



OLYMPICS

U.S. national governing bodies: Going for Gold

Many of Team USA's national governing bodies have been facing revenue challenges. An increasingly popular solution: donations.

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Trisha Worthington, chief revenue and philanthropic officer at U.S. Ski & Snowboard, often gets calls from other national governing bodies asking what her **NGB** has done to build such a successful foundation, one that dwarfs its peers. In 2022, U.S. Ski & Snowboard brought in \$19 million in donations — \$5 million more than it brought in through sponsorships, and by far the most of any **NGB** in the country; by comparison, USA Track & Field was second in donations, at \$5.1 million.

Over the last few years, Worthington has been fielding those calls more frequently. Faced with a changing economic scenario — U.S. Olympic & Paralympic Committee funding that has remained largely flat, and an inflation-driven increase in the cost of doing business — **NGBs** find themselves looking more to their **foundations** and donor giving to increase revenue.

With a movement as varied as the USOPC landscape, where yearly revenues can range from less than \$1 million (USA Pentathlon, at a little over \$600,000 in 2022) to more than \$100 million (U.S. Soccer, at \$119 million), there is no one way of handling charitable contributions. But increasingly, **NGBs** are trying to boost fundraising efforts by starting **foundations**; reviving existing **foundations**; hiring staff to bring in donations; or some combination of all of those.

A Sports Business Journal analysis of **NGBs'** audited financial statements from 2018 to 2022, the most recent year that figures are widely available, found roughly two-thirds have seen donations increase since that fiscal year. More than 78% of the 32 **NGBs** for which SBJ could obtain complete data saw donations increase as a share of revenue in those years.

“You’re starting to see almost everybody go, ‘How do we find more revenue?’” said USA Fencing CEO Phil Andrews. “A lot of us are turning to the foundation and philanthropic area to do that.”

That has taken different forms. Some have **foundations** that have been used as rainy-day funds, many of which started with endowments from the 1984 Olympics in Los Angeles. Others,

especially in newer sports, have started their own. Still more have experience in fundraising and have accelerated those efforts.

For **NGBs**, donor giving is appealing because it's revenue they can generate themselves. Commercially, much of the interests of Team USA are tied up in LA28. Through a joint venture it has with the USOPC, LA28 controls sponsorship sales through its Games and USOPC cannot grow that pot of revenue.

"Sponsorship is difficult right now, and it's complicated by LA28 being the 800-pound gorilla," said Ted Morris, executive director of US Speedskating. "For the majority of the Olympic sports, we're not big enough, we don't have enough scale to resonate with the sponsorship environment. So much of the money is going to football, basketball, baseball, the big sports. ... [In] fundraising, the possibilities are infinite."



There's one thing Worthington, who has spent 22 years at U.S. Ski & Snowboard, always has to stress to donors when explaining how **NGBs** bring in money.

"I've been doing this a long time, and I am shocked at how many people do not understand that we're not government funded," she said. "I feel like a broken record, but if I don't say it every single time, it's a missed opportunity."

As Worthington can attest, the variability of Olympic and Paralympic sports' other revenue streams — from membership, sponsorships, USOPC support, events and, in some cases, broadcast rights — has put increasing pressure on developing donor giving.

The sponsorship environment has been particularly challenging. Nonendemic sponsors have been slow to come back after the pandemic, and current Team USA sponsors who signed through LA28 have been less likely to sign **NGBs** and use them to activate than in the past.

And while USOPC contributions vary from year to year, its agreement with LA28 locks it into \$488 million in sponsorship revenue through those Games.

For the 32 **NGBs** for which SBJ could compile complete data, a majority of them saw sponsorships make up a decreasing share of revenue since the 2018 fiscal year, while they were evenly split on whether their USOPC funding had increased or decreased as a share of revenue.

"The revenue streams for **NGBs** have become more challenging, more difficult," said Ceil Folz, CEO of CFC Collective, which offers services for sports-focused **foundations**. "Their expenses continue to increase, so as they look to try to find ways to resolve their own funding issues,

really engaging their foundation makes the most sense. Sometimes it's the only path they have, to be honest.”

Folz has worked with several **NGBs**, including the ones for bobsled, boxing, fencing and weightlifting. Most have separate 501(c)3 **foundations**, many of them set up with funds from LA '84. After those Games, the Los Angeles organizing committee earmarked 20% of its surplus to be distributed to **NGBs**.

Since then, many have used their **foundations** as a rainy-day fund, drawing down a small percentage of the gains each year. The focus of each foundation varies. U.S. Soccer's funds grassroots clubs, while USA Track & Field's focuses on athlete funding.

No **NGB** has harnessed the power of donor giving better than U.S. Ski & Snowboard, where some donors go back more than 30 years and its foundation contributes nearly 50% of revenue.

“It's grown a lot over time,” said Sophie Goldschmidt, president and CEO of U.S. Ski & Snowboard. “These things take a while to build, to cultivate the right kind of donors and network that has an affinity for your sport.”

