

# WHITE PAPER

Presented by  
Partnership Group – Sponsorship Specialists™

## **Sponsorship vs. Philanthropy** Brent Barootes

Yes, there is a difference between sponsorship and philanthropy-a big difference. Still every day, I talk to too many brands and selling properties that don't know the difference. It is crazy. I hear brands saying that they are donating to a cause or event. Then they ask for recognition. Then they ask for a tax receipt and get angry if they cannot get one. Hey everyone, a sponsorship is when you get something back like exposure, tickets, PR, etc. Philanthropy is when you get nothing back but a good feeling and a tax receipt (if you want it). Please understand.

And the properties-those that sell sponsorship-are just as bad, if not worse. They ask for a "sponsorship" of \$20,000 when what they really want is someone to underwrite program costs or make a donation. They provide no real value in return. And when the prospective sponsor says, "Hey, I need you to help me sell more widgets or engage my employees," the property says, "Oh we can't do that-but we appreciate your 'sponsorship.'" It is crazy.

In the past month alone, I have spoken at the Conference Board of Canada - Community Investment Council meetings, the Sponsorship Marketing Council of Canada, AFP Edmonton, AFP Manitoba, a SMCC One Day Workshop, the Festivals and Events Ontario Annual Conference, the Niagara Sport Conference, and more. Everywhere I go, the vast majority cannot distinguish between philanthropy and sponsorship. We truly need more education in our sector for both brands and sponsors. This is all anecdotal research. It is me talking to hundreds of people about sponsorship and philanthropy. It is us working with our clients. It is real life experience.

To back this up, I was pleased (well, not really because it just confirms my anecdotal research, which is not good) to see the outcomes of IEG's ninth annual survey of non-profit fund raising professionals research. Unfortunately, 68% of those surveyed across North America say their organizations view sponsorship no differently than philanthropy, or simply as a category of funding for events and programs.

The 32% that actually sees the need to understand the difference between sponsorship and philanthropy, with sponsorship designed to achieve marketing goals, is down by 8% from the previous year. This scares me even more. We are heading in the wrong direction! In the next three months, there is a tremendous amount of professional development available to both brands and properties. There are 13 SMCC One Day Workshops being delivered across BC, Alberta, Saskatchewan, and Ontario as well as the incredible Canadian Sponsorship Forum in conjunction with the MasterCard Memorial Cup in Saskatoon May 23-26. In addition, there is sponsorship training at the CPRS national conference in Ottawa - Gatineau, the AFP Banff Compass Conference, the FCM national conference in Vancouver, the Vitalize Conference in Edmonton, as well as the Meeting of the Minds Conference in Calgary. As brands, agencies, and selling properties, we need to clearly understand the difference between sponsorship and philanthropy-or we will all be in trouble down the road.