Revenue Generating Intercollegiate Athletics
and Their Impact on American Universities

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Abstract:

This essay explores the development of revenue generating sports in American universities. The definition of revenue generating sports in this essay is NCAA Division 1 men’s basketball and football programs. There is a fundamental difference between collegiate athletics in America and collegiate athletics in the majority of the world. In the United States only, a fanatical and culturally significant movement has developed amongst a cross section of the American population that is not limited to any one particular demographic subset. In order to explore this movement, I discuss interactions and relationships between the university administration, faculty, student-athletes, athletic-department personnel, university donors, and third party groups. The aim of the essay is to argue that the influx of revenue had affected these relationships, identify the changes, and illuminate the driving forces behind those changes. I use scholarly and popular works, original source interviews with experts in this industry, and personal experience as the source for this essay.
Acknowledgement:

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Introduction

The concept of the institution of higher learning is at the center of what society cherishes about intercollegiate athletics. When thinking about the idea of colleges and universities we think about the pursuit of knowledge – a collaborative effort to advance knowledge at the individual, social, and even the species level. We think about gothic architecture, great halls filled with books, and advanced laboratories with individuals who have committed their lives to knowledge and education alongside the youthful minds of tomorrow preparing to take society into the next millennia. Coupled with that vision are the concepts of competition, skill, and the pursuit of excellence – a vision of the same young people who are educating themselves working their bodies and pushing themselves, striving to achieve in every aspect of their lives. This is why collegiate athletics is a part of the concept of the institute of higher education. It brings a sense of spirit and community to campus and a liveliness that attracts energy and enthusiasm the university. This is the concept from which collegiate athletics was born, and it is where a majority of the world’s countries differ from those in the United States.

America is unique in its fascination with intercollegiate athletics. No other society in the world has developed the culture of sport and competition amongst institutions of higher education to the extent that the United States has. There are a number of ingredients that have influenced the growth and development of athletic departments across America’s college campuses to the point that intercollegiate athletics is a primary influence on American society today. There are those who would scoff or cringe at that statement, but when the President of the United States has a one hour televised special to unveil his 2014 NCAA Men’s Basketball Championship Tournament bracket prediction, a former Northwestern University student-athlete
appears before congress to discuss the legitimacy of his argument to unionize intercollegiate athletes, and the 2014 Bowl Championship Series (BCS) Championship Football Game, for the highest level of college football, reaching viewership of over 25.5 million, the power of intercollegiate athletics cannot be refuted. Over the history of American collegiate athletics there has been an upward trend in both expenditures and revenue generated by specific sports, football and men’s basketball. However, it has only been within the last few decades that the revenue generated from these sports has developed to the level that it now supports a billion dollar industry within and surrounding American universities. How has the strong increase in revenue generated by commercialized sports in American universities affected the relationship between university athletics and student-athletes?

The research for this essay comes from three complimentary but distinct, and equally important fundamental platforms. The first, and most traditional, is an examination of the scholarly work, specifically, economic data and monetary studies coupled with scholarly works from psychology, sociology, and sport. In conjunction with the scholarly literature, I relied on popular investigative research that has been done in areas specifically related to big-time sports and student-athletes. The most important reason for the addition of publications outside of scholarly works is that they are tremendous indicators of the most up to date information on the topic as well as future trends.

In addition to the scholarly work and the limited popular work I have corresponded with members of different groups within this community. The aim of these interviews was: first, to conduct an in-depth exploration into the world of the university, and to put firsthand accounts and knowledge with the academic theories; and second, to clarify and elaborate on the theories and trends found in the literature. I interviewed scholars and professionals based on their
expertise in the topic. These accounts often turned out to be more thought-provoking and complicated while at the same time were tremendously helpful with understanding the inner workings of the relationships between different entities that are members of the modern day intercollegiate athletics industry.

Finally, and what – along with the interviews – proved to be instrumental in my ability to add to the literature on this topic, is my personal experience with the subject. I played football in college and after graduation worked for the Duke Athletic Department for the football program. I have been immersed in the relationships between these entities for ten years – first as a student-athlete, then as a university and athletic department employee. I have seen firsthand the dynamics that affect the relationships between athletics and academics, between student-athletes and other groups on campus, and between alumni and different areas of the university. My personal and professional experiences proved to be very valuable and helped me develop a unique perspective that enabled me to add to the academic conversation on the subject. However, I had to be aware of my experience as well, making sure that it did not bias any of the research or findings that I had while gathering evidence for this essay. It was a balancing act of using my personal experiences as a lens while also stepping back and coming to conclusions based upon the data.

This is not an essay on the relationship between university athletics and academics. This is an essay on the affect that revenue generating sports, namely men’s basketball and football have had on intercollegiate athletics, the American university system, and student-athletes. The complex relationships between different groups and organizations shape how intercollegiate athletics functions today. First, when I refer to commercialized sports or revenue generating sports I am speaking about revenue-generating sports at the highest level (formerly Division 1A,
currently Division 1 FBS) of intercollegiate athletics in America. These are primarily Football and Men’s Basketball programs at major American institutions of higher education. An important aspect of the dynamic of collegiate athletics is that these are not the only revenue-generating programs within intercollegiate athletics. There are a handful of Women’s Basketball and Baseball teams that may be profitable year-to-year. However, this number is inconsequential for a broader study on the effects of revenue generating sports in American universities simply based on the inconsistency of their profitability within a program over time as well as across the sport within a given time period. The hypothesis that I explore in this essay is that revenue generation within collegiate athletics in American universities has affected the dynamics between different groups within that system.

I propose that the introduction of high revenues from big-time sports has changed the overall goals of universities. There is a greater focus on these sports because of potential revenue generation as well as donations from alumni and donor groups. This has put a strain on and developed major complexities within the relationships between athletic departments, student-athletes, and the academic focus of universities. In an effort to shed light on these relationships I look at specific examples from primary research with members within these groups. The aim of this essay is to explore the changing dynamics of specific groups within the institution of the American university system affected by the increase in revenue and influx of large amounts of money into American universities from commercialized sports at these institutions.
The University

There is no doubt that the concept of the university is at the heart of nearly every academic discussion on the role of sport on college campuses. At the most general level there is a dichotomy between the concept of the university and the reality of the university. There is the idealistic or the purist belief that was summarized in the introduction as the stereotype of the institution of higher learning. Claudia Goldin and Lawrence Katz summarized it nicely, “The business of colleges and universities is the creation and the diffusion of knowledge.” (p. 38). This is the foundation upon which the university is built.

I conducted an interview with Suzanne J. Wasiolek, Assistant Vice President for Student Affairs and Dean of Students at Duke University. During this interview I asked her what the role of the university was. Her response was immediate, “This is a place where knowledge and ideas have a chance to grow and develop somewhat hidden away from the constraints of business and government.” I followed by asking what the role of the University’s football and men’s basketball programs are, if, in fact, the university is a place outside the constraints of business and government. She replied, “The role of college football and men’s basketball Division I programs is to provide an opportunity for the young men on these teams to be given an opportunity to obtain a college education while simultaneously developing their athletics skills.”

Personally, I believe there is some degree of naivety, or at least a public relations response, in those words. As I will discuss, there is empirical data linking the success of a university’s football or men’s basketball program with an increase in application rates. But the graduation rates of the “young men” Dean Wasiolek refers to question the validity of the statement they are receiving an education. Of course, Dean Wasiolek is concerned with the role of the sports
programs in relation to the student-athletes, due to her role as the Vice President of Student Affairs and Dean of Students. Beyond that, her response does illustrate the mentality of the university administration when it comes to athletics – or at least their public position. Dean Wasiolek centers her belief of the role of athletics around the concept of the stereotype of the institution of higher education and the idea of student-athlete’s constant pursuit to grow intellectually and athletically. The university’s role is to facilitate this growth and act as a catalyst for development. However, there are practices that universities have put in place that contradict this viewpoint.

In 2008, Charles T. Clotfelter conducted a study on the publicly disclosed mission statements of 52 universities that had revenue generating intercollegiate sports programs. His results found that those universities were more likely to mention twelve services they offered than they were to mention athletics in their mission statement, including Nursing school, Pharmacy school, Journalism school, and three times more likely to mention their extension services, such as outreach services and community development programs. It is not surprising that institutions of higher education list their various schools above their athletic department considering that education and the pursuit of knowledge are the aim of universities.

