

Funding the Arms Race

A Case Study of Student Athletic Fees

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Center for College Affordability and Productivity

The Center for College Affordability and Productivity (CCAP) is an independent, nonprofit research center based in Washington, DC that is dedicated to researching public policy and economic issues relating to postsecondary education. CCAP aims to facilitate a broader dialogue that challenges conventional thinking about costs, efficiency and innovation in postsecondary education in the United States.

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Introduction

Intercollegiate athletics (ICA) is becoming an increasingly expensive venture at America's colleges and universities. Some big-time athletic powers have athletic budgets exceeding \$100 million annually, and even schools with lesser reputations in the NCAA's Divisions II and III have had sharp increases in athletic budgets in recent years. Schools vie to pay superstar coaches multi-million dollar salaries. This comes at a time when American higher education is facing at best stagnant resources, and, particularly for public schools, actually declining amounts of non-student support. The aging of the American population, stagnation in the 18 to 24 year old population pool, and massive governmental deficits and financial problems suggest that it is unlikely that non-student sources of academic funding will rise robustly over the next few years. Increasingly, ICA threatens to crowd out other higher education activities, including the core mission of teaching and research.

As institutions dig into their own pockets to fund ICA programs not supported by ticket, logo, concession, broadcasting, parking revenues or private gifts, they are increasingly forced to rely directly on funds provided by student fees. In other cases, institutional subsidies implicitly drain resources that could otherwise support the core academic missions of teaching and research. General tuition fees may be raised to cover academic costs that would have been fundable from other revenues were it not for rising athletic costs.

The funding of ICA has historically been mired by secrecy and, arguably, deception. Schools have fought to keep the public from knowing the subsidy students pay, the salary of the football coach, some of the less than optimal practices used to maintain player eligibility, etc. There has been the stench of both secrecy and corruption that reduces the respect that the public has for institutions of higher learning, which in turn hurts them in funding mainstream activities. The alleged positive "spillover effects" of ICA in fact may be negative—damaging the viability and respect of universities in American society. It is ironic that the very institutions in our society that are supposed to be in the business of creating and disseminating knowledge at the highest levels—our universities—engage in such secrecy and sometimes deception.

Increasingly, ICA involves funding from current students. To some extent, that may be justified. Students attend sporting events and participate on teams. Athletics can work to bind together diverse students into a college or university community, increasing institutional pride. In theory, this can lead to greater institutional prestige, alumni donations, etc. This study largely ignores those issues which have been studied extensively elsewhere, and rather focuses on student funding and how much students know about their own financial contribution to ICA—and whether they approve of it.

The empirical section of the study focuses on one institution, Ohio University, and its students. Ohio University is in many ways a rather typical state university of around 20,000 students, of mid-quality and reputation, both with respects to academics and athletics. The authors' own affiliations with the institution allowed them student access. The study shows that the claims of proponents of big ICA spending often mislead the public, and that student enthusiasm for ICA is far less than claimed by supporters. To be sure, there is an issue of the representativeness of Ohio University and its students, and this study needs to be replicated and expanded to other institutions. The results, however, suggest the efforts of students, faculty



and other educational reformers to rein-in ICA costs and increase transparency regarding spending are important and more necessary than ever.

The Growing Cost of Intercollegiate Athletics in America

When Americans think of intercollegiate athletics, many quickly assume that these operations are revenue generators for their respective academic institutions. After all, major football and basketball programs attract millions of viewers every year and culminate with high-profile championship events. Disney Corporation owned ESPN pays \$125 million a year to broadcast the football Bowl Championship Series (BCS) games.¹ Last year the NCAA inked a contract with CBS and Turner Broadcasting for \$10.8 billion over 14 years for the rights to air the annual “March Madness” college basketball tournament.²

Yet, despite all this money, the notion that ICA is a net-revenue generator is a myth. While many college sports programs do generate considerable sums of money, nearly all have expenses that exceed generated revenues. Among the 207 public Division I institutions for which data is available, only 13³ athletic departments broke even in 2008-09 without relying on external subsidies.⁴

In fiscal year 2009 (FY2009), the median total expense for athletic programs in the Football Bowl Subdivision (FBS – formerly known as Division 1A) was \$45.9 million, despite median total generated revenues being just over \$32.3 million. This left a budget deficit of \$13.6 million to be covered by subsidies. This is a real (inflation adjusted) increase of 95.8 percent since FY2004. Although the growth in the median budget deficit for FBS schools has greatly exceeded that for the Football Championship Series (FCS) and NCAA Division I without football schools, the latter two themselves have seen this figure grow by 39.5 percent and 30.0 percent respectively since FY2004.⁵

The NCAA’s Division II has not been immune from this problem of growing budget deficits either. Between FY2004 and FY2009, the median deficit to be filled by subsidies for Division II schools with football programs grew 40.2 percent from \$2.84 million in FY2004 to \$3.98 million in FY2009. At Division II schools without football programs, the growth was less, but still substantial, at 21.2 percent, growing from \$2.35 million to 2.85 million.⁶ All this suggests that while the cost explosion in ICA has been most pronounced at FBS institutions, it has impacted the lower division schools, and their students, as well.

¹ Weir, Tom, and Michael Hiestand. "BCS Officially Headed to ESPN Starting in 2011." *USA Today*. 19 Nov. 2008. Web. 24 Jan. 2011. <http://www.usatoday.com/sports/college/football/2008-11-17-bcs-fox-espn_N.htm>.

² "NCAA Signs New 14-year TV Deal for DI Men’s Basketball." *National Collegiate Athletic Association*. 22 Apr. 2010. Web. 24 Jan. 2011. <[http://www.ncaa.org/wps/portal/ncaahome?WCM_GLOBAL_CONTEXT=/ncaa/NCAA/NCAA News/NCAA News Online/2010/Association-wide/NCAA signs new 14year TV deal for DI mens basketball_NCAA News_04_22_10](http://www.ncaa.org/wps/portal/ncaahome?WCM_GLOBAL_CONTEXT=/ncaa/NCAA/NCAA%20News/NCAA%20News%20Online/2010/Association-wide/NCAA%20signs%20new%2014year%20TV%20deal%20for%20DI%20mens%20basketball_NCAA%20News_04_22_10)>.

³ In descending order, these were: Texas A&M, Texas-Austin, Michigan, Iowa, Louisiana State, Alabama, Nebraska, Indiana, Kentucky, Purdue, Missouri, Georgia, and Oklahoma.

⁴ Authors’ Calculations using data from: "USA TODAY Database: What NCAA Schools Spend on Athletics." *Sports*. USA Today, 2 Apr. 2010. Web. <<http://www.usatoday.com/sports/college/ncaa-finances.htm>>.

⁵ Authors’ calculations using data from: Fulks, Daniel L. *Revenues and Expenses, 2004-2009: NCAA Division I Intercollegiate Athletics Programs Reports*. Table 2.1. Rep. National Collegiate Athletic Association, Aug. 2010. Web. Jan. 2011. <http://www.ncaapublications.com/productdownloads/REV_EXP_2010.pdf>.

⁶ Author’s calculations using data from: Fulks, Daniel L. *Revenues and Expenses, 2004-2009: NCAA Division II Intercollegiate Athletics Programs Report*. Table 2.1. Rep. National Collegiate Athletic Association, Aug. 2010. Web. Jan. 2011. <<http://www.ncaapublications.com/productdownloads/2008DIIRevExp.pdf>>.



Student Fees

Virtually all intercollegiate athletic departments require external subsidies to balance their budgets. This subsidy has become more burdensome over time as athletic costs have soared at rates beyond the growth in generated revenues. Athletic departments rely upon four sources of revenue to fund this subsidy: (1) Student Athletic Fees; (2) Direct State or Other Government Support; (3) Direct Institutional Support; (4) Indirect Facilities and Administrative Support. Most relevant to this study is the “student athletic fees” category.⁷

Student fees arose in the 1800s as a way for students to voluntarily fund activities not covered by tuition payments. These fees were modest in nature, funding, for example, “heating and lighting the university hall and public rooms, music, each diploma, and a matriculation fee in the law department,” at the University of Wisconsin in 1875.⁸ However, since that time student fees have become mandatory and much larger in nature. By 2008, data from the U.S. Department of Education suggest that student fees at four-year public research universities averaged over \$1,700 per year, up more than 36 percent, in real terms, since 2000.⁹

At many schools, intercollegiate athletics is a major recipient of general fee revenues. Indeed, of the 207 Division I public schools for which we have data, 169 (i.e. 81 percent) of them allocate student fee revenues directly to athletics. For at least some of the remaining schools, student fee monies are still used to subsidize athletics, but the money is reported under the “direct institutional support” category.

The amount of the student fee used for athletics varies from institution to institution. Athletic departments at FBS schools had an average subsidy from student fees of approximately \$3.53 million, while the student fee subsidy averaged \$3.45 million at FCS schools and \$4.18 million at Division I no football institutions in 2008. It is important to bear in mind that these figures are conservative estimates. Some schools lump student fee subsidies together with other subsidy categories (“direct institutional support” is the most common). Thus, these schools bias the overall student fee estimates downwards.

Student fees are generally thought of as a revenue source to fund extracurricular activities that students desire. It is common to hear athletic directors and other ICA sympathizers claim that students greatly value a strong intercollegiate athletics program as a part of their collegiate experience. However, there has been surprisingly little research examining whether students are even aware that large portions of their general fee dollars are often used to subsidize intercollegiate athletics, much less whether they support such an allocation.

⁷ For a broader analysis of the entire subsidy component of intercollegiate athletics budgets, see: Denhart, Matthew, and Richard Vedder. *Intercollegiate Athletics Subsidies: A Regressive Tax*. Rep. The Center for College Affordability and Productivity, Apr. 2010. Web.

<http://www.centerforcollegeaffordability.org/uploads/ICA_Subsidies_RegressiveTax.pdf>. http://www.centerforcollegeaffordability.org/uploads/ICA_Subsidies_RegressiveTax.pdf.

⁸ Lorence, Jordan. *FIRE's Guide To: Student Fees, Funding, and Legal Equality on Campus*. Rep. Foundation for Individual Rights in Education, 2003. Web. <<http://thefire.org/public/pdfs/student-fees.pdf?direct>>.

