Delta Cost Project
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Academic Spending Versus Athletic Spending: Who Wins?

Donna M. Desrochers

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ISSUE BRIEF

Introduction

For many individuals, collegiate athletics is the most visible face of higher education. Men's football and basketball attract widespread television coverage, endorsement deals, and multimillion dollar coaching contracts, leaving most spectators with the impression that college sports are a lucrative business. But participation in National Collegiate Athletic Association (NCAA) Division I athletic programs—the highest level of intercollegiate athletics in the United States—comes with a hefty price tag, one that is usually paid in part by institutions and students.

This brief from the Delta Cost Project looks at academic and athletic spending in NCAA Division I public universities.

At public colleges and universities, Division I athletic programs were a $6 billion enterprise in fiscal year (FY) 2010, with costs rapidly spiraling upward in recent years. At the root of these rising athletic costs are the multimillion dollar coaching contracts, a demand for more staff and better facilities, and increased scholarship commitments needed to keep pace with rising tuitions (Kirwan & Turner, 2010). At the same time, colleges and universities have struggled to control cost escalation elsewhere on campus due to declining state support and endowment income as well tuition prices that have continued to rise (Desrochers & Kirshstein, 2012).

Advocates of college athletics are quick to point out the nonfinancial benefits of college sports programs. Success in college athletics often improves name recognition and institutional prominence, and many believe that enrollments and donations increase as a result. Possible benefits aside, comparisons of spending on athletics and academics raise questions about institutional priorities and whether rising athletic subsidies are appropriate, particularly in the current budgetary environment. Some institutions have addressed cost issues by eliminating athletic teams or reducing subsidies;[1] but for many institutions, spending on athletics is sacrosanct, even when academic spending (such as for faculty pay and academic programs) is being cut or frozen.

[1] The University of Maryland, University of California at Berkeley, and Rutgers University have all either recently cut athletic teams or tried to limit athletic subsidies. But several other universities (Georgia State University, University of North Carolina at Charlotte, and Mercer University) recently decided to begin NCAA Division I football programs to enhance their reputation and spirit of community on campus.

This brief[2] highlights recent trends in athletic and academic spending at public Division I colleges and universities between 2005 and 2010, which show that:

- Athletic departments spend far more per athlete than institutions spend to educate the average student—typically three to six times as much; among Football Bowl Subdivision (FBS) institutions, median athletic spending was nearly $92,000 per athlete in 2010, while median academic spending per full-time equivalent (FTE) student was less than $14,000 in these same universities.

- Athletic costs increased at least twice as fast as academic spending, on a per-capita basis across each of the three Division I subdivisions.

- Although academic resources were strained after the recent recession, only the FBS reined in escalating athletic spending per athlete in 2010; nevertheless, athletic subsidies per athlete continued to increase in all subdivisions despite these financial constraints.

- Very few Division I athletic departments are self-funded; instead, most programs rely on athletic subsidies from institutions and students. However, the largest per-athlete subsidies are in those subdivisions with the lowest spending per athlete. Without access to other large revenue streams, these programs have increasingly turned to their institutions to finance additional athletic spending.

College athletics certainly provide nonfinancial benefits that are important to institutions, such as campus spirit, name recognition, and reputation. But other campus benefits appear modest, with boosts in applications, enrollments, or fundraising often a short-lived bonus resulting from a championship season. Despite large budgets, those in the top echelon of spending in the FBS may indeed impart less of a financial burden on their own institutions, but the vast majority of Division I colleges and universities rely heavily on institutional support as they try to keep up. Everyone likes a winning team, but what is the cost?

Do Winning Athletic Programs Benefit Universities?

Participation—and particularly success—in Division I college athletics often results in priceless "advertising" for colleges and universities, reaching potential students, donors, and politicians. But evidence of the ancillary benefits of college sports is mixed.[3] Successful athletic performance appears to boost applications at winning colleges and universities, but aside from a few isolated examples—such as the often cited but largely exaggerated "Flutie factor"—the effects are typically quite modest.[4] The applications advantage is primarily associated with success in football (winning championships in particular), and the bump generally lasts only a year or two.[5] It is less clear whether these larger application pools result in admitting a higher quality class, but again the positive effects appear modest and are typically confined to football success.

Other benefits of winning athletic programs often are linked to new revenues, for both the university and the community. Most of the recent studies on alumni giving find little connection between athletic success and fundraising; in the few studies that do show effects, it more often relates to football, rather than basketball, success and is usually limited to athletic rather than general university donations (Anderson, 2012; Getz & Siegfried, 2010). However, there is some evidence that state legislatures may provide larger appropriations to

[2] This brief updates and expands on a set of academic and athletic spending graphs originally prepared by the Delta Cost Project for the Knight Commission on Intercollegiate Athletics. In 2010, the Delta Cost Project developed athletic and academic spending estimates for Football Bowl Subdivision (FBS) institutions for inclusion in *Restoring the Balance: Dollars, Values, and the Future of College Sports* (Knight Commission on Intercollegiate Athletics, 2010). The findings were updated the following year and expanded to include the Football Championship Subdivision (FCS) and the Division I, No Football (DI-NF) subdivision. These figures were updated again in 2012, adding data through FY 2010, and published on the Knight Commission website (Knight Commission on Intercollegiate Athletics, 2012). This brief highlights the various spending patterns and trends shown in those figures, as well as findings from other studies on college athletics.

[3] The evidence presented in this section on the ancillary benefits of college sports is drawn from a recent comprehensive literature review on the costs/benefits of college sports (see Getz & Siegfried, 2010; the working paper was recently published in *The Oxford Handbook of Sports Economics: Volume 1*).

