature on CSR in professional sports (Smith & Westerbeek, 2007; Babiak & Wolfe, 2009; Sheth & Babiak, 2010) and in professional football (Babiak & Wolfe, 2006; Breitbarth & Harris, 2008), published research on the more specific involvement of professional football organizations in charitable foundations remains fragmentary. This shortage of extensive examination is especially true for the involvement of UEFA and the NFL in foundations. To our knowledge, no research study exists on UEFA foundations and only two papers exist that specifically deal with the NFL's foundations. A study by Robinson (2005) identifies six major influencing factors that affect the success and development of American major league team¹ foundations from the NFL, NBA, NHL and MLB. Although her paper provides valuable insights into the foundation commitment and characteristics of sports organizations, her investigation is limited to North American sports leagues. A further contribution by Weir, Jackson and Sonnega (2009) on behalf of the NFL's Player Care Foundation conducts a survey of retired players and examines ways how to best respond do their

¹ In the following, the terms *teams* and *clubs* are applied interchangeably without implying a distinct legal status.

needs. Essentially, no comprehensive research on the involvement of the UEFA and NFL in foundations is available, particularly no direct comparison. Our study's aim is to fill this gap.²

We determine to what extent UEFA and the NFL as well as their teams assume social responsibility by establishing a foundation. Due to specific differences in the football governing systems and cultures of Europe and the United States, we hypothesize that the foundation engagement of the NFL and its teams is stronger as well as longer than that of UEFA and its clubs. Due to the multitude of UEFA clubs, only foundations of clubs qualified for the Champions League (UCL) 2009/10 are considered.

The study will begin with a discussion of the distinctions in the football governing systems and cultures of Europe and the United States that lead us to assume that the NFL's involvement in foundations is more pronounced than that of UEFA. Subsequently, we describe the methodology before we compare the involvement of UEFA and the NFL and their teams in foundations. In doing so, we focus on the indicators "mission", "legal status", "annual contributions" (if available) and "age" of the respective foundations. Finally, by referring to the foundation comparison, we are able to comment on our hypothesis and to draw conclusions

2. Theoretical Context

The football governance systems of Europe and the United States differ from one another in several aspects as do the cultures of both continents. Some of the governance distinctions, which have been discussed in detail by authors such as Hoehn and Szymanski (1999) and Fort (2000), and the cultural differences give rise to hypothesize that the involvement in charitable foundations of the NFL and its teams is stronger than that of the UEFA equivalents. We discuss them consecutively.

2.1 Differences in Football Governance between Europe and the United States

2.1.1 Ownership Models

² This paper is the second in a series of three papers. In our previous study (Dietl, Franck, & Hillebrandt, 2009), which forms the basis of the current study, we compared those social and environmental activities of the UEFA and the NFL that are not managed through foundations and provided explanations for the organizations' different involvement in CSR.

One reason to expect higher foundation activity within the NFL is based on different financial models of European and American football leagues and teams (Burton, 1999). Kesenne and Jeanrenaud (1999, 2) state that “American clubs are business-type companies seeking to make profits, whereas the only aim of most European clubs so far is to be successful on the field”. Essentially, the NFL and all of its teams are owned by wealthy individuals (Dietl & Franck, 2008), whereas ownership models of European football clubs are more varied. In addition to clubs being quoted on the stock exchange or privately owned, as it is common in the UK and in some central and eastern European countries, many clubs are members’ associations or hybrid company/members’ associations, as common in Germany, Spain and France (Hoehn & Szymanski, 1999; Arnaut, 2006; Margalit, 2009; Franck, 2010).

Members’ associations are organized as private sports associations with voting rights spread out among a large number of genuine fans who have become members of the club. The clubs maintain a strong tradition of economic and political democracy and are recognized in law as non-profit-making entities (Giulianotti, 1999; Hoehn & Szymanski, 1999; Margalit, 2009; Thiel & Mayer, 2009). Since it is hardly possible to extract a profit, the members’ utility can only be derived from the sportive success and glory of the club (Franck, 2010). On the whole, the existence of this mode of football governance demonstrates that the commercialization of the game is less advanced in Europe than in the United States and that the European game is more social by nature.