⁹ Authors' calculations using data from: "The Integrated Postsecondary Education Data System - Home Page." *National Center for Education Statistics (NCES) Home Page, a Part of the U.S. Department of Education*. U.S. Department of Education. Web. <<http://nces.ed.gov/ipeds/>>.



One recent study of this topic yielded sobering results. Surveying students at the University of Toledo, Katherine Ott found that while 91 percent of respondents were aware they paid a general fee, only 43 percent could identify the correct amount. When asked about which uses of student fee dollars they believe are most important, the students listed the student recreation center, the student medical center and the student union as their top three choices. Interestingly, the category —athletics and cheerleading” received little support from students with 39 percent of respondents indicating that these were unimportant to them. Additionally, only 25 percent of surveyed students knew that athletics and cheerleading received any general fee money at all. The irony, of course, is that at approximately \$9.3 million, —Athletics and Cheerleading received more general fee dollars than any other organization in 2008.”¹⁰ Ott’s findings are interesting, and beg for further research of the topic at other higher education institutions.

Case Study: Ohio University

To further explore students’ perceptions of their general fee and how it is used, we have completed a case study on the topic by surveying students on the main campus of Ohio University (OU) in Athens, Ohio. Ohio University, established in 1804, was the first university in the Northwest Territory. It is a public, four-year research institution, as categorized by the Carnegie classification system. In the fall of 2009, the university reported an enrollment greater than 20,000 students on its main campus. The school participates in Division I college athletics as a member of the NCAA’s Mid-American Conference, which it joined in 1946 as a charter member. OU’s MAC participation makes it a useful institution to select for this analysis since the MAC has, on average, the highest student athletic fees of any athletic conference in the FBS. Thus, this is a highly relevant topic for the university’s students.

This analysis seeks to address the following research questions:

1. Are students aware that they are charged a quarterly general fee in addition to tuition payments?
2. Do university determined allocations of general fee revenues align closely to students’ desires, specifically with respect to intercollegiate athletics?
3. Are students willing to pay a higher student fee to support intercollegiate athletics?

All undergraduate and graduate students enrolled on OU’s main campus during the fall quarter of the 2010-11 school year were invited to participate in the survey. The survey was conducted online, with an email containing the survey’s link sent out to all 19,843 possible participants. Of the 19,843 possible participants, 1,175—or 5.9 percent completed at least a portion of the survey. Respondents were free to exit the survey at any time, and 265 did so before completing the entire survey. This left a final sample size of 910 respondents who answered all of the survey’s questions. For demographic characteristics of the survey’s respondents, and a discussion of how those compare to the student body at large, please refer to Appendix A.¹¹

¹⁰ Ott, Katherine. "Students’ Awareness and Perceptions of the Activity Fee at the University of Toledo: A Descriptive Research Study." Thesis. The University of Toledo, 2009. Web. <<http://etd.ohiolink.edu/send-pdf.cgi/Ott%20Katherine%20S.pdf?toledo1239728340>>.

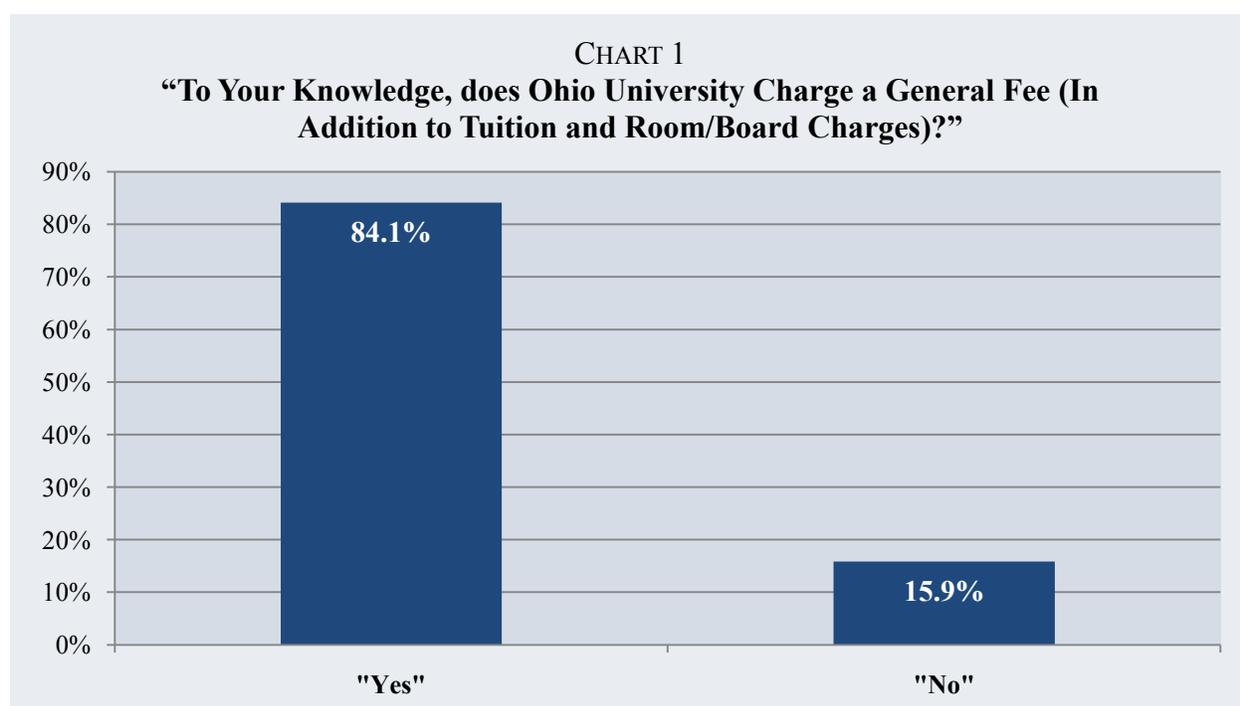
¹¹ The authors are grateful to CCAP Research Associate, Jonathan Robe, for his assistance in analyzing the survey respondents’ demographic characteristics and comparing them to the Ohio University student body at large.



Students' Awareness of the General Fee

The first research question this survey addresses is whether students are aware that they are charged a general fee at all. It is common for tuition and fees to be lumped together in discussions of college costs. Profiles of individual colleges provided by college ranking publications such as the *US News and World Report* and *Forbes* report a single amount for the sum of tuition and fees, as does the U.S. Department of Education's searchable database, the College Navigator. Since tuition and fees are often discussed as a single charge, it is possible that many students do not realize they are separate charges.

To test this question, we asked students: "To your knowledge, does Ohio University charge a general fee (In addition to tuition and room/board charges)?" A total of 1,167 students responded to this question, with 84.1 percent responding "yes" and 15.9 percent responding "no." See Chart 1.

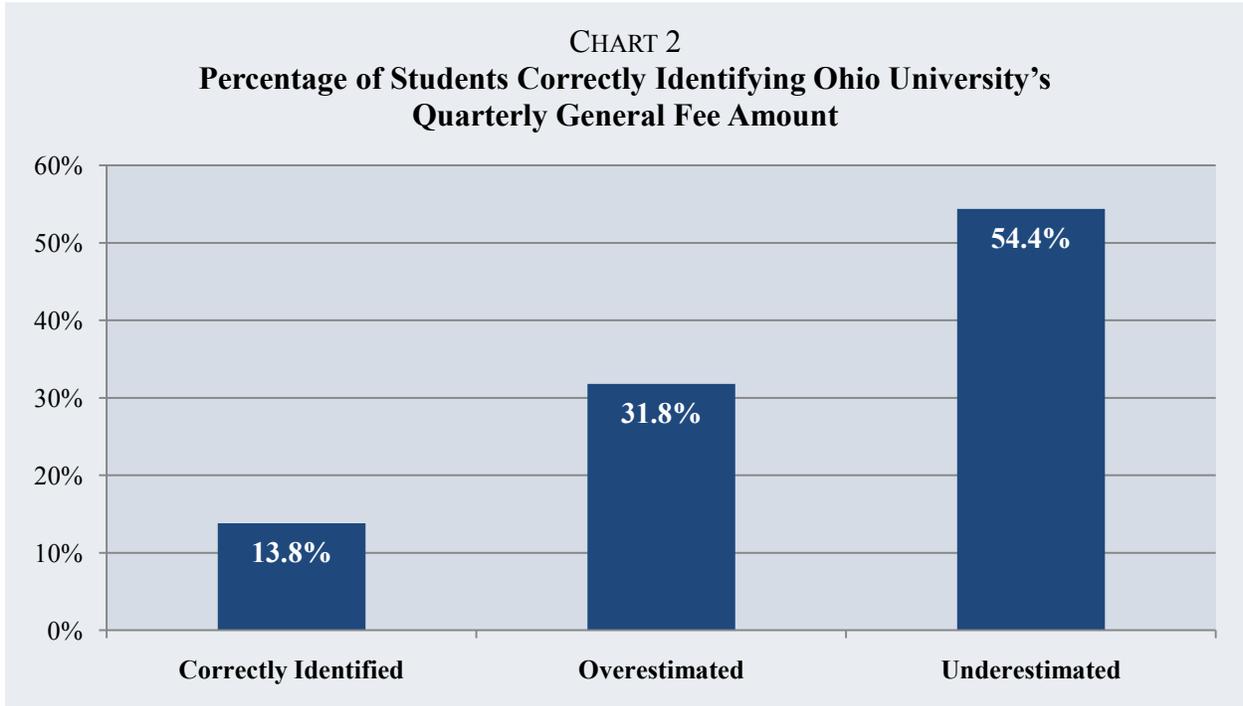


Next, students were asked to enter the dollar amount of OU's quarterly general fee. Of the 1,053 participants who answered this question, 991 take enough credit hours to be charged the full-time fee of \$531.00 per quarter.¹² As Chart 2 shows, only 13.8 percent of students correctly identified the fee amount. It should be noted that 211 responses (21.3 percent) fell in a range that was within 5 percent, in either direction, of the actual \$513 figure. Even with this leeway, just over one-fifth of students could correctly identify the actual fee amount. A majority of respondents (54.4 percent) underestimated the fee's amount, thinking that it was less than \$531 per quarter. For those underestimating, the median reported fee value was \$300, a full \$231 less than the actual amount. The remaining 31.8 percent of respondents overestimated the actual fee amount, with a median reported fee value for this sub-set of

¹² "Ohio University Athens Campus Tuition and Fees." *Ohio University Finance: Office of the Bursar*. Ohio University. Web. <<http://www.ohio.edu/finance/bursar/athenstuition.cfm>>.



