The Relationship Between Athletics and Higher Education Fund Raising:
The Myths Far Outweigh the Facts

A Report Prepared for the United States Department of Education
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Introduction

Since the formalization of intercollegiate athletics within institutions of higher learning in the late 1800s/early 1900s, college presidents, legislators, alumni/nae, faculty, athletic directors, and average citizens have speculated about the relationship between the success of athletic programs and the generosity of donors. As a matter of first impression, it is easy to understand why most people assume that big time college sport has a positive influence on donation levels to institutions. Given the multi-billion dollar industry which is college sport and the degree to which the public is exposed to March Madness and the Bowl Championship Series via television, print media, and the internet, circumstantial evidence reinforces a common sense belief that big time college sport possesses the potential to generate big time revenue for colleges and universities.

One would be naïve to deny that substantial amounts of money are generated by football and men's basketball. However, caution should be used so as to avoid reaching a false conclusion based on superficial information alone. The mere fact that some athletic programs generate enormous revenues and a high degree of public visibility should not be construed to mean that success in athletics yields higher rates or levels of philanthropic or charitable donations to colleges and universities. In point of fact, the results of studies examining the relationship between athletic programs and higher education fund raising over a 70 year span of time suggest that there is either no relationship or a very weak relationship at best between the two.

The remainder of this paper is organized into three sections. The first will highlight studies that have focused on this question, offering brief summaries of findings for each study. The second section will discuss problems associated with the existing studies and how this impacts the interpretation of the findings. The final section will offer observations about how this information relates to the broader discussion regarding compliance with Title IX in intercollegiate athletic programs.

Summary of Studies – Athletics and Its Impact on Giving to Higher Education

Marts (1934) – sought to understand if an emphasis on football with the goal of gaining national visibility resulted in a financial benefit for colleges and universities between the years 1921-1930. Marts studied 32 institutions in total, 16 of which had made a commitment to upgrading their football program while the remaining institutions were classified as part of a control group. Schools without an emphasis on football realized a 126 percent increase in their endowments while schools with an emphasis on football realized an increase of 105 percent. Marts did note that several of the schools that opted to build a powerhouse football team were experiencing financial conditions that he described as "pitiful" because of the investment needed in promoting football.

Cutlip (1965) – a noted researcher in the area of institutional fund raising, Cutlip examined the impact of athletic program success on endowments, enrollments, contributions, and reputations of schools. He found that these variables were unaffected or negatively affected by the success of athletic programs.

Spaeth & Greeley (1970) – concluded that contrary to previous researchers who found a negative impact between athletic success and alumni giving, winning football teams may prompt alumni to raise the level of their contributions. However, Spaeth and Greeley did not test their hypothesis empirically. Rather, they offered speculation that the emotional attachment of alumni to a winning football team would probably predispose them to give more to their alma mater.

Amdur (1971) – in a critique of the college sports establishment, Amdur wrote anecdotally about the ebb and flow of alumni contributions as they related to the fortunes of athletic teams, citing a decrease in contributions at the University of Georgia in the wake of mediocre football seasons, increases at the University of Missouri following winning football seasons, a modest decline in an otherwise decade of increasing alumni giving at Amherst in the two years when the college did not win the "Little Three" football crown, and a "dramatic jump" in alumni giving at Wilkes College in years when their football team's performance improved dramatically.

Springer (1974) – examined the impact of dropping football at 151 colleges between 1939 and 1974. Springer reported that officials involved in these decisions were originally concerned about the impact cuts would have on alumni giving. According to Springer, almost all the schools suffered no ill effects from cutting football and in some instances the cuts "had considerable positive results".

Budig (1976) – analyzing data on alumni giving for 79 colleges and universities during a four year span of time during the 1960s and 1970s, Budig sought to determine whether total alumni giving was related to the performance records of football and (men's) basketball teams. Budig found that the "significant relationships between athletic success and alumni giving" were so "infrequent" and "random" that no systematic link between athletic success and alumni giving was found.

Sigelman & Carter (1979) – examining 138 Division I colleges and universities for the academic year 1975-1976, these researchers tested the validity of the idea that "alumni giving varies according to a school's success on the playing field". Using correlation and regression analysis, Sigelman and Carter related the alumni-giving change figures for a given year with three athletic success measures (basketball record, football record, bowl appearance). They reported no relationship between success or failure in football and basketball and increases and decreases in alumni giving.