This social nature becomes especially apparent by examining the purpose of members’ associations. Notably, their only purpose is to protect and promote football, as in the case of UEFA (UEFA, 2010). All proceeds generated from their activities are reinvested into the sport, i.e. for training, facilities and recruiting (Fort, 2000; Thiel & Mayer, 2009). Members’ associations not only consider the monetary value of a football club, but take into account the wider social role that football plays in the community by helping to improve social integration, community cohesion, participation, cultural bonding and healthy lifestyles (Arnaut, 2006). By promoting these values, members’ associations keep traditional communitarianism alive, which is eroded by modern life bringing about urbanization as well as rapid social and geographic mobility. As football participants interact with those from other clubs, they are integrated into the larger social system and develop deep forms of shared identity and solidarity at civic, local and national levels (Giulianotti, 1999). Thus, members’ associations run clubs for emotional and social rather than financial rewards (Giulianotti, 1999; Margalit, 2009; Thiel & Mayer, 2009). Due to their social purpose, members’ associations are inherently “good” and may perceive themselves as charitable “foundations”. In contrast to US American sports enterprises, which are

economic by nature, we suppose that they do not need to do any more good in order to legitimize themselves.

One reason that UEFA and its subordinated members' associations may signal³ that they are acting in a socially responsible way is because they want to legitimize their special rights of independence from the state. Arnaut (2006) points out that there is perhaps no other economic sector than the sports sector where private bodies have the same scope of regulatory latitude. In sports, regulatory functions are performed by independent sports governing bodies, representing private authorities, rather than by governments. This self-organization and self-regulation of the sports sector prevents the exertion of political influence on sports matters. Naturally, the sport governing bodies are interested in preserving this principle of autonomy and their wide margin of discretion without fear of their decisions being undermined by the application of European Community Law. Thus, they endeavor to legitimize their regulatory privileges towards the state by acting in a socially responsible way.

Supposedly, even though signaling may play a role at UEFA, it plays a stronger role at profit-oriented organizations such as the NFL, which can use CSR as an instrument to broaden their fan base, to secure fans' loyalty and to improve relationships with local communities or host cities. Obviously, for continually struggling against all other forms of live entertainment in the quest for fans and revenues (Fort, 2000), signaling can be considered important.

2.1.2 "Zombie race"

Another reason why the NFL and its teams are probably more deeply involved in charitable foundation activities than their UEFA equivalents is because European football can be regarded as a "zombie race" (Franck, in press). This notion is following Akerlof's (1976) metaphor of a "rat race", in which rats run for a cheese that is finally awarded to the winner. By racing, the rats' energy consumption rapidly increases without the cheese growing likewise. This scenario can be transferred to European football, which has evolved into a competition with systematic overinvestment. In the football context, the runners are football clubs that spend millions on playing talent in order to secure their sporting success⁴, even though only one team can win the tournament. Since the clubs do not resign even when they are insolvent, the race may be termed a "*zombie race*" (Franck, in press).

³ Signaling is rooted in the idea that one party conveys some meaningful information about itself to another party. The other party then interprets the signal and adjusts its behavior accordingly.

⁴ In addition to pronounced purchasability of sporting success, steepening financial gratifications and "jackpots" for the winners of the competitions are incentives for professional football clubs to reinforce investment (Arnaut, 2006; Franck, 2010, in press).

The reason why indebted football clubs can exist for a long time and not drop out of the football “rat race” is twofold. First, football clubs are either saved by their owners, local politicians or fans who bear the clubs’ losses – an instance that is unimaginable in the case of “normal” organizations, which have to be profitable in order to survive. Secondly, if these direct supporters fail and a club folds, it can then return under practically the same name some levels deeper in the league hierarchy, due to European football’s system of relegation and promotion (Szymanski, 2010). Such examples of football clubs (FC), which declared bankruptcy but revived under the same name, include the Swiss clubs FC Lugano (in 2002) and FC Lausanne-Sport (in 2003).