\$1,000. Taken together, Charts 1 and 2 suggest that while most students are aware that they pay a general fee, a majority believe it to be less than it is in reality.



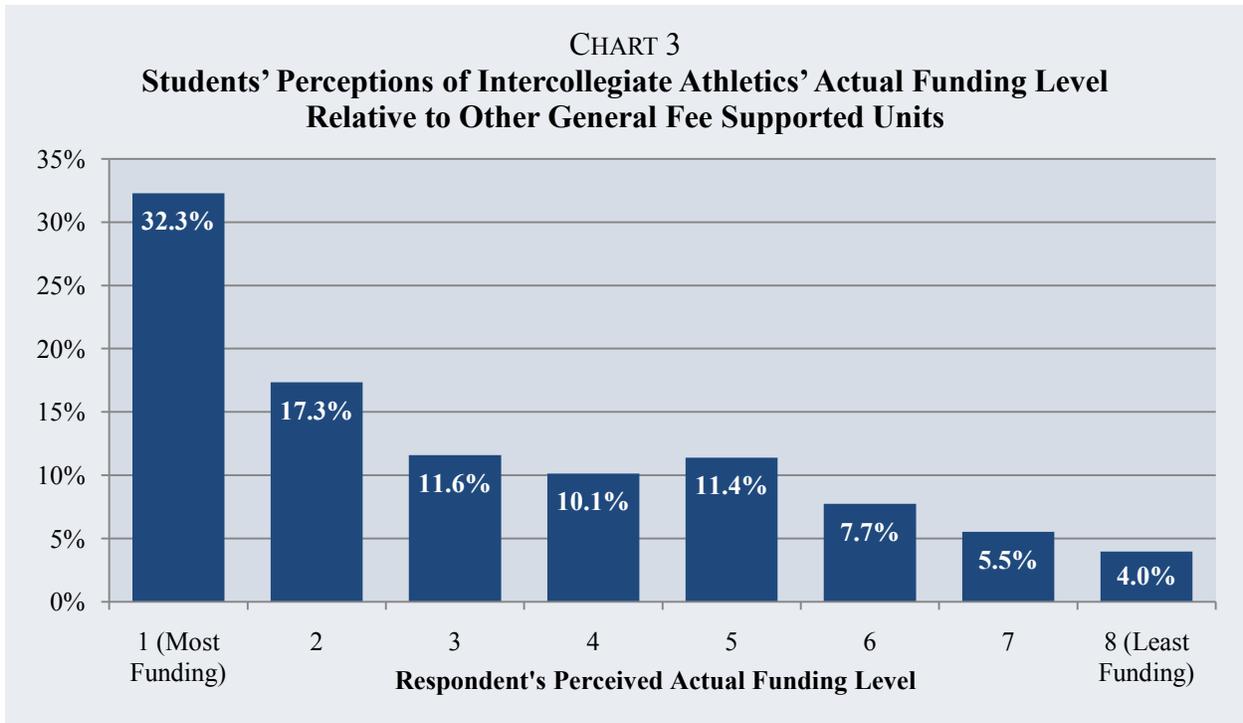
Allocations of the General Fee

The next portion of the survey asked students to rank the eight units that were supported by the general fee in FY2010 in order –according to their current actual funding levels determined by the university.” A scale from 1 to 8 was used, with 1 indicating that the student believed that particular unit received the greatest amount of general fee funding. Participants were then asked to rank the eight FY2010 general fee supported units again, but this time in order according each unit’s importance to the respondent personally. A ranking of 1 indicated that the particular unit was the most important of the eight, and that the student believed this unit deserved the greatest amount of general fee support. From these questions, we were able to determine how actual general fee funding allocations determined by the university compare to both students’ perceptions and students’ desires.

Our findings suggest that students’ perceptions of ICA’s funding level, relative to the other seven units, were rather accurate. ICA was the top funded unit at Ohio University in FY2010, receiving approximately \$12.7 million, the equivalent of 40.8 percent of all general fee revenues collected.¹³ As Chart 3 shows, 32.3 percent of surveyed students indicated that they believed that ICA received the most funding, and 61.2 percent listed it among the top three.

¹³ Section F: Student Tuition and Fees. Rep. Ohio University. Web. <<http://www.ohio.edu/finance/bpa/upload/FY10-SectionF.pdf>>.





Although students seem fairly aware that ICA receives a sizeable percentage of their student fee dollars, most indicate that athletics is of little importance to them personally and express that they desire it receive less funding than other general fee supported units. As Chart 4 indicates, the largest number of respondents (19.8 percent) selected a ranking of 8 to describe ICA—meaning that ICA is least important to them personally and least deserving of general fee funding. Furthermore, a full 70.7 percent of respondents placed ICA in the bottom half of the ranking, in the range of 5 – 8. A mere 5.6 percent of respondents rank ICA as the most important unit to them personally. Clearly, there is a divergence between the actual funding level ICA receives and the desires of this sample of students.

Student Attitudes Regarding Intercollegiate Athletics

The survey next turned to more explicitly ask students a series of questions regarding intercollegiate athletics. First, we asked whether respondents were aware, prior to starting the survey, that a portion of their general fee was used to subsidize intercollegiate athletics. As is shown in Chart 5, a majority of the question's 913 respondents were unaware that ICA receives general fee funding at all.

Next, the survey asked students whether they were aware that they receive admission to athletic contests without additional payment (beyond what is paid through the general fee) because a portion of the general fee is used to subsidize athletics. More than half of respondents, 56.3 percent, reported that they were unaware of this reality (see Chart 6).



CHART 4
Students' Expressed Importance and Desired Funding Level for Intercollegiate Athletics, Relative to Other General Fee Supported Units

