

Vandalized Perception:
Intercollegiate Athletics at the University of Idaho

By Zachary Lien

Executive Summary:

Though the University of Idaho Athletic Department (UI Athletics) requires substantial subsidies to operate without a deficit, most students at the University of Idaho believe that UI Athletics is a profitable enterprise. Nonetheless, the clear majority of students still conclude that student fees to intercollegiate athletics should not increase. Additionally, UI student knowledge that athletics is unprofitable strongly correlates with desire to decrease student fees to athletics. This suggests that, as students become more aware that UI athletics is not profitable, students will become increasingly opposed to contributing student fee dollars—and potentially less supportive of contributing other subsidies—to intercollegiate athletics. This paper outlines and details the gap between perception and reality, analyzes the narrative that perpetuates this gap, and reviews academic literature on the subject.

Key Findings:

- 61.97% of students believe that UI Athletics is profitable *without* subsidies. The average UI student believes that UI Athletics, excluding subsidies, produces \$1.70 million in profit. The average UI student athlete estimates \$4.64 million in profit.
- After seeing the breakdown of the 2017 Student Fee Schedule, only 5.8% of respondents want to increase student fees to intercollegiate athletics. 68.3% want to decrease student fees, and 25.9% want student fees to remain the same.
- Belief that intercollegiate athletics is profitable correlates with desire to increase student fees to intercollegiate athletics. While 7.70% of students who believe that intercollegiate athletics is profitable would increase student fees, only 2.68% of students who do not estimate profitability would increase student fees.
- The false narrative that UI Athletics is a profitable enterprise has been perpetuated across campus, and some figures and research commonly utilized to support increased funding to UI Athletics requires active skepticism and review.

Introduction:

The initial purpose of my research was to address my own ignorance, because I learned that my perception of intercollegiate athletics did not fit reality. After encountering the online budget books for the first time, I realized that my understanding of the profitability of UI Athletics was wildly inaccurate. Speaking with other students, I learned that I was not alone in my ignorance. I began meeting with UI staff who were well acquainted with the budgets and financial infrastructure of the University of Idaho, and I spent much of my free time organizing these meetings and reading literature on the subject.

This doubt in intercollegiate athletics was peculiar, since I grew up with a deep passion for sports. Though I was not an athletic child, I thoroughly enjoyed researching sports statistics online, watching Sports Center every morning, and collecting sports cards from nearly every professional sport. I continue to love the competition, the history, and the commitment of athletes to improving themselves and their sports through new ideas or techniques.

I hope that administrators, staff, faculty, and students who read this report do not interpret disdain for athletics. The primary motivation for this report is to close a gap between perception and reality among the student population. As that gap closes, it is my hope that students will make informed decisions about the future of intercollegiate athletics at the University of Idaho.

Acknowledgements:

Special thanks to the friends—especially ASUI Senator Jordan Kizer, Alex Wezensky, and Kevin Miklos—as well as the numerous sources remaining anonymous who offered ideas and resources that directly and substantially improved the quality of this report. Without the time, encouragement, and insight of others, this report would never have come to fruition.

Findings

The Gap

For the 2017 Fiscal Year (1 July, 2016 through 30 June, 2017), the UI Budget Office estimates that the total resources of intercollegiate athletics will be \$15,189,000.¹ However, only \$7,073,200 is estimated to be Program Revenue (concessions, contributions, media, ticket sales, etc.).² The rest of the budget is made up of subsidies—General Education Operating Budget (\$4,239,000),³ student fees (\$1,834,000),⁴ institutional support (\$949,500),⁵ and reserves (\$1,093,100).⁶ These subsidies, which amount to \$8,115,800, constitute 53.43% of the estimated budget of UI Athletics.⁷ Without these subsidies, UI Athletics would either operate at an equivalent loss or would be forced to eliminate portions of its program. To my surprise, UI Athletics is not alone. According to the NCAA, only 24 Football Bowl Subdivision (FBS) schools generated more revenue than they spent in 2014.⁸

Despite this evidence that UI Athletics is not a profitable enterprise, I found that most of my peers were completely unaware of the size, scope, or even existence of these subsidies. Wanting to quantify this gap between perception and reality of the profitability of UI Athletics, I undertook an extensive project to survey students across campus. After collecting 8795 emails from the student directory, I emailed each student a six-question survey⁹ that I estimated would take two minutes to complete. The first four questions determined the demographics of the respondent (gender, class,¹⁰ living group, student athlete status). The fifth question asked students to estimate, using a horizontal scale, the profitability of UI Athletics excluding student fees and other financial assistance. Finally, the sixth question asked students to review the breakdown of the 2017 Student Fee Schedule and share whether they believe that student fees to intercollegiate athletics should increase, decrease, or stay the same.¹¹ In total, after emailing 8795 students over

¹ Can be found at <https://www.uidaho.edu/finance/budget-office/budget-books>

² Ibid.

³ Made up mostly of student tuition and state funds

⁴ Fees paid in addition to tuition dollars for various campus programs/projects (i.e. ASUI, Women's Center, Office of Multicultural Affairs)

⁵ Paid from a centrally allocated fund of non-General Education dollars, including interest earnings, Facility and Administrative (F&A) fees, and General and Administrative (G&A) fees. The State Board of Education determines the cap for the amount of Institutional Support that UI Athletics can receive.

⁶ All figures found at <https://www.uidaho.edu/finance/budget-office/budget-books>

⁷ These estimates by the Budget Office are the best estimates possible at the beginning of the fiscal year, and, even with some of the unexpected events (e.g. Idaho Potato Bowl) of the 2017 fiscal year, this estimate still maintains integrity and accuracy. Also, this estimate by the Budget Office does not include non-cash transactions (e.g. out-of-state tuition waivers).

⁸ Burnsed, B. (2015, September 18). Athletics departments that make more than they spend still a minority. Retrieved December 24, 2016, from <http://www.ncaa.org/about/resources/media-center/news/athletics-departments-make-more-they-spend-still-minority>

⁹ Survey conducted through Survey Monkey from 12/08/2017 to 12/13/2017. I collected no personal information of respondents, and the software automatically blocked repeat respondents from the same IP address.

¹⁰ Though graduate students were respondents in the survey, I failed to include "graduate student" as an option for Question 2. I received emails from four graduate students who noted the problem, and each stated that they chose "Fifth" year for their class. Due to this error, I will not attempt analysis of class.

¹¹ Screenshots of the survey appear in Appendix A

several days, 1362 respondents completed the entire survey—resulting in a response rate of 15.48%.¹²

This survey tested several hypotheses (outlined in Appendix B) that I formed prior to sending out the emails. Primarily, the survey aimed to quantify the gap between perception and reality by measuring the percentage of students that estimated that UI Athletics is profitable. The survey found that 61.97% of students perceive UI Athletics to be profitable. Figure 1.1 and 1.2 display the distribution of the 1362 estimations of profitability. Additionally, the mean answer to the survey suggests that the average student estimates that UI Athletics produces \$1.70 million in profit.