[4] This phenomenon is often dubbed the "Flutie factor" because Boston College reported a surge in applications following Doug Flutie's winning Hail Mary pass against the University of Miami in a widely watched 1984 football game. However, the enrollment surge attributed to this win was later discounted; other university initiatives, such as investments in campus facilities and efforts to cultivate a national reputation, also contributed to significant enrollment increases in the years before and after the Flutie pass (Litan, Orszag, & Orszag, 2003; McDonald, 2003).

[5] One of the more carefully done studies shows an application increase from success in basketball, particularly at private institutions, with higher levels of success generating larger increases in applications (Pope & Pope, 2009, as reported in Getz & Siegfried, 2010).

About the Data

The figures and tables in this brief were provided by the Knight Commission on Intercollegiate Athletics; they include only public colleges and universities that are NCAA Division I members.[*] Athletic departments are further organized into three NCAA subdivisions based on the scope of their football programs: (1) FBS—Football Bowl Subdivision (formerly Division I-A), the most competitive division where teams vie for a spot in the football bowl games; there are 120 schools in this subdivision, and 97 public institutions were included in this analysis.[†] (2) FCS—Football Championship Subdivision (formerly Division I-AA), where football teams participate in a playoff championship; there are 120 schools in this subdivision, and 67 public institutions were included in the analysis. (3) DI-NF—Division I, No Football (formerly Division I-AAA), which includes 97 schools without a football program; 38 public institutions were included in the analysis.[†] (See the Appendix for a list of the colleges and universities included in the analysis.)

Data on athletic spending and revenues are difficult to track using common federal higher education data sets.[§] Instead, the athletic finance data in this study were drawn from reports submitted to the NCAA that were subsequently compiled by journalists at *USA Today*; the data include all intercollegiate athletic programs (intramural and club sports are excluded). Athletic expenses include, for example, compensation for coaches and staff, game expenses, recruiting costs, and student scholarships. Revenues include those that are generated by the programs (e.g., ticket sales, donations, advertising, and conference distribution from participation in bowls/tournaments and conference television agreements) and those allocated by the institution (e.g., institutional support, state support, and student fees). Athletic data are shown per athlete, with multisport athletes counted only once.

Academic spending estimates come from a special tabulation of the Delta Cost Project Integrated Postsecondary Education Data System (IPEDS) Database, which was constructed from publicly available data that higher education institutions are required to report to the U.S. Department of Education through the IPEDS surveys. Academic spending includes only direct and indirect costs related to educating students; spending related to other university activities or services (e.g., sponsored research, public service, hospitals) is excluded.[¶] Academic data are shown per FTE student.

All reported data are median values except for the distribution of revenues/spending, which reflect the proportion of total spending. Financial data are shown in current dollars and have not been adjusted for inflation.

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[*] The NCAA collects athletic data from public and private member institutions but, because of confidentiality agreements, releases only aggregate statistics. Journalists from *USA Today* submit annual public record requests to each public NCAA Division I college and university to obtain the athletic reports they submit to the NCAA; private institutions are exempt from this disclosure requirement and therefore are excluded from the analyses in this report.

[†] In 2010, there were 337 Division I schools; approximately two thirds were public institutions (about 85 percent of the 120 FBS institutions are public compared to about 65 percent of 120 FCS and one half of 97 DI-NF institutions [author's analysis using *USA Today's* NCAA Athletic Finance Database and Fulks, 2011]).

[†] NCAA Division I schools must offer at least 14 sports, play a minimum number of games against other Division I opponents, and meet established financial aid minimums/maximums. Schools may choose a subdivision based on the scope of their football program. The FBS and FCS subdivisions must meet higher participation, scheduling, and financial aid requirements, while the FBS also has attendance requirements (Fulks, 2011).

[§] All higher education institutions that participate in Title IV financial aid programs are required to report financial and other information to the federal Integrated Postsecondary Education Data System (IPEDS). Although athletic data are included, they are captured in broad reporting categories that are not useful for detailed analysis. Institutions may include expenditures for intercollegiate athletics as part of "student services" (which also include services such as counseling, admissions, and the registrar), but large athletic programs are usually classified as "auxiliary enterprises" (along with bookstores, health clinics, and dining halls). In either case, athletic spending is combined with other expenses included in these broad expenditure categories.

[¶] The measure of academic spending used throughout this brief is commonly known as "education and related" or "E&R" spending; it captures expenditures related to the academic mission of higher education and excludes spending on the research and public service missions. E&R spending includes instruction, student services, and a pro-rata share of spending on academic support, institutional support, and operations and maintenance.

public institutions that participate in NCAA Division I programs, compared to similar institutions that do not; it appears that visibility—not necessarily success—is the underlying factor (Humphreys, 2006, as reported in Getz & Siegfried, 2010). Big-time college athletics also are often thought to provide a regional economic boost, with spectators booking hotel rooms and filling local restaurants. But revenues lost from residents who avoid shopping and dining out on game day can offset those brought in from visitors (Coates & Depken, 2008, as reported in Getz & Siegfried, 2010).

For student spectators, college sports offer a common rallying opportunity and often provide a sense of community. And for student athletes themselves, sports clearly provide an opportunity to learn about skill development, teamwork, competition, and, of course, healthy exercise habits. But even small programs can impart many of these same benefits, especially with athletic costs becoming a growing concern.

Trends in Athletic and Academic Spending

Athletics are big business on many college campuses. Across the FBS institutions, the typical university spent about $45 million on athletics in FY 2010; other Division I schools spent closer to $10 million. On the whole, colleges and universities invested significantly more in academics than athletics; athletic budgets typically represented from 5 percent to 11 percent of total academic spending in each subdivision.[6] But once adjusted for the number of students and student athletes, collegiate athletic programs clearly spend much more per athlete than universities spend to educate the average student.