However, a deeper examination of the practices put in place in American Universities shines a light upon the contradiction between the words of the mission statements and the actions of the university. It is simple to see what areas are important to a university by the amount of funding and support that is dedicated to each department. An examination of the top 100 athletic budgets from the 2009 fiscal year found that every one of the top 100 public universities had a budget of over $20 million. The top 50 schools all spent over $48 million. The top 25 schools spent over $65 million on their athletic budgets, and by 2013 that number grew to over $82
million led by the University of Texas Austin at over $163 million.\textsuperscript{iv} The issue that this brings to light is that universities are obviously willing to spend money on these programs, and asks the question why they are not willing to reference them in their mission statements.

One reason for this may lie in the history of pushback from the academic community over the amount of money and the emphasis that university administrators commit to athletic departments at major universities with big time sports. The most recent example was the very public backlash that universities received from faculty and certain media outlets after the 2009 U.S. economic recession when universities continued to support athletic departments while freezing budgets and making cuts in other, more academically inclined department. A specific example was at the University of California Berkeley where university officials announced it would support a new $302 million dollar renovation to its football stadium in the midst of a projected $150 million university deficit and a proposed 32 percent increase in tuition.\textsuperscript{v} There has been a divide within universities for decades about the role of athletics, especially when it comes to the amount of resources universities invest in them. A large proportion of faculty members – however, not all – were concerned that athletics was operating under a different set of rules than the rest of the departments. Table 1\textsuperscript{vi} comes from the American Association of University Professors, \textit{Annual Report on the Economic Status of the Profession}. It compares the percentage increase in salaries between Division 1 coaches, both in and out of revenue generating sports with that of different tiered university professors. The table is based on salary numbers from the 2005-2006 academic year compared to the 2012-2013 academic year. This table illustrates the difference between the idea of the institution of higher education and the reality that exists in modern-day American universities. It is also an illustration of the value that university officials place on professors and coaches as individuals. The coaches’ salaries in the
two revenue generating intercollegiate sports increased the most, followed by coaches in 13 other sports. Eventually, you get to the tier 1 professors’ position in the graph, followed by the other tiers of professors. The lowest percent increase for any coaching group was that of Division 1AA Track/Cross Country coaches. This number was 9%, which is still over twice that of this highest percent increase for any tier professor.

Table 1

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Change</th>
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</thead>
<tbody>
<tr>
<td>Basketball D1-A</td>
<td>102</td>
</tr>
<tr>
<td>Football D1-A</td>
<td>93</td>
</tr>
<tr>
<td>Soccer D1-A</td>
<td>79</td>
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<tr>
<td>Baseball D1-A</td>
<td>53</td>
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<tr>
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<tr>
<td>Golf D1-A</td>
<td>29</td>
</tr>
<tr>
<td>Tennis D1-IA</td>
<td>25</td>
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<tr>
<td>Cross Country/Track D1-A</td>
<td>23</td>
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<tr>
<td>Cross Country/Track D1-IA</td>
<td>22</td>
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<tr>
<td>Professor Category 1A</td>
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<tr>
<td>Professor Category 1B</td>
<td>15</td>
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<tr>
<td>Professor Category 1C</td>
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<td>Professor Category 2A</td>
<td>4</td>
</tr>
<tr>
<td>Professor Category 2B</td>
<td>3</td>
</tr>
<tr>
<td>Professor Category 2C</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: For coaches, compensation is the median salary and benefits expenditures for head coaches of men's sports, in constant dollars. The sports represented here are a selection of “revenue generating” sports (for example, basketball and football) and other sports that had high participation rates. For full professors, the calculation uses the median in the institutional distribution for compensation, which is average salary plus the average institutional expenditure on benefits, in constant dollars.

Universities are willing to invest in these athletic programs because it pays to invest in them. There are financial gains to be made on game-day in terms of ticket and merchandise sales. There are gains to be made from alumni who are willing to donate in the hopes that they will be able to see their alma mater rise to glory on the gridiron or the hardwood. But there is also another, both more subtle and more financially beneficial motive for universities and colleges that entices presidents and trusties into investing millions of dollars into athletic departments. In 1984 Boston College beat the University of Miami (FL) on a last second pass from Doug Flutie into the end-zone to Gerald Phelan. The following year the small private college on the outskirts of Boston saw a 12% increase in applications. In 2010, the University of Northern Iowa beat then-number 1 Kansas in the Division 1 NCAA Men’s Basketball Tournament. The following year they saw a 30% increase in applications. Many students are looking for athletics to be a part of their college experience and good experiences not only keep existing students but attract new students. This was precisely the thought process at the University of North Carolina Charlotte when the board of trustees voted to institute a football program on November 13, 2008, citing increased awareness and enhancing the student experience as two main benefits.

It is a fine line that university officials must walk between academic reputation and fiscal responsibility as well as athletic reputation. Administrators have a responsibility to make decisions that will allow their university to grow and develop – which is funded directly and indirectly through revenue generating sports and athletic departments as a whole – but they also have to balance that with the academic mission of the university and fundamental principles of the institution of higher learning. At some point these two concepts inevitably come to a meeting point where a decision must be made which will be advantageous to one school of thought and detrimental to the other. This controversy stems from the academic concessions that universities
make in favor of the pursuit of more successful athletic programs in football and men’s basketball. The reason that university officials have to make these decisions is that as a society and individually as consumers (potential students and supporters) we have forced them into choosing between what we think of as the ideal of the institution of higher education and the experience we want them to provide of us as alumni, supporters, and students.

**The National Collegiate Athletic Association**

The late 1880’s into the beginning of the twentieth century whitessed the birth of American Football. It was born out of the combination of two games that had their roots in soccer and Australian rules rugby. It was developed on the grassy fields of some of the most historic universities in the United States, Princeton, Rutgers, Yale, Tufts, and a handful of other institutions from the Northeast and New England. It was a massively popular sport amongst students and community members but was incredibly dangerous and brutal. This brutality led to the first arguments against allowing football to be associated with universities, or even to be allowed on university campuses. Following a game between the University of Pennsylvania and Swarthmore College in 1905, which was particularly bloody, Theodore Roosevelt called the White House representatives from three of the dominant football universities of the day, Harvard, Princeton, and Yale, and demanded they rewrite the rules so the injuries would cease. The president made sure he got results, and the next year 62 universities convened to form an association that would later be named the Intercollegiate Athletic Association (NCAA). From this, conferences evolved within the NCAA comprised of colleges and universities with similarities in geography or philosophies who banded together to create sub-associations that
competed athletically against one-another. The “Big Five” conferences are the most powerful universities in the big-time sports and control most of the revenue generated from football and men’s basketball. The combined revenue the five conferences made between bowl games, the NCAA tournament, and television contracts in the 2013-2014 academic year was $1.3 billion. To put that number in perspective the rest of the Division 1 conferences that participate in the revenue sports made a combined $194 million. The Big Five conferences are the Atlantic Coast Conference (ACC) ($305 million), the Big 10 Conference ($318 million), the Big 12 Conference ($262 million), the Pacific 12 Conference (PAC 12) ($299 million), and the Southeastern Conference (SEC) ($271 million).

This NCAA is made up of member-institutions across the country. There is limited action that the NCAA itself can take without gaining the support of the member-institutions. Here is the definition of governance taken from the official association website May 7, 2014,

Our governance structure consists of legislative bodies – made up of volunteers from our member schools – that govern each division, as well as a group of committees that set association-wide policy. These committees manage topics affecting sports rules, championships, health and safety, matters impacting women in athletics and opportunities for minorities. The Executive Committee is our highest governing body, bringing together presidents and chancellors from each division to discuss issues important to the entire NCAA membership. All association-wide governing bodies are charged with upholding and advancing the Association’s core values of fairness, safety and equal opportunity for all student-athletes.