Figure 1.1

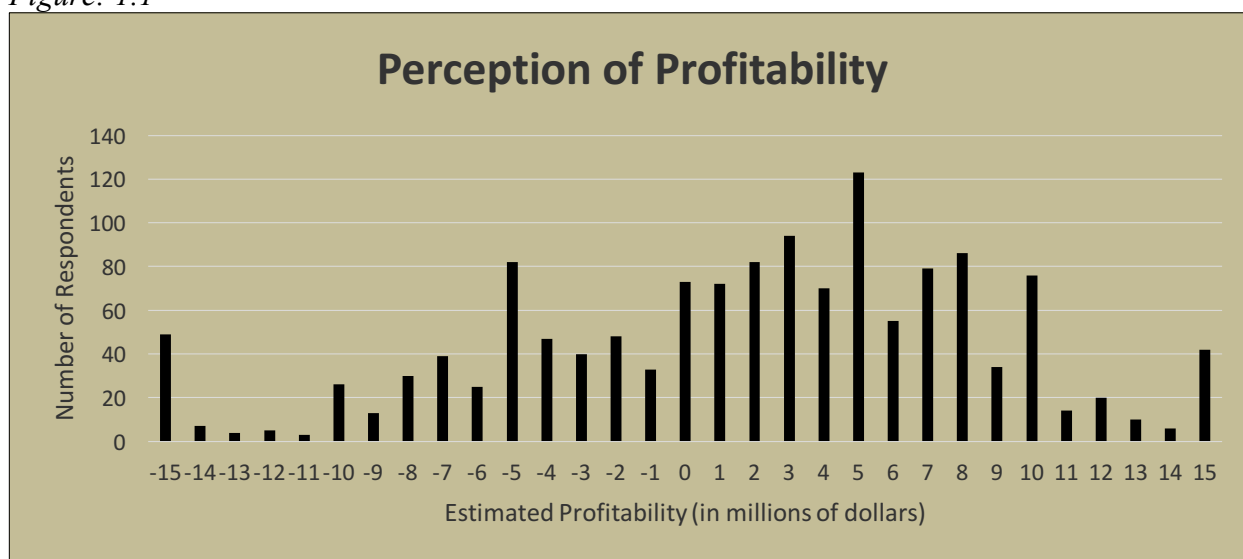


Figure 1.2

Estimated Profitability (in millions of dollars)	Number of Respondents	Estimated Profitability (in millions of dollars)	Number of Respondents	Estimated Profitability (in millions of dollars)	Number of Respondents
-15	49	-4	47	7	79
-14	7	-3	40	8	86
-13	4	-2	48	9	34
-12	5	-1	33	10	76
-11	3	0	73	11	14
-10	26	1	72	12	20
-9	13	2	82	13	10
-8	30	3	94	14	6
-7	39	4	70	15	42
-6	25	5	123		
-5	82	6	55		

¹² I coordinated with the Institutional Review Board (IRB) Coordinator after the first day in which emails were sent, December 8th. We determined that this survey did not require IRB oversight.

The demographics of the survey are equally interesting, and the breakdown for each demographic (gender, class, living group, and student athlete status) appears in Appendix C, which includes some graphical representations as well as hyperlinks to survey results. Most notable is the relationship between certain demographics and the perception of profitability. For example, female respondents living in Greek housing had the most optimistic estimate of profitability (\$3.26 million) while male respondents living off-campus are the most pessimistic in their estimate (\$0.13 million). However, the most striking finding regarding demographics concerns student athletes. Despite naturally being the demographic most familiar with UI Athletics, student athletes had a mean estimation of \$4.64 million in profit.¹³ This suggests that the profitability narrative—a subject that I will address in detail later in this report—is more effectively promulgated among student athletes than the general UI student body.

Moving onto the final question of the survey, we can review student support for the current level of student fees distributed to UI athletics. After seeing the 2017 Dedicated Activity Student Fee Schedule, 5.8% of students want to increase student fees to intercollegiate athletics, 68.3% want to decrease student fees, and 25.9% want student fees to remain the same (Appendix D). Arguably, the most important finding of the survey can be found by connecting belief in profitability and opinion of student fee levels. Specifically, the survey found that a belief that intercollegiate athletics is profitable correlates with willingness to increase student fees to intercollegiate athletics.

While 7.70% of students who believe that intercollegiate athletics is profitable would increase student fees to UI Athletics, only 2.68% of students who estimate a deficit would increase student fees. This suggests that, as students become more aware that UI athletics is not profitable, students will become increasingly opposed to contributing student fee dollars—and potentially less supportive of contributing other subsidies—to intercollegiate athletics. Unfortunately, this relationship between ignorance and increased funding establishes motivation to perpetuate a false perception of profitability, and, over the course of my research of UI Athletics, I have found such a narrative to be both present and pervasive.

The Narrative

Whether deliberate or incidental, a narrative that UI Athletics is a profitable enterprise has been perpetuated across campus. Perhaps the most frequently used narrative is the summation of all tuition and student fees potentially paid by every student athlete¹⁴ and labeling it as revenue “the [athletic] department brings to the university.”¹⁵ Over a decade ago, former UI President Timothy White claimed at a Faculty Council meeting that U of I received a “great return on investment” from athletics totaling \$2 million in scholarships, but “did not disclose that only \$1 million of this amount comes from the Vandal Scholarship Fund”—meaning that the other \$1 million had to be directly

¹³ With 61 student athlete respondents, the survey was taken by approximately a fifth of student athletes at the University of Idaho.

¹⁴ There are typically between 300-350 student athletes on campus

¹⁵ Krasselt, K. (2012, December 3). Homeless ... but why? *The Argonaut*. Retrieved December 22, 2016, from <https://www.uiargonaut.com/2012/12/03/homeless-with-a-purpose/>

or indirectly paid through subsidies.¹⁶ In the same meeting, President White misled the council when he described the \$2.4 million state subsidy to UI Athletics as “seed money.”¹⁷ In response, Nick Gier, President of the Idaho Federation of Teachers, wrote, “When we receive seed grants for our research, they are one time grants that are expected to garner much larger external grants. The \$2.4 million is not seed money; rather, it increases ever year and it must be used for salaries not scholarships.”¹⁸

This narrative became more prominent from 2012 to 2013, when the University of Idaho had to decide the future of UI Athletics after the Western Athletic Conference became a non-football league.¹⁹ Articles in the school newspaper, *The Argonaut*, frequently featured quotes from former Senior Associate Athletics Director Matt Kleffner. In an interview with the *Argonaut* in March 2012, Kleffner stated, “Not only do we write a check back to the university, but we bring in money from all the other student athletes — we bring in a lot of money to the university.”²⁰ Nine months later, Kleffner, who actually started his discussion of finances by noting that the football revenue was \$5 million while expenses neared \$6 million, quickly followed, “[saying] the money the department brings to the university, between the scholarships they cover, the walk-on athletes that pay their own way and the money brought into the bookstore and other departments on campus, is near \$4.5 million every year.”²¹ Repeating the attractive metaphor of the writing a check, Kleffner continued, “We write a check. It’s hard money...back to the University,” which gives the illusion that *not only* is athletics profitable but that athletics provides “hard money” that otherwise could not have arrived to the University. The \$4.5 million figure, measured by broadly accumulating potential tuition and fees paid by all student athletes, was mentioned at least once more in the *Argonaut*,²² and that figure has only increased since 2012.