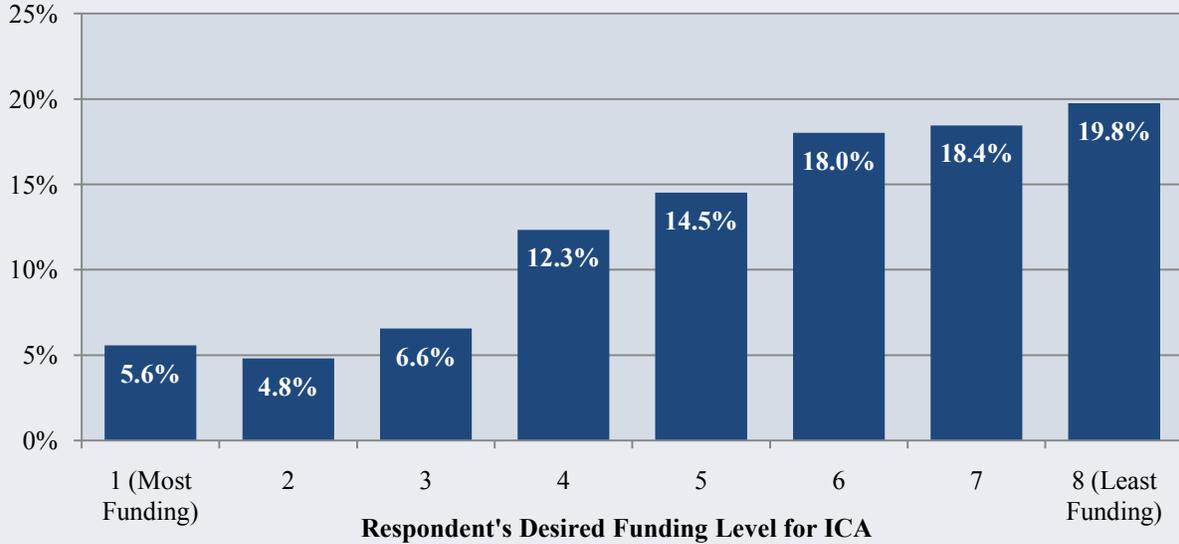
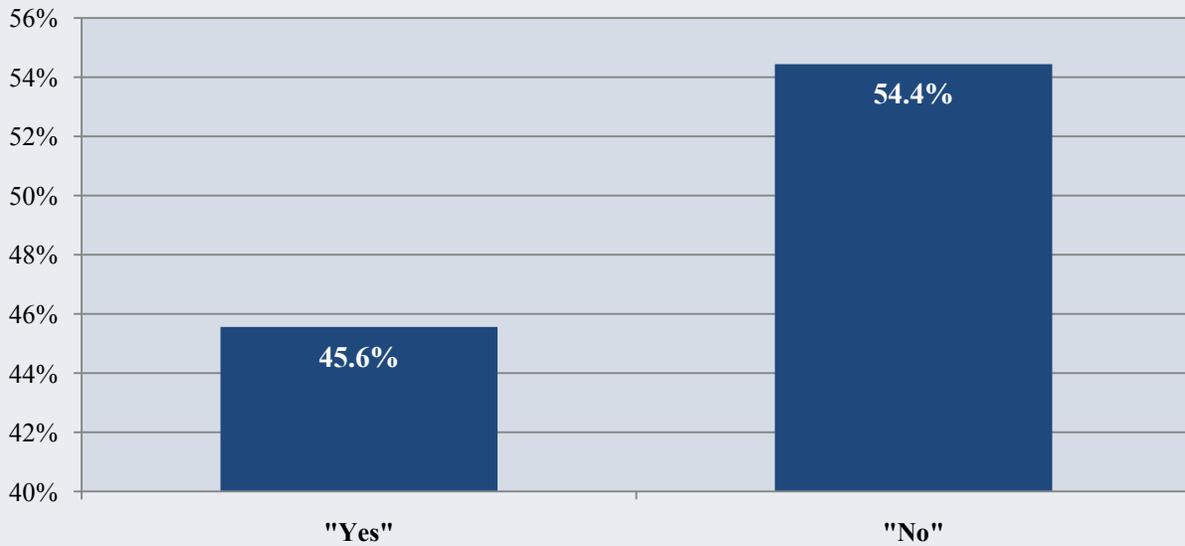
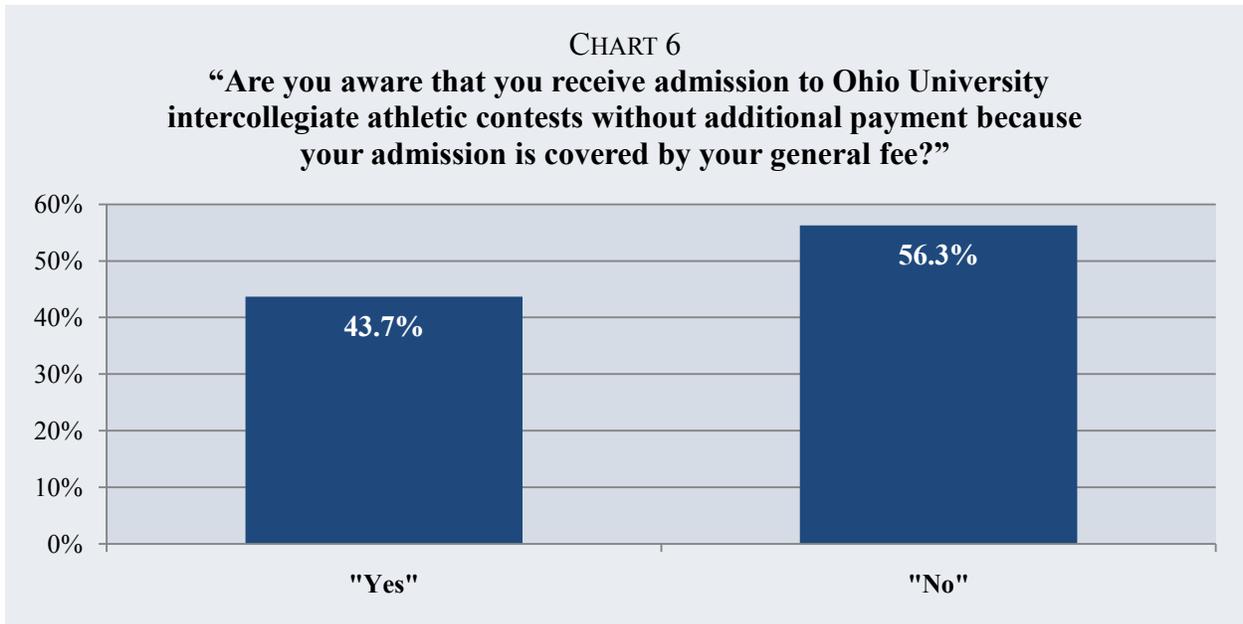
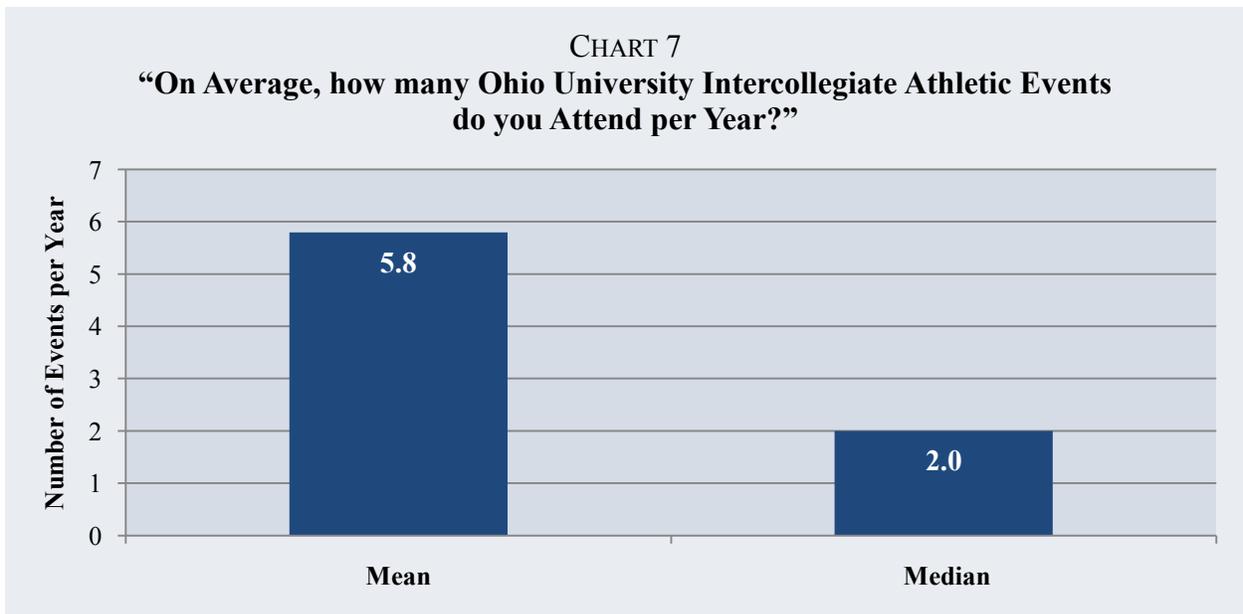


CHART 5
"Prior to Taking this Survey, Were you Aware that a Portion of your General Fee is Used to Subsidize Intercollegiate Athletics?"





In an open-ended question, the survey also asked participants to indicate how many Ohio University varsity athletic events they attend per year. The responses data had a mean of 5.8 and a median of 2.0 (see Chart 7). While these numbers themselves indicate that student attendance of ICA contests is fairly low, it should be noted that 35 percent of respondents indicated that they attend *zero* ICA events per year. Additionally, three respondents reported figures that were more than ten standard deviations from the mean. When excluding these three figures, the mean for the sample drops even further to an average of just over 4.5 events attended per year. Even using the 5.8 figure though, given that full-time OU students pay \$765 per year in athletic fees, a student who attends the average number of athletic contests would pay over \$130 per event.



Athletics advocates often argue that ICA is a crucial element for marketing the institution, which attracts students to a campus.¹⁴ The increasing operational costs and sizable debt service on facilities, conference realignment, travel, and the quest to be a winning program is often justified as a form of ‘investment’ for the greater good of the institution in the form of increased, and higher quality, applications, university exposure and interest, fund raising, and even heightened academic visibility and prestige. Robert H. Frank, H.J. Louis Professor of Management and Economics at Cornell University and author of a groundbreaking study commissioned by the Knight Commission on Intercollegiate Athletics entitled *Challenging the Myth*, stated that, “Individual institutions that decide to invest more money in their sports programs in the hope of raising more funds or improving their applicant pools may be throwing good money after bad, and would be wiser to spend the money in other ways If investment in big-time college athletics is unlikely to yield high returns from the perspective of any given institution, it is an even less attractive proposition from the perspective of institutions as a whole.” Frank writes, because it is a winner-take-all market in which success is defined by relative performance, “No matter how many hundreds of millions of dollars institutions spend, only 20 teams will finish in the AP’s top 20 in football each year, and only four teams will reach the final four in the NCAA basketball tournament.”^{15,16}

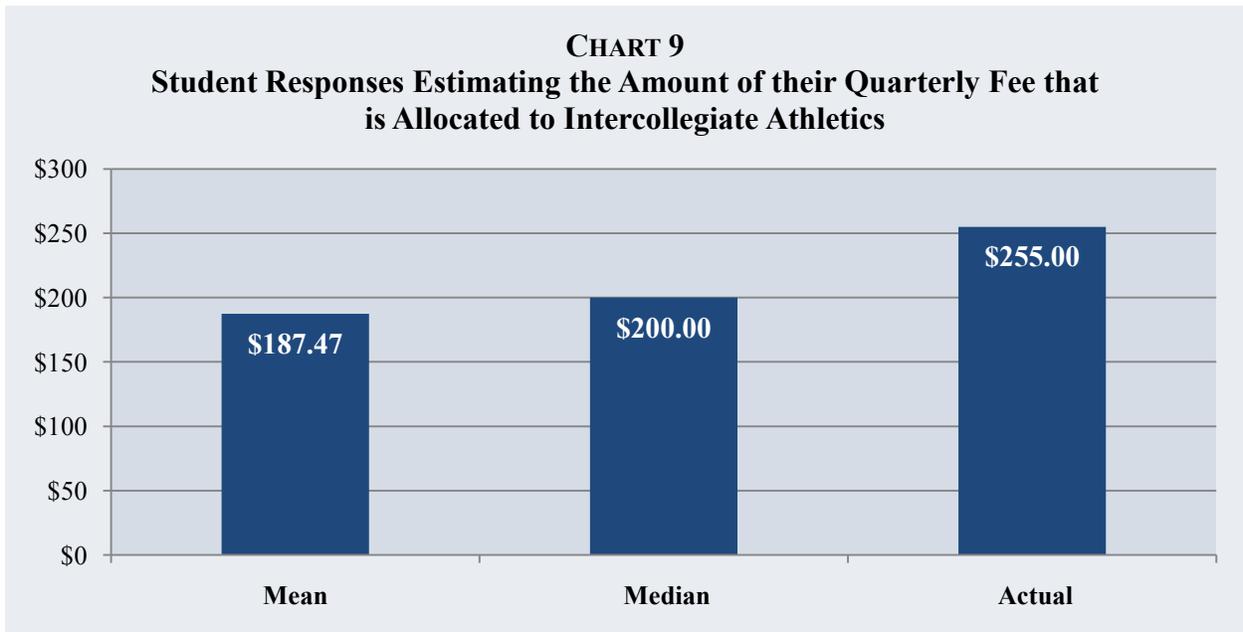
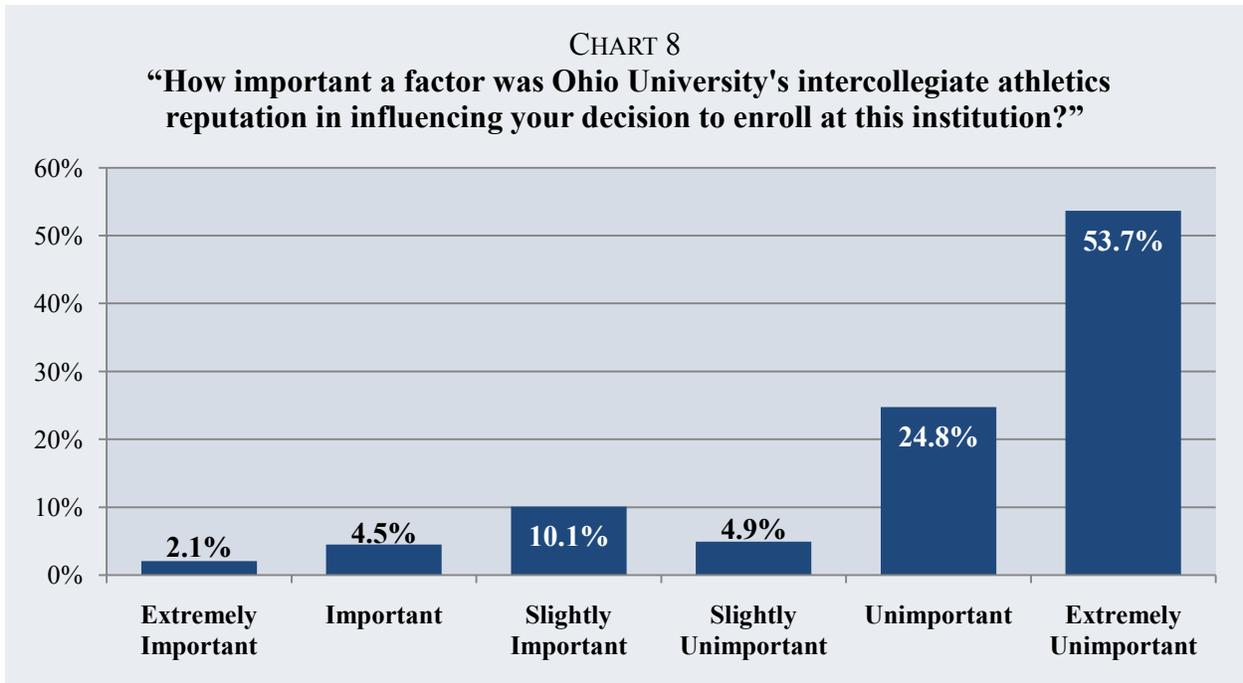
We decided to test many of these often accepted justifications by asking respondents to indicate the importance of OU’s intercollegiate athletics reputation on their decision to attend the school. Six different options were available: “extremely important,” “important,” “lightly important,” “lightly unimportant,” “unimportant,” and “extremely unimportant.” As Chart 8 indicates, a majority responded that ICA was “extremely unimportant” to their decision to attend Ohio University. Furthermore, 83.4 percent of respondents fall into one of the three “unimportant” categories. To the extent that this sample of students is representative of students at other universities, the data seem to contradict the conventional wisdom that athletics is a major admissions factor that students consider before enrolling at an institution.