One of the main concerns of the NCAA has always been maintaining the dignity of sport through the competition of amateur athletes. A chief concern with professional athletics returns to the same concerns covered in the University section of this essay regarding the ideal of the
university that “[t]he business of colleges and universities is the creation and the diffusion of knowledge.” (p. 38). The idea of a student profiting from their name or likeness or competing for money not only contradicts the ideal of the student-athlete but the ideal of the university as an institution of higher education as well. This can become difficult when member-institutions have concerns regarding academic standards of the university while also attempting to deliver rewarding athletics programs. This is not to say that the two are mutually exclusive, but, as I discuss later, universities often have lower admissions requirements for student-athletes than the average non-athlete applicant. In 1910 the Big 10 Conference banned freshmen from playing intercollegiate athletics in an attempt to acclimate students to scholastic life and deter students from enrolling at a university simply to play sports. The NCAA adopted this law as a national rule in 1922.

There were no regulations on athletic scholarships. The only restrictions were that a student-athlete had to be enrolled in the college or university and the amount of money that the university was willing to put into the program for funding and athletic scholarships. 1973 brought about the first limitations on football scholarships in order to unilaterally free up money across athletic departments for women’s intercollegiate sports after Title IX was passed by Congress in 1972 as part of the Equal Opportunity in Education Act. Title IX states that institutions must provide equal athletic scholarships to men and women. In order to accommodate this requirement athletic scholarships had to be cut down to a level that was feasible for both men’s and woman’s scholarships. This caused the presidents of NCAA member-institutions’ and athletic directors to enact a limit of 105 football scholarships. Additional reductions were made in 1978 (95) and again in 1992 which brought the limit to its present number of 85 scholarship football players per program.
Out of these developments has stemmed a need for the NCAA as a regulatory body in intercollegiate athletics, all of which have grown out of the detrimental trends set by the influx of money into athletic departments across the member-institutions at the expense of the idea of the university. On the same note, there are many criticisms of the NCAA claiming that it has developed into a profit hungry entity itself. Most recently, former Duke Basketball player and current ESPN analyst Jay Bilas started a national debate after, again, posting pictures on twitter. He was on the NCAA’s website ShopNCAASports.com and typed in the name Manziel, in reference to Johnny Manziel, and Clowney, referencing Jadeveon Clowney who was the top pick in the 2014 National Football League draft from the University of South Carolina. What he found was the NCAA’s website selling jerseys in the likeness of the two players, in the style of the players’ universities’ jerseys. The student athletes are not profiting from these transactions, therefore, they remain amateurs and are eligible to play. However, by the same token the NCAA has no right to profit if it is an association of member-institutions who supposed to embody the ideals that do not allow professionals to play intercollegiate athletics.

Many critics of the NCAA also point to the Division 1 Men’s Basketball Tournament as an example of corruption of the idea of the association (not corruption within the tournament or illicit activity surrounding the outcome of games, but rather the degradation of the spirit of the NCAA). In 2008, there were more than 65 hours of broadcast television time as well as streaming internet television provided by CBS. The network claimed that more than 4.8 million unique visitors accessed the site during the tournament. That same year the tournament brought in an estimated $580 million in advertising. In 2009, a 30 second television advertisement during the championship game cost $1.2 million, second only to the super bowl for an advertisement during a live sporting event.
What does this mean for the NCAA? The television networks are making money off of broadcasting the NCAA tournament, but they are also paying for the right to show the games. In April of 2010 the NCAA signed a contract with CBS and its affiliates for exclusive rights of every Division 1 NCAA Men’s basketball tournament game at a price of $10.8 billion over 10 years. There is money to be made, and the third party companies are making it – and obviously so is the NCAA and its member-institutions. This is not an argument against the NCAA – I believe a governing body is essential to the integrity of both the concept of intercollegiate athletics and the practice of a competitive and fair system. This is not even an argument against the NCAA or the member-institutions making money off of the product that is presented. It is simply an attempt to illuminate the fact that while at the heart these games are simply that, games, in reality, there is a market for the spectacle. And where there is a market in a capitalist society there will be revenue generated and industry will develop – except in this case one group, student-athletes competing in games, is not compensated.

**Third Party Groups**

The ESPN network is worth over $40 billion and supplies its consumers with a steady stream of programming via seven cable channels, in the United States (more overseas), an online website, an online streaming television channel, a bi-monthly magazine, and a variety of other sources. There are a host of local and regional outlets including television, print media, and online media dedicated to covering intercollege athletics. Additionally with the uptrend in the last few years of social media outlets such as facebook, twitter, and instagram anyone with a cell phone has the ability to have access to, or even report on, their favorite universities sports
programs. Social media allows people with similar interests, such as a collegiate football or men’s basketball team, to connect and share information much easier than before these tools were available.

Social media affects how student-athletes live their lives and how they interact with the public. Student-athletes have become public figures. Their accolades on the field, their social lives, and their thoughts are posted for the public to see. There have been stories about star athletes on campus for as long as there has been competition on campuses, so what has changed? In a word: accessibility. David Cutcliffe, the Head Football Coach at Duke University, talked with me about this in an interview we had. He stated to me that one of the biggest changes he has seen over his nearly 40 year career is that everything is visible. He went on to explain that one of his most important jobs, as a teacher, is to help his players understand that they are public figures. Coach Cutcliffe said one of his favorite quotes comes from Aristotle, “We are what we repeatedly do.” He explained that it reminds him that habits define us in the minds of others, “what people see you do is who you are in their minds.” What people see student-athletes do has a much broader meaning for today’s student-athletes than it did even ten years ago when I played, simply because they are so accessible all day, every day.

One of the most publicized collegiate student-athletes is former Texas A&M quarterback Johnny Manziel. He was the first freshman ever to win the Heisman Trophy, a yearly award given to the best player in college football (voted on by coaches, former winners of the award, and members of the media). He recently said in an interview with USA Today, "It's tough knowing that everything you do is watched pretty closely because I'm doing the same stuff I've always done. It's just now people actually care what I do." Manziel has received public criticism from his former coach, members of the media, and Texas A&M University officials for
comments and pictures that he has shared through social media outlets, and has even garnered public responses from these groups condemning his actions. The fact that these groups have to publically take a stand on a student’s actions on a website shows how powerful social media has become and how influential college athletics is in American university campuses and our culture. The rise in communication technology and both traditional and nontraditional media has granted the public almost unlimited access to university sports programs and student-athletes.

The other major role that the public, or at least specific members of the public, have in relation intercollegiate athletics is in the role of financial supporter – more commonly known as booster. I know, from my time working within the Duke University Athletic Department, that there are specific individuals that are considered “major donors.” At every university the gift amount donated to qualify an individual as a major donor is different, but every university athletic department has major donors. Not only does each university have major donors in the athletic department, but they do across many of the other departments in the university. These boosters are the lifeblood of the athletic department. They are the fuel that powers facility development and the funding that keep smaller programs running. The NCAA broadly defines a booster as an individual, agency, entity or organization who is known by an institution to have participated in or been a member of an agency that promotes an institution's intercollegiate athletics program. In other words, a booster is an individual or group that promotes or supports a college or university athletic program.

Of course athletic departments are not the only place that fundraising is done. I spoke with George Grody, who is currently a visiting professor at Duke University and has served as Chairman of the National Board of Advisors at Duke Children's Hospital, sat on the Duke University Athletics Advisory Committee, the Duke University Library Board, and the Board of
Visitors at Duke University Health System. He explained the relationship between universities and donors. Major donors are prized possessions for any organization or group that requires fundraising as part of its business model. Every major university has separate fundraising entities within its structure as well as an overview group that coordinates those fundraising activities across all of its entities. For example, at Duke University, you have the athletic department, the library, all the individual schools (Trinity School of Arts & Science, Pratt School of Engineering, Fuqua School of Business, Duke Medical School, etc.), different departments (Economics, the Cancer Center, the Eye Center, the Children’s Hospital, the Liberal Studies program, etc.), and various organizations and student groups. There must be overall coordination and management of prospective donors otherwise all the individual fundraising entities would be contacting many of the same people. Every December I get three or four letters from different departments at Duke asking for money and I have only been an alumnus for five years. This can be a major point issue for donors, especially if they had 10 different organizations from their college or university all contacting them and asking for large sums of money. It is not strategic for the university. One donor could make a gift to an area that may not be a priority of the overall fundraising efforts of a university – however, a donor does have the right to specify where his or her gift will be allotted, regardless of the fundraising priority. To prevent this, each donor has a main fundraising entity that “owns” the university relationship with that donor. That way the university can manage what fundraising opportunities are presented to the donor. In other words, instead of having multiple entities all competing to speak to the same major donor there is a main entity that deals with that donor. If someone from another group outside that entity wants to speak to that donor, than it needs to be agreed on by the different fundraising groups and the overall coordinating group. Professor Grody has personal experience with these relationships. He
detailed his experience, “They will also take into account the interests of that donor and what groups on campus they have an affinity for. So in my case, early in my donating to Duke days most of my donations went to athletics. When Duke Children’s Hospital wanted to put me on their Board of Advisors, they needed to go to athletics and let them know as well as get their approval. That way you wouldn’t have two different Duke fundraising groups competing for the same donor.” The main points to take away from Professor Grody’s example are that this is part of the business model of an institution of higher education in America, and that it is prevalent across nearly every entity on a university campus. Athletics, because of the cultural popularity, is one of the most public faces of the university and, for the reasons discussed in the university section, also one of the most scrutinized.