In a Faculty Senate meeting in November 2014, strong opposition confronted the claim that UI Athletics produces a positive return on investment. Director of Athletics Rob Spear spoke to Faculty Senate about the decision to stay in the FBS, the role of guarantee games, and the financial role of athletics. “Each year, [Spear] said the athletic department receives \$6.8 million in revenue from student fees, state funds and university funds, but generates \$7 million in student tuition and fees for UI.”²³ The \$7 million estimate includes the summation of tuition and fees from all 350 student-athletes, room

¹⁶ Gier, N., & Graden, D. (2004). Position Paper on UI Athletics. Retrieved October 28, 2016, from http://idaho-aft.org/?page_id=118

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Moss, I. (2012, August 20). WAC to drop football after 2012 season, commissioner Hurd says. *The Denver Post*. Retrieved February 19, 2017, from <http://www.denverpost.com/2012/08/20/wac-to-drop-football-after-2012-season-commissioner-hurd-says/>

²⁰ Krasselt, K. (2012, April 26). A drop in the bucket—UI Athletics depend on more than student dollars. *The Argonaut*. Retrieved October 28, 2016, from <https://www.uiargonaut.com/2012/04/26/a-drop-in-the-bucket-ui-athletics-depend-on-more-than-student-dollars/>

²¹ Krasselt, K. (2012, December 3). Homeless ... but why? *The Argonaut*. Retrieved December 22, 2016, from <https://www.uiargonaut.com/2012/12/03/homeless-with-a-purpose/>

²² Lawson, T. (2012, March 29). New policies limit athletics. *The Argonaut*. Retrieved December 22, 2016, from <https://www.uiargonaut.com/2012/03/29/new-policies-limit-athletics/>

²³ Tarinelli, R. (2014, November 6). Football, budgets. *The Argonaut*. Retrieved October 28, 2016, from <https://www.uiargonaut.com/2014/11/06/18981/>

and board for approximately one hundred student athletes, General and Administrative fees,²⁴ and other expenditures that UI Athletics pays to the University.²⁵ Liz Brandt, senator and faculty member from the College of Law, “said it is unfair for the athletic department to count money raised by walk-on student-athletes. She said it is presumptuous for the department to assume a walk-on athlete came to UI solely for athletics.”²⁶ Continuing, Brandt said to Spear, “You are counting students in the tuition base who would come here anyway.”²⁷ Senator James Foster, faculty member from the College of Science, agreed. Foster said to Spear, “I find that highly suspicious, and to count 100 percent of their tuition as a credit to the athletic program seems—I like you as a person—but it seems dishonest.”²⁸ Foster noted that many student-athletes also qualify for academic scholarships, and went on to mention the often-forgotten truth that “there are other expenses associated with the athletic department,” including facility maintenance and heating bills.²⁹ In a recent conversation I had with Director Spear, he admitted he could no longer make this argument. Due to the loss of FBS game guarantees and conference revenues, “the subsidies will be greater than any payments made back to the institution.”³⁰

When citing the \$7 million “generation” back in 2014, “Spear said there is a misconception that the athletic program is a burden on UI and is a financial weight to the university budget.”³¹ Frequently, in order to combat the claim that UI Athletics is a financial burden on the University, Director Spear shares UI Economics Professor Steve Peterson’s 2011 report “The Economic Impacts of University of Idaho’s Intercollegiate Athletics on the Moscow Economy.” In the five-page report, which has been cited in the *Argonaut*,³² *The Spokesman-Review*,³³ UI Faculty Senate,³⁴ and to the Dedicated Student Activity Fee Committee,³⁵ Peterson concludes that UI Athletics contributed a \$33,362,161 impact in output (sales) to Latah County.³⁶ To clarify, the report is not a profit/loss analysis. Rather, it is an estimation of net annual economic contributions to the

²⁴ UI Athletics is exempt from paying G&A fees for the 2016-2017 fiscal year, and it will likely be exempt for another two years, according to a conversation I had with one financial officer.

²⁵ As seen in a breakdown that Director Spear shared with me

²⁶ Tarinelli, R. (2014, November 6). Football, budgets. *The Argonaut*. Retrieved October 28, 2016, from <https://www.uiargonaut.com/2014/11/06/18981/>

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Director Spear has approved this quote.

³¹ Ibid.

³² Lawson, T. (2012, March 29). New policies limit athletics. *The Argonaut*. Retrieved December 22, 2016, from <https://www.uiargonaut.com/2012/03/29/new-policies-limit-athletics/>

³³ Wright, J. (2013, November 23). An inside look at Idaho’s athletic budget and how money games fit in. *The Spokesman-Review*. Retrieved December 22, 2016, from <http://www.spokesman.com/blogs/sportslink/2013/nov/23/inside-look-idahos-athletic-budget-and-how-money-games-fit/>

³⁴ Agenda for the September 16, 2014 Faculty Senate meeting can be found here: <http://www.webpages.uidaho.edu/facultycouncil/2014-15FS/PDF%20Mtgs/FS2014-15FSMtgs4-Sept16-2014.pdf>

³⁵ As related to me by two members of the 2016 Committee

³⁶ Peterson S., & Gunn, R. (2011) The Economic Impacts of University of Idaho’s Intercollegiate Athletics on the Moscow Economy FY2011 Update. Submitted to University of Idaho Intercollegiate Athletic Department.

regional economy that would be lost in the complete absence of UI Athletics. The report doesn't directly address athletic profitability, but it does imply that UI Athletics is a net economic benefit in the long run. When reviewing this document for the first time, I had concerns. The five-page summary was not complemented with a technical paper and reviewable data sets. However, in meeting with Peterson, he explained that the report was initially given to the Moscow Chamber of Commerce, who only requested the summary of his research and not the data. When I asked Peterson to share the data behind particular segments of his report, he openly shared that methodology and data. Of course, someone with expertise in the field of economics could best review the methodology and data. Fortunately, Peterson's newest update to this report, which he intends to complete by the end of this semester, will be complemented by a technical report explaining his estimations for review.³⁷

Nevertheless, labeling the belief that UI Athletics is a financial weight to the University as a "misconception" has now become ironic, since, in February 2017, the University of Idaho requested to the State Board of Education (SBOE) in Boise, "an annual \$1 million bump in institutional funds for the next four years" due to an unanticipated "athletics deficit of \$1,093,000 for the 2017 fiscal year."³⁸ To clarify, this is not a request for supplemental funds from SBOE. Instead, it is a request for SBOE to waive a policy that caps the amount of institutional support³⁹ the University can provide to athletics. Currently, UI's institutional funds cap is set at \$949,500 annually.⁴⁰ If SBOE approves this request, the cap would rise to \$1,949,500 for the next four years, which would result in \$4 million dollars of institutional support that could go to academic pursuits and institutions to, instead, go to UI Athletics. If the redirection of institutional support funds from academic pursuits to athletic sustainability is not a "burden" or "financial weight," I frankly do not know what is. Fortunately, SBOE deferred the decision to waive this policy until their next meeting in Moscow this April due to lack of information and planning about how the University intends on overcoming this deficit in the future. If SBOE denies the request in April, the University will have no choice but to incur the deficit and construct a two-year plan for its elimination to present to SBOE.⁴¹