The difference between academic and athletic spending among Division I colleges and universities is striking. Each of the three subdivisions spent similarly on academics, ranging from roughly $11,800 to $13,600 per FTE student in 2010 (see Figure 1 on page 5).

But among FBS institutions, the median athletic expenditure per athlete was about $92,000, more than six times the per-student academic expense. Across the FBS and DI-NF institutions, per-capita spending was three times higher on athletics as on academics, with athletic spending per athlete upwards of $36,000 in each subdivision.

Despite already generous budgets, athletic spending increased rapidly across all subdivisions between 2005 and 2010 and, by comparison, even outpaced the rather steep increase in tuitions at public four-year institutions during this time.[7] Athletic costs increased fastest at the high-spending FBS schools, rising by about 50 percent in just five years (unadjusted for inflation); this translates into athletic departments spending an additional $6,200 per athlete per year since 2005. Academic spending, in contrast, grew less than half as fast, increasing by only about $500 per FTE student per year during the same time. Although athletic spending at non-FBS Division I schools grew slightly slower, it also far outpaced growth in academic spending.

However, by 2010, many public institutions were contending with the aftereffects of the recession. Resources were strained on many campuses as enrollments ticked up sharply and state funding continued to erode. Growth in academic spending per student slowed considerably in 2009 and 2010 (and was steady or declining in inflation-adjusted dollars). However, a similar slowdown in athletic spending was evident only in the prosperous FBS subdivision, where spending per athlete was largely unchanged between 2009 and 2010. Spending continued to rise in the FCS and DI-NF subdivisions, although the 2010 increase was generally smaller than increases earlier in the decade. While it is understandable that these larger programs—whose revenues are often driven by forces outside the university—would feel the pinch of the recession, the institutions themselves showed little restraint in their support of college athletics.

[6] Spending at the median FBS institution is at the top of the range. The NCAA estimates (including both public and private institutions) show median athletic expenditures are about 5 percent of *total* institutional budgets (Fulks, 2011, Table 2-7).

[7] In-state tuition and fees at public four-year institutions increased 38 percent (unadjusted for inflation) between 2005 and 2010 (College Board, 2012, Table 2).

Figure 1. Academic and Athletic Spending, 2005 to 2010 (Current Dollars)

Note: Includes public institutions only. *Athletic spending* includes all athletic operating expenses averaged on a per-athlete basis. *Athletic subsidy* reflects the revenue reported by athletics from student fees, transfers from general fund sources, state appropriations, or other sources internal to the institution, averaged on a per-athlete basis. *Academic spending* reflects the full cost of education, which includes spending for instruction, student services, and shared overhead costs for academic, institutional, and operations support averaged per full-time equivalent student.

Data Sources: *USA Today*'s NCAA Athletics Finance Database; Delta Cost Project IPEDS Database (special tabulation); U.S. Department of Education Office of Postsecondary Education, Equity in Athletics Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

A little understood part of collegiate athletics is the financial role of universities. Athletic subsidies are common across all Division I programs, and a portion of athletic budgets are often funded from other university resources, student fees, or state appropriations. Per-athlete subsidies are substantial across Division I, with median subsidies ranging from nearly $20,000 to $30,000 per athlete in each subdivision—exceeding the median overall educational spending per student (see Figure 1 on page 5).

Although schools in the FBS have the highest per-athlete spending, they typically receive the smallest subsidies on a per-athlete basis. Larger per-athlete subsidies were observed in the smaller FCS and DI-NF programs, which have more limited access to other large revenue streams. In each of the subdivisions, subsidies rose nearly as fast as athletic spending between 2005 and 2010, suggesting that institutions themselves have contributed to the rise in athletic spending during this time.

Athletic and Academic Spending Within the FBS

Perhaps even more eye-opening than the athletic spending differences among the three subdivisions are the large budget gaps among the 11 conferences within the FBS subdivision (see Table 1). In each of the six "power conferences" that form the Bowl Championship Series (BCS)[8]—Southeastern (SEC), Big 12, Pacific-10,[9] Atlantic Coast (ACC), Big Ten, and Big East—median athletic spending per athlete topped $100,000 in 2010. The power conferences spent *at least* one third more (oftentimes much more) than the other conferences. In the well-financed Southeastern Conference, median spending per athlete is nearly four times more than that of the Sun Belt Conference, where the typical member college spends less than $42,000 per athlete. But significant differences are apparent even among the power conferences, with the Southeastern Conference spending 60 percent more than the most economical BCS conference (Big East).

Table 1. Academic and Athletic Spending by Division I Subdivision and FBS Conference

Division I Subdivisions and FBS Conferences	Median Academic Spending per Student, 2010	Median Athletic Spending per Athlete, 2010	Ratio of Median Athletic Spending per Athlete to Academic Spending per Student, 2010
Southeastern (SEC)	$13,390	$163,931	12.2
Big 12	$13,988	$131,286	9.4
Pacific-10	$14,217	$102,121	7.2
FBS	$13,628	$91,936	6.7
Atlantic Coast (ACC)	$15,360	$103,384	6.7
Conference USA	$11,867	$76,181	6.4
Big Ten	$19,225	$116,667	6.1
Big East	$17,620	$102,032	5.8
Mountain West	$13,690	$74,264	5.4
Western Athletic (WAC)	$11,789	$56,180	4.8
Sun Belt	$10,012	$41,796	4.2
Mid-American	$13,069	$52,537	4.0
Division I, No Football	$11,861	$39,201	3.3
FCS	$11,769	$36,665	3.1

Note: Includes public institutions only. The Pacific-10 reorganized in 2011 and became the Pacific-12.

