

Athletic Spending in Higher Education

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EDRE 7850

Outline

- Introduction
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 - Political frame
 - Human resource frame
 - Symbolic frame
- Solution

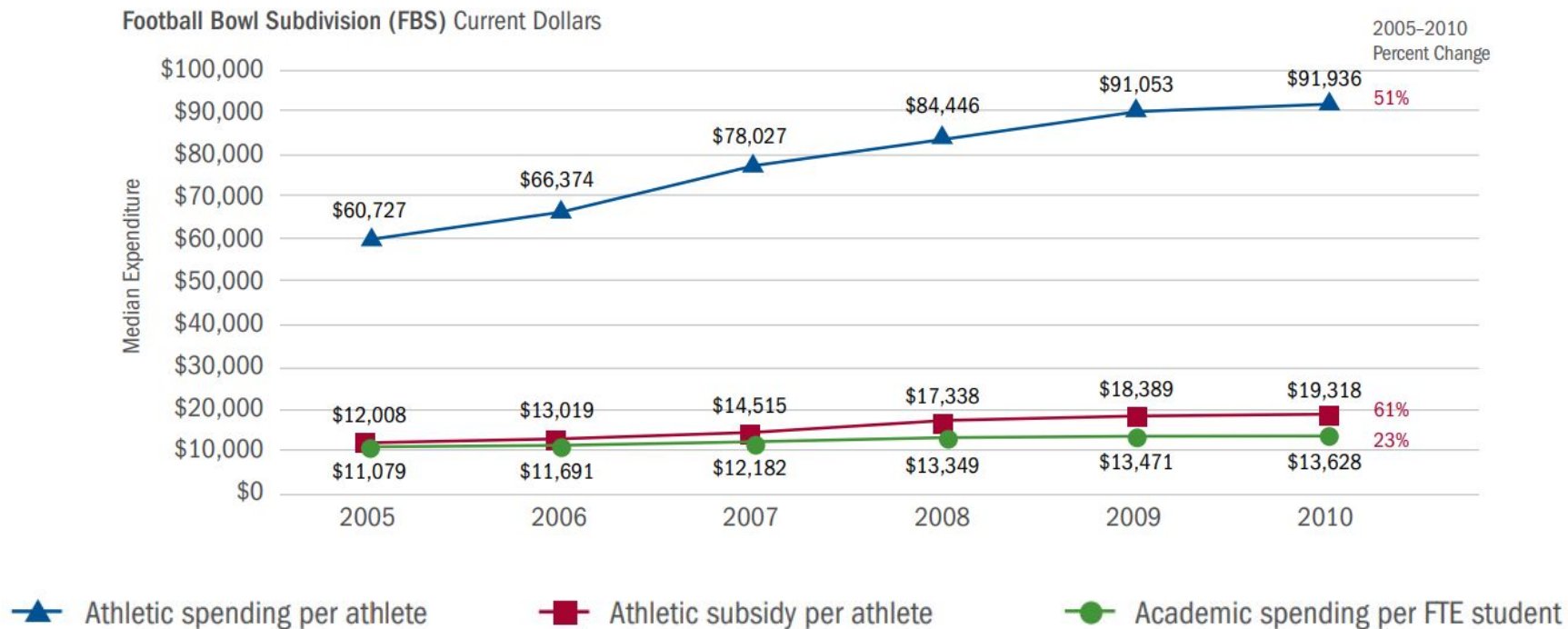
Introduction

- History
 - Student-organized recreation (Beyer & Hannah, 2000)
 - The first intercollegiate athletic contest: 1852, Harvard v.s. Yale
 - 1906 NACC (National Collegiate Athletic Association) was found (IAAUS)
- Importance (Anderson, 2016; Miller, 2003)
 - Financial: donations, advertisement
 - Cultural: emotion, ideologies, spirit
 - Academic: reputation, application, academic performance
 - Fairness