One of the most well known of the major athletic department donors is Phil Knight. “Uncle Phil,” as the student body at the University of Oregon has dubbed him, is a former student-athlete at the University of Oregon, as well as the co-founder and Chairman of Nike, Inc. As a public university, all donations to the University of Oregon are public record. Over the last 20 years Mr. Knight, and his wife Penny, have donated in excess of $300 million to the university – most of which has been dedicated to athletic funds. Here is a list of the Knight’s major donations to the University of Oregon (it should also be noted that the Knight’s recently pledged a gift of $500 million the Oregon Health Science University’s new cancer research project, as well as various other philanthropic endeavors):\textsuperscript{xxi}

- $27 million renovation of the Knight Library (renamed after his donation)
- $30 million gift toward the expansion of Autzen Stadium (where the football team plays its home games)
• $42 million athletic department academic excellence center (dedicated specifically to student-athletes)

• $68 million Football Performance Center (dedicated solely to football; houses the locker room, meeting rooms, practice facilities, coaches’ offices, a players’ lounge, workout facilities, dining facilities, and academic facilities)

• $100 million endowment of the Legacy Fund to insure the bonds taken out on Matthew Knight Arena (the men’s basketball home court)

• William W. Knight Law Center (dedicated to Knight’s father, a 1932 University of Oregon Law School graduate)

As the co-founder and Chairman of Nike, he also ensures that the University of Oregon has the latest, most popular, and most advanced equipment and clothing. This is a key asset for coaches to have when they are recruiting prospective student-athletes who are comparing the University of Oregon with other top-tier football and men’s basketball programs across the country.

Mr. Knight is not alone. He is simply one of the most famous of major athletic department donors. The role of a booster is to promote and contribute to athletic departments, as well as many other departments, for any one of a number of reasons. One of the main incentives for a booster to donate is for benefits and access to different aspects of a game day experience. Another is that it is a commitment to the program and to the university, which serves to develop a sense of connection to the university and creates a loyal fan base that is committed emotionally and financially. All individuals who donate to the athletic department at a university gain membership into the department’s booster organization. There are various levels within in the
organization that are reserved for members who give larger donations. With these different levels comes access to premium options which enhance the member’s experience within the organization. University athletic departments will place minimum donation requirements that must be donated to the university’s athletic department fundraising team before individuals have access to purchase items such as tickets to sporting events, premier parking access, and access to key athletic department personnel and coaches. For example, Colorado State University requires a minimum donation of $4,000 before supporters have the ability to buy parking permits at its sports arena, Moby Arena, on men’s basketball game days. Duke University requires a minimum donation of $7,000 in order to be eligible to buy a pair of men’s basketball season tickets. The individuals who donate have first option to purchase. The University of Georgia requires a minimum donation of $25,000 for the privilege of having the opportunity to buy tickets to its annual Fall Kickoff reception prior to the beginning of football season. At Stanford University, $50,000 will give you the chance to travel with the football team to an away game and partake in all pregame festivities.\textsuperscript{xxii}
Table 2

Table 2 is taken directly from Duke University’s Athletic Department booster club, named the Iron Dukes. I received my yearly packet in the mail at the beginning of June 2014 and as I was looking through it came across this table. It illustrates the tiered organizational system of the group. At each level, members are awarded new premium benefits. At the $250 level members have access to parking passes of football and men’s basketball games, at the $4,000 level members are eligible to attempt to buy men’s basketball season tickets, and at the $8,000 members are allowed to purchase a pair of men’s basketball conference tournament tickets. Interestingly, this chart also attempts to connect members and prospective members directly with student-athletes by showing the boosters what the benefits are for the student-athletes are at different price points. For instance, $100 pays the cost of the registration fee for a student-athlete, $1,000 provides books and course fees for one student-athlete, $7,000 covers the cost of
a room for a student-athlete, and $45,800 will pay the tuition for a student-athlete for a year. This is a marketing attempt to connect members with student on an emotional level which, in turn, makes members more committed to the organization and the athletic-department as a whole.

This process allows universities to ration excess demand and capitalize on the fanatical interest in intercollegiate athletics in America. This model can only work where demand outweighs supply. In smaller or traditionally weaker programs it is much more difficult to require donations in order to have access to premium benefits. Trends show that contributions to athletic departments are much higher once a program crosses the threshold into a men’s basketball program that has a winning season or a football program that appears in a bowl. Obviously, after this point the greater success a team has, the greater the demand and the more donations the program brings to the athletic department. The sponsors that pay for these premium options do so because they value the sense of participation and inclusion that comes with access to and membership in the organization. It is this drive to connect with the university that is the major motivating factor which leads individuals to invest such sums of money, time and emotion into “their” university’s big time sports. These organizations are largely made up of faculty and alumni but are also supported by community members and fans with no formal ties to the university. Emotional investment is the driving force behind booster organizations. This investment is fostered by the culture that has been created in American society surrounding intercollegiate athletics and continues to be nurtured and developed by both traditional and social media outlets as well as universities themselves.

The industry would not have grown to the level that it is today without the interest from alumni and fans. Universities would not invest the money that they do if there was no way to see a return on their investment. University officials and student-athletes would not be under the
microscope that they are without the infrastructure and media that is being supported by the fascination that Americans have with big-time sports in American universities. A governing body is the key to having organization and order. Again, it is the complex relationships between all of these entities that make up big time college sports in America. Each one of these entities has developed, either directly or indirectly, because of the revenue influx from these revenue generating sports.

The Student-Athlete

It is a tremendous accomplishment to be a NCAA Division 1 athlete. To be amongst the top amateurs in the world at a sport and have the academic accomplishments to be eligible to play football at a NCAA member institution is difficult. On average there are around 300,000 high school seniors who play football each year. Of them, about 20,000 will play football at any level of the NCAA member-institutions, and about 2,400 of them will play at the Division 1 level. That means 6.7% of high school senior football players will go on to play college football, 0.8% will play at the Division 1 level.

There are prizes to be had: a free education, a college degree, living expenses for four or five years, a chance to be a professional athlete, local and national recognition, and a chance at a prestigious career after athletics. There are prices to be paid, but mostly the tax that year round training and high level competition has on the human body. A Division 1 football or men’s basketball scholarship is what people like to call a “full ride”. It includes – free of charge – tuition, room and board, books, fees and dues, as well as living expenses. The scholarship also allows the university to pay for one meal a day outside of a student-athlete’s meal plan, athletic
attire, and occasional benefits that are reasonably accessible to the other students – such as tickets to a movie or access to sporting events on campus. This does not include what the NCAA has termed “improper benefits” such as jewelry or money. When I signed my National Letter of Intent, the contract which binds a perspective student-athlete and a university or college offering the scholarship, I was called by then-Duke University Head Football Coach Ted Roof who said, “Congratulations Ben, you just signed a contract worth $300,000.”

The NCAA has mandated that every athletic based scholarship must be, at a minimum, a one-year renewable scholarship. In fact, until 2011 the only athletically based financial aid that a student-athlete could receive was a one-year renewable scholarship. After one year, universities have the ability to decline a student-athlete a scholarship. This forces the student into a decision whether to take on the financial burden of staying enrolled, transfer to an institution that will offer a scholarship, or concluding his or her education without a degree. In 2011, the NCAA made allowances for the potential for multi-year scholarship, but left the decision up to each member-institution as to whether or not they would institute multi-year scholarships or continue to use one-year renewable scholarships.

