



# Financial development support for sports clubs 2013–2021 and employment in Finnish sports clubs

Summary

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## Introduction

This summary reports basic information on the financial development support for sports club activities granted by the Ministry of Education and Culture of Finland (OKM) for the period 2013-2021 and describes the change of paid employment in Finnish sports clubs based on statistical data.

Financial development support for sports club activities has been distributed from the proceeds of gaming and betting since 1999. Until 2012, the application and distribution process for club development support was the responsibility of national sports organisations. From 2013 onwards, the Sports Directorate of the Ministry of Education and Culture has been the administrator of the measures related to the application and distribution of the financial development support.

Local, registered associations organising sport and/or physical activity have been eligible to apply for grants. The support was awarded to the beneficiary as a discretionary special grant. Since 2009, grants have been awarded both for the recruitment of staff (salary support) and for general club development activities such as training of coaches, setting up new groups or strategic work (operational support).

Sports clubs have been able to apply for support electronically through the Suomisport system run by the National Olympic Committee. Decisions on which projects to be supported are proposed by the relevant Ministry of Education and Culture official and final decisions are taken by the Minister responsible for sport. The national governing bodies of sport (NGBs) and regional organisations have been involved in the process, providing opinions on the content, necessity and feasibility of the projects. Finnish Foundation for the Promotion of Physical Activity and Public Health (LIKES) has been responsible for the monitoring and evaluation of sports club financial support since 2005. The monitoring and evaluation has been financed by the Ministry of Education and Culture.

## Materials used:

**Financial development support for the sports club activities:** the summary uses the project register, which consists of grant applications submitted by applicants to the Ministry of Education and Culture. The grants are awarded annually. In addition, questionnaires and annual monitoring reports have also been used. A survey on the consolidation of paid employment was carried out in spring 2019 for 379 sports clubs that received support for paid employment between 2014 and 2016. A total of 166 clubs responded to the electronic survey. The questionnaire was used to gather financial and membership data of the clubs, data during the hiring process, as well as monitoring data on the organisation, targeting and consolidation of hiring.

**Statistical data on paid employment in sports clubs:** Statistics on the turnover, wages and person-years of work of sports clubs have been compiled using the statistics of 2 865 non-profit associations for the years 2013-2018, which were obtained as a separate run from Statistics Finland (Statistics Finland 2020a). The data are based on the organisations' financial statements and seasonal tax data. The data also include clubs that have hired employees on shorter-term contracts, unlike, for example, the data in the Employer register of the National Tax administration.

## Basic information on sports clubs financial development support

Over the last twenty-three years, a total of €59.7 million has been granted for 9 702 projects (Oja 2021). In euro terms, most of the aid has been allocated between 2013 and 2021, with a total of 3 481 projects receiving €36.2 million (figures 1 and 2). There were 1 994 operational projects, which received €14.3 million of the total. Between 2013 and 2021, there were 1 487 employment support projects (salary support), which received a total of around €21.8 million in grant aid (Seuratuki-Virveli 2021.)

Over the last six years, the average amount of operating grants has varied between €6 850 and €8 500. Grants for recruitment/employment of staff have been significantly higher (EUR 12 000-15 000). According to the Ministry's application guidelines, the maximum single grant available in 2021 was €25 000 and the minimum €2 500.

