

Recession hits sports teams in cheque book

Sponsorship key to survival for many youth athletics associations

BY MIKE HAYAKAWA
Staff Writer

As an executive director with the Newmarket Baseball Association, Donna Trempe figured something was wrong.

When she made calls to local businesses for sponsorship for the association's house league, rep and select teams last year, many declined to renew their affiliation.

Those rejections caught her off-guard.

As she solicits sponsorship again for this season, she's hearing other longtime sponsors hinting they may be pressed to support again.

It's not because they

do not like baseball or sports.

It's more to do with the bleak economic times, she said.

Companies filing for bankruptcy, declining revenues and layoff concerns have stifled the economy and affected how much is doled out.

Last year, it was the car dealerships that were hesitant to throw sponsorship toward the association, she said.

"This year, I've had feedback from around 40 per cent of the sponsors I've contacted and they said it could be a tough year," she said. "We've already had some sponsors go out of business. The amount of disposable dollars is down."

Other minor sports organizations gearing up for the spring and summer campaigns are feeling the pinch, too.

Or at least preparing for it.

"For us, it's a little too early to tell yet," said Dirk Drieberg,

City of Vaughan Baseball and Softball Association president.

Sponsorships had been growing along with registration for house league and rep programs at close to 18 per cent in the past few years.

"Given the economic climate, given it's a perception of negativity of the economy, we're planning for a reduction in sponsorship," he said.

As a result, the association is adjusting its sponsorship budget, Mr. Drieberg said.

Like their baseball brethren, soccer organizations will not know the full impact for at least a few months.

Sponsors are an invaluable part of the team because they pay operating fees for the teams and subsidize cash-strapped parents who want to get their children into sports.

"The Unionville-Milliken Soccer Club is always on the lookout for sponsorship to ensure the quality of our programs remains high," Richard Herold, club president, said.

Established in 1976

incorporated as a non-profit company, the organization solicits sponsorship in several ways.

Competitive teams raise their own money, but rec teams are different.

"Most commonly, a business will contribute and have its names put on a jersey and is featured on our website under the sponsorship tab," Mr. Herold said.

Clubs are going after the same dollars.

"There's no doubt you compete with other sports. Some groups say they only sponsor a specific sport. But there are some companies, like in our instance Greenpark Homes, that supports baseball and soccer during the summer. They see a lot of benefits in sponsoring both," he said. "Sponsorship is a partnership."

Noting sponsorship of the Unionville-Milliken Soccer Club has increased in recent years, Mr. Herold feels the competition for sponsors within the sport isn't that competitive.

"The local clubs in Markham, Thornhill and Unionville all have districts for membership allocated by the York Region Soccer Association, the district administrative body of soccer clubs," he said.

The amount being asked for can affect sponsorships, too.

The Newmarket Baseball Association was placed in a quandary when Newmarket increased field rental fees for the 2009 season.

The association, which includes about 80 rep, house league and select teams, talked about increasing registration fees, but decided to boost sponsorship rates, instead.

"We definitely didn't want to increase our registration rates," Mrs. Trempe said.

The Aurora Youth Soccer Club, which continues to experience a growth in registration, has experienced a 3 to 5-per-cent sponsorship reduction.

The loss has been offset by sponsorship growth during the past five years, club partnerships co-ordinator Laurie Mueller, said.

"We have a good relationship and support system in place for sponsors and that is an important part of the success," she said.

One former sponsor isn't renewing because of financial circumstances.

"We will be monitoring this and for every sponsor that does not renew, we will offer another opportunity to someone

who is in a different financial circumstance," Ron Weese, club president, said.

Youth activities already in full swing, such as minor hockey, weren't as affected by the economic crisis since their sponsorships were in place since last spring.

"We're fortunate in that we haven't had any such issues," said Mike Humphreys, Whitchurch-Stouffville Minor Hockey Association president.

"Everyone that committed has paid. There's been no negativity at this stage."

They even have sponsors waiting in the wings.

"At times, we've even had people who sponsor a couple of teams," he added.

Parents do most of the work in finding sponsors, he said.

In Whitchurch-Stouffville, people tend to know each other and band together, Humphreys said.

That helps.

Next season could pose a different story if the financial woes of world persist, he said.

Organizations acknowledge they must find a way of giving something viable in return, especially during a recession.

That means more than having names emblazoned on uniforms or travel bags and receiving the end-of-the-season team picture on a plaque thanking them for their patronage.