In June of 2014, The University of Southern California (USC) announced that it will only be awarding student-athletes in football, men’s and woman’s basketball four year scholarships, which went into affect July 1, 2014.xxvi This will make it more difficult for student-athletes to transfer from USC because they will continuously be under contract with the university through the extent of their eligibility. There is the potential to protect the student-athlete from losing his or her scholarship because he or she is not contributing to the extent that a coach or a program expected. However, the both parties have the ability to dissolve the contract as long as there is expressed written agreement from both parties. In actuality, this decision by USC will protect it’s
interests in players that have signed to play intercollegiate athletics at the university without weakening its ability to end its relationship with a given student athlete that is advantageous for the university. The university will keep from losing players to transfer unless they agree to part ways with the student-athlete as well. However, if the university would like to end the contract because a player is not succeeding athletically the student-athlete is not contributing to the program and most likely will want to transfer to a program where he or she will be able to contribute.

Until the 2014-2015 school year all student-athletes received one-year renewable scholarship offers with the exception of a particular group. The only exception is if the student-athlete is injured during official university athletic practice or competition to the point they are unable to participate in intercollegiate athletics any further, at which point the scholarship becomes a four year scholarship but does not count against the total number of scholarships the sport has available. After each year the university has the option to renew, or not, without consequence. However, if a student athlete wishes to transfer to another school after his or her one-year scholarship expires he or she will be ineligible to practice or compete for one calendar year and lose that year of eligibility. There are exceptions, if a student-athlete is transferring to a lower NCAA division (Division 1 to Division 2 for example) he or she will not lose any eligibility and will be allowed to participate immediately. The other exemption is if the student-athlete transfers to another school after graduation for the purpose of attending graduate school in a program that the student-athlete’s school of origin does not offer. For example, if a student-athlete graduates from University X but still has a year of eligibility and wants to play at University Y, then he or she would have to enroll in a graduate level program that is offered at University Y but not at University X.
Russell Wilson, 2014 Superbowl MVP, was the starting quarterback at North Carolina State University (NCSU) from 2008 to 2010 and was a pitcher for the Wolf Pack baseball team in the spring. In 2010, Wilson announced that he was going to spring training with the Colorado Rockies (A Major League Baseball team out of Denver, Colorado). The NCSU football coaching staff expressed reservations about their starting quarterback being off campus for the spring. On April 29, 2011 Wilson was granted a release from his football scholarship with one year remaining of eligibility. xxvii In June of the same year, Wilson enrolled in graduate school at the University of Wisconsin.

This rule allows student-athlete to fulfill their responsibility and commitment to the university that they signed their National Letter of Intent with but also rewards them with the chance to pursue a secondary degree and continue to compete on the field of play. The spirit of this rule is to give student-athletes the ability to pursue a graduate degree in any field regardless of whether their undergraduate university offers the program. This, of course, contradicts the stereotype of student-athletes as lesser students than the rest of the student body. In fact it is often the case that student-athletes are amongst the most disciplined and dedicated students at a university. However, in many cases this rule is used by student-athletes who believe they can graduate and transfer to a better athletic program as long as they find some graduate program to enroll in.

I spoke with Heather Ryan, Executive Director of Academics for Duke University’s Athletic Department. We discussed the stereotype of the student-athlete, specifically football and men’s basketball players, who, because of their athletic status, tend to be singled out as examples of the stereotype. She walked me through a typical freshman football player’s day, showing me
the regimentation and commitment that it takes to be both a student and an athlete at an institution of higher education:

- 6:00 am -11:00 (10:30 in the off-season): sport specific athletics
- 11:15-5:20: classroom instruction – each student must take 4 courses (16 credit equivalent, allowed to under-load, 3 courses or 12 credits, one semester over his career)
- 5:30-7:30: dinner
- 7:30-sleep: tutoring/homework/focus groups
- 2-3 times a week: meeting with academic advisor
- 2-3 times a week (minimum): meeting with personal tutor
- 2-4 classes a semester will have focus groups that meet 3-5 times a week. These are decided based on difficulty of class as well as time available per athlete.

It is strenuous, but she reminded me what is so easy to forget when you are watching national championship games and ESPN twenty-four hours a day. These are college students. The individual colleges and universities have specific requirements for enrolling in the college or university as well as staying enrolled. If this is the case with every student-athlete, at every university, then these individuals are not just athletes that are playing sports for a team; these are students that represent their institution in competition. However, there is evidence to show that, in some cases, these individuals are not students and athletes, they are simply athletes.

One of the most interesting and insightful conversations I had with Dean Wasiolek was about her experiences with athletics at the university. I brought up the subject expecting to gather information on the relationship between two entities within the university, a contrast between the administration and the athletic department. Her initial response was, “My experiences with intercollegiate athletics are varied. As the Dean of Students for more than 30 years at Duke, I
have interacted on a daily basis with student-athletes and with colleagues in the Athletics
Department. I have been involved with assisting with developing policies and procedures that
impact student-athletes. I have helped to recruit student-athletes and have also engaged on a very
regular basis in helping to support and work with student-athletes during their time at Duke…” I
did not notice it during out discussion but upon reviewing the material from our interview I
realized that she spoke directly about student-athletes, and not about the department as a whole.
This illustrates that Dean Wasiolek considers the student-athletes at Duke University to be part
of the student body and fall under her responsibility as Vice President of Student Affairs and
Dean of Students. But more than that, she sees the student-athletes as students, as members of
what she calls “The Duke Community”, and expects them to be treated as such. She went on to
say that the worst thing we can do to student-athletes is treat them different than the rest of the
student body. She believes that special treatment, either preferential or disfavored, undermines
the concept of the student-athlete and perpetuates stereotypes of the student-athlete experience at
Division 1 colleges and universities.

I pointed out to Dean Wasiolek that it sounded like she was, in fact, talking about
student-athletes as if they were a separate group – which seemed to be in direct contradiction
with what she was saying. She elaborated by explaining that student-athletes are a sub group
within the student population, just as Greek organizations and other student groups are.
Membership to or association with any of these groups shapes the college experience for an
individual and this is an important factor when studying or administrating any and all of these
groups. However, the fact remains that each individual is first and foremost a student at Duke
University – at least in Dean Wasiolek’s expert opinion.
However, there is a major challenge to the argument that student-athletes are students first then athletes; academic merit. When it comes to admission to a university as a student-athlete there is a tremendous amount of data showing that prospective student-athletes are considered under a different set of academic requirements than an average student when it comes to admissions standards and that this difference is greatest for student-athletes in revenue generating sports. Doug Lederman, editor and co-founder of *Inside Higher Ed*, conducted a study over an eight year period from 1999 to 2007, surveying 21 public universities with big time athletic programs. The data shows that student-athletes, specifically football players, were much more likely to be admitted to their university as “special admits” then a student going through a traditional application. “Special admits” refers to a student that is admitted through an exception to the universities’ regular admissions requirements. On average 4% of freshman at these 21 public universities were classified as special admits, but 49% of football and 26% of all student-athletes admitted fell under the same category. In a separate study in 2008 SAT scores at 52 universities showed an average of 1154 for all students compared with an average score of 943 for football players – a difference of 211 points. The same study conducted at 48 universities calculated an average score of 1152 for all students compared with 930 for men’s basketball players – a difference of 223 points.

An overwhelming majority of the Division 1 universities admit prospective student-athletes in revenue generating sports as long as they meet the minimum requirements set forth by the NCAA. To be classified as a qualifier under NCAA standards, prospective student-athletes need to graduate from high school with a diploma, have successfully completed the core courses, met the GPA/test score requirements, and completed an amateurism survey and have abided by all amateurism rules. The 16 core classes are:
• 4 years of English
• 3 years of Math (Algebra 1 or higher)
• 2 years of Natural or Physical Sciences with lab
• 1 extra year of English, Math or Science
• 2 years of Social Studies
• 4 years of extra core courses (these include, Math, English, Science, Social Studies, Foreign Language, non-doctrinal religion or philosophy)

And the GPA/test score requirements is an inversely correlated sliding scale. The basic concept is that the higher a prospective student-athlete’s GPA is the lower his or her test score needs to be in order to be NCAA eligible. For example, if a prospective student athlete has a 3.55 GPA he or she only needs to score a 400 on the SAT or a 37 on the ACT in order to be eligible; if he or she has a 2.0 GPA than he or she must score a 1010 on the SAT or an 86 on the ACT.