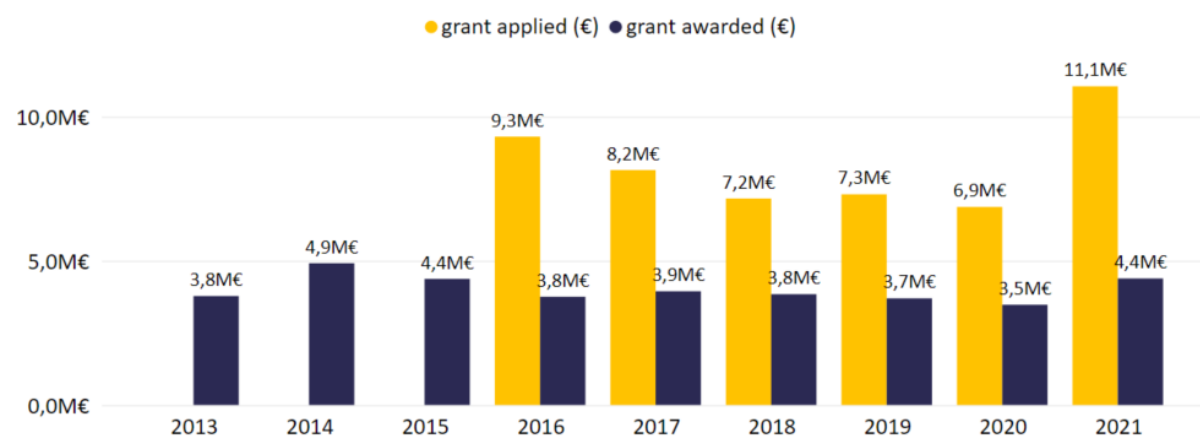


FIGURE 1 Financial support applied for and granted for the development of club activities (euros).

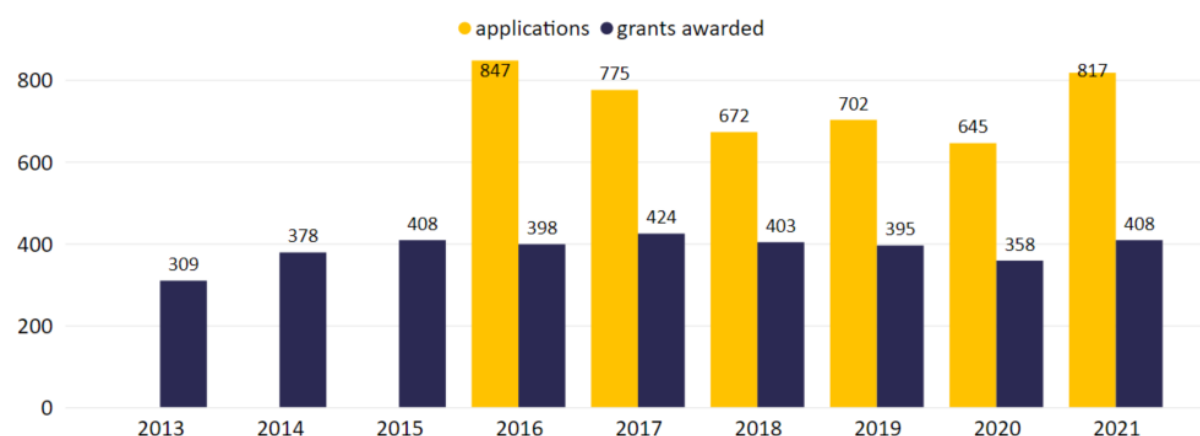


FIGURE 2 Financial support applied for and granted for the development of club activities (numbers).

In terms of the municipality of origin of the clubs, 218 sports clubs in different municipalities have been granted development support between 2013 and 2021 (figure 3). Sports

clubs in 91 municipalities have either not applied for or not received financial support. The majority of projects are concentrated in cities and towns situated in or near the largest provincial centres. The municipalities where the support receiving sports clubs are located account for 95% of Finland's children and youth population aged between 6 and 16.

