

Amateur sporting clubs: what economic model?

The professionalisation of sport has profoundly changed the legal status of sporting clubs. For a very long time in France, the dominant status of clubs was that of associations governed by the law of 1901. From the 1980s onwards, professional clubs were obliged to adopt new statutes, which, in the 2000s, are closer to the common models of commercial companies in other economic sectors (in particular the professional sports limited company, SASP). As commercial enterprises are subject to management control, professional sports clubs are obliged to publish accounting documents that reflect their situation. It is, therefore, possible to analyse the economic condition of professional clubs and the problems they face due to the specific nature of the sporting activity, which is the subject of numerous articles in this book.

The same cannot be said for amateur sports associations, which are much less well known even though they are the very basis of the French sporting system. Based on the work of CDES on the economic model of sports associations, it is possible to analyse the characteristics of such a model, its heterogeneity according to the different types of clubs and the stakes involved in its future evolution.

The economic model of French amateur clubs

- ***Traditional model***

The main financial resources of amateur clubs are membership fees and income from activities, which together account for about three-quarters of their total revenue. The rest of the income is made up of public funding, sponsorship, and donations. This distribution is the result of an evolution that has seen an increase in the relative weight of income from activities and a decrease in the relative weight of public subsidies. This development reflects the return of the austerity policies implemented after the subprime crisis in 2008 and the reduction in public spending, as well as the search by clubs for new revenue from the private sector to compensate for the previous decline.

- ***New model***

The growing share of commercial revenues in the clubs' budgets reveals a new strategy of diversifying their services, particularly in the areas of leisure, health and social integration. In addition, clubs are also supplementing their income through the organisation of sporting events such as training courses, tournaments and public events. Finally, it is important to note the importance of the territorial dimen-

sion in such a diversification strategy. Clubs located outside the major metropolitan areas seem to develop an economic model that is more focused on activity revenues than metropolitan clubs, which can benefit from higher membership revenues due to the size of the population in their host territories.

Typology of amateur clubs

To establish this typology, CDES carried out multiple correspondence analysis (MCA) on the following variables characterising the clubs: host territory, level of competition, number of members, type and number of federations belonging to, the budget amount, legal status, and number of jobs. Three types of clubs emerged.

- ***Small community clubs***

They represent two-thirds of the sample and are the basis of the French sporting system even if, from a strictly economic point of view, they weigh relatively little in the total revenue (6% of the total). These clubs are small, specialised, and affiliated with a single federation. They have an over-representation of structures that do not take part in any competition and are more in the field of leisure sport. Although these clubs are present throughout France, they are over-represented in small towns.

Almost all of these clubs operate without employment or recourse to external service providers. As a result, the economic model of these clubs is characterised by a small budget, with membership fees constituting the bulk of their revenue. The subsidies received come from the host municipalities. The range of activities is centred on leisure activities and the organisation of a few sporting events. There is no diversification of activities towards health or social integration.

- ***Medium-sized clubs***

This group includes about a third of the sample of sports clubs and accounts for almost half of the total economic weight, mainly due to grants and partnerships. These clubs are of medium size (100 to 500 members) and are specialised in a single federation, usually Olympic. In contrast to the previous group, these clubs are essentially competition-oriented but are similar in that they do not have any sports jobs.

The economic model of these clubs is based on a diversification of activities, which allows them to achieve a relatively balanced distribution of resources between memberships, activities and subsidies. The activities offered concern leisure activities and the organisation of sporting events without any real opening up to new audiences in the health or social sectors.

- **Big clubs**

These clubs may be few in number (3% of the total) but they account for about half of all revenues. They are all large, with an average of about 2,000 members. This explains why these clubs are hosted by large territories. Unlike the other two types of clubs, which are single-sport, this third group includes 70% of multisport clubs. These clubs are predominantly competitive and are employing structures.

The economic model of these clubs is based on large budgets fed primarily by members' subscriptions and shows less dependence on public subsidies. The range of activities is the most comprehensive of the three groups, with leisure activities and sporting events opening up to health products and, to a lesser extent, social integration.

What future for amateur sports clubs?

The previous typology is useful for analysing the ability of clubs to adapt to major societal changes. It has already been established that the sporting practices offered by clubs no longer correspond completely to social demand. Several major trends will shape the future of sport: an ageing population; increasing social and territorial inequalities; global warming with the destruction of ecosystems and biodiversity, etc. A number of scenarios can be envisaged depending on the assumptions made about such developments. Furthermore, the reasons for practising sport are undergoing profound changes, with an increasing lack of interest in competition and performance, and a marked interest in practising sport in relation to health, conviviality and nature.

The adaptation of clubs to such a change in demand in an increasingly uncertain global environment will have to be done in a difficult economic context for associations due to the decrease in public support, the conditions of access to sports infrastructures and increased competition from commercial structures. The future of sports associations depends on their ability to strike a balance between professionalism and volunteerism to strengthen the diversification of their range of activities, which as we have seen, is still in its infancy.

Further information:

CDES, *Diagnostic sur le décalage entre l'offre et la demande de pratique sportive*, Etude pour le Conseil National du Sport (CNS), mars 2016.

CDES, *Le modèle économique des clubs sportifs fédérés. Analyse et pistes de développement*, Etude pour le CNOSF, 2020.

Viviane TCHERNONOG et Lionel PROUTEAU, *Le paysage associatif français : mesures et évolution*, 3^{ème} édition, Jurisédicions, Dalloz, Paris, 2019.

Related articles: volunteering, club deficit, the sporting exception, the future of sport, club owners, social utility