The SBOE meeting in Boise, which forced the University to admit a projected UI Athletics deficit of around \$1 million dollars, brings us to an important point—UI utilizes the profitability narrative when useful. The University of Idaho is willing to recognize that its athletics department is not a profitable enterprise in certain situations, and this SBOE meeting is an excellent example. It is even possible that the University sacrificed honesty when attributing the cause of the deficit. When describing the conditions that led

³⁷ More information on this report in Appendix E

³⁸ Lawson, T. (2017, February 14). Idaho Vandals requesting financial help to cover \$1 million athletic deficit. *Idaho Statesman*. Retrieved February 15, 2017, from <http://www.idahostatesman.com/sports/college/university-of-idaho/article132779639.html>

³⁹ As noted earlier, Institutional Support is distinct from the General Education Budget, reserves, and student fees. Institutional Support is paid from a centrally allocated fund of non-General Education dollars, and SBOE determines a cap for Institutional Support distributed to athletics.

⁴⁰ Lawson, T. (2017, February 14). Idaho Vandals requesting financial help to cover \$1 million athletic deficit. *Idaho Statesman*. Retrieved February 15, 2017, from <http://www.idahostatesman.com/sports/college/university-of-idaho/article132779639.html>

⁴¹ SBOE hearing and discussion on this issue can be viewed from 20:30 to 33:30 here: <https://youtu.be/J2aDL3FK6M8?t=20m30s>

to this deficit, the University cited a decrease in donations, a loss of revenue from game guarantees, and a “gradual decrease in annual student activity fees...nearly \$315,750” that represents “nearly a third of the athletic deficit.”⁴² The decrease in donations to UI Athletics was certainly expected,⁴³ and the loss of game guarantee revenue is unsurprising since our game guarantee agreements in 2016 suffered from a \$525,000 decrease compared to 2015.⁴⁴ However, the \$315,750 decrease from 2015 to 2016 in student activity fees is, as I’ve learned from becoming more acquainted with the budget books and meeting with various staff on campus, not entirely honest. In an effort to increase transparency and accountability, the 2016 Dedicated Activity Student Fee Committee reallocated a portion of the student fees going to intercollegiate athletics to go to academic support and access programs for student-athletes (later called Student Athletic Support Services).⁴⁵ The motivation for this reallocation comes from the fund structure utilized by UI Athletics, which precludes any knowledge of what aspects of the department student fee dollars support.⁴⁶ In order to bring about some level of transparency, the Committee—made up of members of Associated Students of University of Idaho (ASUI), Graduate and Professional Student Association (GPSA), and Student Bar Association (SBA)—requested that funds typically used to support the academic success of student athletes be separated from student fees going to the general “pot” of UI Athletics. This reallocation aimed to transfer student fee dollars to Student Athletic Support Services equivalent to the amount of funds previously used for academic support of student athletes. As related to me by two members of the Committee last year, the reallocation did not result in a loss for UI athletics since UI Athletics simultaneously lost the financial responsibility of academic support for student-athletes. One financial officer at the University described the reallocation as “having a net-zero effect on the Athletic Department.”⁴⁷ In summary, the purported loss of \$315, 750 in student fee dollars is, at least partially, due to a transfer of responsibility along with the funds that supported that responsibility. Even the 2017FY Budget Book estimated UI athletics expenditures on “Academic Support” at \$0, while the 2016FY Budget Book estimated \$174,026.

The use of situational and contradictory narratives should be met with disapproval. When it benefits intercollegiate athletics to appear like an excellent

⁴² Lawson, T. (2017, February 14). Idaho Vandals requesting financial help to cover \$1 million athletic deficit. *Idaho Statesman*. Retrieved February 15, 2017, from <http://www.idahostatesman.com/sports/college/university-of-idaho/article132779639.html>

⁴³ Wright, J. (2016, October 14). Idaho’s move to FCS has big funding implications. *The Spokesman Review*. Retrieved December 22, 2016, from <http://www.spokesman.com/stories/2016/oct/14/idahos-move-to-fcs-has-big-funding-implications>

⁴⁴ Lawson, T. (2017, February 14). Idaho Vandals requesting financial help to cover \$1 million athletic deficit. *Idaho Statesman*. Retrieved February 15, 2017, from <http://www.idahostatesman.com/sports/college/university-of-idaho/article132779639.html>

⁴⁵ Editorial Board. (2016, March 3). Benefits for more than athletes – Student fee proposal doesn’t correct criticism, but it’s a start. *The Argonaut*. Retrieved December 22, 2016, from <https://www.uiargonaut.com/2016/03/03/benefits-for-more-than-athletes/>

⁴⁶ This fund structure was described to me by multiple financial officers at the University. Student Fee dollars, like money from ticket sales and game guarantees, are put into a large “pot” where the funds are later withdrawn for various purposes. The only exception is the General Education Budget, due to legal requirements set by SBOE.

⁴⁷ This financial officer wishes to remain anonymous

investment that directly supports the financial infrastructure of the University, athletics will gladly provide that impression. When it benefits intercollegiate athletics to appear like an institution suffering from financial woes, athletics will provide that impression, too.

The Literature

When defending the profitable-enterprise narrative despite evidence to the contrary, UI Athletics is quick to share the indirect benefits that athletics purportedly contributes—specifically, increased donations to academic programs as well as increased enrollment. Though this narrative is effective at improving the opinion of intercollegiate athletics, these claims should be confronted with healthy skepticism. Through my research, I frequently reviewed academic literature on the links, and I found a gap between perception and reality much like the one surrounding profitability.

I previously thought that intercollegiate athletics provided a unique, entertaining pull for potential donors to contribute to the academic institutions of a university, but I learned that such an assumption is misguided. Former Vice President of the University of Notre Dame Richard Conklin stated, “Repeat after me: There is no empirical evidence demonstrating a correlation between athletic department achievement and [alumni] fundraising success...”⁴⁸ When reviewing the academic literature on this subject, it appears that Conklin has support. Professor Emeritus at Indiana University Murray Sperber wrote, “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.”⁴⁹ Sperber goes on to note that, at the time he wrote his book, *Beer and Circus*, “Big-time U’s with top college sports teams as Wisconsin (Madison), Michigan, UCLA, Texas (Austin), and the University of Washington rank, respectively, 126, 128, 134, 136, and 144 on *U.S. News* ‘Alumni Giving’ list.”⁵⁰ In fact, it appears that any mild positive correlation between intercollegiate athletics and donations to academics exists purely in those universities with absolutely massive athletic programs with budgets that typically exceed \$100 million.

Michael Anderson, an assistant professor at University of California at Berkeley, authored the report, “The Benefits of College Athletic Success: An Application of the Propensity Score Design” and found a positive correlation between alumni donations and athletic success.⁵¹ However, Anderson writes, “The effects appear concentrated among teams in the six elite conferences,”⁵² and even suggests, “these positive effects would not recoup however much money a college invested in its athletics program.”⁵³ This concentration makes generalizing that positive correlation to be problematic. Although big-time athletic programs *may* be able to locate a link between athletic success and

⁴⁸ Sperber, M. A. (2001). *Beer and circus: how big-time college sports is crippling undergraduate education*. New York: H. Holt

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Anderson, M. (2012). The Benefits of College Athletic Success: An Application of the Propensity Score Design with Instrumental Variables. *NBER Working Paper Series*, 18196.