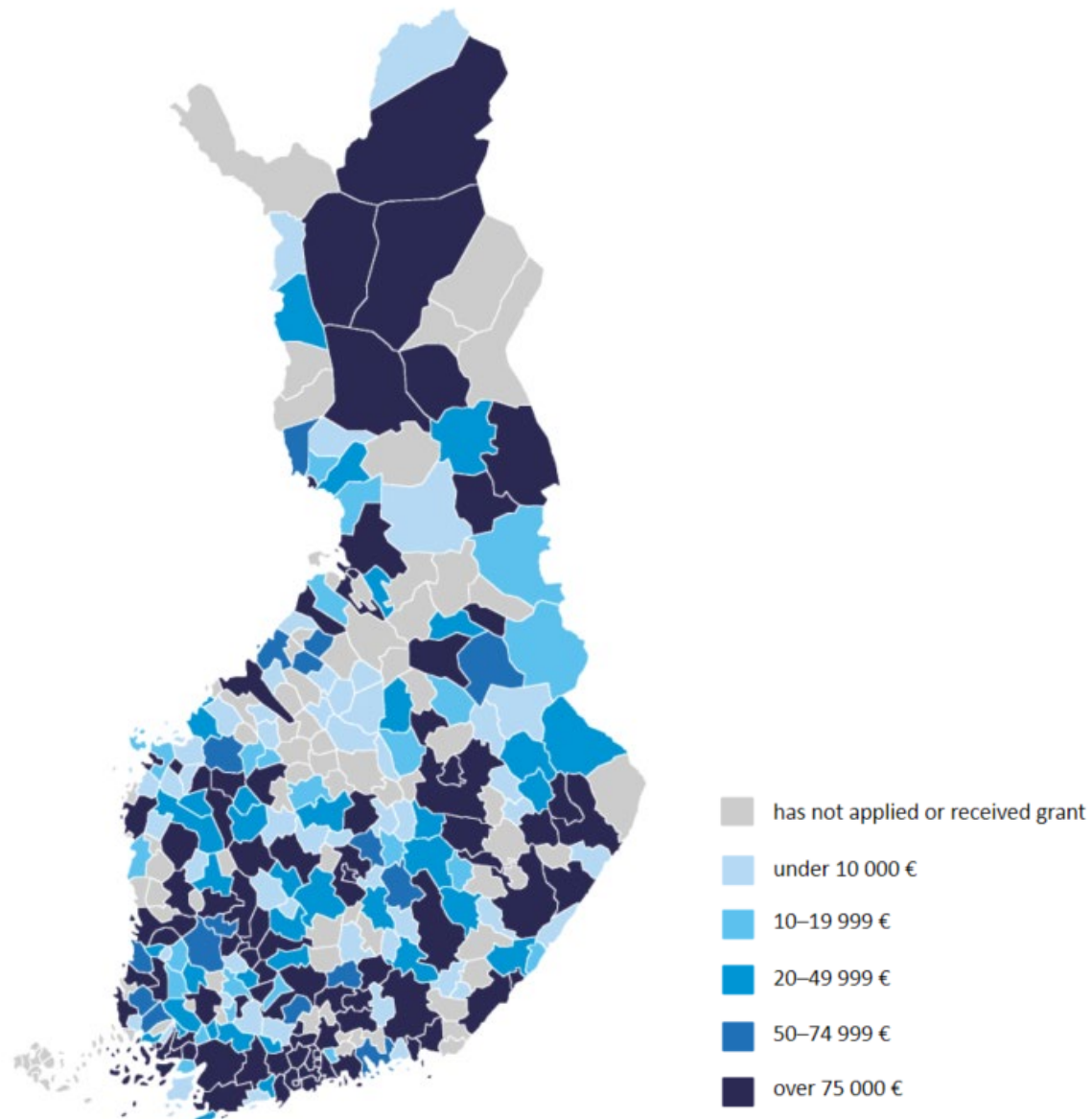


FIGURE 3 Support granted, by municipalities.

### Paid work in clubs that receive financial support

One in four of the clubs that received wage and salary subsidies had their municipality of residence in Uusimaa (figure 4). The regions of Ostrobothnia, Central Ostrobothnia and Kainuu stand out as large grey areas on the map. In these areas there are many municipalities where no employees have been recruited to sports clubs with the help of the financial

support. Similarly, for example, only nine of the 23 municipalities in Central Finland have been granted employment support. A significant part of the aid has gone to the largest city in the province, Jyväskylä. The areas in dark blue are the largest urban centres in Finland. Most of the grants to clubs for salaried work have gone to sports clubs operating in large cities. (Turunen 2020 et al.)