Data sources: USA Today's NCAA Athletics Finance Database; Delta Cost Project IPEDS Database (special tabulation); U.S. Department of Education, Office of Postsecondary Education, Equity in Athletics Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

[8] Each of the BCS conference champions receives an automatic berth to a football bowl game.

[9] The Pacific-10 reorganized in 2011 and became the Pacific-12.

Much of the difference in conference spending is related to television contracts and conference payouts, which played a leading role in the spate of conference realignments that occurred in 2011 and 2012. Conferences with large audiences are able to negotiate bigger broadcasting contracts (or create their own network, such as the *Big Ten Network*) because the television networks can generate more advertising revenue (Schlabach, 2010). A bigger geographic footprint also can lend leverage in television contract negotiations. Larger conferences also are able to generate additional revenue by hosting a football championship game, which is not permitted in conferences with fewer than 12 teams.

Across the FBS conferences, there also are substantial differences in the ratio of per-capita athletic to academic spending. In most of the FBS conferences, median athletic spending per athlete is four to seven times greater than academic spending per student. But large disparities in athletic spending, rather than academic spending, are behind the differences in these ratios. Although the power conferences tend to spend more on academics, their relative spending on athletics is still much higher than other conferences (see Table 1 on page 6). The ratio of per-capita athletic to academic spending in the affluent Southeastern and Big 12 conferences far exceeds those observed for other conferences.

Dividing the institutions within the FBS into four equal-sized groups (quartiles), based on total athletic spending, suggests that the "arms race" often alluded to in university spending also extends to collegiate athletics.[10] In 2010, it appears that the middle-tier FBS programs were working hard to compete with the top spenders in terms of per-athlete spending. These programs (quartiles 2 and 3, 25th to 75th percentiles) increased athletic spending faster than either the larger or smaller departments in the subdivision (see Table 2). These midlevel FBS programs also increasingly relied on institutional support to try to close the spending gap. While these midlevel institutions were aggressively trying to reach the top tier, the bottom quartile of institutions appeared more inclined to accept their less competitive position.

Table 2. Academic and Athletic Spending by Quartile

FBS Spending Quartile, 2010	Median Academic Spending per Student, 2010	Median Athletic Spending per Athlete, 2010	Ratio of Median Athletic Spending per Athlete to Academic Spending per Student, 2010
Quartile 1 (high)	$16,500	$149,711	9.1
Quartile 2	$14,684	$108,911	7.4
FBS Median	$13,628	$91,936	6.7
Quartile 3	$12,129	$77,535	6.4
Quartile 4 (low)	$11,706	$51,532	4.4

	Percent Change, 2005 to 2010 (Current Dollars)		
	Median Academic Spending per Student	Median Athletic Spending per Athlete	Median Athletic Subsidy per Athlete
Quartile 1 (high)	30.4%	44.7%	16.5%
Quartile 2	17.2%	48.4%	43.1%
Quartile 3	21.9%	59.5%	57.8%
Quartile 4 (low)	19.2%	41.5%	28.0%

Note: Includes public institutions only. Percent change does not include an inflation adjustment. FBS institutions were organized into quartiles based total athletic spending.

Data sources: USA Today's NCAA Athletics Finance Database; Delta Cost Project IPEDS Database (special tabulation); U.S. Department of Education, Office of Postsecondary Education, Equity in Athletics Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

[10] For each of the FBS spending quartiles, total athletic spending in 2010 was within the following ranges: Quartile 1—$70 million to $130 million; Quartile 2—$45 million to $70 million; Quartile 3—$24 million to $45 million; Quartile 4—$10 million to $24 million.

What Is the Money Buying?

Despite large disparities in the overall size of athletic budgets across the Division I subdivisions, spending patterns reveal more similarities than differences. Compensation and benefits for athletic department staff are the largest expense across all subdivisions and consumed about one third of athletic budgets (see Figure 2). Coaching staff salaries accounted for half or more of that expense (or close to one fifth of the overall budget). Athletic departments also spent a similar proportion of their budgets on game expenses/travel (10 percent) and recruiting (2 percent).

Subdivision differences are apparent, however, in spending on student aid and facilities/equipment.[11] The smaller FCS and DI-NF programs spent much more of their budgets on student aid than the FBS programs (25 percent versus 14 percent). Instead, FBS schools, which often have larger, newer facilities, devoted slightly more of their budgets to facilities/equipment and other expenses such as fundraising and marketing efforts.

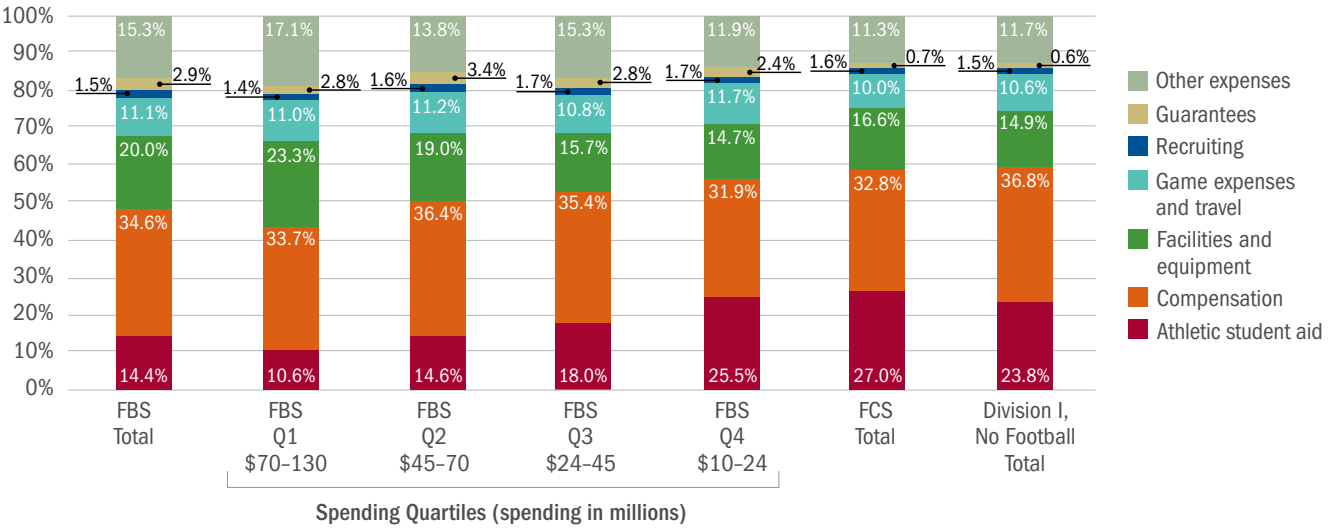
Looking more closely within the varied FBS subdivision, it is evident that those programs with the smallest athletic budgets (quartile 4) have spending patterns that closely reflect the smaller FCS and DI-NF programs. Also, similar to comparisons across the broader subdivisions, the largest spending differences within the FBS subdivision relate to student aid, facilities, and other miscellaneous expenses.