Introduction

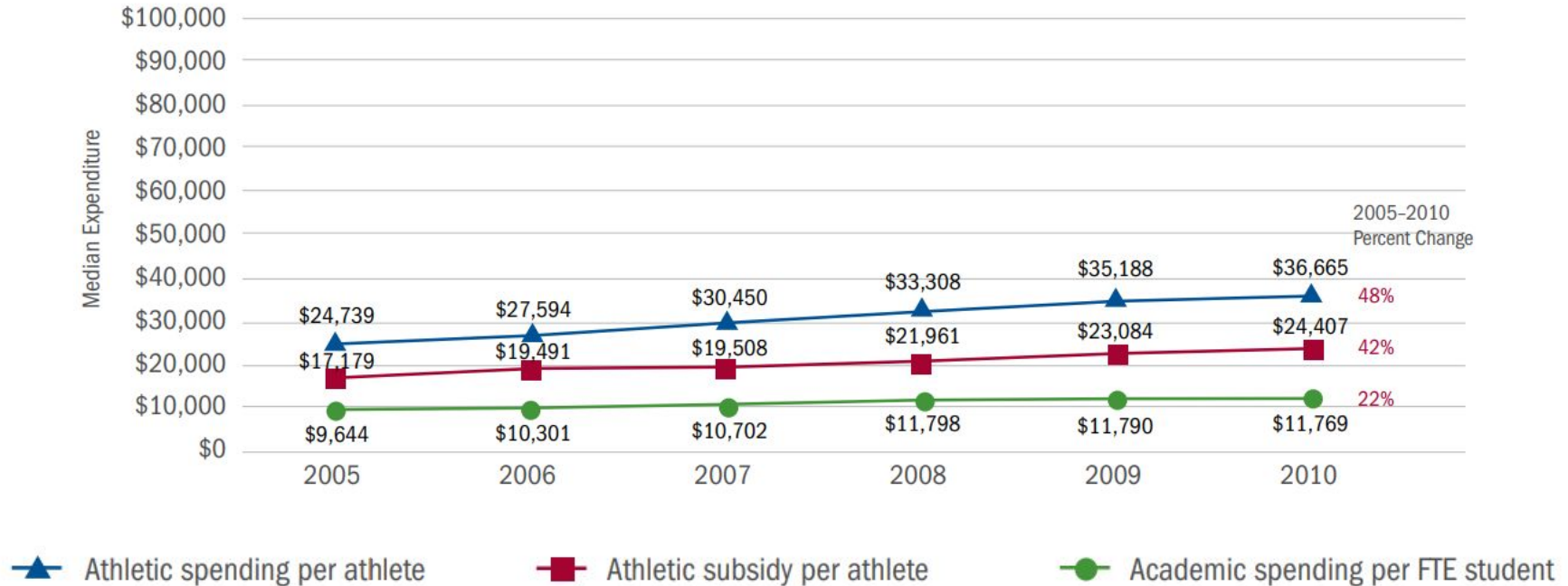
- Issue
 - Financial crisis in Higher Education (HE); Coronavirus
 - Increasing athletic spending
 - Revenue \neq profit, athletic expenses over revenues
 - Coach salary, equipment, suppliers etc.
 - “Ohio University (OU) athletics expenditures outpace its revenues by close to \$20 million, annually” (OU-AAUP, 2019, p.12)
 - Athletic spending over academic spending
 - “Annual spending on sports by public non-profit universities in the largest ‘big six’ conferences, has surpassed \$100,000 per athlete—around 8 to 12 times the amount spent on academics per full time student” (higherED direct, 2018, para. 2)

