

Athletic Programs Rarely Break Even or Give Academic Returns: UI Athletics is \$1 Million in the Red; BSU's Enrollment Boost Fizzles

By Nick Gier, President, Idaho Federation of Teachers, AFT/AFL-CIO

In 1982 I circulated a petition on the University of Idaho campus asking that state appropriated funds not be used for athletics. My main argument was that these funds should be used solely for academics.

The Vandals Win Big without Subsidies

A resolution supporting this petition was passed by the Faculty Senate and sent to the UI administration. For four years (1983-87) the Vandals, presumably without a subsidy, won five Big Sky football championships. I especially enjoyed the times in which the Vandals beat the Broncos.

With superb coaching by Don Monson, UI basketball also excelled during this period. In 1981 and 1982 the team, also without subsidies, won two Big Sky championships. They then went to the NCAA play-offs, losing in the first round in 1981. In 1982 the Vandals made the Sweet Sixteen, but they lost to Oregon State 60-42. I still have agonizing memories of this game.

UI Athletic Budget: About \$1 Million in the Red

In 1987 the State Board of Education (SBOE) authorized \$665,500 in appropriated funds for UI athletics, which has now grown to \$949,500. This is still not enough to balance the athletic budget.

UI Finance Vice-President Brian Foisy estimates a deficit between \$900,000 and \$1,000,000. (Neighboring Washington State faces losses totally \$13.2 million.) The athletics department is now asking \$1 million a year for four years to bring the budget out of the red. I have urged the UI Faculty Senate to reject this request, so far the issue has not even been placed on the agenda.

Big Gift from UI Foundation and Reduction in Administrative Fees

UI athletics has received benefits that no other university unit has. In 1995 then President Robert Hoover gained approval for an unprecedented transfer of \$500,000 from the UI Foundation to finance the move to the Division I-A Football, where the UI has been ranked at the bottom, with few exceptions, ever since.

At the same time, UI athletics was given a reduction to 1 percent from the 6 percent administrative fee that each campus unit was charged. The reason offered was that UI teams promote the University's "brand." (Don't our academic departments do that as well?) This fee for academic units has now risen to 10 percent, but the fee for athletics has been waived completely because of their current financial crisis.

Two-Thirds of Vandal Boosters Support Big Sky Decision

UI President Chuck Staben has made a wise decision in returning football to the Big Sky Conference. (The other teams returned in 2014.) The principal disadvantage would be the loss of some substantial games guarantees that come with playing (and usually losing badly) to big-name schools. Citing an independent study, UI Athletic Director Robert Spear admitted that his program would need an extra \$5 million per year to compete at this level.

Moving back to the Big Sky has, however, two major advantages: travel expenses would be reduced dramatically and attendance would most likely increase. Many more fans from regional teams would come to home games, and more locals would come to see the Vandals play traditional opponents such as Eastern Washington, Montana, Montana State, Portland State, and Idaho State. Personally, I have had very little desire, for example, to attend UI-Louisiana State games. I will now cheer on the Vandals in their Big Sky football games.

In 2011 UI economist Steven Peterson calculated that the annual economic impact of UI athletics on Latah County was \$33,3262,161. Most likely that figure will increase in the future as fans of our regional opponents will come to Vandal home games and spend their money on motels, drinks, and meals.

President Staben has received criticism from some Vandals fans, but the *Spokesman Review* reports "that about two-thirds of the unsolicited emails he received before the decision came from people who favored it and that a small group of new donors have cited the jump to the Big Sky as their reason to start giving." A few, however, have vowed that they will stop their donations and no longer attend Vandal games.

Alumni Donations Do Not Correlate with Athletic Success

Some have argued that winning teams would result in a boost in both alumni giving and student enrollment. With regard to donations this assessment by former Notre Dame Vice President Richard Conklin still holds true: "There is no empirical evidence demonstrating a correlation between athletic department achievement and alumni fund-raising success. A number of researchers have explored this putative relationship, and they all have concluded that it does not exist."

Indiana University Professor Emeritus concurs: “Many studies indicate that alumni giving is independent of college sports success or failure, and has no relation to whether a school has a big-time intercollegiate athletic program or not.” In his research UC Berkeley’s Michael Anderson did find a positive correlation between alumni donations and athletic success, but he found that “the effects appear concentrated among teams in the six elite conferences.” He admits, however, that “these positive effects would not recoup however much money a college invested in its athletics program.”