Although costs have risen in all expenditure categories since 2005, increases in facilities and equipment have consumed a larger piece of the spending pie over time across all subdivisions; the compensation share of the budget also increased at FBS institutions while the student aid share rose at FCS institutions. Offsetting these increases were smaller shares going to student aid (except in FCS) and other expenses.

How Are Athletic Budgets Funded?

Despite commonalities in spending, athletic departments finance their programs using very different revenue sources. The FBS programs are more likely to fund large portions of their budgets from athletic operations. In 2010, more than 80 percent of the budget at the typical FBS college or university came from "generated" revenues, such as ticket sales, conference payouts, and donations (see Figure 3). In contrast, more than 70 percent of athletic

Figure 2. Where the Money Goes: Distribution of Athletic Expenditures for Division I Colleges, by Subdivision, 2010



Note: Includes public institutions only. FBS institutions were organized into quartiles based on total athletic spending. "Guarantees" are payments to visiting institutions for participation in home games. "Other expenses" includes medical, marketing, dues, spirit groups, sports camps, and other expenses.

Data Source: USA Today's NCAA Athletics Finance Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

[11] Facility costs exclude capital expenditures but include debt service (Fulks, 2011).

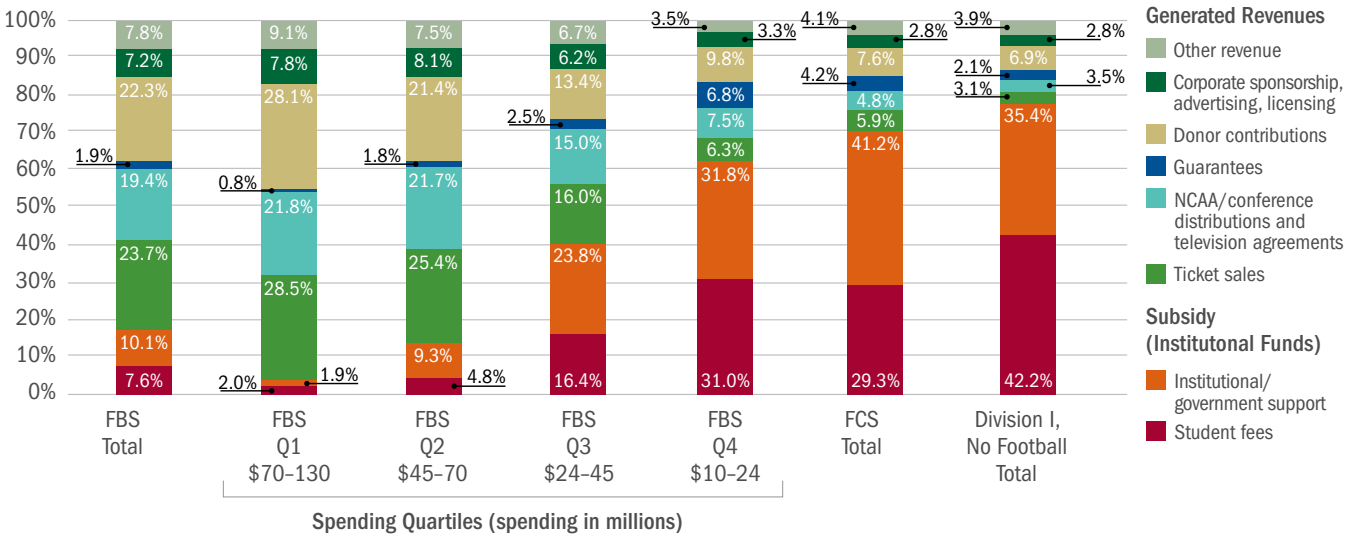
budgets in the smaller FCS and DI-NF programs came from revenues "allocated" by the university; this athletic subsidy includes money from student fees, institutional support, and government appropriations.

The largest revenue source for FBS schools is ticket sales, which generated nearly 25 percent of FBS revenues in 2010. With larger stadiums and NCAA attendance requirements, these programs depend heavily on their extensive regional fan base for support. Again, there are significant differences among FBS institutions, with the smaller FBS programs operating more like the FCS subdivision than the larger, higher spending programs. Among lower spending schools in the FBS (quartiles 3 and 4), ticket sales represented less than 20 percent of total revenue and institutional subsidies comprised about 40 percent to 60 percent of their budget.