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



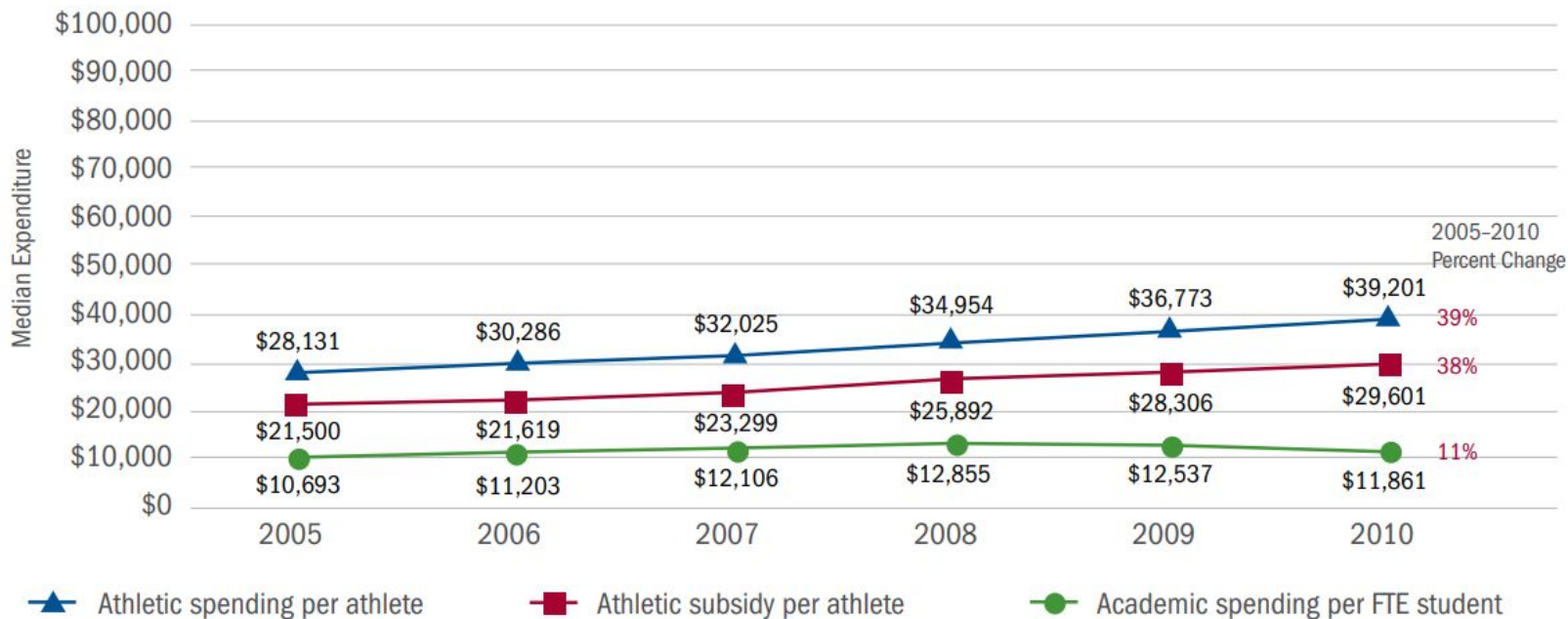
Source: Desrochers, 2013

Football Championship Subdivision (FCS) Current Dollars



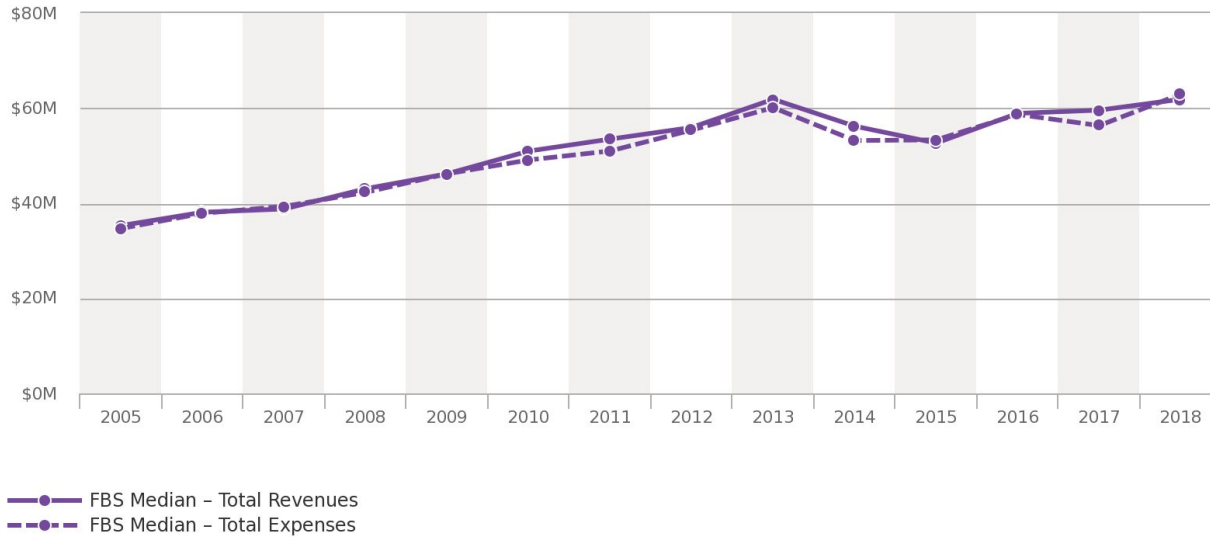
Source: Desrochers, 2013

Division I, No Football (DI-NF) Current Dollars



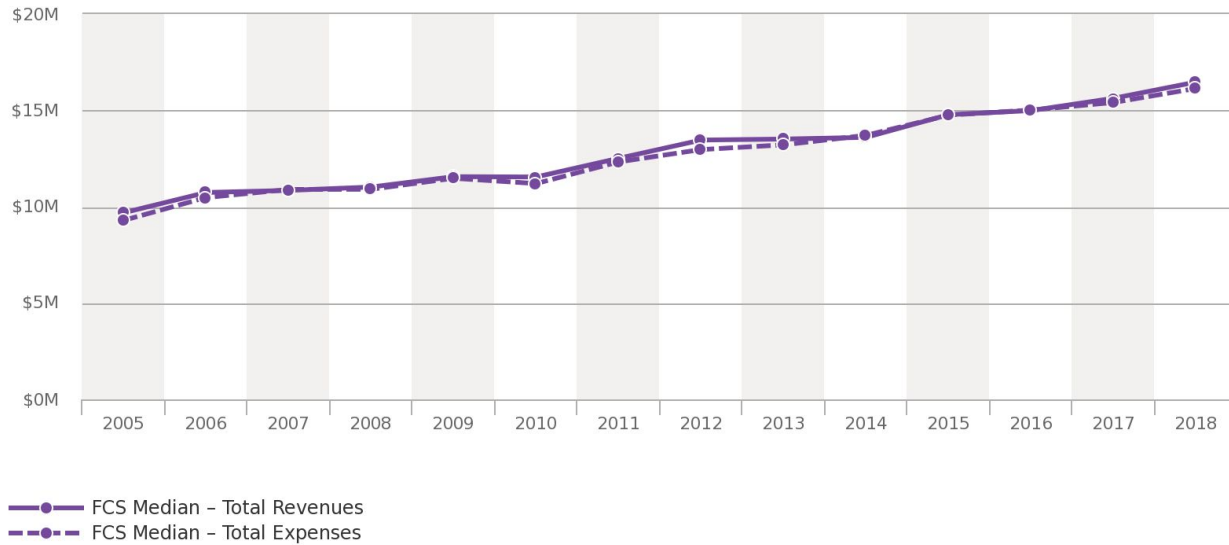
Source: Desrochers, 2013

2005-2018 COMPARISON GRAPH FBS Median



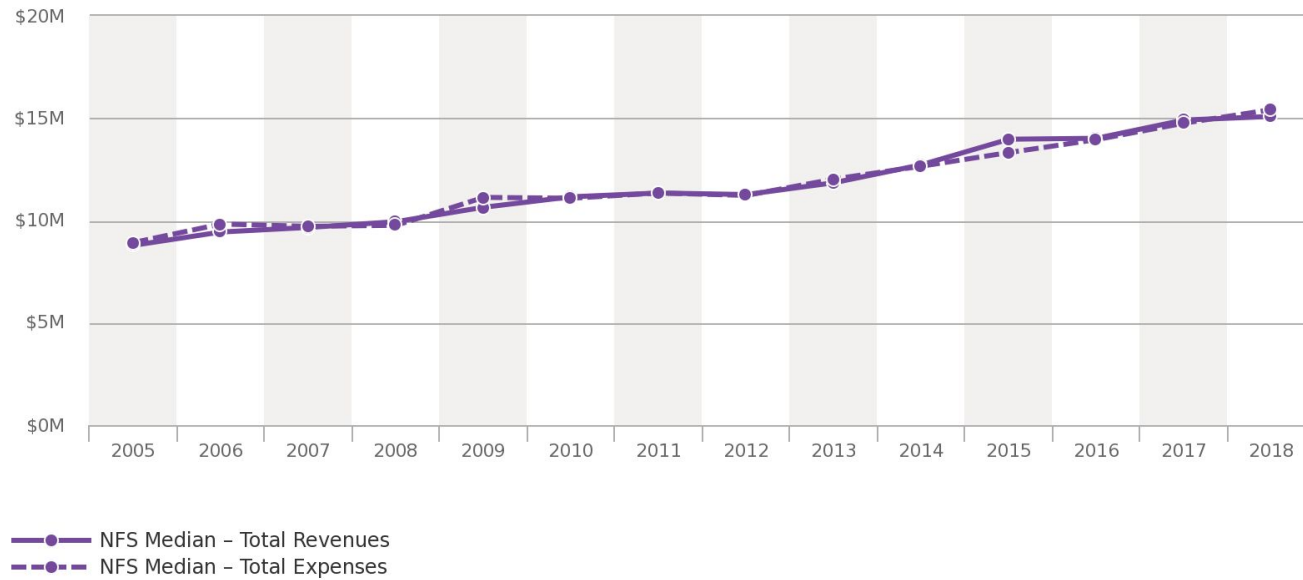
Amounts reflect CPI inflation-adjusted dollars.
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2005-2018 COMPARISON GRAPH FCS Median



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2005-2018 COMPARISON GRAPH NFS Median



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Analysis: Structural frame

- Structural assumptions (Bolman & Deal, 2017)
 - Organizations exist to achieve established goals and objectives and devise strategies to reach those goals
 - Suitable forms of coordination and control ensure that diverse efforts of individuals and units mesh