⁵² Ibid.

⁵³ Young, E. (2012, July 3). Report finds alumni giving, among other areas, correlated with football success. Retrieved December 24, 2016, from <https://www.insidehighered.com/news/2012/07/03/report-finds-alumni-giving-among-other-areas-correlated-football-success>

increased donations to academic programs,⁵⁴ universities with small budgets in intercollegiate athletics find that link to be non-existent⁵⁵ or transitory.⁵⁶ Writing about the link between athletic success and donations to academic programs, Siegel states, “This belief has been widely debated, and an unequivocal generalization regarding its validity seems beyond empirical support.”⁵⁷ Intuitively, it makes sense that studies that combine results from all FBS programs and fail to separate the top twenty universities from the rest are pooling drastically different programs that, unsurprisingly, have different individual results. “From an overall Division I athletic department fundraising perspective, each school is unique and has their own specific challenges and opportunities.”⁵⁸ UI Athletic Director Rob Spear noted, referencing the independent study conducted by Collegiate Consulting, that U of I would have had to invest an additional \$5 million for our football program to remain at the FBS level,⁵⁹ but, even then, we still would have maintained our position near the bottom of a heavy, mile-high totem pole. If we wanted to reap the benefits of indirect, increased donations to academic programs, we would have to compete with athletic programs that already have budgets of over \$100 million, which would be akin to Vatican City getting into a nuclear arms race with Russia. Even then, “If investments in athletic success increase donations enough to be worthwhile, the gains must exceed the costs of enabling that success.”⁶⁰ The common belief that athletic success correlates with increased donations to academic departments is, at best, not verified by academic consensus, and, at worst, completely misguided and potentially damaging to efforts to fundraise for academics.

Like academic research that attempts to link athletic success with donations to academic programs, “systematic evidence concerning the effect of success at Division I sports in attracting the interest of prospective students is ambiguous at best.”⁶¹ At its most critical, research suggests, “No evidence suggests that sports increase collegiate enrollments beyond the important but small effect of increasing the prospects of the athletes themselves attending college.”⁶² At its most neutral, research suggests that applications may increase “2% to 8% for the top 20 football schools and the top 16

⁵⁴ Walker, A. (2015). Division I Intercollegiate Athletics Success and the Financial Impact on Universities. *SAGE Open*, 5(4), SAGE Open, 2015, Vol.5(4).

⁵⁵ Frank, R. (2004, May). Challenging the Myth: A Review of the Links Among College Athletic Success, Student Quality, and Donations. Retrieved December 23, 2016, from http://www.knightcommission.org/images/pdfs/kcia_frank_report_2004.pdf

⁵⁶ Humphreys, B., & Mondello, M. (2005, April). More Evidence on Intercollegiate Athletic Success and Donations. Retrieved December 24, 2016, from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.497.9058&rep=rep1&type=pdf>

⁵⁷ Siegel, D. (2004). Athletics and education: The union of athletic with educational institution. Retrieved December 24, 2016.

⁵⁸ Cohen, C., Whisenant, W., & Walsh, P. (2011). The relationship between sustained success and donations for an athletic department with a premier football program. *Public Organization Review*, 11(3), 255-263. doi:<http://dx.doi.org/10.1007/s11115-010-0122-7>

⁵⁹ Schoenfeld, B. (2016, December 21). Brothers at opposite ends of college football's financial divide. Retrieved February 10, 2017, from http://www.espn.com/college-sports/story/_/id/18119772/bobby-paul-petrino-opposite-ends-college-football-spectrum

⁶⁰ Getz, M., & Siegfried, J. (2012). College Sports: The Mystery of the Zero-Sum Game. *Change: The Magazine of Higher Learning*, 44(1), 52-59.

⁶¹ Ibid.

⁶² Ibid.

basketball schools.”⁶³ At its most optimistic, research suggests a boost in enrollment applications could increase for *any* school under extreme circumstances—notably the Flutie Effect.

The Flutie Effect—coined when applications to Boston College jumped about 30 percent in the subsequent years after quarterback Doug Flutie’s Hail Mary pass to beat defending national champion Miami in 1984⁶⁴—is the incredibly rare and sought for phenomenon in which a college sports team increases prominence of a university via a single, outstanding game heavily covered by media (i.e. Boise State’s performance at the 2007 Fiesta Bowl)⁶⁵ or by a sudden, drastic improvement in the performance of the team. In, “The Dynamic Advertising Effect of Collegiate Athletics,” Harvard Business School Assistant Professor of Marketing Doug Chung quantifies the impact of the Flutie Effect, finding that “when a school goes from being mediocre to being great on the football field, applications increase by 17.7 percent.”⁶⁶ Chung defines the transition from “mediocre” to “great” as going from four football wins to ten football wins. This working paper leaves many optimistic about the Flutie Effect, which, in its rare cases, appears to have quantifiable positive impacts. However, Chung concluded that the same increase in applications that occurs under these conditions 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% more in the academic labor market.⁶⁷

This review of academic literature on the connection between intercollegiate athletics and increased donations to academic programs, as well as increased enrollment, begs the question—“If a university wants to attract more or different students or to increase donations that support general academic purposes, might the funds currently spent subsidizing intercollegiate athletics be more productive in addressing these goals directly by bolstering the budgets of university development and admissions offices?”⁶⁸ Intercollegiate athletics are a multi-million dollar gamble, and, arguably, the same financial benefits could be achieved through far more reliable methods.

Moving Forward

The substantial gap between perception and reality of the profitability of UI Athletics hinders informed, honest campus conversation about the financial benefits that intercollegiate athletics brings to the University of Idaho. To remedy this, we need to be more honest about the financial impact of intercollegiate athletics—with each other and

⁶³ Pope, Devin G., & Pope, Jaren C. (2009). The Impact of College Sports Success on the Quantity and Quality of Student Applications. *Southern Economic Journal*, 75(3), 750-780.

⁶⁴ Potter, D. (2008, March 23). 'Flutie Effect' is real, study shows. Retrieved February 21, 2017, from <http://www.seattlepi.com/sports/article/Flutie-Effect-is-real-study-shows-1268039.php>

⁶⁵ Cotterell, A. (2015, April 7). How Winning Football Games Can Impact Academics At Boise State. Retrieved February 21, 2017, from <http://boisestatepublicradio.org/post/how-winning-football-games-can-impact-academics-boise-state#stream/0>

⁶⁶ Chung, D. J. (2013). *The dynamic advertising effect of collegiate athletics (Report No. 13-067)*. Cambridge, MA: Harvard Business School. Retrieved from http://www.hbs.edu/faculty/Publication%20Files/13-067_99c551d6-c484-4245-9e49-964d2283cd98.pdf

⁶⁷ Ibid.