In addition to ticket sales, the top half of FBS programs also are heavily reliant on donations from alumni and other supporters, who provided almost as much revenue as was generated from ticket sales. NCAA and conferences payments—from television agreements and participation in bowl games and tournaments—generated approximately 22 percent of revenue for the top programs.

Newly negotiated television contracts are expected to significantly boost athletic revenues for the top programs in coming years, creating even more disparity in college athletics. For the top five conferences (ACC, Big 10, Big 12, Pacific-12, and SEC), current media contracts are expected to generate more than $1 billion per year, with average conference revenues ranging from $12 million to $20 million per school per year.[12] College sports are big business, and these contracts exceed the annual media contracts for Major League Baseball, the National Hockey League, and the National Basketball Association.[13] But even with lucrative outside funding sources, athletic programs have not become more self-sufficient; since 2005, all subdivisions have

Figure 3. Where the Money Comes From: Source of Athletic Budget Revenues for Division I Colleges, by Subdivision, 2010



Note: Includes public institutions only. FBS institutions were organized into quartiles based on total athletic spending. "Guarantees" are revenues received for participation in away games. "Other revenue" includes concessions, endowments, sports camps, third-party compensation, and other revenue.

Data Source: *USA Today*'s NCAA Athletics Finance Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

[12] Estimates compiled by the Knight Commission on Intercollegiate Athletics (2011) and Weaver (2011).

[13] The National Basketball Association and Major League Baseball national media contracts provide about $900 million in revenue annually, although many baseball teams also receive sizable revenues from local television contracts. The National Hockey League recently signed a new deal that will provide about $200 million a year in television revenue. The National Football League has the most lucrative contract, which currently provides nearly $2 billion in annual revenue and will increase to more than $3 billion by 2022. *Sources*: Associated Press (2007, 2011); ESPN News Services (2011); Tomasch (2011).

increasingly relied on institutional support, although FBS institutions depended more heavily on revenue increases from donor contributions, licensing, and NCAA payouts.

Are Athletics Self-Supporting?

It is apparent that most athletic departments depend on subsidies from universities and student fees to fund their programs. Even among the largest FBS programs, student fees and institutional subsidies typically provided between 4 percent and 14 percent of total athletic revenues (see Figure 3 on page 9). And without access to lucrative television contracts and large stadiums with sizable ticket sales revenue, the budgets at smaller FCS and DI-NF programs are heavily subsidized, although FCS programs are more likely to rely on institutional support, while DI-NF schools rely on student fees to fund much of their budget.

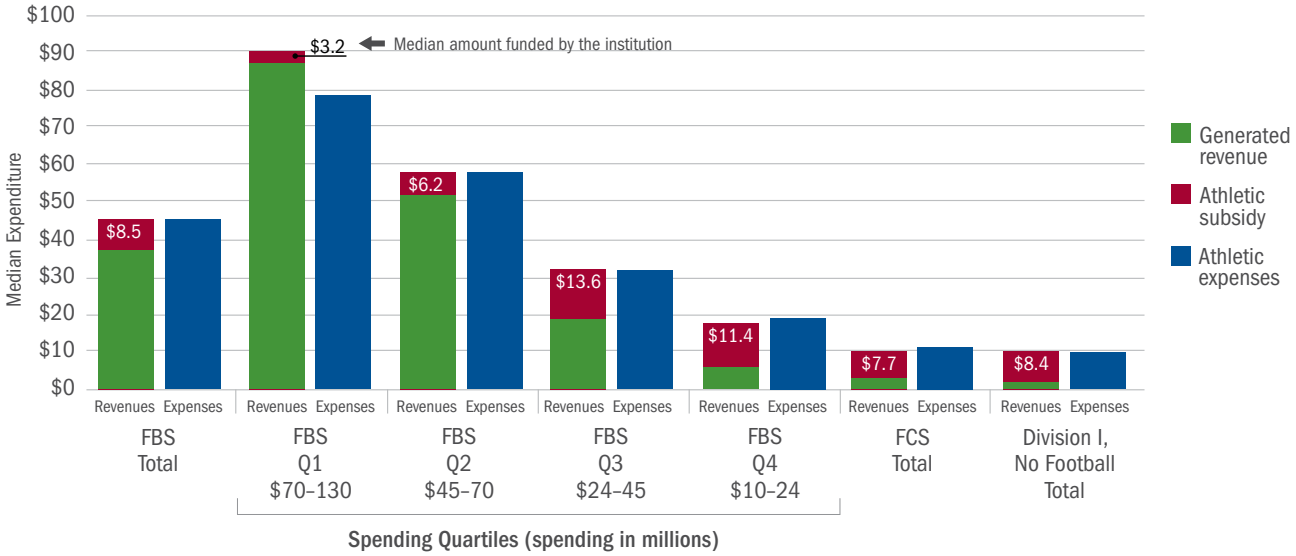
In fact, only the programs at the very top of the FBS subdivision generate more money from athletics than they spend. Fewer than one in four of the 97 public FBS athletic departments generated more money than they spent in any given year between 2005 and 2010 (and almost none of the remaining Division I programs were profitable). Even so, about two thirds of these profitable FBS departments still received athletic subsidies in 2010. While it is true that the traditional money-generating sports are more likely to cover their own expenses, more than 40 percent of FBS football and men's basketball programs were unable to fully support their own programs in 2010; in the remaining Division I schools, only a handful of these programs were self-supporting.[14]

The median subsidy at FBS institutions appears similar to other Division I schools, ranging from $7.7 million to $8.5 million (see Figure 4). The smallest FBS programs, however, received the largest subsidies among all Division I schools. In the bottom half of the FBS subdivision, median subsidies were between $11 million and $14 million—about two to four times as large as those in the top half of the FBS subdivision, where the typical subsidy was approximately between $3 million and $6 million.