For the financial well-being of the European clubs and for establishing a competitive balance, which ensures that the richest cannot secure all the best players and dominate competition, regulatory controls are essential as they are established in American football. The benefit of promoting competitive balance is that games of equally strong teams are more exciting to watch and, from a business perspective, that the number of spectators and thus revenues, will be maximized (Arnaut, 2006). Regulatory controls that promote competitive balance include salary caps on the overall wage bill of clubs as they are in place in the NFL since 1994 (Hoehn & Szymanski, 1999). A further intervention in the US American player market is the “rookie draft” system. The teams that performed poorly in the previous season’s competition are awarded the first picks out of players who finished college or high school and enter professional sports. Thus, the poorly performing teams can acquire the best young talent and improve their standing in the following year (Hoehn & Szymanski, 1999). In European football, such labor market controls are discussed but still completely absent (Arnaut, 2006).

A further measure of regulatory control is revenue distribution (Arnaut, 2006). Besides sponsorship and merchandising, the gross revenues of football clubs are broadcast revenues (sale of media/TV rights) and gate revenues (ticket sales). In the United States, national broadcast income is collectively sold and equally divided among the 32 NFL teams. Gate revenues are split on a 60 to 40 basis with the home team earning sixty percent of ticket sales and the visiting team receiving the remaining forty percent (Hoehn & Szymanski, 1999; Rosner & Shropshire, 2004). The UCL also sells its TV rights collectively. The overall revenue generated by the competition goes to the participating clubs. However, around six percent of gross UCL income is distributed to the different European leagues and their hundreds of small and medium sized professional clubs for funding youth development (Arnaut, 2006). In contrast to the NFL, gate sharing arrangements are limited in European football. In Europe-wide competitions, home teams keep their gate receipts while paying a small share to UEFA.

Exceptions are finals, where the authorities take a larger share and the participating clubs split the remainder (Hoehn & Szymanski, 1999).

Since regulatory measures are either completely absent or ineffective in Europe, the financial performance of European clubs is disastrous. In 2008/2009, half of all European first league clubs incurred losses, which for one quarter of clubs exceeded twenty percent of their revenues (UEFA, 2009). Among the top clubs regularly present in the Champions League, the financial situation is even worse. For example, in 2008/2009, Inter Milan incurred a loss of 148 million EUR, Chelsea of 106 million EUR and AC Milan of 92 million EUR. Concurrently, the liabilities of the clubs critically increased. For example, the combined debt of English Premier League clubs is 3.1 billion GBP, that of Spanish La Liga clubs is 3.4 billion EUR and that of Italian Serie A clubs is 2 billion EUR (Deloitte, 2009; Lago, 2009; Franck, in press). In the light of these numbers, it becomes clear that the ailing European football clubs do not have nearly as much money to spend on foundation activities than the profitable NFL teams.

2.1.3 League think

Additionally, the cooperative set up of the NFL with a strong League Think versus the multinational characteristic and constantly changing set up of the UCL may explain the stronger giving behavior within the NFL. The term *League Think* denotes a shared identity and stems from the fact that the NFL shares revenues, pools resources among its capitalistic members and also subjects all teams to the same regulations. As denoted above, the teams are restricted by salary cap regulations and a special draft system to maintain competitive balance, but also benefit from shared broadcasting, licensing and merchandising revenue (Hoehn & Szymanski, 1999; Dietl & Franck, 2008). A finding that affirms the League Think as a motivator for charitable giving is that an individual's decision to donate is often significantly influenced by the contribution of others (Sugden, 1984; Andreoni & Scholz, 1998; Fehr & Schmidt, 2001). Within the UCL clubs, such peer effects are more difficult to achieve, because the clubs and their foundations are geographically scattered across Europe, and because the clubs participating in the Champions League change every year. In contrast, American football has no system of relegation and promotion on the professional level such as the one that characterizes European football (Hoehn & Szymanski, 1999; Fort, 2000). The 32 NFL teams are fixed⁵. They have a stable income, which allows them to continuously make large grants to charitable projects.

