

A New Breed of Philanthropists: Professional Athletes and Charitable Involvement

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Prosocial behavior encompasses a wide range of activities intended to benefit someone or something other than oneself (Baston, 1998). At the core of all donor activity is the question to what extent is the work motivated by egoism versus altruism. Research shows that individuals have become increasingly interested in the benefits offered by the charities they support (Smy, 2000). This is a strong indication that egoism rather than altruism is the primary motivation for charitable behavior. The specific kinds of value offered has been broken down into two types: cause value and service value. Cause value is defined as the primary charity work performed, while service value is the features done for the benefit of the participants (Wolpert, 2002). Similar to the traditional firm, where corporate social responsibility (CSR) studies suggest that consumers support socially responsible corporations (Cone & Roeper, 1999), it is likewise true that fans may choose to support socially responsible athletes. As they pertain to athlete's foundations, service value would also include the image benefits and associated financial benefits related to the athlete's enhanced public image. Today, many professional athletes choose to establish private charitable foundations. As such, it is fair to ask whether the motivation behind establishing these foundations can truly be categorized as prosocial behavior. By identifying trends in players who have established private foundations we can begin to evaluate to what extent philanthropy and donorship promotes loyalty and other benefits to the player, team, and league. Moreover, this is an area of scholarship that, to date, has gone unexamined. The purpose of this research is to examine and profile athletes participating in philanthropic activity and to better understand the value of the charity work being performed.

Information was collected from a number of electronic sources on all players who competed during the 2005-2006 National Basketball Association (NBA) season. The data consisted of player name, team, salary, current contract value, age, experience, stint on current team, birthplace, college attended, and, if applicable, foundation name, cause, assets, annual giving, and whether or not the foundation had submitted a 990 tax form, officially designating the organization as a public charity. Additionally, means and five-number summaries were calculated for all of the values where these statistics were appropriate. Finally, we noted which teams and to what degree teams were represented among players reporting to have established foundations as well as those who had officially received the nonprofit charity designation. Further empirical analysis is still to be conducted.

Preliminary data show there to be differences among the following groups—all NBA players, those reporting foundations, and those whose organizations have filed for public charity status. Experience in the league, salary, and contract value varied between groups, however, tenure on current team did not. Average salary and contract value for all players were \$3.9 and \$21.1 million, while salaries and contract values of players reporting foundations were \$7.1 and \$41.6 million, and those who filed for public charity status were \$7.8 and \$46.3 million. Among the 433 players for whom complete data were available, 91 (21%) reported to having established foundations, with 27 of the 30 franchises represented, and 41 (9%) had been designated as public charities, with 18 teams represented. Among those who had filed 990 tax forms, the average foundation assets were \$504,891 and annual giving \$87,420.

This study has implications beyond profiling the philanthropically active athlete. It is the first to suggest there is the theoretical basis to gauge motivation vis-a-vis giving patterns and a need to establish an accurate metric for measuring both quantity and quality of philanthropic activity. While individuals like Michael Jordan have had to deal with the negative publicity focusing on how little charity work his organization actually performed (Wolverton, 2004), players who receive acclaim for their efforts stand to benefit financially in a manner similar to corporations. Finally, since the teams and leagues too perform in a philanthropic capacity, it is conceivable that the athletes' activities affect the quality and quantity of the larger organizations as well as the value added consideration of their efforts. Further implications to practice and theory will be discussed.