On a per-athlete basis, however, FBS subsidies are lower overall (see Figure 1 on page 5), athough subsidies at the less affluent FBS athletic departments are similar to

Figure 4. Majority of Colleges and Universities Require Institutional Funds to Balance Athletic Budgets

Median generated revenues and athletic subsidy vs. median expenditures (in millions), 2010



Note: Includes public institutions only. FBS institutions were organized into quartiles based on total athletic spending. Athletic subsidy includes revenue reported by athletics from student fees, transfers from general fund sources, state appropriations, or other sources internal to the institution. Revenues may not equal expenses because median values are shown.

Data Source: USA Today's NCAA Athletics Finance Database.

Source: Knight Commission on Intercollegiate Athletics, 2012.

[14] These figures include both public and private institutions (Fulks, 2011, Tables 3.6, 4.6, and 5.6).

the median subsidy per athlete in the FCS and DI-NF subdivisions. Taken together, these patterns suggest that the top-spending FBS programs are more likely to be profitable and appear to pose less of a financial burden on their universities than other FBS and Division I athletic departments; however, they still are likely to collect an athletic subsidy from their institution.

Conclusion

The belief that college sports are a financial boon to colleges and universities is generally misguided. Although some big-time college sports athletic departments are self-supporting—and some specific sports may be profitable enough to help support other campus sports programs—more often than not, the colleges and universities are subsidizing athletics, not the other way around. In fact, student fees or institutional subsidies (coming from tuition, state appropriations, endowments, or other revenue-generating activities on campus) often support even the largest NCAA Division I college sports programs.

Recent trends suggest that the most significant economic slowdown in recent years has done little to reverse the growth in athletic spending, particularly in those divisions heavily dependent on institutional support. The growth in athletic spending is not expected to abate anytime soon, as media contracts fuel more money into the system and the "have nots" continue to chase the "haves." Not only does athletic spending per athlete far exceed academic spending per student, it is also growing about twice as fast.

College sports are certainly valuable in that they allow students to pursue healthy, competitive activities that they are passionate about. But big-time college sports programs often seem to serve as advertising vehicles, boosting exposure and prestige for those universities that are successful. While a winning team may generate some new students and donors, the price of participating in Division I athletics is high. And disparities in academic and athletic spending suggest that participating public colleges and universities reexamine their game plans.

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Appendix

Public Division I Institutions Included in the Analysis Sample

* excluded from all analyses because of incomplete data
** excluded from per-capita analyses because of missing/erroneous athlete count data

Football Bowl Subdivision (98 Institutions)	Conference in 2010
Arizona State University	Pacific-10 Conference
Arkansas State University	Sun Belt Conference
Auburn University	Southeastern Conference
Ball State University	Mid-American Conference
Boise State University	Western Athletic Conference
Bowling Green State University	Mid-American Conference
California State University–Fresno	Western Athletic Conference
Central Michigan University	Mid-American Conference
Clemson University	Atlantic Coast Conference
Colorado State University	Mountain West Conference
East Carolina University	Conference USA
Eastern Michigan University	Mid-American Conference
Florida Atlantic University	Sun Belt Conference
Florida International University	Sun Belt Conference
Florida State University	Atlantic Coast Conference
Georgia Institute of Technology	Atlantic Coast Conference
Indiana University–Bloomington	Big Ten Conference
Iowa State University	Big 12 Conference
Kansas State University	Big 12 Conference
Kent State University–Kent Campus	Mid-American Conference
Louisiana State University and Agriculture and Mechanical College	Southeastern Conference
Louisiana Tech University	Western Athletic Conference
Marshall University	Conference USA
Miami University–Oxford	Mid-American Conference
Michigan State University	Big Ten Conference
Middle Tennessee State University	Sun Belt Conference
Mississippi State University	Southeastern Conference
New Mexico State University	Western Athletic Conference
North Carolina State University at Raleigh	Atlantic Coast Conference
Northern Illinois University	Mid-American Conference
Ohio State University	Big Ten Conference
Ohio University	Mid-American Conference
Oklahoma State University	Big 12 Conference
Oregon State University	Pacific-10 Conference
Penn State University*	Big Ten Conference
Purdue University	Big Ten Conference
Rutgers University–New Brunswick	Big East Conference
San Diego State University	Mountain West Conference
San Jose State University	Western Athletic Conference
Texas A&M University	Big 12 Conference
Texas Tech University	Big 12 Conference
The University of Alabama	Southeastern Conference
The University of Tennessee	Southeastern Conference