⁵ In 1998, there were thirty NFL franchises (Burton, 1999, 13). In 1999, the NFL added the Cleveland Browns franchise and in 2002, the Houston Texans.

2.1.4 Role Model

Furthermore, the mother league plays an important role in supporting the team foundations. The NFL's foundation "NFL Charities" awards up to ten million US dollars each year in grants towards foundations of its teams and players (National Center for Charitable Statistics, 2010). UEFA does not have such an umbrella body for charitable activities and has not adopted a similar supportive position such as the NFL. This passiveness of UEFA is another reason why we believe that fewer UCL teams than NFL teams have set up charitable foundations.

2.2 *Cultural Differences between Europe and the United States*

2.2.1 Identity

A cultural reason for the supposedly higher foundation activity within the NFL is based on specific historical events. S. Miller (personal communication, June 4, 2010) points out that after the Great Depression in the 1930s, a US-specific culture of giving evolved through national solidarity and has been deeply ingrained in American society ever since. In contrast, European countries do not share such a strong identity for historical reasons and because of the fact that Europe consists of many nations with different cultural values⁶. Therefore, a mutual and strong culture of giving is more difficult to develop in Europe (Matten & Moon, 2008).

2.2.2 Religiosity

A further cultural difference that could explain the differing giving behavior of European and American football organizations is religiosity, which significantly impacts the charitable giving of Americans (Wang & Graddy, 2008). A reason for the pronounced religiousness of American society is that a significant proportion of the United States' founding fathers were religiously motivated emigrants, who fled from persecution by European states and churches. Goode (1980, p. 1) states that "(...) Belief in God is almost universal. Respect for the church and the clergy is great. And church attendance, when compared with ritual observance in Europe, is extremely high". Therefore, we assume to bring to light higher foundation activity within the NFL by a high share of team managers who follow the Bible's claim: "(...) when you give to the needy (...) [t]hen your Father, who sees what is done in secret, will reward you." (Matt. 6:3-4, New International Version 1984).

⁶ Certainly, solidarity can take effect within the boundaries of every European nation, but as we focus on Europe as a whole, we do not analyze such nationwide solidarity.

2.2.3 Social Security

Furthermore, with regard to social security, Americans rather rely on private initiatives, charitable institutions and relief organizations than on the state (Matten & Moon, 2008; Bassimir & Blume, 2009), because America is a “pioneers’ nation” built on individual responsibility, whereas Europe is based on etatistic-regulatory principles due to the long history of its diverse nations.

On basis of the aforementioned differences in the football governance systems and cultures of Europe and the United States we hypothesize that the charitable involvement of the NFL and its teams is stronger than that of the respective UEFA units.

3. Methodology

3.1 Units and Criteria of Analysis

Since there is no international level championship in American football as there is in European football, it first seems that UEFA and the NFL are incommensurable. However, on closer inspection, one finds in North American football a comparable structure to that of UEFA. In professional American football, the American and National Conferences are separate entities overseen by the NFL. In appointing a national champion, the NFL plays the same role as UEFA plays in Europe, the only difference being that in UEFA the divisions fall along international boundaries. Since overall champions are crowned, the outcome is the same. Thus, obviously, the only difference between the organizational structures of European and American professional football is the absence of an international governing body such as the Fédération Internationale de Football Association (FIFA), the world’s leading authority of football. As football without an international component shouldn’t be compared to anything such as FIFA (Fort, 2000), we focus our comparison on UEFA and the NFL.