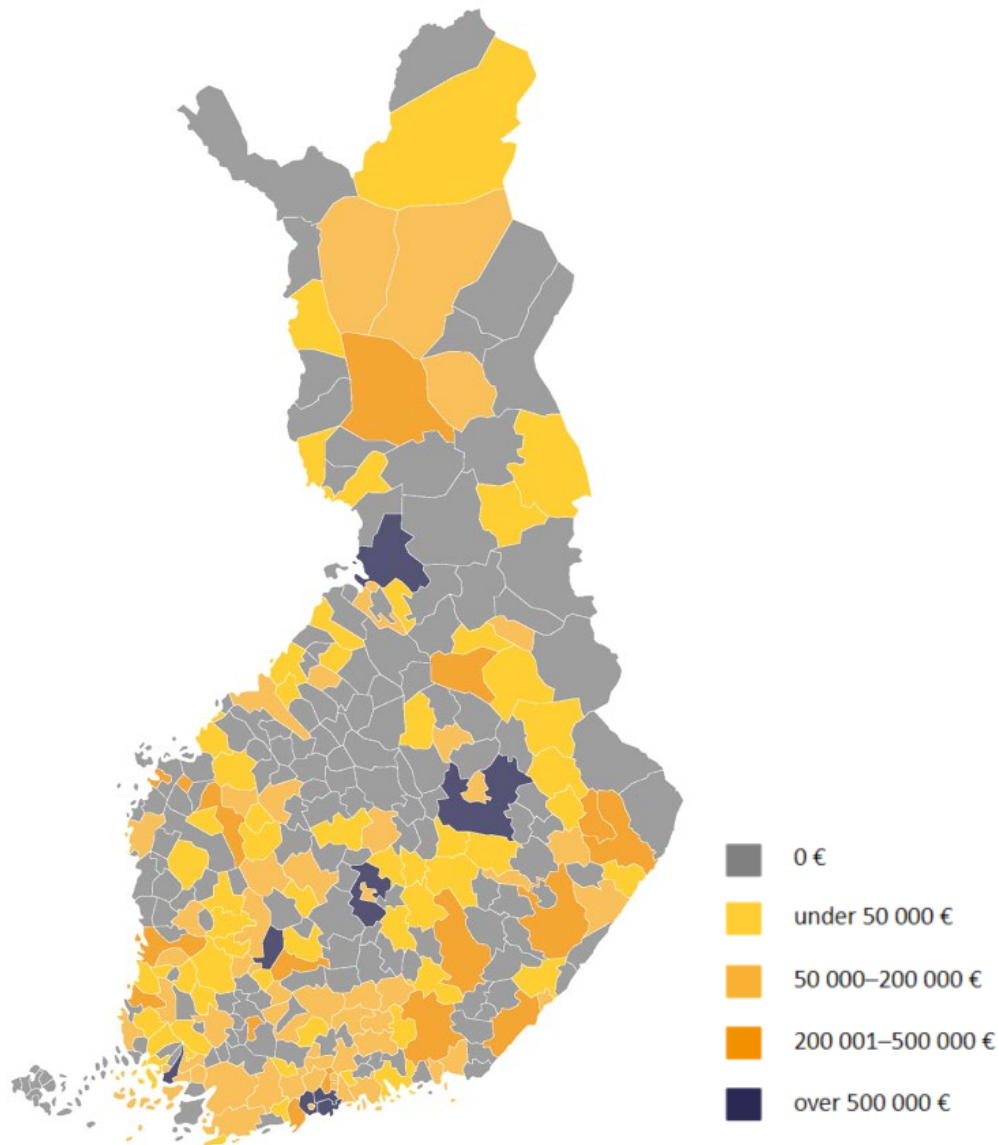


FIGURE 4 Salary subsidies granted by clubs' place of residence, 2013–2020.

Employees at the sports clubs that received targeted employment support were most often in part-time employment, irrespective of the numeric membership in the club (figure 5). On average, clubs with an annual budget of at least €250,000 or at least 500 members hired full-time employees.

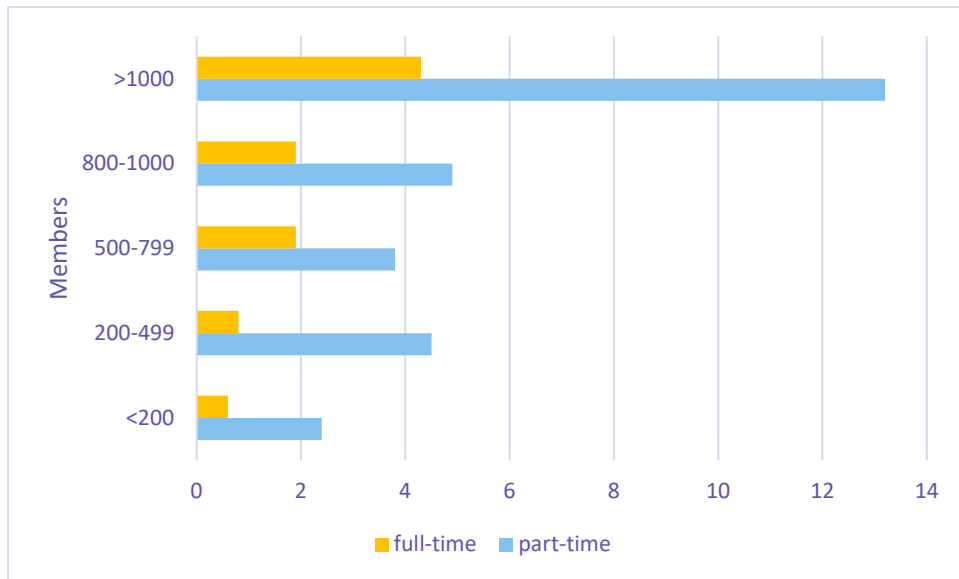


FIGURE 5 Salaried employment in employing sports clubs by number of club members in 2016–2018.