⁶⁸ Getz, M., & Siegfried, J. (2012). College Sports: The Mystery of the Zero-Sum Game. *Change: The Magazine of Higher Learning*, 44(1), 52-59.

with ourselves. Writing this report has encouraged me to undertake significant efforts to promote this honesty, and I intend on encouraging others to do the same. As students become more aware, I believe that they will be better equipped to confront the problems mentioned in this report, and I am hopeful that increased transparency will come and complement improved awareness.

Finally, students need to understand that they have the power to instigate change in ways that exceed faculty and staff. Just fifteen minutes from our campus, Washington State University administrators are faced with the prospect that students this Spring will vote against a \$100 a year increase in student fees to alleviate the \$13 million debt incurred by the WSU Athletic Department. Student backlash is forcing administrators to attempt to find an alternate way to approve the increase.⁶⁹ Put simply, you do not have to be an ASUI President or Senator to affect change at the University of Idaho. It takes the thought, contribution, and activism of typically uninvolved students to prompt real change.

Undoubtedly, some will ask of me, “What do you want us to do beyond a call for awareness, transparency, and critical examination?” Frankly, I do not yet believe that I can provide a definitive, detailed recommendation about the role of intercollegiate athletics at the University of Idaho. To achieve this level of research and experience requires far more time and discussion than I have already undertaken, and though I do think that this research has positioned and prepared me to critically and effectively consider that role in the future, I believe that my findings thus far need to be shared. I am also a firm believer that recognition of the problem must precede attempts to solve it, and I believe, with this information, we can work together to find a solution.

⁶⁹ Barner, K. (2017, February 17). WSU President: Student Athletic Fee May Be Withdrawn . *Northwest Public Radio*. Retrieved February 18, 2017, from <http://nwpr.org/post/wsui-president-student-athletic-fee-may-be-withdrawn>

Appendix

Appendix A:

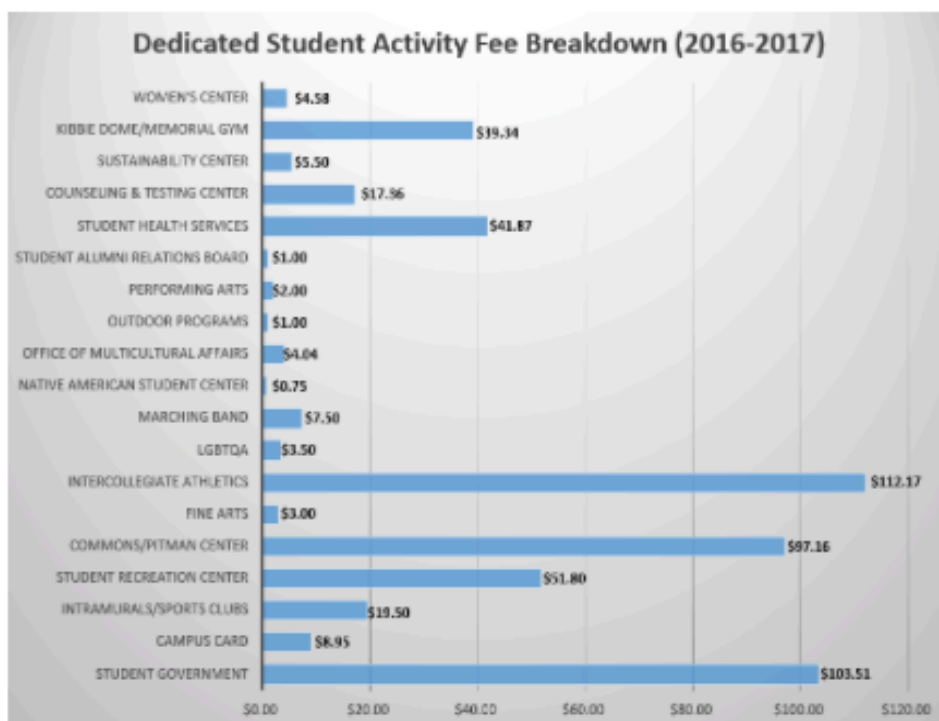
Student Perceptions
Basic Information
<p>* 1. What is your gender?</p> <p><input type="radio"/> Female</p> <p><input type="radio"/> Male</p> <p><input type="radio"/> Other</p>
<p>* 2. What is your current year at the University of Idaho?</p> <p><input type="radio"/> First</p> <p><input type="radio"/> Second</p> <p><input type="radio"/> Third</p> <p><input type="radio"/> Fourth</p> <p><input type="radio"/> Fifth</p>
<p>* 3. What is your living group?</p> <p><input type="radio"/> Residence Hall</p> <p><input type="radio"/> Greek Housing</p> <p><input type="radio"/> Off-Campus</p>
<p>* 4. Are you a student athlete?</p> <p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p>

Student Perceptions
The Budget
<p>Here, I ask for your honest perception on the budget of the Athletic Department</p>
<p>* 5. The Athletic Department has budgeted \$15.1 million for this year. How profitable do you think the Athletic Department is, not including financial assistance through the University or Student Fees?</p>
<div><div>- \$15 (million)</div><div>0</div><div>\$15 (million)</div><div><input type="text"/></div></div>

Student Perceptions

Student Fees

Student fees are fees that you pay in addition to tuition for various programs/projects on campus. Below is a breakdown of where the fees for full-time students go.



* 6. Considering the information presented above, do you believe that student fees to Intercollegiate Athletics should increase, decrease, or stay the same?

- ☐ Increase
- ☐ Decrease
- ☐ Stay the same

Appendix B: Seven Hypotheses

1. At least half of the student body believes that, excluding financial assistance (University Support, Student Fees, etc.), the UI Athletic Department is profitable (program revenue exceeds program expenses).
2. At least half of the student body that believes that the UI Athletic Department is profitable will range between \$5,000,000-\$15,000,000.
3. At least half the student body that believes that the UI Athletic Department is **not** profitable will range between a deficit of \$1,000,000-\$5,000,000.
4. Considering the breakdown of student fees for this academic year, over half of students believe that student fees to intercollegiate athletics should decrease.
5. Compared to non-student athletes, student-athletes have a more favorable estimation of the UI Athletic Department's profitability as well as a higher preference for increasing student fees to intercollegiate athletics.
6. Compared to students living off-campus or in residence halls, students in Greek Housing have the most favorable opinion of the UI Athletic Department's profitability as well as a higher preference for increasing student fees to intercollegiate athletics.
7. Those who believe intercollegiate athletics is profitable will have a higher tendency to support an increase in student fees towards intercollegiate athletics.