In the case of UEFA, restrictions are made at the club level due to the huge number of affiliated clubs. For example, the German Football Association (DFB) manages several leagues and comprises over 26,000 clubs (DFB, 2010). We analyze only the involvement in foundations of the 32 clubs qualified for the Champions League season 2009/10. This selection seems reasonable, because top league clubs are financially stronger than those who play at the regional

level, and are therefore more likely to establish charitable foundations that require high financial investments. Similarly, the foundation activities of the NFL and its 32 teams are examined.

The identified entities without exception represent non-profit organizations in the legal form of charitable foundations. Foundation cooperations, i.e. foundations owned conjointly by two or more sports organizations, and funds in a community foundation, i.e. funds administered by a foundation that makes charitable grants within a specific community, are included as well. Other forms of benefaction, such as direct grants, the donation of goods and services or grassroots initiatives are not considered here.

The identified foundations are analyzed separately with respect to mission, legal status, annual contributions (if available) and age. Certainly, more criteria exist that characterize foundations; however, we consider the aforesaid ones clearly as essential for providing an overview. As such, the criterion “mission” informs about the objectives of a foundation. The missions are divided into the following broad areas (in alphabetical order): hurricane relief, recreation and sport, social welfare, specific illness, violence prevention, youth development (includes the often cited mission “education”) and youth health. Since many foundations focus on more than one goal, multiple or overlapping missions can occur.

The criterion “legal status” informs about whether a foundation is private or public. For instance, regarding US law, foundations established by organizations, families and individuals are considered as private foundations unless they file an application for recognition as a public foundation, commonly referred to as public charity.⁷ Whereas public charities receive assets from multiple sources (e.g., governmental units, the general public), private foundations receive funds only from their aforementioned founders (Internal Revenue Service, 2010).

With regard to annual contributions, nearly all sum totals of contributions paid out by the American football teams to their foundations are available. However, because third party reporting is not required by nearly all European countries, contributions paid out by European clubs to their foundations are seldom and, therefore, any available contributions paid out by clubs to a foundation, often dating back to the establishment of the respective foundation, are applied for interpretation purposes. Evidently, the criterion foundation “age” reveals for how long a foundation is in operation.

⁷ The status of a foundation as being private or public based on its donor group does not hold internationally. For example, in Germany foundations are recognized as private or public depending on their beneficiary group, which means that foundations that only benefit a small group or a family are private, while those benefitting the public are considered as public foundations. Within the framework of this study, the American notion of private and public is applied.

3.2 Method of Analysis

The study is based on a literature review and a web-based content analysis of documents and reports from the official websites of UEFA, the NFL, their teams and foundations, as well as from national foundation databases. The literature is retrieved from the Business Source Premier databases. Since a number of journals are not listed on these services, a manual review was undertaken via Scholar.Google.com. The keywords of sports philanthropy, social responsibility, charitable foundations, football, UEFA, Champions League, NFL as well as the German translations of these terms were employed for search purposes. In addition, individually adapted emails are sent to the foundation staffs where the Internet research does not yield the desired information.

One drawback of Internet research and email inquiries is the possibility of incomplete or biased data. Frequently, foundation information disclosed on the respective web pages cannot be verified due to absent dates and authorship. More importantly, the UEFA foundations are spread among several European countries and no uniform database containing comparable characteristics of all European foundations exists. Instead, many European countries have their own national foundation database (King Baudouin Foundation (2010) provides a complete list of the different European foundation databases). However, nearly all foundations associated with UEFA and its teams are not found in those national databases.

As indicated above, a further factor that aggravates the search for financial and legal information on UEFA foundations is that third party reporting is not required by foundation regulations of many European countries. For example, in Germany, foundations are only required to disclose their foundation activities to the national finance authorities, not to the public. In the case of foundations established in the United States, the availability of information is significantly higher. The foremost reason is the US disclosure policy for charitable foundations. All private foundations and public foundations with incomes of more than USD 25,000 are obliged to list their grants in public 990-forms. These documents have to be filed by tax-exempt non-profit organizations each year in order to enable third parties to evaluate their operations (Brown, 2005). The 990-form databases utilized for this study are consulted via the Foundation Center (2010) and the National Center for Charitable Statistics (2010). Regarding public foundations with incomes lower than USD 25,000, the desired information cannot be obtained in all cases. In the next chapter, UEFA and the NFL are compared with regard to their foundation activities before comparing the involvement of their teams.