In a survey on the consolidation of salaried employment (Turunen et al. 2019), sports clubs were asked "How many salaried employees did your club have before the first ministry-supported salaried employment project and how many now?" Respondents indicated the number of employees in different response fields based on the number of hours worked (Table 1). The majority of employees in sports clubs worked less than 10 hours per week. The average number of such contracts per club at the time of the survey was 5.9, which is almost double the number before the payroll support project. The number of full-time employees had also risen from an average of around one employee to almost two. Full-time jobs accounted for about one fifth in comparison with the number of part-time jobs.

TABLE 1 Employees by type of employment and number of hours worked.

<i>Form of employment</i>	<i>Before the salary support</i>		<i>After the salary support</i>	
	<i>total</i>	<i>per one sport club</i>	<i>total</i>	<i>per one sport club</i>
<i>part-time (under 10 hours/week)</i>	416	3,1	784	5,9
<i>part-time (10–20 hours/week)</i>	115	0,9	215	1,6
<i>part-time (over 20 hours/week)</i>	90	0,7	150	1,1
<i>full-time</i>	122	0,9	239	1,8

According to the results of the project monitoring of the financial support, about one in two sports clubs that received support had an employee after the end of the grant period. The more years a club had received support, the more likely it was that the employment relationship would continue after the grant period. Clubs that had employed several workers were more likely to be able to continue the employment relationship than clubs that had hired their first worker with the support. The reasons for termination of employment were most often related to financial problems of the club, difficulties with job orientation or employee-related issues such as moving to other jobs. (Rieki & Hentunen 2017.) Recruiting an employee was also seen as too heavy a process; a suitable employee could not be found or the job tasks and the employee's skills did not match. (Turunen et al. 2019).

A key factor in establishing a stable employment relationship after the end of project support was a sufficiently large number of the club membership. The main source of income for clubs to continue hiring employees was membership and activity fees (90%). The second most common source of income was grants/support (64 %) and the third was event revenue (48%). Other income reported by clubs included sponsorship (35 %), sales (7 %) and rental or training revenue (6 %). (Turunen et al. 2019.)



## Paid work in Finnish sports clubs

According to Statistics Finland's data (figure 6), in 2018, there were non-profit sports clubs as employers in 263 municipalities in Finland, which is 85 percent of all municipalities (Statistics Finland 2020a): Helsinki (185 clubs), Espoo (67), Oulu (65), Jyväskylä (61), Tampere (61), Vantaa (56), Turku (54), Kuopio (45) and Lahti (42). The majority of municipalities (56 percent) had no more than five clubs as employers.