Appendix C:

Hyperlinks:

[All 1362 Complete Responses](#)

[Student Athletes](#)

[Those who Perceived Profitability](#)

[Those who Perceived Unprofitability](#)

[Residence Halls](#)

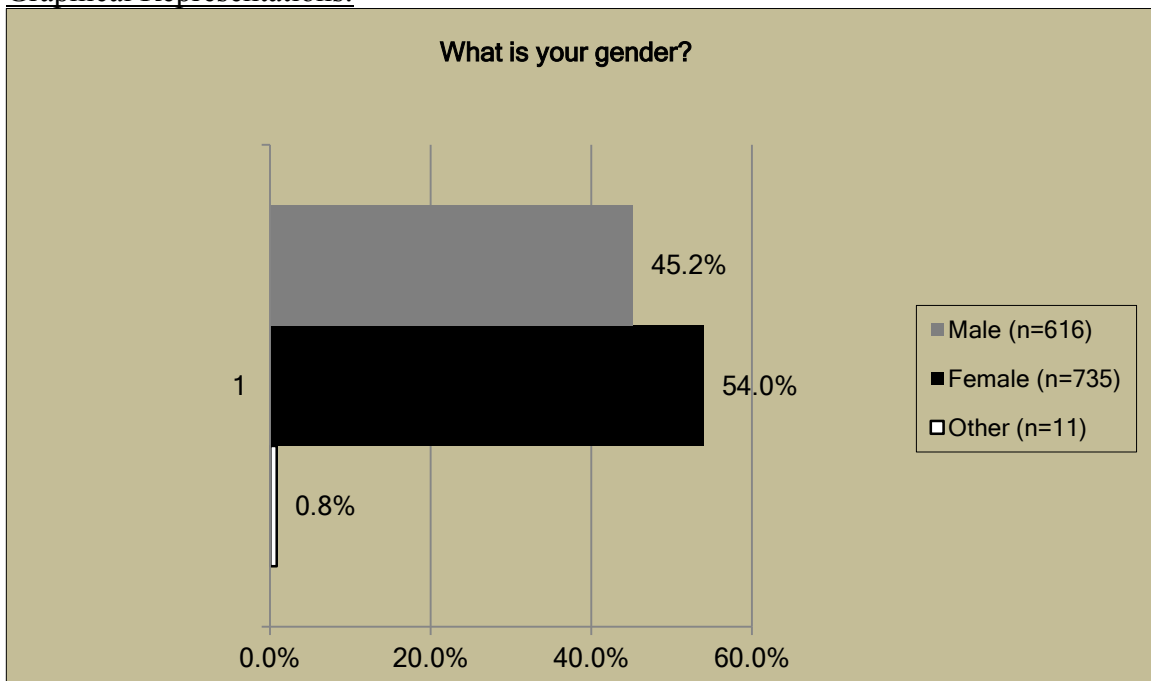
[Off-Campus Living](#)

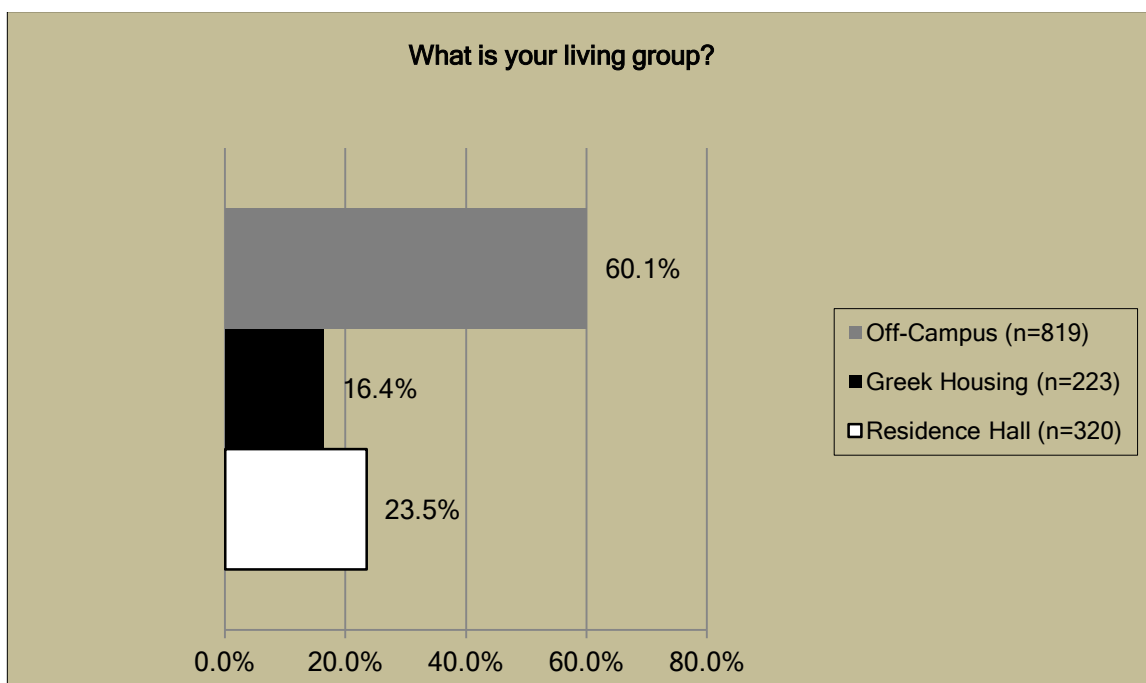
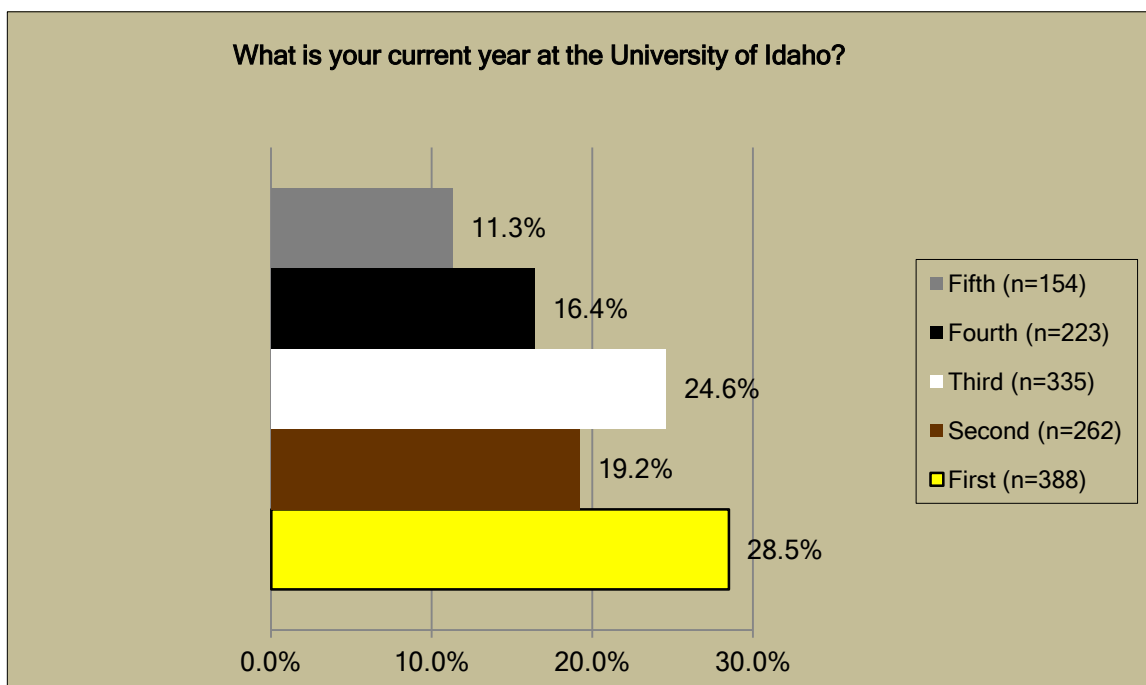
[Greek Housing](#)