Brooker & Klastoria (1981) – explored the relationship between the records of football and (men's) basketball teams of 58 major U.S. universities with average contributions from solicited alumni and the per capita gifts to the annual funds. Brooker and Klastoria concluded that team success did correlate highly with alumni generosity for schools within homogeneous groupings. However, they went on to equivocate that the relationship "depends on some institutional factors" and the nature of the institution (public or private). Alumni at private institutions, schools with a religious affiliation, and mid-sized public universities appeared more inclined to be positively affected by the success of athletic teams. In an analysis of all state universities in the sample, they found inconsistent results. They also noted that a major question remained to be answered, that being the cost-benefit relationship of athletics to the trends found. In effect, even in circumstances where there may be a positive relationship between athletic success and alumni contributions, the financial benefit may not be worth the cost associated with fielding and promoting a winning team.

Coughlin & Erekson (1984) – focusing on the relationship between athletic success and contributions to athletic programs, Coughlin & Erekson conducted a cross-sectional study of 56 NCAA Division I institutions.   Several measures of athletic success, including game attendance, post-season play, and winning percentage were identified as significant determinants of giving to athletic programs.

McCormick & Tinsley (1990) - applying a two-equation model to data obtained from Clemson University for a four year period of time, the authors reported a connection between contributions to the athletic program and to the academic endowment. They identified the success of the football program as a determinant of the level of contributions made to the athletic department while athletic contributions are a determinant of alumni giving to the endowment.   According to the authors, an estimated 10 percent increase in the level of donations to the athletic booster club was associated with a 5 percent increase in contributions to athletics.

Grimes & Chressanthis (1994) – empirically analyzed the effect of intercollegiate athletics on alumni contributions to the academic endowment using time series data over a 30 year span of time from what they described as a "representative" National Collegiate Athletic Association (NCAA) Division I university, that being Mississippi State University. Based on this case study, the authors concluded that alumni contributions were positively related to the overall winning percentage of the football, (men's) basketball, and baseball programs. Grimes and Chressanthis report the existence of a "spillover benefit" to the university because athletic success appears to influence the level of alumni giving to the academic side of the institution. Television exposure was identified as influencing donors positively while NCAA sanctions for rules violations appear to have a negative effect on donors. The authors noted that the generalizability of their findings was limited because this was a case study.

Harrison, Mitchell, & Peterson (1995) – examined the alumni giving patterns of 18 colleges and universities. Criteria for selection included public/private, large/small, and research/teaching orientation. Whereas fraternity/sorority affiliations were associated positively with alumni giving, having an NCAA Division I athletic program had no significant effect.

Rhoads & Gerking (2000) – conducted an empirical examination of the links between athletics, academics, and educational contributions in 87 universities that sponsor Division I football and men's basketball teams (most members of the SEC, Big Ten, Atlantic Coast, Pacific 10, Big 12, and Western Athletic conferences were included as well as representatives from other conferences and major independents). Rhoads and Gerking concluded that total contributions are not affected by year to year changes in the success of athletic teams. Total contributions from alumni may be affected by the performance of athletic teams. Further, alumni seem to respond more positively to football bowl wins and negatively to NCAA probation. The estimated impact of athletic success, however, is relatively weak compared to the effect of student and faculty quality on alumni giving.

<u>Debunking the Myth That Athletics Success Favorably Influences Alumni Giving</u>

Well respected scholars (Frey, 1985; Gerdy, 2002; Zimbalist, 1999, 2000; Sack & Staurowsky, 1998; Shulman & Bowen, 2001; Sperber, 2000; Thelin, 1994)) who have intensively studied intercollegiate athletics and its relationship with higher education have examined this body of work in total and concluded that there is little if any empirical support for the notion that athletic success translates into increased levels of alumni support to institutions of higher learning. In 1985, James Frey, a sociologist from the University of Nevada-Los Vegas characterized this as the "winning-team" myth.

In offering possible explanations for the lack of a positive relationship between athletic success and general endowment funds, economist Andrew Zimbalist (1999) points out that "the main contributors who seem to respond to athletic prominence are boosters, not the typical alumnus or academic philanthropist" (p. 168). This reliance on contributors who do not have an academic interest in institutions of higher learning started in the first half of the twentieth century (roughly 1910-1946) when men's athletic programs received financial support through the development and emergence of booster organizations, which came to be called athletic associations. Historian and former Chancellor at the College of William and Mary, John Thelin (1994) has described the booster phenomenon as "one of the most significant organizational developments during the period between the world wars" because the booster organization or athletic association was a "legal corporation that was a part of, but apart from, university structure" (p. 97).