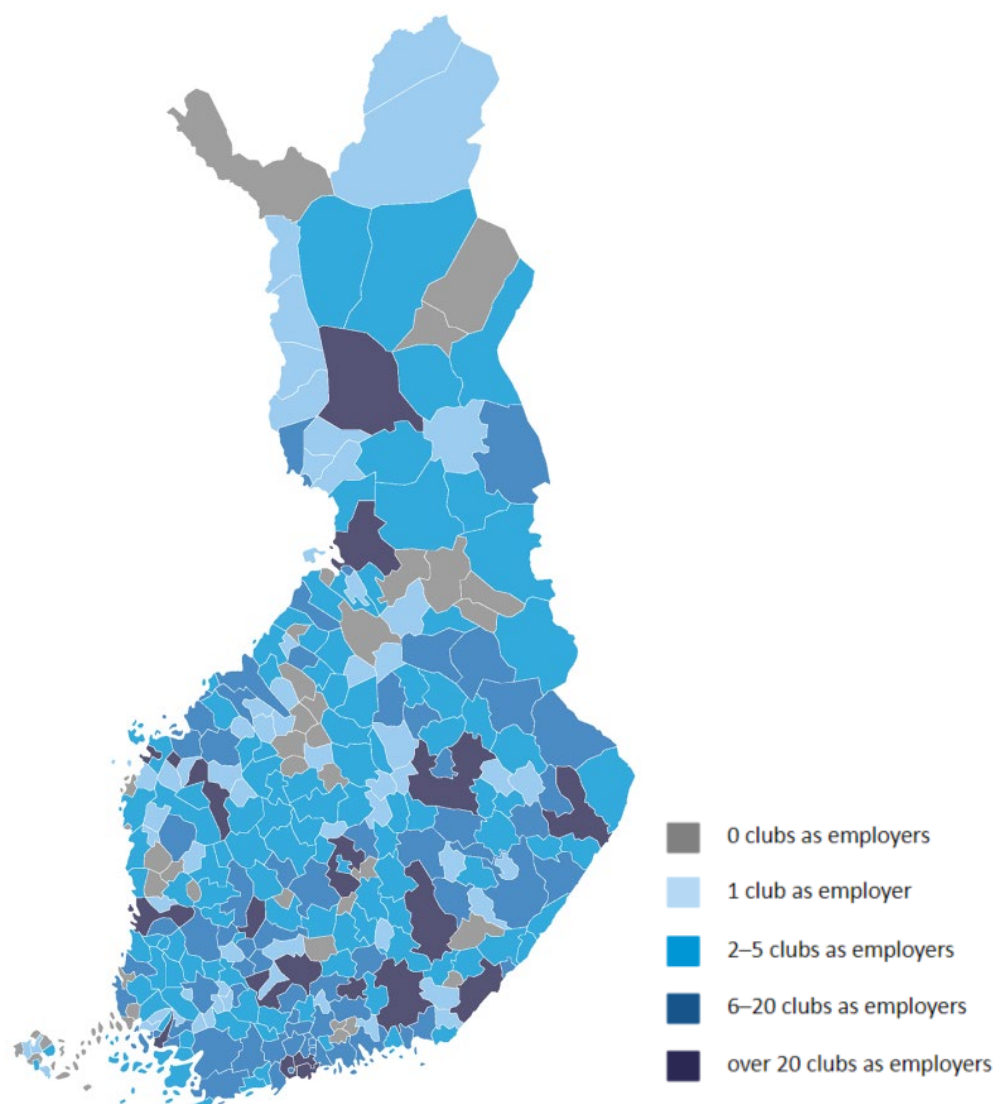


FIGURE 6 Number of clubs as employers by municipality in 2018 (Statistics Finland 2020).

The amount of work done in sports clubs has increased almost every year in terms of person-years (figure 7). Person-years are calculated for both full-time and part-time employment. Paid work in Finnish sports clubs has increased by 24 percent between 2013 and 2018. The number of person-years has increased from 1.5 to around 1.8 person-years per employer sports club. (Statistics Finland 2020.)

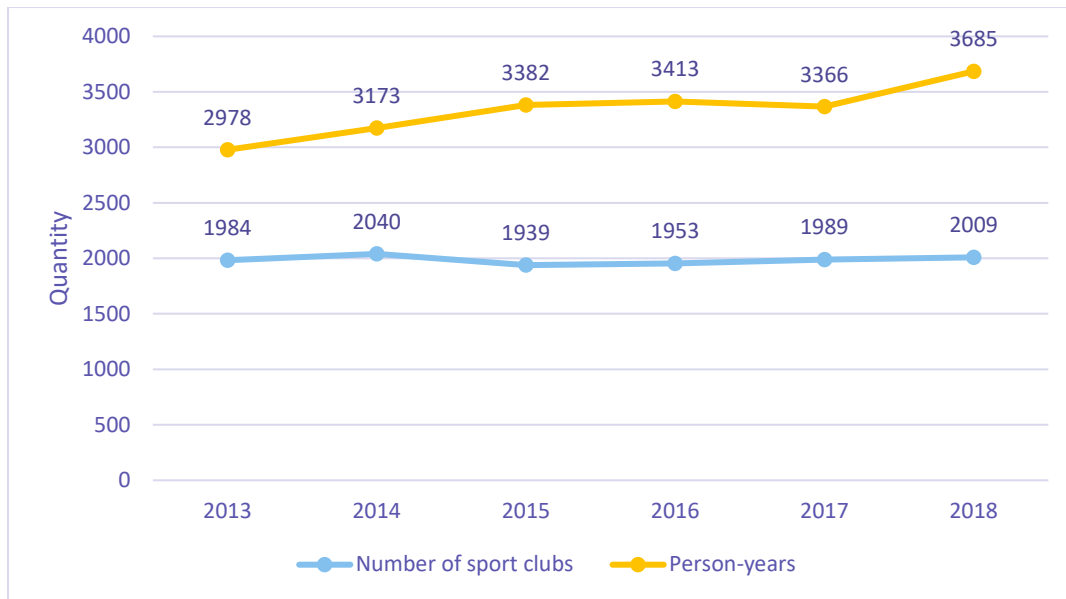


FIGURE 7 Number of non-profit sport clubs as employers and person-years of employment between 2013 and 2018 (Statistics Finland 2020).