 - Effective structure fits an organization's current circumstances (including its strategy, technology, workforce, and environment)
 - Maximum efficiency

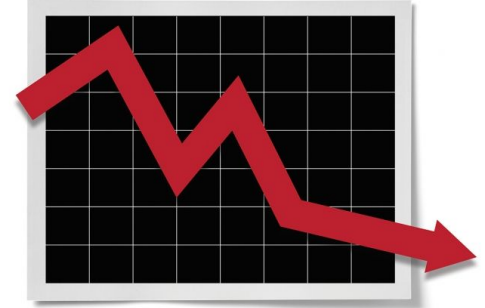
Analysis: Structural frame

- Goals of higher education: reputation, profit
- Loosely coupled academics and athletic, decentralized
- Tension between academic and athletics (Lawrence et al. 2007, Vanover & Debowes, 2013)
 - Whether athletics impact academic positively or negatively is on debate
 - Academic oversight
 - faculty governance
 - fiscal oversight

Analysis: Political frame

- Political assumptions (Bolman & Deal, 2017) :
 - Organizations are coalitions of different individuals and interest groups
 - Coalition members have enduring differences in values, beliefs, information, interests, and perceptions of reality
 - Most important decisions involve allocating scarce resources--deciding who gets what
 - Scarce resources and enduring differences put conflict at the center of day-to-day dynamics and make power the most important asset
 - Goals and decisions emerge from bargaining and negotiation among competing stakeholders jockeying for their own interests

Analysis: Political frame



- Scarce resources: financial crisis
- Power in resource allocation
 - Power is a function of the department's ability to provide two important resources--grants and contracts and student enrolment (Pfeffer & Moore, 1980)
 - Subunit power may partially determine resource allocation decisions (Pfeffer & Salancik, 1974)
 - Academic departments and non academic departments
- Athletic expenses v.s. academic expenses
 - revenue theory of cost
 - arm race

Analysis: Human Resources Frame

- Human resources assumptions (Bolman & Deal, 2017)
 - Organizations exist to serve human needs rather than the reverse.
 - Organizations and the people need each other. Organizations need ideas, energy and talent; people need careers, salaries, and opportunities.
 - When the fit between individuals and the system is poor, one or both suffer.
 - A good fit benefits between the organization and the individuals will allow individual to find meaningful and satisfying work, and organizations get the talent and energy they need.