The relative independence of athletic associations and other athletic fund raising groups on college campuses, separated as they are from institutional advancement offices, provides grounds to raise serious questions about the validity of the assertion that athletic success enhances the ability of institutions to raise money for general funds or endowments. Concerns regularly emerge surrounding the inability of institutions to control the behavior of overzealous boosters who act improperly by providing inappropriate benefits to athletes and who attempt to influence the establishment of academic and athletic priorities on their campuses.

Former assistant commissioner of the Southeastern Conference and legislative assistant at the NCAA, John Gerdy (2002), provides some insight into this mistaken notion that there is a positive link between the athletic department and the institution when it comes to matters of fund raising. He writes:

> "… many big-time athletic programs are run as independent, profit-driven, auxiliary enterprises. Despite the claim from athletic fund-raisers that they work closely with the institutional advancement office to raise funds for the university, such cooperation is usually superficial. The separation and mistrust that exists between most academic and athletic communities means that virtually all athletic department fund-raising efforts are directed at raising money specifically for sports, rather than for the institution generally...It is rare when an athletic department donates money to the institution because there is no excess revenue to donate." (pgs. 164-165).

Richard Conklin, a top administrator at the University of Notre Dame, has commented similarly about this separation. He observed, "We at Notre Dame have had extensive experience trying to turn athletic interests of 'subway alumni' [read booster] to academic development purposes—and we have had no success. There is no evidence that the typical, nonalumnus fan of Notre Dame has much interest in the educational mission." About the myth of athletics contributing to the financial welfare of the academic component of educational institutions, former President of Michigan State University, John D. Biaggio stated the "myth of institutional dependency on athletic revenues- therefore on athletic victories- needs to be aggressively refuted" (as quoted in Zimbalist, 2000).

If one comes to terms with the fact that athletic programs clearly fund-raise for their own needs while providing essentially lip-service to the overall fund-raising goals of colleges and universities, one can begin to understand why the notion of a "spillover benefit" from athletics has been questioned as often as it has. First, Andrew Zimbalist (2000) has estimated that "no more than a dozen" of the 300-plus schools in the NCAA Division I generate surplus funds. The average subsidy a Division I-A athletic department receives from the institutional general fund is nine percent, or roughly $1.3 million (Fulks, 2000). Thus, even if one were to concede that indirect benefits in the form of brand name recognition exist, any "spillover" goes back to most athletic programs anyway in the form of institutional subsidies.

Second, data that is often times interpreted to be evidence of a "spillover benefit" may actually reflect a temporary response to a winning team or more importantly, a factor that in reality undermines the ability of institutional fund raisers to do their jobs. Consider this data from Central Connecticut State University for the year 1999-2000. In the spring of 2000, Central Connecticut made it's first appearance in the NCAA Men's Division I tournament. The madness of March resulted in an 88 percent increase in donations to the athletic department and a 24 percent increase in alumni giving (Merritt, 2000). This data set, however, does not distinguish between giving to the athletic fund and giving to the general fund. Whereas there may in fact be occasional upsurges in giving based on the success of individual teams, the meaning of that increase needs to be considered within the context of the overall pattern of giving for an institution. Otherwise, such a report can be misleading by hiding the very real possibility that while donations to the athletic program went up, donations to the institution's general fund remained stable or declined during the same period of time.

In the absence of having full disclosure of the entire institutional fund-raising record with a complete breakdown of athletic and general fund donations, the assumed "spillover benefit" may in fact mask the "undermining effect" that occurs when athletic fund-raising creates a clear competing interest with academic and other educational priorities where limited financial resources exist.