Football Bowl Subdivision (98 Institutions) *Continued*	Conference in 2010
The University of Texas at Austin	Big 12 Conference
The University of Texas at El Paso	Conference USA
Troy University	Sun Belt Conference
University at Buffalo	Mid-American Conference
University of Akron	Mid-American Conference
University of Alabama at Birmingham	Conference USA
University of Arizona	Pacific-10 Conference
University of Arkansas	Southeastern Conference
University of California–Berkeley	Pacific-10 Conference
University of California–Los Angeles	Pacific-10 Conference
University of Central Florida	Conference USA
University of Cincinnati	Big East Conference
University of Colorado at Boulder	Big 12 Conference
University of Connecticut	Big East Conference
University of Florida	Southeastern Conference
University of Georgia	Southeastern Conference
University of Hawaii at Manoa	Western Athletic Conference
University of Houston	Conference USA
University of Idaho	Western Athletic Conference
University of Illinois at Urbana–Champaign	Big Ten Conference
University of Iowa	Big Ten Conference
University of Kansas	Big 12 Conference
University of Kentucky	Southeastern Conference
University of Louisiana at Lafayette	Sun Belt Conference
University of Louisiana–Monroe	Sun Belt Conference
University of Louisville	Big East Conference
University of Maryland–College Park	Atlantic Coast Conference
University of Memphis	Conference USA
University of Michigan–Ann Arbor	Big Ten Conference
University of Minnesota–Twin Cities	Big Ten Conference
University of Mississippi	Southeastern Conference
University of Missouri–Columbia	Big 12 Conference
University of Nebraska–Lincoln	Big 12 Conference
University of Nevada–Las Vegas	Mountain West Conference
University of Nevada–Reno	Western Athletic Conference
University of New Mexico	Mountain West Conference
University of North Carolina at Chapel Hill	Atlantic Coast Conference
University of North Texas	Sun Belt Conference
University of Oklahoma–Norman Campus	Big 12 Conference
University of Oregon	Pacific-10 Conference
University of South Carolina–Columbia	Southeastern Conference
University of South Florida	Big East Conference
University of Southern Mississippi	Conference USA
University of Toledo	Mid-American Conference
University of Utah	Mountain West Conference
University of Virginia	Atlantic Coast Conference
University of Washington–Seattle Campus	Pacific-10 Conference
University of Wisconsin–Madison	Big Ten Conference
University of Wyoming	Mountain West Conference
Utah State University	Western Athletic Conference

Football Bowl Subdivision (98 Institutions) *Continued*	Conference in 2010
Virginia Polytechnic Institute and State University	Atlantic Coast Conference
Washington State University	Pacific-10 Conference
West Virginia University	Big East Conference
Western Kentucky University	Sun Belt Conference
Western Michigan University	Mid-American Conference

Football Championship Subdivision (77 Public Institutions)

* excluded from all analyses because of incomplete data (or change in division)
** excluded from per-capita analyses because of missing/erroneous athlete count data

Alabama A&M University
Alabama State University
Alcorn State University*
Appalachian State University
Austin Peay State University
California Polytechnic State University–San Luis Obispo
California State University–Sacramento
Central Connecticut State University
Citadel Military College of South Carolina
Coastal Carolina University
College of William and Mary
Delaware State University
Eastern Illinois University
Eastern Kentucky University
Eastern Washington University
Florida Agricultural and Mechanical University
Georgia Southern University
Grambling State University**
Idaho State University
Illinois State University
Indiana State University
Jackson State University**
Jacksonville State University*
James Madison University
McNeese State University**
Mississippi Valley State University**
Missouri State University
Montana State University
Morehead State University
Morgan State University**
Murray State University
Nicholls State University*
Norfolk State University**
North Carolina A&T State University
North Carolina Central*
North Dakota State University
Northern Arizona University
Northwestern State University of Louisiana*
Old Dominion University
Portland State University
Prairie View A&M University
Sam Houston State University
Savannah State University*
South Carolina State University
South Dakota State University
Southeast Missouri State University*
Southeastern Louisiana University
Southern Illinois University–Carbondale
Southern University and A&M College
Southern Utah University
Stephen F. Austin State University
Stony Brook University
SUNY at Albany
Tennessee State University**
Tennessee Technological University
Texas Southern University
Texas State University–San Marcos
The University of Montana
The University of Tennessee at Chattanooga
The University of Tennessee–Martin
Towson University
University of Arkansas at Pine Bluff**
University of California–Davis
University of Delaware
University of Maine
University of Massachusetts–Amherst
University of New Hampshire
University of North Dakota*
University of Northern Colorado
University of Northern Iowa
University of Rhode Island
University of South Dakota*
Virginia Military Institute**
Weber State University
Western Carolina University
Western Illinois University*
Youngstown State University

Division I, No Football (50 Public Institutions)

* excluded from all analyses because of incomplete data (or change in division)
** excluded from per-capita analyses because of missing/erroneous athlete count data

California State University–Bakersfield*
California State University–Fullerton
California State University–Long Beach
California State University–Northridge
Chicago State University*
Cleveland State University
College of Charleston*
Coppin State University
East Tennessee State University
Florida Gulf Coast University*
George Mason University*
Georgia State University
Indiana University/Purdue University–Fort Wayne
Indiana University/Purdue University–Indianapolis*
Kennesaw State University
Lamar University
Longwood University
New Jersey Institute of Technology**
Oakland University
Radford University
Southern Illinois University–Edwardsville*
SUNY at Binghamton
Texas A&M University–Corpus Christi
The University of Texas at Arlington
The University of Texas at San Antonio
The University of Texas–Pan American
University of Arkansas at Little Rock*
University of California–Irvine
University of California–Riverside
University of California–Santa Barbara
University of Illinois at Chicago*
University of Maryland–Eastern Shore
University of Maryland–Baltimore County
University of Missouri–Kansas City
University of New Orleans**
University of North Carolina at Asheville
University of North Carolina at Charlotte
University of North Carolina at Greensboro
University of North Carolina–Wilmington
University of North Florida*
University of South Alabama
University of South Carolina Upstate*
University of Vermont
University of Wisconsin–Green Bay*
University of Wisconsin–Milwaukee
Utah Valley University
Virginia Commonwealth University
Wichita State University
Winthrop University
Wright State University

Note: Institutions are not listed if data were unavailable.

About the Delta Cost Project

The Delta Cost Project at American Institutes for Research provides data and tools to help higher education administrators and policymakers improve college affordability by controlling institutional costs and increasing productivity. The work is animated by the belief that college costs can be contained without sacrificing access or educational quality through better use of data to inform strategic decision making.

About the Author

Donna M. Desrochers is a principal researcher at American Institutes for Research and works with the Delta Cost Project. She can be reached at ddesrochers@air.org.

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1000 Thomas Jefferson Street NW
Washington, DC 20007
202.403.5410

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