Money for the University?

BARBARA R. BERGMANN

It's game time, and from the stands we hear the roar of
tens of thousands of adoring fans of our college's team,
who have paid a handsome price for their tickets. Mil-
ions more at home are watching the game on TV, and
the network sends our school huge sums for the privi-
lege of beaming beer commercials to them. Perhaps the
alumni, inspired by our team's valiant effort, will send
large checks to our fund-raisers.

To the naked eye, it certainly looks as
though college athletics programs make
money. Most writers on the subject firmly
believe so. An article in The Chronicle of
Higher Education went so far as to say, "...there
is no revenue in training doctors and lawyers, [but] colleges and universities make a substantial, direct
and immediate income from their student
athletes.'"

The pot of gold that successful big-time sports
supposedly earn helps to justify the harboring on
campus of an entertainment enterprise that has lit-
tle relation to the university's primary purpose, the
fostering of knowledge. This enterprise gives a lot
of spectators—some students, some faculty, some
alumni, some with no campus connection—a lot of
fun. It gives those young people with extraor-
dinary athletic talent a way to develop that talent,
and have the consuming experience of rigorous
competition.

But big-time sports also give rise to admission
and cheating scandals, fake curricula for many of
the athletes, a boozy kill-'em atmosphere, and the
unwholesome sight of the university president
cowering before boosters and booster-trustees. The
scandals that accompany big-time sports get pretty
big at times. But how could any institution em-
brace meaningful intercollegiate sports reform,
much less give up trying to compete in the big
time, if it means giving up all that money?

The truth is that "all that money" is nothing but
an illusion. The lack of public information about
the expenditures that such programs entail leads to
the mistaken assumption that the profits from
sports must be enormous. The revenues are big,
but the costs of these programs are as big or bigger.
The assumption that institutions derive financial
benefit from sports programs is false in most
cases: sports programs that generate profits used
to help finance an institution's regular programs
are exceedingly rare. On the contrary, sports pro-
grams can and frequently do drain large sums
from the academic aspects of the budget.

The best way to demystify the financial aspects
of big-time college programs is to look at the
records of a major public institution that publishes
some information on its athletic budgets. These
published budgets can be misleading, since the
cost of providing the athletic department with tele-
phone service, utilities, and stadium upkeep may
be omitted from the athletic budget and hidden in-
stead in the institution's academic budget. Never-
theless, these athletic department budgets do re-
veal enough to shatter the illusion of "all that
money" helping the institution.

Looking at a Real Example

Table 1 shows the published planning budget for
the intercollegiate athletic department at the Uni-
versity of Maryland at College Park for 1986. That
was a relatively good period for Maryland sports.
The teams had been doing well. The fallout from
the death of basketball star Len Bias from a drug
overdose, the firing of coach Lefty Driesell, and
the money-draining NCAA penalties for the infrac-
tions of his successor were all in the future.

Intercollegiate athletics programs at Maryland did
have hefty revenues coming in during 1986. The
university expected receipts that year of $6.5 mil-

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guished professor of economics at American University.
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bad-luck case. A survey of institutions with big-time athletics programs carried out by the National College Athletic Association showed that only 1 percent claimed that the financial goal of their athletic program was earning profits to support non-athletic activities of the institution. The rest said they wanted to earn money to expand the athletics program (15 percent), or simply to meet expenses (58 percent) or, more modestly, to keep losses to a minimum (26 percent). In the NCAA survey, 42 percent of big-time athletics programs reported losses in the survey year, with the average annual deficit at $824,000.

Of course, a university whose program avoids losses in one year may easily succumb to them in the next. If the university’s teams compile an uninspiring record on the playing field, its attendance and television revenues will slip, and it will lose its chance for post-season appearances for its teams. It is in this sense that the star player or the talented coach brings in a lot of money. Without them, the team is a sure loser, both on the playing field and at the box office.

But at least half the teams have to be losers, and a minuscule number can be big winners. The grinding battle to avoid being one of those losers and to achieve big-winner status tempts institutions to break or shade the rules. Fierce competition is the source of the pressure to recruit talented athletes without regard to whether they meet admission standards, to make them work and travel so they have no chance for a normal academic experience, and to arrange fake courses and passing grades for them.

When on-the-field success brings in revenues that exceed planned expenditures, the spending on sports has a tendency to expand, so there’s nothing left over for donations to any academic purpose. When losses occur, the university makes them up from within the university. At Maryland, losses in the athletic program can be covered by draining revenues generated by the summer university and the dining halls. The surpluses these enterprises generate might instead go to academic uses, or might be given back to the students in lower fee levels.