Beyond the mechanics of financial accounting and interpretation of the data regarding athletic program success and institutional fund raising, there are problems associated with the assumptions that shape the discussion about athletic success and fund-raising. The romantic image of undergraduates and alums cheering the team to victory and forming a bond with each other and their alma maters while watching football games has been an enduring one in the marketing of college life and intercollegiate athletics. Regardless of how valid the romantic image is, the question of whether alumni/nae support the current emphasis on sports in colleges and universities yields interesting results. In one of the most comprehensive surveys of college graduates ever done, which was distributed to 60,000 alumni/nae who entered college in the years 1951, 1976, and 1989 and produced a 75 percent rate of return, college graduates thought that there should be less emphasis on intercollegiate athletics (Shulman & Bowen, 2001). Of additional relevance to this discussion, Shulman and Bowen found that the general giving rates of athletes from what they called "high profile" teams actually dropped substantially within class cohorts. Whereas 64% of athletes entering college in 1951 in the high profile sports (football, men's basketball) gave back to their institutions, that figure dropped to 39% in the class cohort for 1989. In effect, even those individuals participating in the programs that receive the most emphasis and experience the most success are less inclined to give than they were fifty years ago. These findings lend further credibility to what the data on athletic success and institutional fund-raising already shows.

Finally, the other major flaw in the studies that have been done on athletic success and institutional fund-raising is the failure to include women in the analyses. All of the studies in the second section of this paper focused on what have historically been thought of as the "revenue-producing" sports (i.e., football and men's basketball). Recent work that has addressed women and athletic fund-raising reveals that women's sports have the capacity to generate interest and revenue and that institutional fund-raisers (whether located in the athletic department or advancement office) need to learn more about specific strategies for appealing to women graduates as legitimate donor constituencies (Curtis, 2000; Staurowsky, 1996; Verner, 1996). This work is part of the expanding base of information about women and philanthropy that is growing in the fields of education, politics, female owned and operated businesses, and charitable community giving.

Conclusions

As Sigelman and Carter (1979) so astutely observed almost 25 years ago, "the lack of any relationship between success in intercollegiate athletics and increased alumni giving probably matters less than the fact that so many people believe that such a relationship exists" (p. 293). Former university president, James Duderstadt's (2000) thoughts about the construction of athletic financing schemes are particularly illuminating in this regard. In his book, Intercollegiate Athletics and the University: A University President's Perspective, explains in detail how tenuous athletic budgets are. He points out that "the financing of intercollegiate athletics is also complicated by the fact that while costs such as staff salaries, student-athlete financial aid, and facilities maintenance are usually fixed, revenues are highly variable. In fact, in a given year, only television revenue for regular events is predictable. All other revenue streams, such as gate receipts, bowl or NCAA tournament income, licensing revenue, and private gifts, are highly variable. While some revenues such as gate receipts can be accurately predicted, particularly when season ticket sales are significant, others such as licensing and private giving are quite volatile. Yet many athletic departments (including Michigan of late) build these speculative revenues into annual budgets that sometimes crash and burn in serious deficits when these revenues fail to materialize" (p. 128-129). He goes on to note that "…this business philosophy would rapidly lead to bankruptcy in the corporate world." The parallel he draws between the corporate world and the institutional financing of some of the major athletic programs around the country is an apt one in light of recent revelations regarding the lack of fiscal accountability in the corporate world and the declining trust the American public has in the U.S. economy. Just as corporate executives at Enron, Worldcom, and Arthur Anderson failed to fully disclose the weaknesses in the financial structures of the businesses they represented, the perceived economic viability and profitability of men's revenue-generating athletic programs has fed from a well-spring of myth that has little foundation in fact.

To introduce the issue of athletic success and fund-raising into a discussion about Title IX is counterproductive at several levels. Compliance with Title IX will not alter this picture one way or another, regardless of what various individuals may wish to assert. The historical record simply does not bear this out. Second, the fact that institutions claim that they do not have the finances to comply with the requirements of Title IX as stated reveals the essential falsity at the core of the assertion that big-time men's sports programs generate a "spillover effect" that benefits the institution at large. If this were the case, representatives of athletic programs would not then be claiming when the issue of Title IX compliance comes up that they cannot afford to sponsor women's programs. Third, Title IX's focus should, and must, remain on the educational benefits to be derived from athletic participation in a non-sex discriminatory environment. Regardless of the financial arguments made by institutions, thirty years of financial planning ought to have positioned institutions to resolve any funding problems they had in meeting the needs of women students on their campuses. Claiming financial distress as the reason for noncompliance with Title IX at this late juncture is an admission that the legislation has been ignored for three decades.

About the author: Before pursuing a career as a sport sociologist and researcher, Dr. Staurowsky worked for 15 years as a coach and director of athletics at the college/university level. She is co-author of the book, College Athletes for Hire: The Evolution and Legacy of the NCAA Amateur Myth and she has written extensively on the related topics of intercollegiate athletics, gender equity, and athletic fund-raising.

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