¹⁴ There are numerous mainstream publications that document university administrators alluding to these reasons as justifications for continuing to increase spending on athletics programs. Ohio University’s current athletic director, Jim Schaus, wrote in a 2009 open letter to the university that Ohio’s peer institutions have a strong commitment to intercollegiate athletics. Schaus adds in part, “The reason for this commitment is that they recognize athletics is a dynamic marketing vehicle which annually produces millions of dollars in exposure. This exposure benefits many aspects of the university such as enrollment, alumni relations and fundraising, campus life and economic impact to the local area. Additionally, today’s students select a college for more than just a degree—they want a comprehensive student life experience of which athletics plays an integral role. Athletics may not be an academic unit, but its benefits positively affect the core academic mission of the university and make the institution better. Full text of the letter can be found at: “The Role of Athletics: From the Desk of Director of Athletics Jim Schaus.” *The Official Site of Ohio Athletics*. Ohio University, 8 Oct. 2009. Web. <<http://www.ohiobobcats.com/genrel/100809aab.html>>.

¹⁵ Frank, R. H. (2004). *Challenging the myth: A review of the links among college athletic success, student quality, and donations*. Miami, FL: John S. and James L. Knight Foundation Commission on Intercollegiate Athletics.

¹⁶ The NCAA commissioned its own study conducted by Jonathan and Peter Orszag entitled, “*The Empirical Effects of Intercollegiate Athletics: An Update*,” in April 2005. This report also failed to find statistically significant correlations between increased athletic investment and success and the often mentioned benefits of increased enrollments, quality of applicants and fund raising, among others. For the full report, see: Orszag, Jonathan M., and Peter R. Orszag. *The Empirical Effects of Collegiate Athletics: An Update*. Rep. National Collegiate Athletic Association, Apr. 2005. Web. <http://www.ncaa.org/wps/wcm/connect/97483e804e0dabfa9f32ff1ad6fc8b25/empirical_effects_of_collegiate_athletics_update.pdf?MOD=AJPERES&CACHEID=97483e804e0dabfa9f32ff1ad6fc8b25>.





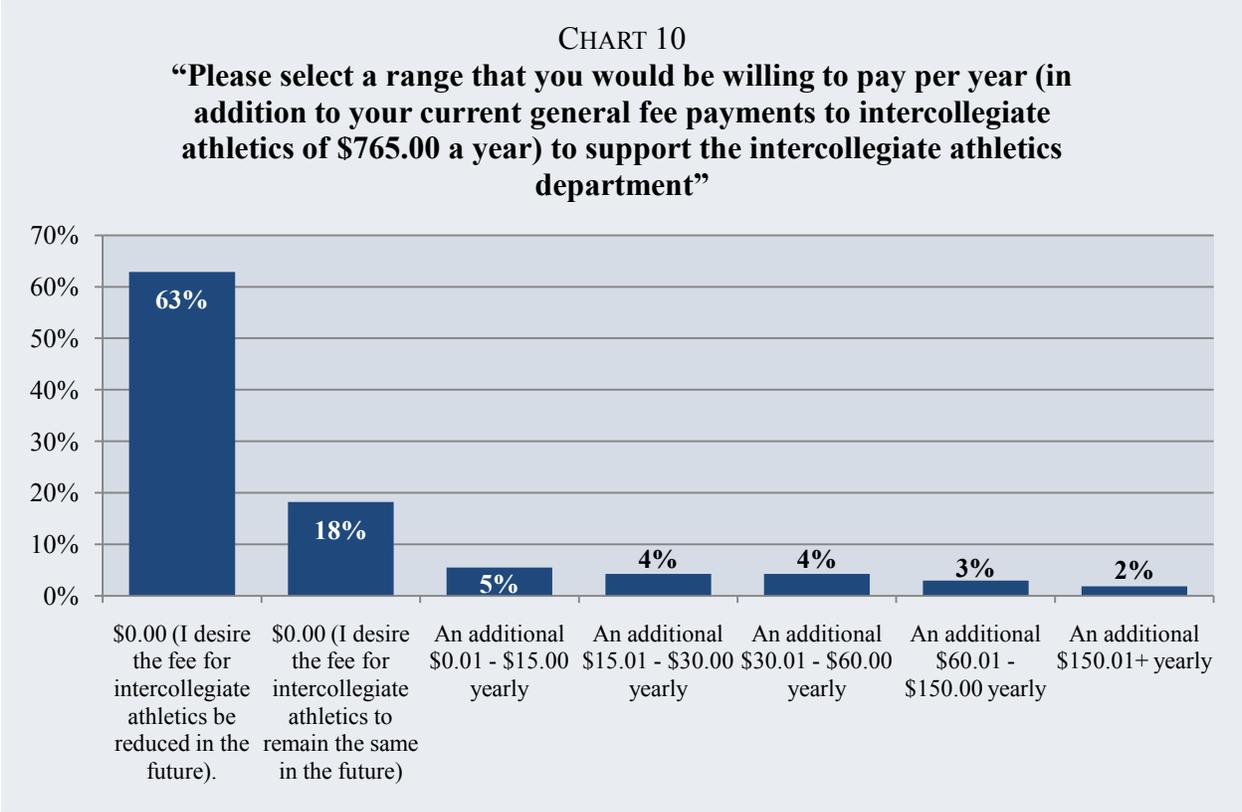
The survey’s next question aimed to find out if students are aware of how much of their general fee subsidizes ICA. In an open-ended question, the survey asked participants: “To your knowledge, how much of your quarterly general fee (which recall is \$531 for full-time students) is used by the university to fund intercollegiate athletics?” The mean of the responses indicated that respondents, on average, believed that \$187.47 of their quarterly \$531 general fee was used to subsidize ICA. The median of the responses was \$200. Yet, both figures underestimate the actual amount. According to *USA Today*, Ohio



University students actually paid \$765.00 per year in fees to ICA, or the equivalent of \$255 per quarter.¹⁷ These findings are summarized in Chart 9.

Students’ Willingness to Pay Additional Athletic Fees?

The third research question this survey addresses is whether students are willing to pay additional money to fund intercollegiate athletics. The survey’s final question examines this topic, asking students to: —Please select a range that you would be willing to pay per year (in addition to your current general fee payments to intercollegiate athletics of \$765.00 a year) to support the intercollegiate athletics department maintaining its current Division 1 status in the Mid American Conference (MAC) of the National Collegiate Athletic Association (NCAA).”



The response to this question was overwhelmingly negative, with 63 percent of students choosing the option —\$0.00 (I desire the fee for intercollegiate athletics be reduced in the future), and 18 percent selecting the option —\$0.00 (I desire the fee for intercollegiate athletics to remain the same in the future). Only 19 percent of the question’s 910 respondents indicated that they would be willing to pay even a cent more in their athletics fee to intercollegiate athletics.

¹⁷ Authors’ calculations using data from: "Chart: Analyzing the Percentage of Tuition That Goes to Athletics." *Sports*. USA Today, 21 Sept. 2010. Web. <http://www.usatoday.com/sports/college/2010-09-21-athletic-fees-chart_N.htm>. Note that the majority of students do not attend the summer term. Thus, they make three \$255 payments per year equaling \$765.



It should be noted that this question asks a very specific question, namely how much more students would be willing to pay for the athletics department to *maintain its current Division 1 status in the NCAA's Mid-American Conference*. It is possible that if students thought paying more in student fees would allow the school to move to a more prestigious conference, then their willingness to pay may be greater. However, in light of some of the survey's other findings (especially those displayed in Charts 4 and 8) we find this possibility unlikely. However, more research of this topic is certainly warranted.