4. Results

4.1 Charitable Foundations of the UEFA and NFL

Table 1 compares the findings regarding the foundations of UEFA and the NFL. UEFA independently runs the *Foundation for the Development of Sport in Nyon*. Furthermore, it runs the *Daniel Nivel Foundation* in cooperation with FIFA, the French Football Association (FFF), the German Football Association (DFB) and the DFB Sports Aid Society. Through its foundations, UEFA distributes funds to causes that are specifically defined, such as the encouragement of young people to practice a sport and the prevention of violence on an international basis (FIFA, 2000; UEFA, 2003). The NFL independently runs its foundation *NFL Charities*, which serves as an umbrella body for a variety of social projects and beneficiaries (NFL Join the Team, 2009).

Table 1. Charitable foundations of the UEFA and NFL

Criteria of analysis	UEFA	UEFA	NFL
Foundations	<i>Foundation for the Development of Sport in Nyon</i>	<i>Daniel Nivel Foundation</i>	<i>NFL Charities</i>
Mission	Recreation and sport	Violence prevention	Recreation and sport Social welfare Youth development
Legal status	Private	Private	Public
Annual contributions in EUR	n/a	120,000	~ 7 mio.
Age (in years)	10	10	37

Note. ~ = approximately.

The two UEFA foundations derive their funds exclusively from UEFA and their founding organizations. NFL Charities has fundraising flexibility due to its public charity status that allows for the collection of donations from the public and, in return, to make larger grants through the foundation than UEFA. Though, the lack of available financial information for UEFA's Nyon-based foundation and the three foundations' different statuses do not allow for a direct comparison of annual contributions.

Concerning the foundations' age, both UEFA foundations were established in 2000, whereas NFL Charities was established in 1973 and is thus more than three times older (FIFA, 2000; UEFA, 2003; NFL Join the Team, 2009).

Since NFL Charities focuses on a variety of social activities, instead of having a narrow focus such as the UEFA foundations, grants around seven million EUR per year – even though part of this amount is collected by the public – and is in operation for a much longer time than the UEFA foundations, our hypothesis is verified at the association and league level. The NFL is both stronger and longer involved in foundation activities than UEFA.

4.2 Charitable Foundations of the UCL Teams and NFL Teams

Table 2 compares the findings regarding the foundations of the 32 UCL teams and the 32 NFL teams. Whereas 31.25% of the UCL teams (ten cases) run a foundation, a striking 93.75% of the NFL teams (30 cases) have their own foundation. This outcome is in line with Robinson’s (2005) finding that 90% of all major league teams have charitable foundations.

Both foundation groups target social welfare (UCL teams: 50%, NFL teams: 36.7%) and youth development (UCL teams: 40%, NFL teams: 56.7%). Recreation and sport is an important focus for UCL club foundations (60%), while NFL club foundations only marginally focus on sports directly (3.3%), but rather promote sports through their youth development initiatives. In brief, both groups pursue the same missions, yet with different weightings.

In the case of the NFL teams, 66.6% of the foundations (20 cases) are public and, thus, grant eligible. On current data, no statement about the legal statuses of the UCL club foundations is possible and, hence, no direct comparison with the NFL teams.

Table 2. Charitable foundations of the UCL teams and NFL teams

Criteria of analysis	UCL teams	NFL teams
Teams with an own foundation	31.25%	93.75%
Mission* (% of foundations)	60% recreation and sport 50% social welfare 40% youth development 10% specific illness	56.7% youth development 36.7% social welfare 3.3% youth health 3.3% recreation and sport 3.3% hurricane relief
Legal status (% of foundations)	n/a	66.6% public 30.0% private 3.3% n/a
Dispersal of annual contributions in EUR	15,000 to 3.0 mio. (based on 70% of the foundations fragmentary financial data)	200,000 to 1.4 mio. (based on financial data of 9 private foundations only)

Note. * = multiple answers possible.