Analysis: Human Resources Frame

- Students need the organization to support their education and their ideas. The organizations need students ideas and financial assistance (tuition & fees).
- The fit between the student body and the university does not work if they are putting only \$14,000 into each student but putting over \$100,000 into students involved in athletics (for some colleges the number is around \$200,000).
- Is it a good relationship for university teachers?
 - *The Adjunct Underclass*: no retirement, no benefits.

Analysis: Symbolic Frame

- Symbolic assumptions (Bolman & Deal, 2017)
 - High levels of ambiguity and uncertainty undercut rational analysis, problem solving, and decision making.
 - Activity and meaning are loosely coupled: events have multiple meanings because people interpret experience differently.
 - The symbolic perspectives question the traditional view that building a team entails.
 - People create symbols to resolve confusion, find direction, anchor hope and belief.

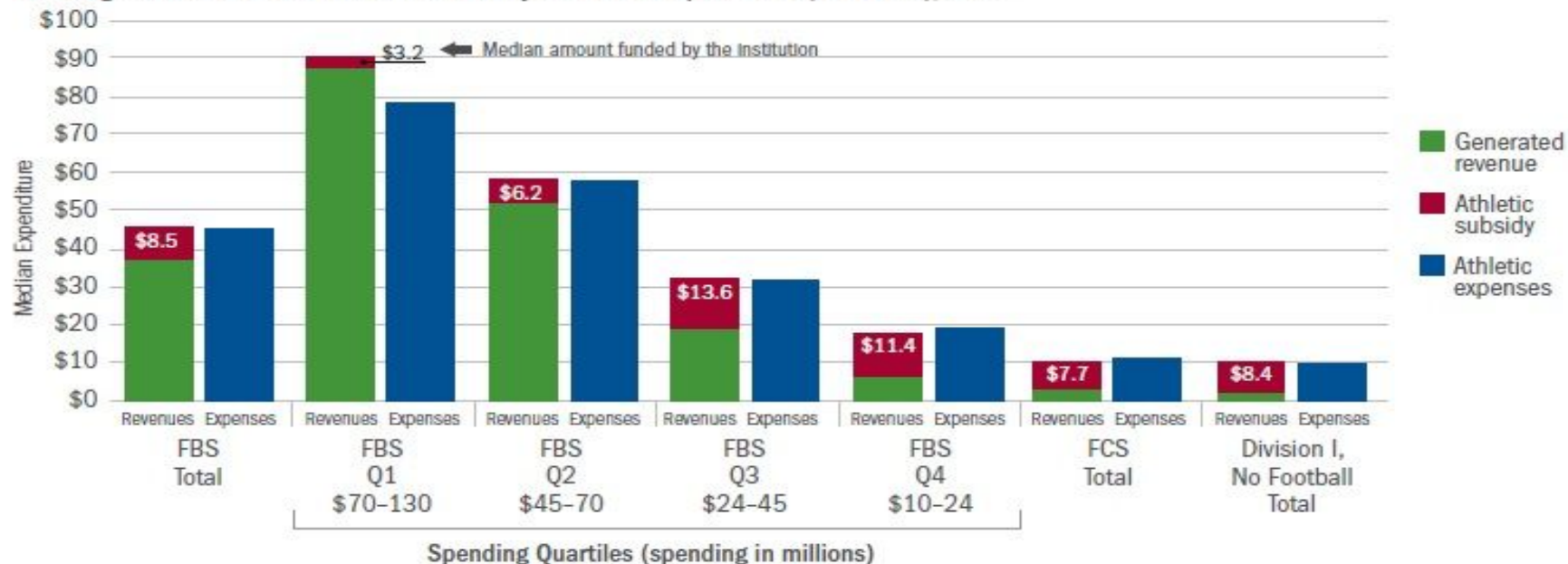
Analysis: Symbolic Frame

- The stadium themselves hold symbolism
- Universities use new athletic facilities and equipment to attract members.
- Creating these new facilities for athletics programs may attract some students but it compiles onto the expenditures of the athletic department which leads to cuts in staff and other departments budget.
- The idea that new buildings and equipment give students hope and the belief they will win.