These are the admission standards that a majority of the Division 1 universities hold when it comes to student-athletes in revenue generating sports. They are not, however, the admission standards that the same universities use when determining acceptance of its non-athlete applicants. The requirements change because many of the players that play for the revenue generating sports programs would not be admitted to the universities if they were subject to the same standards as other applicants. It is an extreme dichotomy between the reality of the admissions standards and the concept that student-athletes are above all else students.

One of the most controversial topics surround intercollegiate athletics over the last few years has been the question of the academic pursuit of student-athletes while they are enrolled in an institution of higher learning. There are mounting concerns regarding graduation rates, as well as academic scandals at prestigious academic institutions such as The University of North
Carolina at Chapel Hill (discussed below). Once admitted to a college or university, student-athletes are required to maintain a specific grade point average in order to remain eligible to play in games. This has proven to be a significant enough challenge that teams and athletic departments have taken steps in order to prevent student-athletes from becoming ineligible. It is important to remember that although a large number of student-athletes enroll in a university with weak academic careers in relation to the other members of their academic class, being a member of an intercollegiate athletic program, especially in one of the revenue generating sports, requires a significant amount of time that other students may not have committed. The NCAA does attempt to truncate the time commitment to a maximum of 20 hours; however, the NCAA cannot regulate voluntary hours. In many programs, voluntary workouts and film study are great indicators of a particular student-athlete’s commitment to the program in the eyes of coaching staffs. In order to meet the demand of both their academic and athletic commitments, and in an attempt to remain eligible, many student-athletes funnel themselves into less challenging majors and electives. At Virginia Polytechnic Institute (Virginia Tech), 19% of football players majored in residential property management as opposed to .4% of the student body.\textsuperscript{xxx}

Since 2011, the NCAA and the NC Board of Education have been investigating allegation of the Department of African and African American Studies at UNC. The NCAA found in the summer of 2011, 19 undergraduates at UNC signed up for a lecture course called AFAM 280: Blacks in North Carolina. The professor was Julius Nyang’oro, an internationally respected scholar and longtime chairman of the African and Afro-American studies department. University and law-enforcement officials have confirmed that AFAM 280 never met. This course was one of dozens of courses in the department that, university officials say, were taught
incompletely or not at all. Nyang’oro was dismissed from UNC’s faculty in 2012 and charged with a felony that was dropped by the Orange County District Attorney in July of 2014.

In early June, 2014, Rashad McCants, a member of the UNC men’s basketball NCAA Championship team in 2005 told ESPN’s “Outside the lines”, that tutors wrote his papers for him, he rarely showed up for scheduled class meetings, and that he remained eligible by taking “bogus” classes designed to keep athletes academically eligible to play. “Outside the lines obtained two, identical, unofficial transcripts from two separate source. While at UNC, McCants took 28 courses, 18 within the African and African-American Studies, AFAM as it is known at UNC, department and 10 outside the department. In his 10 non-AFAM courses, McCants received six C’s, one D, and three F’s. In his AFAM courses, McCants had 10 A’s, six B’s, one C, and one D. Not only did the AFAM program keep McCants eligible, he even made the Dean’s list while in the middle of UNC’s title run. It is important to remember that a small number of non-student-athletes were enrolled in these classes and that it received more attention from media and outside groups than similar cases in other universities because of the involvement of student-athlete in revenue generating sports. Coincidently, this example shows both the extent to which members of the university community will go in order to have success in the revenue generating sports as well as the social power that these sports have in contemporary American culture.

Despite the strategic course taking and the extra academic support that university athletic departments offer, their students-athletes routinely lag behind the rest of the student body in graduation rates. Charles Clotfelter calculated the graduation rates for students at universities in the five major conferences and Notre Dame in 2001. This gives a comprehensive list of the universities that play the highest level of football and men’s basketball at the collegiate level.
The total number of institutions was 58. The graduation rates were calculated for universities between 1998 and 2001. The average graduation rate for all students at the 58 institutions was 78%; the rate for football players was 56% and for men’s basketball was only 42%. Clotfelter found that at more prestigious academic institutions graduation rates were higher but still significantly below the average student rate. For institutions in the US News and World Report top 35 the rates were 50% for men’s basketball and 68% for football. At the top three universities (Stanford, Duke, & Northwestern) the rates were 60% for men’s basketball and 84% for football. xxxii This is logical because the more prestigious universities attract student-athletes that are more committed to their academic development than other institutions. The top three institutions are more appealing to a prospective student-athlete that values education than other institutions would be. These graduation rates are a further example of the lower standards that are ascribed to student-athletes in revenue generating sports than the standards set forth for the rest of the student body. This must be taken for what it is, another example of universities accommodating athletic success – for whatever reason – at the expense of the academic standards of the ideal institution of higher education.

**The question of paying student-athletes**

The most popular topic in college athletics is the role of the student-athlete. The NCAA states, as seen above, that one of its major responsibilities is the welfare of student-athletes. Many, including Mr. Bilas (who was posting on twitter about the NCAA), believe that institutions, the NCAA, and third parties are taking advantage of student-athletes and their
required amateurism. This group advocates for everything from endorsement deals to paying student-athletes for their athletic services to the university.

In March 2014 a historic event occurred when the Chicago district of the National Labor Relations Board ruled that the football players at Northwestern University qualified as employees of the university and had the right to unionize. The strongest statement that the ruling made was that it determined that the players were university employees. National Labor Relations Board regional director Peter Sung Ohr cited the players' time commitment to their sport and the fact that their scholarships were tied directly to their performance on the field as reasons for granting them union rights. This claim has re-launched the argument that players should be paid for their participation in intercollegiate athletics. The biggest issue that the NCAA faces is that it, as well as American society, has always considered collegiate athletes as amateurs. This is the first time that a governing body has disagreed with that statement.

There is, without a doubt, legitimacy to the argument that student-athletes are compensated with a free education as well as all of the other benefits mentioned earlier in this section. But, I urge us to take a step back and consider the possibility that it is not the university paying the student-athlete for his or her services but in fact the student who is paying his or her debt to the university for the privilege of enrollment. So often in today’s world of big-time sports and the billion dollar industry that comes with it we focus on the few, the superstars like Clowney and Manziel and comment on how they are being ripped off. However, the National Football League (NFL) mandates that a player must be three years removed from high school before he can be eligible to play in the NFL. The National Basketball Association (NBA) asserts that in order to be eligible a player must be 19 years old and at least one NBA season has eclipsed since the player’s graduation from high school. High school players cannot become
professional player in either sport. There is no law or rule stated in either group’s bylaws or bargaining agreements that say players must attend college or participate in intercollegiate athletic between high school and their eligibility for professional sports. It is a conscious decision made by each young man and woman to attend college. And, as every student does, he or she must pay the fee to attend. These student-athletes just pay in a different way than other students.

There are two strong arguments that proponents of paying revenue sport student-athletes point out in response to the statement that student athletes are simply paying off their dept to their institutions. The first is that there is a huge discrepancy between what the dollar value of the sum of all of the student-athletes in a program’s scholarship are worth and what the university makes in revenue and donations because of specific athletic programs. As discussed in the university section of this essay, universities are investing millions of dollars into their athletic departments and facilities because they are seeing returns on their investments in terms of revenue generated from live and televised competition, increased application rates, brand awareness and marketing, and, of course donations from alumni and supporters. The revenue is produced because of the product that is presented. As I have tried to bring to light through the discussion thus far, there are a tremendous number of factors that are woven into the fabric of American intercollegiate athletics, just as there are many different factors that come together to produce the product that is presented to consumers on the football field or the basketball court. However, there is one thing that all of these groups will agree on: student-athletes are at the center of the equation. All of the other factors can be overcome to produce a consumable product. A program can lose a coach, lose its facilities, its fans, it television contracts, and even the money – but there is no product without the players. Rationally, if there is a market for the
product then the key component of the product has a higher value than other components. And, if the other components are generating revenue, so too should the key component.