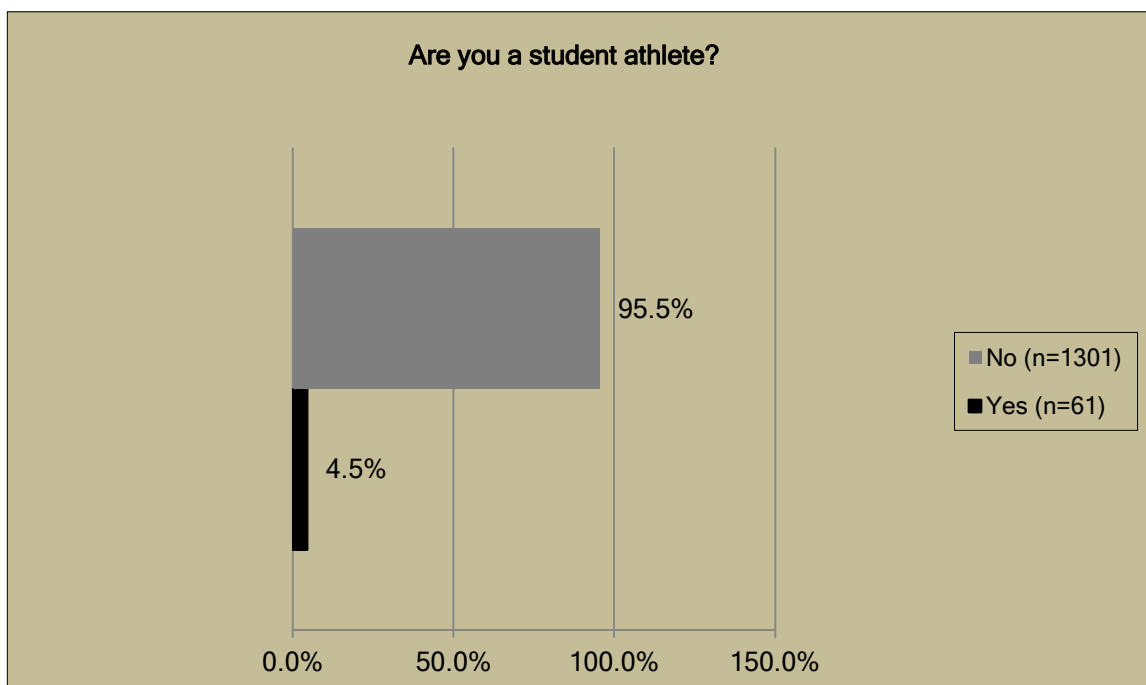
[Those who would Increase Student Fees](#)

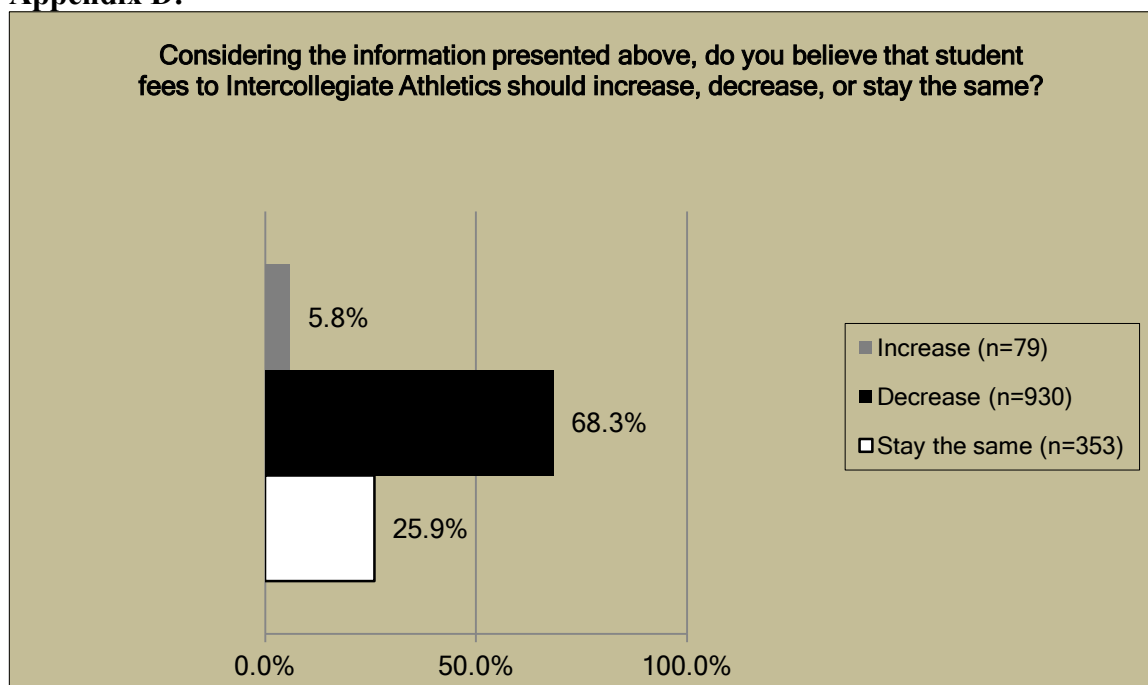
[Those who would Decrease Student Fees](#)

Graphical Representations:







Appendix D:

Appendix E:

Economic Impact of UI Athletics

In review of this report, Peterson provided the following explanation of his estimates—particularly the two important segments of his research that initially made me concerned:

“The report breaks out the economic impacts by expenditure categories. Those listed under the “narrow” or tangible impacts (categories 1-7) were based on UI athletic expenditures, student athletic spending, and visitor spending. For example, the category of the Fans and Out-of-Region Visitor economic impacts of \$3,205,327 was derived from a detailed multi-year headcount of visitors to the UI campus (by event) maintained by a former UI administrator in Auxiliary Services and adjusted to reflect current athletic visitor counts to Vandal athletic events. Some of my wider estimate of economic impacts (categories 8-10), were more speculative. For example, I estimate approximately \$9,591,359 of annual student enrollment impacts of Vandal Athletics.⁷⁰ These were based on the estimated economic impacts of non-scholarship athletes, walk-ons, and the reduction in general UI enrollment. The results were augmented by classroom surveys of about 1,000 students using clicker technology over four semesters.”

Surprisingly, Peterson commented that, since the first rendition of his report in 2002, no one has ever requested to review the data sets behind his estimates. Of course, I found this disappointing, but that is not the fault of Peterson. As noted in the body of this report, Peterson’s upcoming update to his report will include a technical paper, complete with methodology and data, to complement the executive summary.

⁷⁰ Peterson writes, “The clicker survey was a measure of the short-term and medium-term impact of Vandal Athletics on annual UI enrollment. Specifically, students are asked if they would have attended the UI or any university without intercollegiate athletics. These results were supported by interviews with UI development and enrollment administrators. The potential negative state-wide publicity of ending a major Vandal Athletic team and the reaction of alumni was also a consideration in the analysis.”