The total wage and salary bill of sports clubs has increased by €24.8 million between 2013 and 2018 (figure 8). Payrolls have increased every year, a trend that has been more stable than the increase in person-years.

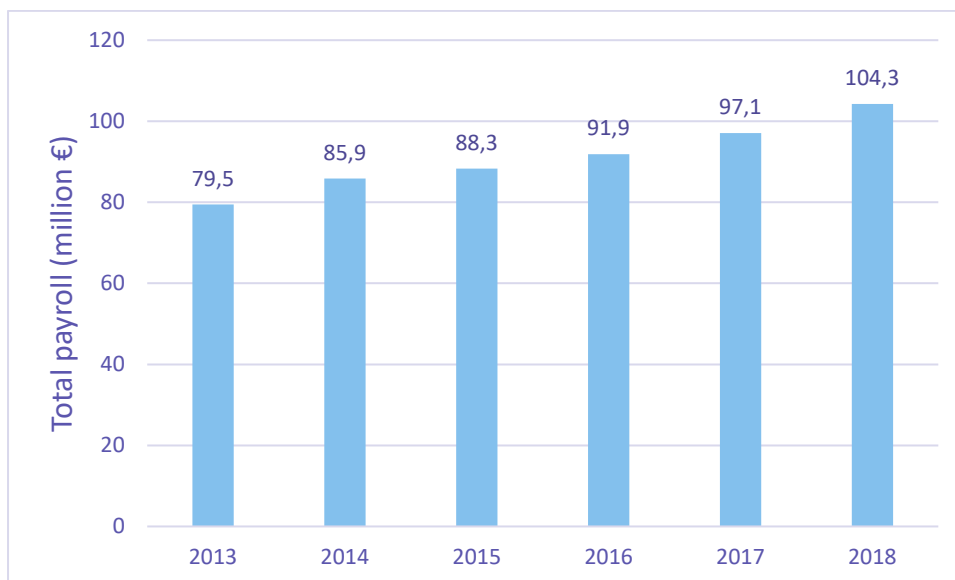


FIGURE 8 Payroll in Finnish non-profit sports clubs from 2013 to 2018 (Statistics Finland 2020).

## Summary

- By municipality of origin of the clubs, activity development support of almost €37 million has been granted to 218 municipalities between 2012 and 2021. 95 percent of children and young people aged 6–16 in Finland live in the municipalities of origin of the clubs that receive the development support.
- According to the results of the project monitoring of the development support for clubs, around one in two of the clubs that received support had an employee after the end of the support period. Hiring is most likely to have stabilised in those clubs where there was a sufficiently large membership and financial volume and where a full-time employee had been hired with the help of the support. The salary costs of the employee were generally covered (90 percent) by membership and activity fees after the end of the subsidy.
- The data confirm previous estimates and findings that about one fifth of the clubs act as employers (Koski & Mäenpää 2018) and paid employment is more easily established in those clubs with previous experience of hiring paid staff (e.g. Riekkö & Hentunen 2017). In other words, those sports clubs where issues related to paid employment and employer practices become established are able to hire even more workers.
- Overall, the amount of paid employment in Finnish sports clubs has increased. Between 2013 and 2018, paid employment in sports clubs increased by around 700 person-years, from 1.5 person-years per employer club to around 1.8 person-years. Over the same period, the amount of wages and salaries paid by sports clubs increased from €80 million to €104 million.
- The increase in employment in sports clubs is in line with employment trends in the rest of the third sector (Ruuskanen et al. 2013). Although there are employing clubs in more than 80% of municipalities, paid employment and employing clubs are concentrated in large municipalities, especially in the metropolitan area.
- Little information is available on the part-time, seasonal and/or fee-based work in sports clubs. The analysis and evaluation are hindered by lack of data, among other things. For example, Statistics Finland's seasonal tax data do not distinguish by type of employment in sports clubs, and so far we have to rely on self-reporting by clubs. There is no common conceptual framework and understanding around the subject.

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