The two counter arguments to this are the argument for amateurism – which was laid out earlier in this essay – and the argument that a full scholarship is the equivalent of generating revenue for the student-athletes. As I will discuss, the argument that a scholarship is payment for the service that big time sports’ student-athletes provide is fundamentally flawed and should not be given any consideration without a tremendous restructuring of the tuition of American institutions of higher education.

The second argument pointed to by proponents of paying student-athletes in revenue generating sports is the discrepancy between the value of student-athletes’ scholarships and the salaries that the coaches of big time sports. USA Today published records of every Division 1 football program and what their head coach’s salary was in 2013. The organization was unable to gather data on seven schools (Boston College, The University of Pittsburgh, Brigham Young University, Temple University, Syracuse University, Stanford University, & Tulane University). Of the 119 programs that data was collected for 70 head coaches made over $1 million, 50 coaches made over $2 million, 17 coaches made over $3 million, eight coaches made over $4 million, and the head football coach at three universities in Division 1 football made over $5 million in a single season. Mike Krzyzewski was paid over $9.5 million to be the Head Men’s Basketball coach at Duke University in 2014, and over half of the head coaches of teams in the 2014 NCAA Division 1 Men’s Basketball Tournament made over $1 million. There are many that would argue that giving anyone this amount of money to coach a sports team is ludicrous but, in fact, universities are willing to pay these salaries because they are seeing return on their investments once again. It is important to keep in mind that return on investment
includes name recognition, awareness, and prestige as well as financial return on investment. This is further proof, not only that big time sports are important to the universities but that the culture that has developed around these sports is a tremendous social movement in American society.

Of course most of the major universities in America are state institutions, and, technically, all of the employees of those universities are state employees. Examine Table 3 which shows, by state, what the position of the highest paid state employee was when this article was published in May, 2013. The list of highest-paid active employees counts 27 intercollegiate football coaches, 13 basketball coaches, and 1 hockey coach (who has since been replace by the University of New Hampshire President). The final 10 states include five college presidents, a medical school chancellor, a medical school department chair, a medical school plastic surgeon, and a law school dean. There are 51 positions because Minnesota’s football and basketball coach are each earning $1.2 million.
Any discussion of paying student-athletes must first remove the value of the scholarship from the equation entirely. Defenders of the current system point to the fact that a student-athlete’s scholarship is compensation for playing athletics at an institution. However, this creates a tremendous issue between universities. Take Duke University, the University of North Carolina at Chapel Hill, and North Carolina State University – the so-called “triangle schools” for their close proximity to each other and the area between Durham, Raleigh, and Chapel Hill that make up the region of North Carolina called the triangle. These three institutions of higher education compete in intercollegiate athletics at the same level, in the same conference, and most all of the frequent against each other. The only fair way to factor in the value of a student-athletes
scholarship is to base it on what the market value is for the average, non-athlete student at the university. The U.S. News and world report published the following statistics on what an incoming freshman should expect to pay a year at each of the triangle schools (approximations rounded to the nearest $100):

- North Carolina State University – $31,700 non-resident / $16,800 North Carolina resident
- UNC Chapel Hill - $42,200 non-resident / $22,000 North Carolina resident
- Duke University (private) - $60,100 non-resident / $60,100 North Carolina resident

This price includes all tuition, fees, and living expenses that are paid for by a full scholarship that revenue generating sport student-athletes receive. The dilemma is self-evident. How can there be a standardized method of payment that involves the value of a scholarship when at these three institutions – all within 25 miles of each other, and who compete with one another – have such a discrepancy in scholarship value. There is more than a $43,000 difference between the dollar value of an NCSU North Carolina resident scholarship and a Duke University NC resident/non-resident scholarship. There are two ways to account for the discrepancy, either pay the student-athletes at the universities with a lower dollar value the difference in scholarship values, to use the above example pay the NC resident student-athlete at NCSU $43,300 on top of the payment for playing intercollegiate athletics to make up for the discrepancy in scholarship value – or subtract the difference from the Duke University student-athletes pay.

The same problem exists within a specific institution. The dollar value of a non-resident’s scholarship at UNC is $20,200 more than a student-athlete from North Carolina. At this point, the logic argues that the university would have to pay two student-athletes from the same team different amounts based upon their residency. Even if the system could circumvent this particular issue by standardizing all athletic based scholarships as either resident or non-resident...
scholarships there will still be the discrepancy between the scholarship values between universities.

**Case Study: How Major League Baseball got it right**

As previously discussed, each sport’s professional league defines the requirements for a player to be eligible to play in the league. In the Student-Athlete section I cited the definitions that both the NFL and NBA use to determine eligibility for their respective leagues. However, Major League Baseball (MLB) is a case to study even though they are not affiliated with one of the revenue generating intercollegiate sports.

It has been decades since both football and men’s basketball have surpassed baseball in terms of popularity in America. However, the MLB has historically been one of the most popular and well-funded professional sports leagues in the country. Therefore, it is logical to compare the rules and regulations regarding eligibility to play between the MLB, NFL, and NBA. Major League Baseball has three main categories for eligibility to be drafted by a club. A prospect must fit into one of the following categories:

1. High school players, if they have graduated from high school and have not yet attended college or junior college
2. College players, from four-year colleges who have either completed their junior or senior years or are at least 21 years old; and
3. Junior college players, regardless of how many years of school they have completed
The best thing about the MLB system is that it gives the prospect flexibility while at the same time protecting the colleges and universities. Each player has the option to be drafted directly out of high school, to go to junior college and be eligible at any time to go to the MLB, or to go to a four year institution to develop his skills and continue his education before becoming eligible to be drafted in three years. Additionally, it forces 18 year old individuals to take personal responsibility for their futures and make a decision whether they want an education or not. The benefit of this is that the baseball players that end up in American institutions of higher education are there because they wish to go to college and further their education. This is in contrast to the NFL and NBA models that have an older minimum age – which essentially forces players into college athletics or requires them not to play.

This model also helps to keep universities academic integrity intact. Between 2006, when the NBA implemented the rule that in order to be eligible to be drafted a prospective player had to be at least one calendar year removed from high school, and 2013 a total of 51 college men’s basketball players have attended four year programs and left after their freshman season for the NBA. Because of the rule players are forced to either enroll in a college or university to play for a single season, play in an overseas league (which have a different season that does not match up with the NBA draft), or sit out for a year before they are eligible to be drafted by the NBA. This puts universities in a challenging situation. They must choose how to handle these potential players. It is reasonable to assume that the players that are going to play for a single season and move on to the professional league are generally the best players in the country. As I have previously shown, having a successful football and men’s basketball program is advantageous to a university in many ways. The dilemma comes when deciding 1. If your university is going to offer scholarships to players that will likely be leaving in a year without a degree, and 2. How to
make a reasonable decision about the prospects of a student-athlete staying to complete his degree – and, even if he does not plan to stay, to what extent is he fulfilling the academic component of being a student-athlete for that one year. The baseball model avoids all of this by allowing prospective players the opportunity to enter the draft directly out of high school or, if they attend junior college, after their first or second year of college. The only players that are required to stay at least three years are the ones that make the decision to go to a major college or university and commit to being there for an extended period of time.

There is no reason that men’s basketball, specifically the NBA in conjunction with the NBA Players Association, cannot adopt the same rules as Major League Baseball. Football is more sensitive because of the physicality of the sport. There are greater concerns regarding physiological development and physical maturity of prospective players that the National Football League has to consider when determining what age is appropriate for prospective players to become eligible to be drafted into the league. The NFL must be concerned with the possibility of injury to a player that has not reached physical maturity when competing against men. However, the same issues do not present themselves to universities when it comes to football as they do with men’s basketball because the National Football League already stipulates that in order to be eligible for the NFL draft players must be three years removed from high school. The Major League Baseball rules that could improve the NFL system is the ability of players to go straight from high school to the NFL. This would have the same positive impact on the universities as it does in baseball. However, for it to be successful the NFL would need to develop a system similar to minor league baseball to physically and mentally develop its younger prospects. The benefit is that the football players that end up in American institutions of higher
education would be there because they wish to go to college and further their education, not because it is the only option for players waiting to go to the NFL.