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

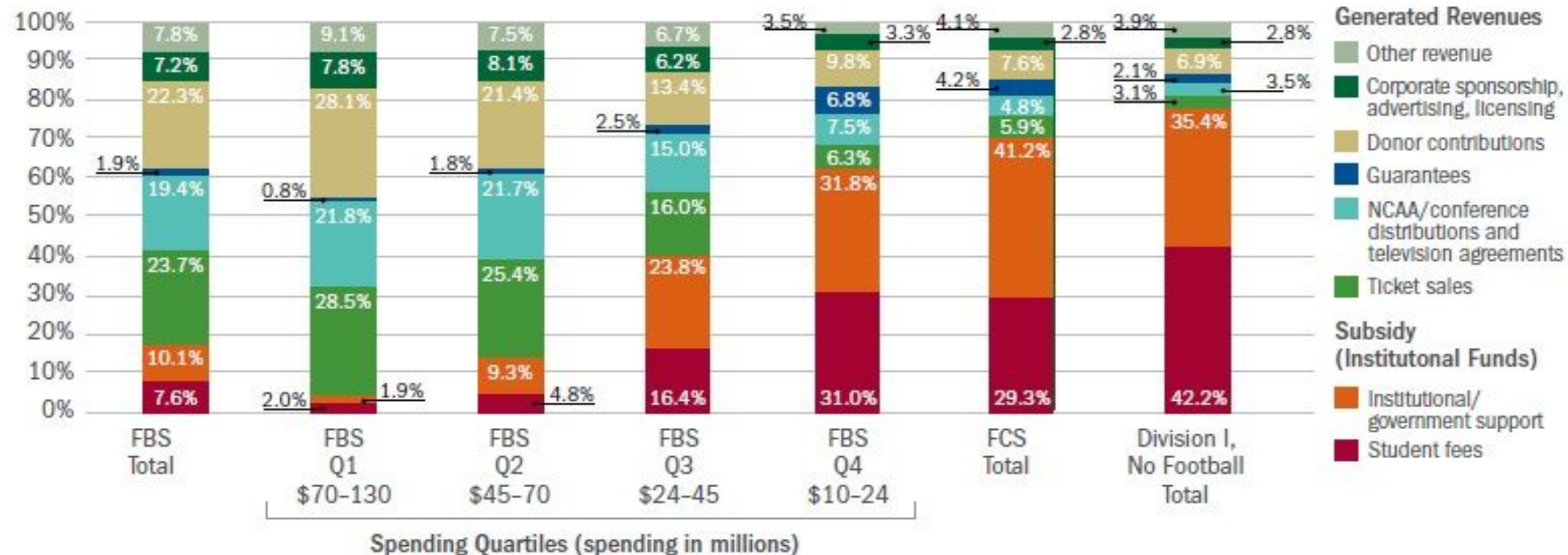


Note: Includes public institutions only. FBS institutions were organized into quartiles based on total athletic spending. Athletic subsidy includes revenue reported by athletics from student fees, transfers from general fund sources, state appropriations, or other sources internal to the institution. 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.

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.

Solution

- Donations and economic return
 - The belief that college sports are a financial boom to colleges and universities is generally misguided. More often than not, athletic departments rely on subsidizing athletics (Desroachers, 2013).
- Budgeting
- Prioritize human resources frame
- Prioritize learning
 - Paper Class Scandal
- Focus on their vision vs their current mission
 - The ultimate goal of higher education is to produce graduates who will be effective leaders in their chosen profession, valued members of their communities, and responsible citizens of the world.