Conclusion and Policy Implications

Athletic costs at American universities continue to soar year-after-year. With generated revenues failing to keep pace, athletic departments increasingly require large subsidies to balance their budgets. Although student fees often account for the largest portion of these subsidies, little research exists to gauge students' awareness and support for such charges. A survey of Ohio University students attempts to provide some insight regarding these issues.

The first research question addressed by this survey is whether students are aware that they pay a general fee (from which intercollegiate athletics is largely funded) at all. Survey results suggest that a large majority of students do understand that they pay a quarterly general fee to the university. However, when asked, only a minority of students was able to accurately report the fee's amount. This suggests that students have only limited understanding of the general fee and additional data suggest that they tend to underestimate its amount.

The second research question asks whether students are aware of, and support, the large allocation of the student fee to subsidize intercollegiate athletics. A number of survey questions examine this question. Prior to taking the survey, a majority of students were unaware that a portion of their general fee was used to subsidize athletics at all. After being informed that indeed a portion of their general fee is allocated to ICA, students on average underestimated the amount that is allocated to athletics. However, relative to other units that are supported by general fee revenues, students correctly indicated an understanding that ICA receives a substantial portion of total general fee monies. This reality clashes with the desires of a majority of survey respondents who indicate that ICA is of low importance to them personally and feel it deserves a relatively smaller portion of general fee funding.

Further survey questions corroborate the finding that students assign a rather low importance to ICA. Students, in an overwhelmingly majority, indicated that Ohio University's intercollegiate athletics reputation was unimportant in influencing their decisions to attend the school. Furthermore, when asked how many Ohio University varsity athletic contests they attend in a given year, the average response was 5.8, with 35 percent reporting that they do not attend a single varsity athletic contest in an average year. Finally, the survey explores the issue of whether students would be willing to pay additional money through their student fee to support ICA. Student responses suggest that a majority not only opposes an increase in the student athletic fee, but in fact desires the fee's amount be reduced in the future.

While we are reasonably confident that the findings from this sample of Ohio University students are representative of the student body at large, it should be noted that they are not necessarily representative



of the views of students at other institutions. It is our hope that this study can serve as a catalyst for more extensive research on this topic. Conducting a similar survey as the one we performed at Ohio University at several other institutions of varying student body and athletic department characteristics would help to develop a more complete understanding of how athletic fees affect American college students.

In addition to calling for further research, we endorse the Knight Commission's recommendation that urges athletic departments to be more transparent in their reporting of athletic finances. As the Commission points out, ICA departments are already required to submit financial information to the U.S. Department of Education under the Equity in Athletics Disclosure Act of 1994. Yet, these categories are "too broad," and thus do not allow students or the public to make any kind of useful comparisons between institutions.¹⁸

In our own survey, students responded enthusiastically to a question asking for the extent to which they would prefer that the university itemize the amounts charged for the eight general fee supported units on their quarterly bill, rather than reporting one single sum under a heading of "general fee." 76.8 percent of respondents indicated that they either "strongly supported" (51.6 percent) or "supported" (25.2 percent) such a movement, while 17.9 percent were "neutral," and only a combined 5.2 percent "opposed" or "strongly opposed" such an effort. Requiring greater transparency would put information in the hands of students empowering them to make informed decisions about how they want their money spent.

The study may have implications for public policy. At the federal level, should tax exempt status be given to private gifts to support non-academic activities? If so, should the IRS not require minimum reporting requirements similar to those discussed above? At the state level, should state subsidized institutions not be required to fully report virtually all transactions – maybe even place their check register on-line? Should schools be limited in the amount of institutional support for ICA to a certain percentage of state subsidies? Should a "truth in spending" requirement mandate notifying students of use of special fees levied to support ICA? Should the separation of athletic departments from the governance of universities be discouraged? This study does not answer these questions, and, in some cases, we are not sure ourselves of the "right" answers. But this study does suggest that the disconnect between perceptions and reality are so great regarding ICA, at least at one reasonably typical state university, that questions such as those above should be asked.

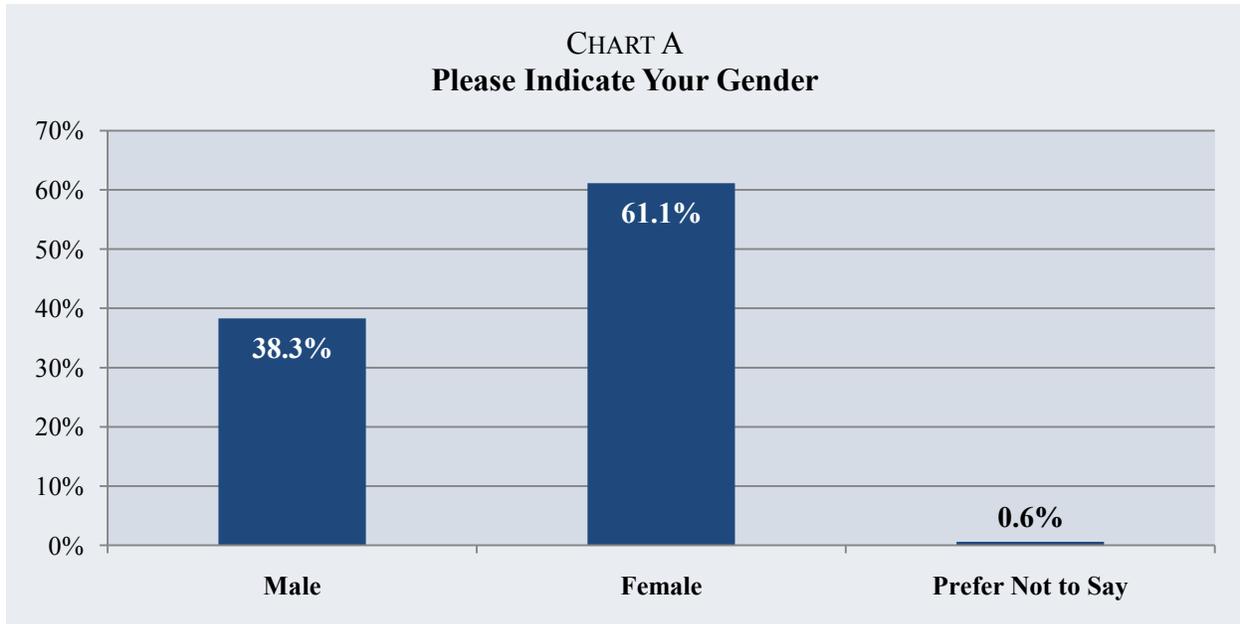
¹⁸ *Knight Commission on Intercollegiate Athletics. (2010, June). Restoring the balance: Dollars, values, and the future of college sports. Miami, FL: John S. and James L. Knight Foundation.*
<http://www.knightcommission.org/images/restoringbalance/KCIA_Report_F.pdf>.



Appendices

Appendix A: Survey Demographics

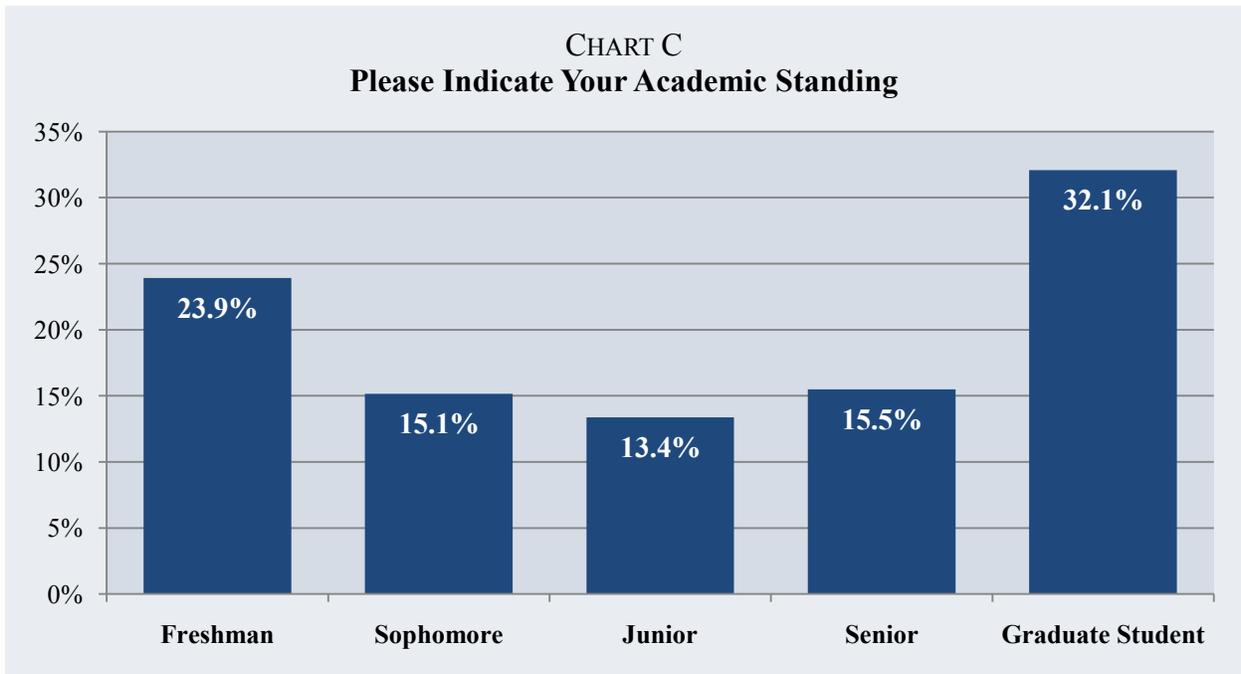
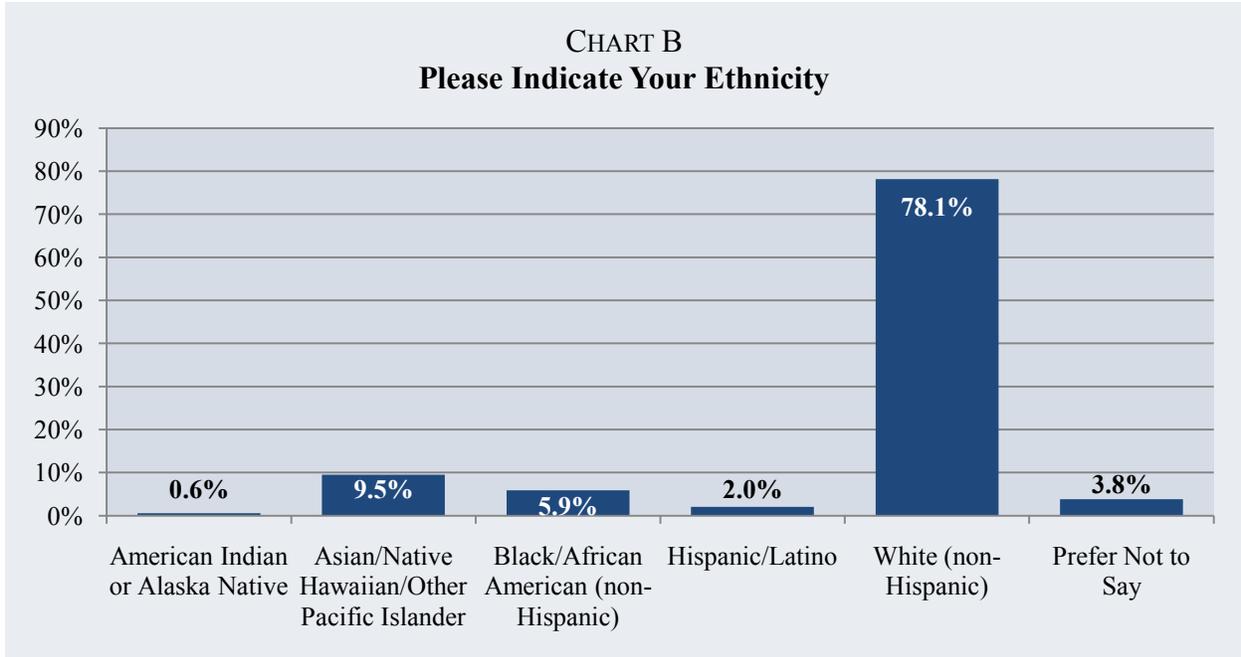
As Chart A depicts, of all of the survey respondents, 38.3 percent were male, 61.1 percent were female and 0.6 percent declined to indicate either one. Compared to the distribution of the entire Ohio University-Athens campus student body, females were over-represented among the survey respondents (61 percent compared to only 51 percent).



