

## *An Analysis of the Economic Value of Intercollegiate Athletics to its Host University*

Daniel A. Rascher, University of San Francisco

This study analyzes the ways in which an intercollegiate athletics department financially impacts its host university. Based on a long literature review (over seventy articles), the following possible points of impact emerged.

1. Directly via net income from intercollegiate athletics. The athletics department can generate net revenues for the university via ticket sales, etc., even accounting for related-party transactions.
2. Indirectly by impacting the nature of demand for attending or donating to the university.
  - a. Donations
    - i. From alumni,
    - ii. Non-alumni,
    - iii. Increased number of donors,
    - iv. Alumni staying “attached” to university,
  - b. Demand (quantity and price)
    - i. More applicants to university,
    - ii. More out-of-state applicants,
    - iii. Higher enrollments,
    - iv. Higher graduation rates,
    - v. Higher tuition,
    - vi. Youth visiting campus for sporting events and applying later,
  - c. Demand (nature of the target market)
    - i. Higher quality students academically (measured with SATs, high school rank, high school GPA),
    - ii. Male/female ratios,
    - iii. Other diversity impacts,
  - d. Quality of life aspects for USF community,
  - e. General branding of the university,
  - f. Higher state appropriations.

While the literature’s findings were broad, and at times conflicting, a few conclusions can be stated. Intercollegiate athletics either positively impacts or is negligible towards the factors listed above in the outline. Most of the findings combine large swaths of universities with different attributes (with or without football, rural versus urban, private versus public). Some reasons for the variation in the findings from the literature are that the data studied ranged over many decades, where the underlying impact of athletics may have changed. In fact, the studies using recent years tend to find higher impacts than the studies using older data. Thus, an application of the findings to a single mid-major school is not possible.

Following this literature review, a few research projects emerged for conducting a comprehensive case study of a mid-major university. In short, these include (1) a direct examination of athletics revenues and expenses, accounting for related-party transactions, etc., (2) a longitudinal study of university historical data for athletics, donations, applications, retention, etc. (as outline above), (3) surveys of stakeholders, including students, alumni, and donors. While all three of these are being conducted, the first and second are scheduled to be completed by the conference deadline.