As **NGBs** make greater pushes in growing charitable donations, the U.S. Olympic & Paralympic Foundation — a separate entity that functions as the fundraising arm of the U.S. Olympic and Paralympic Committee — is seeking to make philanthropic giving a reliable revenue stream. The USOPF set a \$500 million goal in advance of the 2028 Games in Los Angeles.

USOPF has 10 major gift officers on staff and brought in \$60 million last year, a \$12 million increase from 2022. It has raised roughly \$225 million in the past quadrennium.

Christine Walshe, the USOPF's president and chief development officer, said the foundation focuses its efforts toward raising funds for three sectors: performance and innovation; mental health and well-being; and athlete transition and earnings.

“We're trying to keep the movement viable,” said Walshe, “and we named \$500 million because we think that's what's required to show up in those areas.”

USOPF has a sport ambassador program where **NGBs** can partner on bringing in a donor at \$1.5 million, payable over four years, which is split evenly with USOPF. Last year, the program raised \$6.5 million for the six **NGBs** that opted in.

“It’s been an awesome and pleasant surprise,” said Tim Hinchey III, president and CEO of USA Swimming, which took part in the program.



When other **NGBs** call her, Worthington shares what works. Among her tips: “If you don’t put someone in charge of fundraising focused on it day after day, it’s going to be difficult to be successful.”

USA Triathlon hired its first major gifts officer in 2022 and saw donations more than double over the previous year. It has since received an \$850,000 donation to help women’s triathlon become an NCAA championship sport.

“Those are real things that USA Triathlon just could not have done,” said its CEO, Victoria Brumfield.

Another strategy, one Folz has encouraged for the **NGBs** she’s worked with, is to grow their foundation boards, turning to those members to donate and then recruit additional donors. U.S. Ski & Snowboard, for example, started with a board of 15 members. It now has 85. US Rowing’s board has a minimum donation of \$25,000, with many giving more, and now sits at 31 members, said CEO Amanda Kraus.

Beyond that, mining their membership base can lead to progress, especially in sports such as fencing, rowing, triathlon or sailing, where members tend to come from more affluent backgrounds.

Some **NGBs** have had major success in just a few years. Folz started working with USA Boxing in 2021, and the year prior, the **NGB** had six donations. It has seen its revenue from giving more than triple from a little more than \$215,000 in donations in 2018 to more than \$714,000 in 2022.

USA Basketball launched its foundation in 2019, and a \$3.5 million gift it received in 2022 from the Tull Family Foundation will help support youth and development programs.

Part of cultivating donors comes from offering experiences that connect them to athletes. U.S. Ski & Snowboard, for example, brings in around \$2 million per year from its Gold Medal Gala, at which donors can rub elbows with Olympic medalists. It also has a Gold Pass program, offering access to more than 200 resorts around the country for at least a \$15,000 donation. It currently has a waiting list.

“There’s a sense of price and a sense of accomplishment that you can help make it happen that the **NGBs** do really well with,” said Mike Jaquet, CEO of the Sports Marketing Collective and former U.S. Ski & Snowboard CMO. “It’s very difficult for that level of access and integration to happen at the USOPC level, but it’s certainly available at the **NGB** level.”

US Speedskating created a Podium Club, where donors making an annual contribution of at least \$2,500 can attend events and receive branded gear.

“It’s been instrumental in being able to build our annual fundraising programs,” said Morris of US Speedskating. “That’s all incremental new money that didn’t exist for our sport 10 years ago.”



The challenge **NGBs** are finding is in building the infrastructure. Even after hiring a major gifts officer — likely at a six-figure salary — it can take a few years to see returns. Morris said they discuss the merits of making such a move at nearly every board meeting, but they have not done so yet. In 2018, US Speedskating had \$347,000 in donations, and in 2022 that figure was \$544,000.

While one person can make a substantial difference, some **NGBs** have built infrastructure around the efforts. USA Swimming has six full-time staff for its fundraising efforts. U.S. Ski & Snowboard has a staff of 16, with 11 focused solely on bringing in donations.

“We often joke that it’s not like the ‘Price Is Right’ and you spin the wheel and money comes from the sky,” said Walshe. “What I often see is they hire one development officer and they have all the right intention, but they don’t wait long enough.”

Regardless of where the donor money comes in — or how long it takes — it’s easily the area where **NGB** leaders see the most opportunity for growth. They are still pushing to bring in sponsorship dollars, but philanthropy is increasingly appealing.

“I can only service so many sponsors, and to a degree with category exclusivity, you might be only able to have one bank,” said Andrews of USA Fencing. “But I can have 25 donors who are bankers.”

Each **NGB** can pitch the same message to prospective donors, despite their differences in size; whether it’s USA Bobsled/Skeleton, which has fewer than 100 members, or USA Swimming, which boasts a six-figure membership, this is a chance to rally around U.S. athletes.

After all, said USA Field Hockey CEO Simon Hoskins, “You never know where your next major gift is.”



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