When asked to list their ethnicity, 0.6 percent respondents identified as “American Indian or Alaskan Native,” 9.5 percent identified as “Asian/Native Hawaiian/Other Pacific Islander,” 5.9 percent identified as Black/African American (Non-Hispanic),” 2.0 percent identified as “Hispanic/Latino,” 78.1 percent identified as “White (non-Hispanic),” and 3.8 percent of survey respondents preferred not to say. Chart B shows the proportions of each of these ethnic groups among the survey respondents. Compared to the racial distribution of the entire Athens campus student body, “Whites” are slightly under-represented in the survey.

In terms of academic class standing, more than two-thirds (67.9 percent) of all survey respondents were undergraduate students while 32.1 percent were graduate students (none of the survey respondents were medical students). As Chart C shows, 23.9 percent of respondents were Freshmen, 15.1 percent were Sophomores, 13.4 percent were Juniors, 15.5 percent were Seniors and 32.1 percent were Graduate Students (the survey did not distinguish between seniors who were in their fourth year and those who were in their fifth or sixth years nor did the survey questions allow for a distinction among graduate students by year of attendance). Compared to the demographics for the entire Athens campus student body, graduate students are over-represented in this survey. Undergraduate sophomores, juniors and seniors are somewhat under-represented.

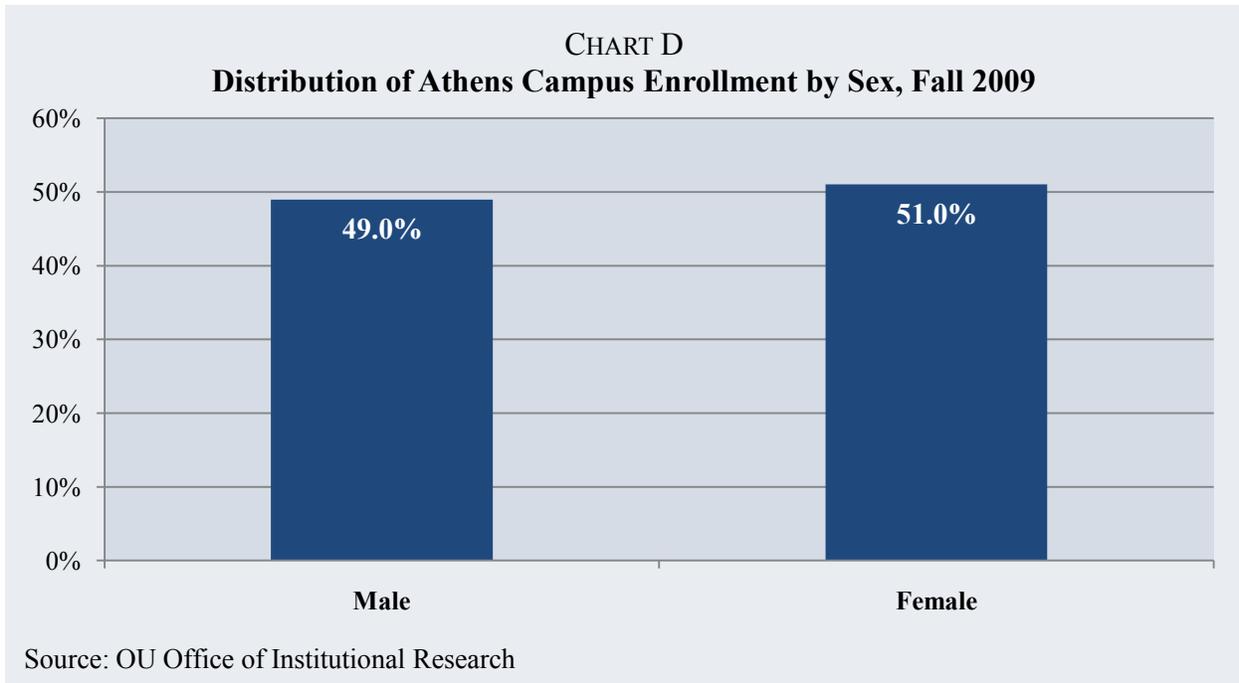




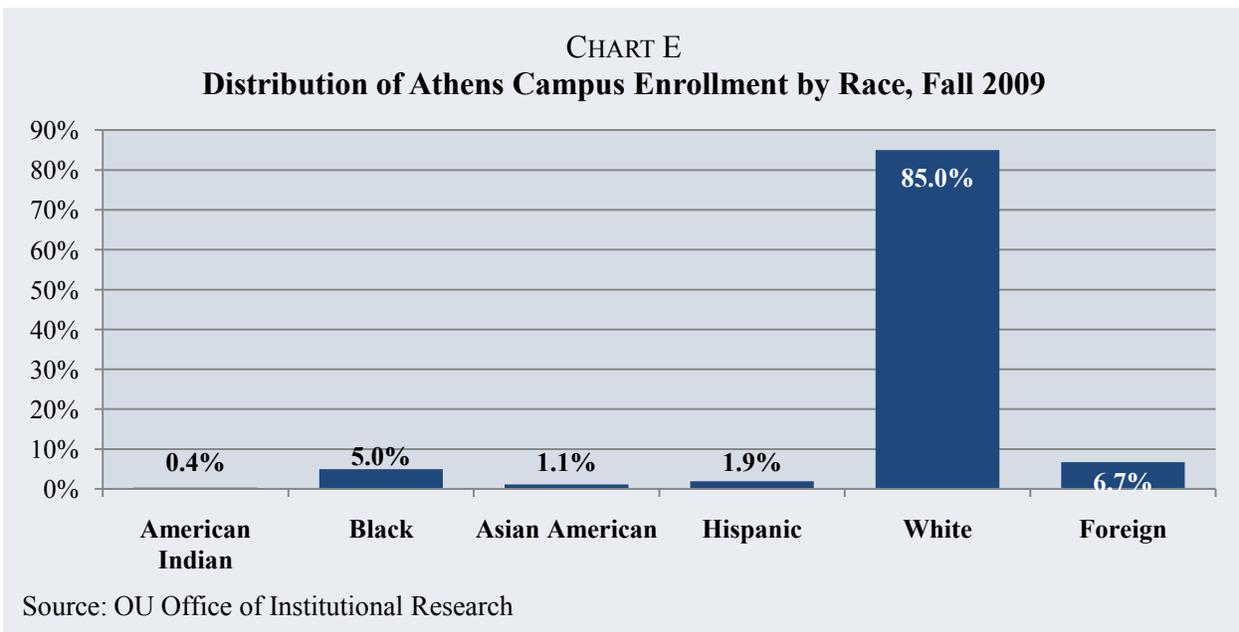
Demographics of the Athens Campus Student Body

The latest available comprehensive dataset from the Ohio University Office of Institutional Research for Athens Campus student Fall Quarter enrollment is for Fall 2009. According to these data, 51 percent of all students (not including medical students) are female while 49 percent are male, as is shown in Chart D.