The one thing that must be accounted for when considering this rule for football is the physical development of the player due to the physicality of the sport. The rules would have to be altered in a way that would protect the prospective player from long term damage. One possibility is a physical examination to determine the extent to which a prospective player has matured physically. It would then be up to the NFL to determine if a player could then assume the risk – through a basic liability waiver – or if the NFL would itself make the determination of whether or not a prospective player would be allowed to enter the draft. This may not be reasonable but it is at least worthy of consideration. And it may not completely fix the problem of superstar athletes just waiting out their time before they can leave college and join a professional team but it would, at the very least, eliminate a portion of the athletes that are not interested in pursuing higher education.

Lessons

The aim of this essay was to analyze the interconnected web of relationships between the different groups that are key figures in the revenue generating sports in American universities: student-athletes, the university (both as an institution and through the officials that represent the university administration), The National Collegiate Athletic Association, and third party organizations and groups (whether they be university supporters or non-affiliated companies that have developed out of the industry that has evolved around football and men’s basketball). While the relationships are incredibly complex and every miniscule detail has not been covered, this
essay has highlighted key factors in the relationships between these groups. It is obvious that there are social factors as well as economic factors at play in each decision and have shaped the relationships into what they are today. I did this through creation of source data with interviews or members of many of the groups that make up the industry of revenue generating intercollegiate athletics, through knowledge and understanding based on my many years immersed in intercollegiate athletics as both a student-athlete and an athletic department employee, and through the examination of scholarly work and contemporary relevant materials.

No single group is responsible for the progression of the revenue sports or for the development of the industry that surrounds it. This industry has absolutely become a tremendous source of revenue for nearly all parties involved – with, of course, the exception of the student-athletes. The complexity of these relationships and the stereotypical ideal of the institution of higher education make it very difficult to conceptualize a way to pay the players of these revenue generating sports that would be beneficial to the student-athletes, fair across universities at the Division 1 level, and economically. Also, the legality of paying players only in revenue generating sports would have to be broached with Title IX in mind. Today, it would be illegal to only pay student-athletes in men’s basketball and football. Athletic departments use revenue generating sports to help offset the costs of other intercollegiate sports that are played at their respective universities. This means that even though an institution’s football and/or men’s basketball program is potentially bringing in millions of dollars in revenue for the athletic department a majority, if not all, of that money is being used to keep the athletic department as self-sufficient as possible and make possible the opportunity for student-athletes in non-revenue generating sports the same chance to compete in intercollegiate athletics.
The most substantial benefits that institutions of higher learning get from having revenue-generating sports programs are derived from exposure more than they are directly from revenue. In other words, the economic value and social benefits are created less from having the immediate revenue and more from the increase in public awareness and prestige of the university that comes along with success in the revenue sports. As discussed earlier, applications increase when a university announces it is going to start a new program, move to a better conference, or when a football team makes it to a bowl game or a men’s basketball team makes it to the NCAA Tournament.

The NCAA plays a significant role in determining how student-athletes, athletic departments (and universities in general), and third party organizations interact with each other. The biggest difference between the NCAA and the other actors function is that the NCAA is comprised of the very universities that it governs. The NCAA’s mission must first and foremost be governance. Often people look at the NCAA Men’s Basketball Tournament every March, with all of the spectacle and much publicized television contracts, and question the legitimacy of the NCAA. In order for the NCAA to govern it must have the respect of the institutions which it governs but it also must have the respect of the student-athletes who are also bound to the rules and regulation set forth by the NCAA because of their affiliation with the member-institutions. The Northwestern football players case to unionize and Mr. Bilas’ comments about the profiting from student-athlete likenesses are prime examples of how the NCAA is losing the respect of the student-athletes. Interestingly, both of these examples are centered on former student-athletes and their beliefs of how current student-athletes should be treated. If these cases are accurate, then in order to facilitate change, current student athletes will have to stand up and have a voice for themselves.
Boosters, and specifically major donors, play a tremendous role in shaping the revenue generating sports at America’s colleges and universities. Their donations fuel the development of facilities and help pay the athletic department staff and student-athlete scholarships. They are the financial lifeblood of these programs, and without their contributions a majority of athletic departments would not be able to function economically. Without the money the spectacle would evaporate, the glitz and the flash would dissipate, the 100,000 person stadiums would be emptied and the student-athletes would not have scholarships. What do the boosters get in return for this? They get membership. They get to experience, but more than just experience, they get to be associated with all of those characteristics I just mentioned that make up big time sports in American universities. The question is: why is that important enough to anyone to spend large amounts of money to get it? The answer is simple, big time college sports are a cultural movement fueled by traditional and social media. This in turn allow alumni and boosters to “bask in the Reflective Glory,” a social identity theory in which an individual associates his or herself with the success of others such that another’s success becomes his or her own success\textsuperscript{xlii}, of the university’s athletic teams.

An entire subset of the American population has become entrenched in the sub-culture of intercollegiate athletics. It is fueled by ESPN and other media outlets that cover sports culture twenty-four hours a day seven days a week across multiple interfaces. At any point in time, anyone in the world can get online or turn on at television or read a magazine dedicated to college football or to college basketball. Intercollegiate athletics is no longer a contest on a court or on a field but instead is a socially constructed entity in which individuals – often times who might otherwise have no association with any given institution – study, invest in, both
emotionally and financially, and commit to different organizations. Famed football coach Paul “Bear” Bryant once said to a group of reporters, “It’s kind of hard to rally around a math class.”

Social media invites the public into the day-to-day lives of student-athletes. It is dangerous for student-athletes because they are being placed under a microscope. They have no outlet, they have no escape. This new reality forces student-athletes in revenue generating sports to become public figures. The problem with this is that we still see these players as kids, and many of them are not mature enough to make the decisions that public figures need to make. However, as soon as one of them makes an inappropriate comment or does not speak correctly the first thing that happens is fans (either of his institution or another institution) share it with all of their friends and eventually it becomes news worthy to the point that it shows up on the desk of a university administrator, the local newspaper, or as is often the case with Mr. Manziel, ESPN’s SportsCenter.

All of this is fueled by the multi-billion dollar industry that has arisen from our fascination with the two revenue generating intercollegiate sports. Remove the money from the equation and all of a sudden member-institutions and student-athletes start to trust the NCAA. Coaches’ salaries and exorbitant spending on facilities and recruiting disappears because there is no funding – which in turn stops the debates on whether student-athletes in revenue sports should be paid. University officials have no reason to compromise admissions standards for student-athletes and before you can blink we are back to the ideal of the institution of higher learning. There is no doubt that the introduction of revenue generating intercollegiate athletics not only changed the institution of higher education in America but it changed the relationships between every entity associated with intercollegiate athletics – and that both the money and the relationships it fuels are so large that it would be impossible to fully change the system. Making
decisions based on this fact is the only way to proceed with the further development of the relationships that make up big time sports in American universities.
Appendices:

Appendix A –

2014-2015 Big 5 Conferences by members

Atlantic Coast Conference:
Atlantic Division:
Boston College
Clemson University
Florida State University
Louisville University
North Carolina State University
Syracuse University
Wake Forest University

Coastal Division:
Duke University
Georgia Technical Institute
University of Miami
North Carolina University, Chapel Hill
Pittsburgh University
University of Virginia
Virginia Polytechnic Institute (Virginia Tech)
*Notre Dame is a member in all sports but football

Big 12 Conference:
Baylor University
Iowa State University
University of Kansas
Kansas State University
University of Oklahoma
Oklahoma State University
University of Texas, Austin
Texas Christian University
Texas Tech
West Virginia University

Big 10 Conference:
East Division:
Indiana University
University of Maryland
University of Michigan
Michigan State University
Ohio State University
Pennsylvania State University
Rutgers University
West Division:
University of Illinois, Champagne
University of Iowa
Minnesota University
University of Nebraska
Northwestern University
University of Wisconsin

Pacific 12 Conference:
North Division:
University of California, Berkeley
University of Oregon
Oregon State University
Stanford University
University of Washington
Washington State University

South Division:
University of Arizona
Arizona State University
University of California, Los Angeles
University of Colorado
University of Southern California
University of Utah

Southeastern Conference:
East Division:
University of Florida
University of Georgia
University of Kentucky
University of Missouri
University of South Carolina
University of Tennessee
Vanderbilt University

West Division:
University of Alabama
University of Arkansas
Auburn University
Louisiana State University
University of Mississippi
Mississippi State University
Texas A&M
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