As in the case of the two UEFA foundations, due to fragmentary financial information for the UCL club foundations, a valid comparison of average annual contributions is impossible. However, it seems that for both the UCL clubs and the NFL teams charitable giving is widely dispersed. Whereas the range is between EUR 15,000 and 3.0 million in the case of the UCL club foundations, the amounts vary between EUR 200,000 and 1.4 million in the case of the NFL teams with private foundations. Thus, the minimum amount given by an NFL team to its foundation is thirteen times higher than the minimum amount given by an UCL club to its foundation. The reason for the upper limit of the UCL club foundations being more than fifty percent higher than that of the NFL team foundations is due to the European outlier FC Barcelona, which grants an annual average of EUR 4.1 million. Without this outlier the upper limit of giving of UCL club foundations would be EUR 1.7 million.

On average, NFL team foundations have existed more than twice as long as UCL team foundations (16 years vs. 7 years), a finding that is similar to that on the association and league level.

Again, these results support our hypothesis. Remarkably, three times as many NFL foundations as UCL foundations exist at the team level, whose minimum amount given is thirteen times higher than that of UCL club foundations. Furthermore, on average, NFL team foundations are twice as old as UEFA foundations. Hence, in comparison, the teams of the NFL are both stronger and longer involved in charitable foundation projects.⁸ Due to this distinctive engagement one may refer to the NFL as a National *Foundation* League.

5. Conclusions

In summary, we believe that the more pronounced involvement in foundations of the American NFL and its teams is rooted in the specific football governance and cultural systems explained above. As such, the profit-oriented set-up of the NFL and its teams makes signaling by acting in a socially responsible way more crucial than in the case of European members'

⁸ Comparably, we expect the same tendency to apply to player foundations, in particular, because the NFL acknowledges that a boom of celebrity and athlete foundations has occurred in the last decade (NFL Join the Team, 2008), which is not reported on in Europe.

associations, which are ideologically motivated and have a social agenda. In respect thereof, the American football organizations are better off financially and, thus, accumulated more money to spend on charitable activities. Peer effects within the fixed teams of the NFL and their stable income are further conducive to charitable giving. Moreover, the NFL acts as a role model by supporting the foundation activities of its teams. In cultural regard, a US-specific culture of giving, strong religious faith of Americans and their dependence on private initiatives for social security reasons are relevant.

It is not possible to determine, which of these differences is most crucial in explaining the stronger involvement in foundations of the US organizations. The motives for the application of CSR differ, from the “normative case” and the desire to do good, to the “business case” and entrepreneurial self-interest. Smith (2003) adds that the enterprise decision for CSR is mostly justified from a mix of normative and business arguments. Similarly, we believe that a bundle of the aforesaid distinctions explains the NFL’s pronounced involvement in foundations.

Notably, a more thorough comparison between UEFA, the NFL and their teams with respect to legal states and financial contributions remains a difficult task as long as no details are disclosed on the UEFA foundations due to a limited disclosure policy for European foundations and a lack of integrative databases. Yet, this fact is suggestive to highlight that charitable involvement should not only be measured in numbers or contribution amounts of foundations. Such a tight accounting view would not do justice to UEFA and its clubs, which reinvest all their proceeds into the sport, that is into a “good thing”, and thereby attend to an “implicit” form of CSR (Matten & Moon, 2008).

Despite the varying involvement of UEFA and the NFL, the foundation overview demonstrates that giving to charitable causes through foundations has become a popular way for sports organizations to respond to today’s social responsibility requirements. Even though in the United States philanthropic donations declined by nine percent from 2008 to 2009 due to the recession and are expected to decline further in 2010 (World Economic Forum, 2010), we expect even more UEFA and NFL foundations to evolve in the future, because these football organizations are aware of their potential for charitable outreach.

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