Some athletic programs siphon off regular scholarship monies and give them to athletes to supplement athletic scholarship money derived from boosters. This practice diverts support from academically able students from poor backgrounds who could benefit from a regular education and shifts it to athletes who principally devote their ability, interest, talent, and time to nonacademic pursuits.

To add insult to injury, the athletic program is sometimes portrayed as a wonderful way for poor members of minority groups to get an education they otherwise could not afford. In fact, these programs may actually reduce opportunities for such people to get a genuine degree. College athletics programs mislead them by fixing their attention on the improbable dream of achieving success in life through professional sports, divert them from efforts to achieve academically, and rob them of the time and financial support for regular study.

Forcing Students to Support the Games

From the Maryland budget, we can see that $2 million—or almost a third of the athletic receipts—was not earned but rather extracted from the undergraduate and graduate students as athletic fees. In return for the fees, a limited number of students could get “free” tickets for the worst seats at some games. Those students on highly restricted budgets and those with little interest in attending sports events would undoubtedly prefer not to have to make such a forced exchange.

It is sometimes claimed that big-time men’s football and basketball support the non-revenue intercollegiate sports. A look at the planning budget shows that claim to be false at Maryland. The $3.8 million in revenues in the Maryland planning budget that men’s football and basketball were to generate was more than accounted for by the teams’ planned expenses and their share of administrative expenses.

Student fees at Maryland cover the expenditures on the non-revenue intercollegiate sports in the planning budget. These compulsory student fees fund intercollegiate competition in baseball, swimming, soccer, tennis, and women’s basketball and field hockey. These activities should not be confused with programs that would allow students of less-than-prodigious athletic abilities to get exercise and have the experience of team play.

The non-revenue intercollegiate sports tend to be as professionalized as men’s football and basketball. Many of the athletes involved are zealously recruited, may be admitted despite inability to qualify under regular standards, may get full scholarships and expenses, and are required to spend more than forty hours a week on the sport.

Ordinary students get no discernible benefit from
Those who give generously to the sports program seldom if ever contribute for academic purposes.

The non-revenue intercollegiate sports. They have almost no chance of participating on a walk-in basis. These sports draw few spectators, so the student body does not even get entertainment from them. The NCAA requires the big-time sports institutions to support non-revenue sports at vast expense, but the value of the activity to anybody but the athletes themselves and their coaches is nil.

Do Sports Encourage Appropriations and Donations?
Some make the claim for athletic programs that, while not bringing profits directly, they bring name recognition, increase student applications, and make it easier to collect money from alumni, state legislatures, and big donors to academic programs. Successful sports do bring a university celebrity. But it is doubtful that such celebrity pays off financially or in other ways for the academic enterprise of the university. No one has brought forward any evidence of such a payoff. Several systematic research studies have found no significant correlation between winning teams and appropriations or donations to university academic programs. 3

At Maryland, the university’s fund-raiser told me that he believed the athletic program actually reduce donations. Those who give generously to the sports program seldom if ever contribute to funds that can be used for academic purposes. The prominence of athletics on the campus, even free of scandal, may turn off potential donors who otherwise might endow a professorship or build a lab or theater.

The idea that big-time athletics programs bring millions of dollars to the university is false. They can incur net losses that cost the university millions that could be used for academic purposes. They do bring entertainment, drama, and attention, but at a stiff price in money and integrity.

Table 1.
Planning Budget for Intercollegiate Athletic Programs, University of Maryland, College Park, 1986

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Basketball</td>
<td>$750,526</td>
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<tr>
<td>Football</td>
<td>1,412,030</td>
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<tr>
<td>Golf Course</td>
<td>474,219</td>
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<tr>
<td>Other Men’s Sports</td>
<td>706,109</td>
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<tr>
<td>Women’s Sports</td>
<td>542,565</td>
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<td>Administrative Personnel</td>
<td>1,345,690</td>
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<td>Administrative Operations</td>
<td>1,240,631</td>
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<tr>
<td>Tennis Facility</td>
<td>32,000</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$6,503,770</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Receipts</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Basketball Gate</td>
<td>470,000</td>
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<tr>
<td>Football Gate</td>
<td>1,444,000</td>
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<tr>
<td>Golf Course</td>
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<tr>
<td>Television Distribution</td>
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<td>Student Athletic Fee</td>
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<tr>
<td>Other Fees</td>
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<tr>
<td>Concessions</td>
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<tr>
<td>Tennis Fees</td>
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<tr>
<td><strong>Other</strong></td>
<td>56,566</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>$6,503,770</strong></td>
</tr>
</tbody>
</table>

Source: University of Maryland, College Park, 1986 Budget.

NOTES