With regard to student enrollment Harvard professor Douglas Chung has found that “when a school goes from being mediocre to being great on the football field [from four wins to ten] applications increase by 17.7 percent.” However, Chung calculated that the same effect could be achieved by either a 3.8% decrease in the cost of tuition or by recruiting higher quality faculty who are paid 5.1% above the market rate.

The “Flutie Effect” at Boston College, Gonzaga, and Boise State

Some would point to the great success attained at Gonzaga University. Since the Bulldog basketball team started winning in 1999, Gonzaga has registered 86.4 percent more students, its endowment has increased 218 percent, and a doubling of donors has increased giving from \$13.4 to \$31.1 million. Boise State’s alumni giving increased four-fold from 2006 to 2011 during a period of great football achievement.

Gonzaga’s basketball success was sustained achievement, while the Vandals’ three bowl wins did not balance out losing records (some lopsided) in other years. Furthermore, UI student enrollment did not increase appreciably and in one year it actually dropped.

Gonzaga has experienced the “Flutie Effect,” named after quarterback Doug Flutie who carried Boston College to national fame in 1984. These are rare exceptions rather than the rule, and once the teams stop winning, the donations and student enrollment generally drop off. *The quality of academic programs—not athletic success—is still the key to higher education excellence.*

Boston College’s application rate did go up 16 percent and 12 percent two years after their upset win over the University of Miami, but they also went up 17 percent after a 4-7 season and up 9 percent after their worst season ever (0-11). After a year of embarrassing athletic scandals, application rates remained the same as the previous year.

Boise State Has Low Freshman Retention and Graduation Rate

In 2010, after beating Oklahoma in the Fiesta Bowl in 2007 and winning it again in 2010, Boise State’s freshman class enrollment peaked at 2,400—16.5 percent over the low of 2,104 in 2003. It has now returned to 2001 levels, even though BSU won yet another Fiesta Bowl in 2014.

This temporary success is mitigated by the fact that BSU's freshman retention rate is only 69 percent as opposed to 93 percent at Boston College. BSU's graduation rate of 29 percent is also one of the lowest in the nation. BSU administrators boast about record numbers of applications, but what counts is not only new freshman enrolled but those who go on and graduate.

With a high number of applications, BSU has the pick of the best students for their freshman classes. Even so, average ATC and SAT scores for these students are only somewhat higher than before. Economist Craig Depken states: "I can talk about how the incoming freshman class has a higher SAT score, at the same time, in many places it's been documented that a successful football program tends to correlate with lower GPAs, that is lower performance in the classroom, especially amongst male students."

Faculty Salaries Rarely Correlate with Athletic Success

Faculty salaries at Gonzaga increased dramatically, but UI and BSU professors are still 20-30 percent behind their peers. *Rarely has there been, nation-wide, a transfer of athletic revenue to academic budgets.* BSU salaries still remain at the bottom of a list of 10 comparable metropolitan universities. The Lewis-Clark State Warriors have had winning baseball teams since 1972 with a win-loss percentage of .777, but average faculty salaries are below Idaho K-12 teachers. For details go to <http://idaho-aft.org/wp-content/uploads/2016/06/Survey16.pdf>

UI Students Do Not Support Athletic Subsidies

In his superb investigative report, UI student Zach Lien has done an in-depth survey of student opinion about UI athletics. Lien found that when students learned that athletics was not profitable, only 2.7 percent supported increasing student fees to fund the teams. Read his report at www.NickGier.com/AthleticsZach.pdf.

UI athletics has proposed a 3 percent student fee increase to help reduce the deficit, but the student fee committee has approved 1.2 percent. At WSU, where the athletics department is facing a \$13 million loss, student opinion appears to be running against a \$100 annual increase in student fees for athletics.

At its April 19-20 meeting the SBOE will decide whether to grant UI athletics an extra \$4 million for the next four years. In 2004 the faculty union urged the UI Faculty Senate to reduce the subsidy to \$300,000, but with then UI President Tim White arguing against the idea, the senators rejected our proposal unanimously.

As the UI Faculty Senate has so far declined to address this issue, I have urged Zach Lien and his fellow students to make a presentation to the SBOE and attempt to convince the board that this money is badly needed for academics not athletics.

Nick Gier of Moscow taught philosophy at the University of Idaho for 31 years. He is President of the Idaho Federation of Teachers, AFT/AFL-CIO. Read a previous paper on this issue at http://idaho-aft.org/?page_id=118.