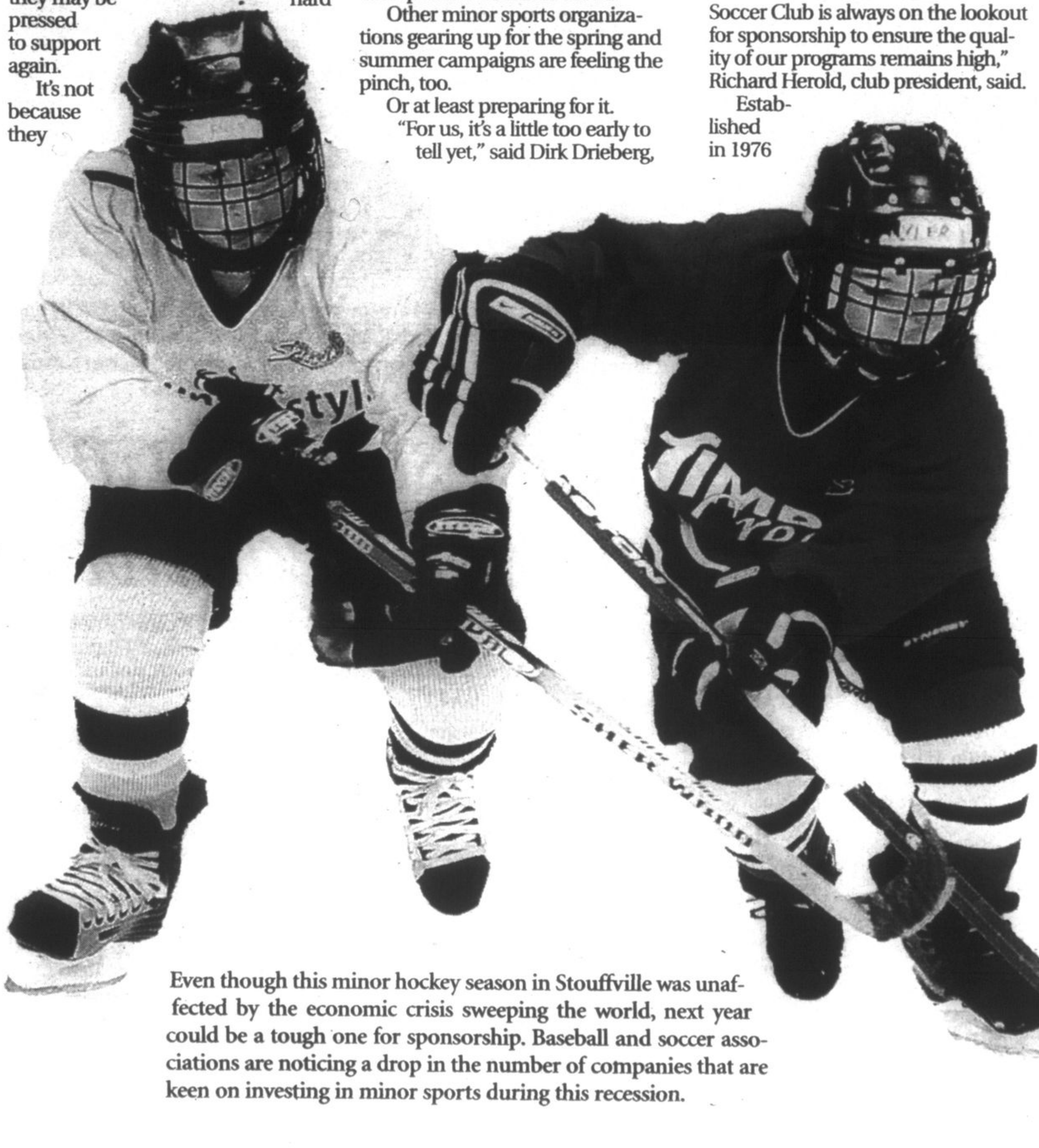
While the York South Silver Knights youth basketball organization does not have corporate sponsors, it has received donations of basketballs, track suits and bags from a few "gracious parents" to assist in their rep and house league programs run out of Markham and Richmond Hill, president Raoul Baumgartner said.

"Our experience is that corporate sponsorship is increasingly looking for direct, measurable return upon their sponsorship dollars," he said. "For a significant number of corporate sponsors, it no longer is viable, unfortunately, to simply contribute sponsorship funding as a community service."

"Further, as sponsors become increasingly more prudent about the sponsorship monies they have available for such purpose, if any, it is not enough to simply brand their product."

"It is logical to assume this would cut across all sports, and not be only our experience."

"I believe most sports organizations are going to have to think creatively, and derive alternate 'out of the box' revenue streams to make up for the lack of sponsorship dollars," he said.



Even though this minor hockey season in Stouffville was unaffected by the economic crisis sweeping the world, next year could be a tough one for sponsorship. Baseball and soccer associations are noticing a drop in the number of companies that are keen on investing in minor sports during this recession.

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