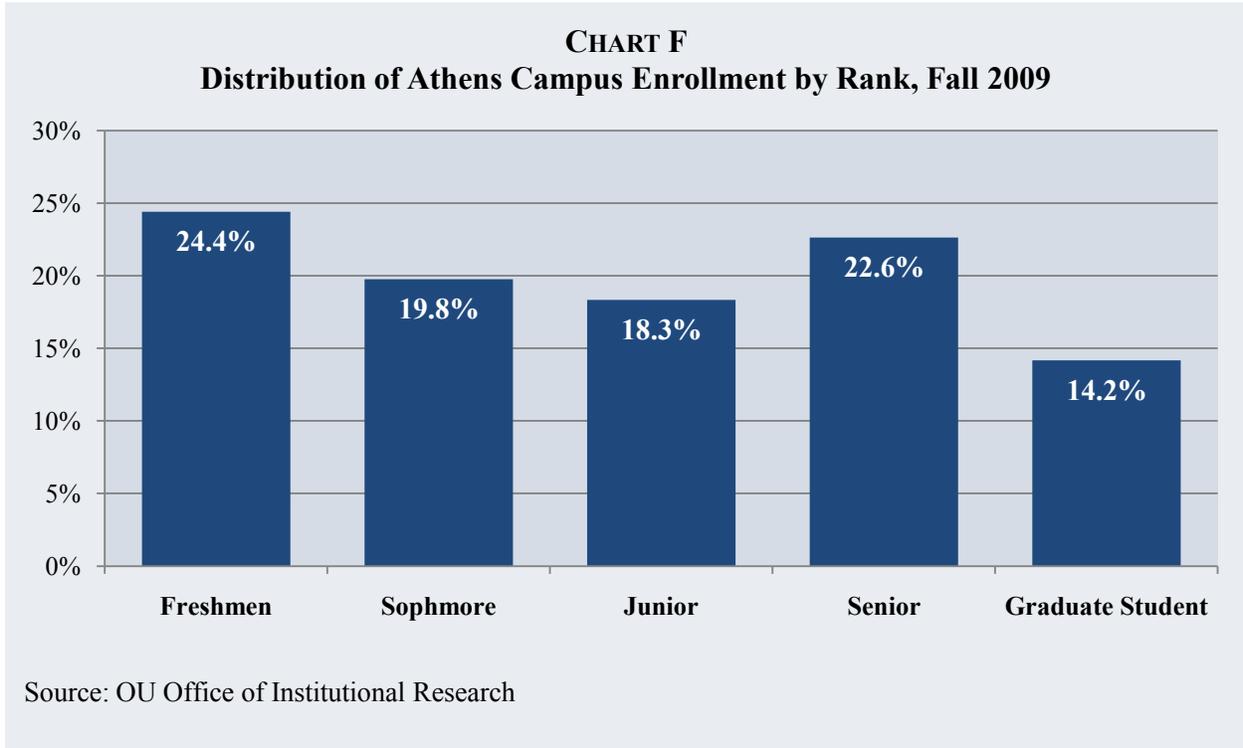
According to the Fall 2009 enrollment data for the Athens campus, 0.4 percent of all students (excluding medical students) are —American Indian,” 5 percent are —Black,” 1.1 percent are —Asian American,” 1.9 percent are —Hispanic,” fully 85 percent are —White,” and 6.7 percent of students are Foreign.



According to the demographic statistics for the entire Athens campus student body, a plurality (24 percent) of all non-medical students are undergraduate freshmen while 19.8 percent are sophomores, 18.3



percent are juniors, 22.6 percent are seniors (of all years) and 14.2 percent are graduate students (combined master's and doctoral enrollment)



Appendix B: Survey Text

Student Perceptions of General Fee**1. Welcome**

You are being asked to participate in academic research by completing a short online survey. If you agree to participate, this survey will ask you six basic demographic questions about yourself, followed by eleven questions regarding your perceptions of student fees at Ohio University. Completing the survey should take less than 5-10 minutes and imposes no physical risks or discomforts for you. This study is important to gain a better understanding of students' awareness of college costs. Your answers will be completely confidential to both the researchers and the general public. They will be used only in aggregate form with the responses of other students, and you will in no way be identified individually. You must be 18 years of age or older to participate.

By clicking the "next" below and beginning the survey, you are acknowledging that you are voluntarily agreeing to participate in this research, that you will receive no financial compensation for your participation and that you are 18 years of age or older. Please note that this survey has been approved by the Ohio University Office of Research Compliance (IRB #10E270).

Thank you for your time and interest.

Should you have any questions, please contact either of the two contacts below:

Dr. B. David Ridpath
ridpath@ohio.edu
(740)593-9496

Matthew Denhart
MDenhart@CenterForCollegeAffordability.org
(202)375-7831

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Student Perceptions of General Fee

2. Demographic Information (for research purposes only)

Please answer the following questions below. Your responses will be used strictly for research purposes, and your individual identity is totally confidential.

*** 1. Please Indicate Your Gender**

- Male
- Female
- Prefer Not to Say

*** 2. Please Indicate Your Ethnicity**

- American Indian or Alaska Native
- Asian/Native Hawaiian/Other Pacific Islander
- Black/African American (non-Hispanic)
- Hispanic/Latino
- White (non-Hispanic)
- Prefer Not to Say

*** 3. Please Indicate Your Academic Standing**

- Freshman
- Sophomore
- Junior
- Senior
- Graduate Student

*** 4. Please Indicate the Number of Credit Hours In Which You Are Currently Enrolled This Quarter**

- Less than 8
- 9
- 10
- 11 or more



Student Perceptions of General Fee

*** 5. Please indicate whether you are currently an intercollegiate athletics student-athlete competing in varsity athletics (NOTE: This does not include club sport or intramural sport athletes).**

- Yes
- No

*** 6. Please Indicate the Range In Which Your Cumulative GPA Falls**

- 0-1.49
- 1.5-1.99
- 2.0-2.49
- 2.5-2.99
- 3.0-3.49
- 3.5-3.74
- 3.75-4.0
- NA (I am currently a Freshman in my first term)
- Prefer Not to Say



Student Perceptions of General Fee

3.

*** 1. To your knowledge, does Ohio University charge a general fee (In addition to tuition and room/board charges)?**

Yes

No

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Student Perceptions of General Fee

4.

Ohio University does in fact charge a quarterly general fee to students in addition to tuition and room/board charges.

- * 1. What is the quarterly general fee amount charged you by Ohio University (in dollars)?**
(NOTE: This question is asking you specifically about the general fee. In your estimate please do not include tuition/room and board or separate technology fees.)

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Student Perceptions of General Fee

5.

In 2010-2011, the quarterly general fee charged by Ohio University for full-time students (11+ hours for undergraduates or 9+ hours for graduate students) is \$531.

The amount for part-time students varies depending upon the number of credit hours taken.

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Student Perceptions of General Fee

6.

The units supported by Ohio University's general fee revenue in alphabetical order are: (A) Baker Center Auxiliary Fund; (B) Campus Recreation; (C) Division of Student Affairs; (D) Graduate Fee Waiver Pool; (E) Intercollegiate Athletics; (F) Provost's Office; (G) Student Financial Aid Budgets; (H) Other.

*** 1. Of the 8 general units that receive funding from the general fee, to the best of your ability please rank them in order according to their current actual funding levels determined by the university. (NOTE: A ranking of 1 indicates that this unit currently receives the greatest amount of general fee funding, and a ranking of 8 indicates that this unit currently receives the least amount of general fee funding.)**

	1 (Most Funding)	2	3	4	5	6	7	8 (Least Funding)
Baker Center Auxiliary Fund	<input type="radio"/>							
Campus Recreation	<input type="radio"/>							
Division of Student Affairs	<input type="radio"/>							
Graduate Fee Waiver Pool	<input type="radio"/>							
Intercollegiate Athletics	<input type="radio"/>							
Provost's Office	<input type="radio"/>							
Student Financial Aid Budgets	<input type="radio"/>							
Other	<input type="radio"/>							



Student Perceptions of General Fee

7.

Recall the eight general fee funded Units at Ohio University. In alphabetical order they are: (A) Baker Center Auxiliary Fund; (B) Campus Recreation; (C) Division of Student Affairs; (D) Graduate Fee Waiver Pool; (E) Intercollegiate Athletics; (F) Provost's Office; (G) Student Financial Aid Budgets; (H) Other.

*** 1. Of the 8 units that receive funding from the general fee, please rank them in order, from 1-8, indicating their order of importance to you personally. (Note: A ranking of 1 indicates that you believe this unit is the most important and deserves the greatest amount of funding. A ranking of 8 indicates that you believe this unit is the least important and deserves the least amount of funding).**

	1 (Most Important)	2	3	4	5	6	7	8 (Least Important)
Baker Center Auxiliary Fund	<input type="radio"/>							
Campus Recreation	<input type="radio"/>							
Division of Student Affairs	<input type="radio"/>							
Graduate Fee Waiver Pool	<input type="radio"/>							
Intercollegiate Athletics	<input type="radio"/>							
Provost's Office	<input type="radio"/>							
Student Financial Aid Budgets	<input type="radio"/>							
Other	<input type="radio"/>							



Student Perceptions of General Fee

8.

*** 1. Please indicate the extent to which you would prefer that Ohio University itemize the amounts charged for each of the eight general fee supported units on your student bill, rather than reporting one single sum under a heading of "general fee."**

- Strongly support
- Support
- Neutral
- Oppose
- Strongly oppose

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Student Perceptions of General Fee

9. Intercollegiate Athletics

* 1. Prior to taking this survey, were you aware that a portion of your general fee is used to support intercollegiate athletics?

- Yes
- No

* 2. Are you aware that you receive admission to Ohio University intercollegiate athletic contests without additional payment because your admission is covered by your general fee?

- Yes
- No

* 3. On average, how many Ohio University intercollegiate athletic events do you attend per year? (Note: this refers to varsity athletics contests. Please do NOT include in your estimate club sports such as Hockey or intramural sports).

* 4. How important a factor was Ohio University's intercollegiate athletics reputation in influencing your decision to enroll at this institution?

- Extremely Important
- Important
- Slightly Important
- Slightly Unimportant
- Unimportant
- Extremely Unimportant



Student Perceptions of General Fee

10.

*** 1. To your knowledge, how much of your quarterly general fee (which recall is \$531 for full-time students) is used by the university to fund intercollegiate athletics?**



Student Perceptions of General Fee

11.

According to last year's general fee allocations, full-time students pay \$216.70 of their quarterly \$531 total general fee to intercollegiate athletics. Multiplied by the three quarters in which students typically enroll, full-time students pay approximately \$650.10 an academic year through their general fee to support intercollegiate athletics.

*** 1. Please select a range that you would be willing to pay per year (in addition to your current general fee payments to intercollegiate athletics of \$650.10 a year) to support the intercollegiate athletics department maintaining its current Division 1 status in the Mid American Conference (MAC) of the National Collegiate Athletic Association (NCAA).**

- \$0.00 (I desire the fee for intercollegiate athletics be reduced in the future).
- \$0.00 (I desire the fee for intercollegiate athletics to remain the same in the future)
- An additional \$0.01 - \$15.00 yearly
- An additional \$15.01 - \$30.00 yearly
- An additional \$30.01 - \$60.00 yearly
- An additional \$60.01 - \$150.00 yearly
- An additional \$150.01+ yearly



Student Perceptions of General Fee

12. Survey Complete

Thank you for your participation in this research project.

