

Eleven-Year Trends in Division III Athletics Finances

September, 2015

Data

- The data used here were collected from the NCAA Financial Reporting System for fiscal years 2003-04 through 2013-14.
- Significant changes were made to the process beginning with the data collection in 2003-04 (e.g. definitional changes, agreed-upon procedures, etc.), so previous data are not comparable.
- 276 Division III institutions provided data to the NCAA Financial Information System.

Generated Revenue Sources

- Ticket sales
- NCAA and conference distribution
- Contributions from alumni and others
- Other:
 - Guarantees and options
 - Third party support
 - Concessions
 - Broadcast rights
 - Royalties / advertising / sponsorship
 - Sports camps
 - Endowment / investment income

Allocated Revenue Sources

- Allocated support:
 - Student activity fees
 - Direct government support
 - Direct institutional support
 - Indirect institutional support

Summary Data for Division III By Football Sponsorship

Median (and Range) 2014 Revenues and Expenses for Division III Institutions By Football Sponsorship

	Division III - w/ MFB			Division III - w/o MFB		
	Median	Minimum	Maximum	Median	Minimum	Maximum
Generated Revenues	\$296,197	\$0	\$2,314,823	\$111,840	\$0	\$2,159,368
Total Revenues	\$3,435,760	\$507,296	\$16,042,808	\$1,733,203	\$96,433	\$11,169,607
Total Expenses	\$3,382,072	\$811,665	\$16,042,808	\$1,697,542	\$446,514	\$9,805,752
Net Generated Revenue	(\$2,998,185)	(\$685,462)	(\$14,560,995)	(\$1,481,201)	(\$375,681)	(\$8,776,784)

Summary of 2014 Division III – with MFB Data

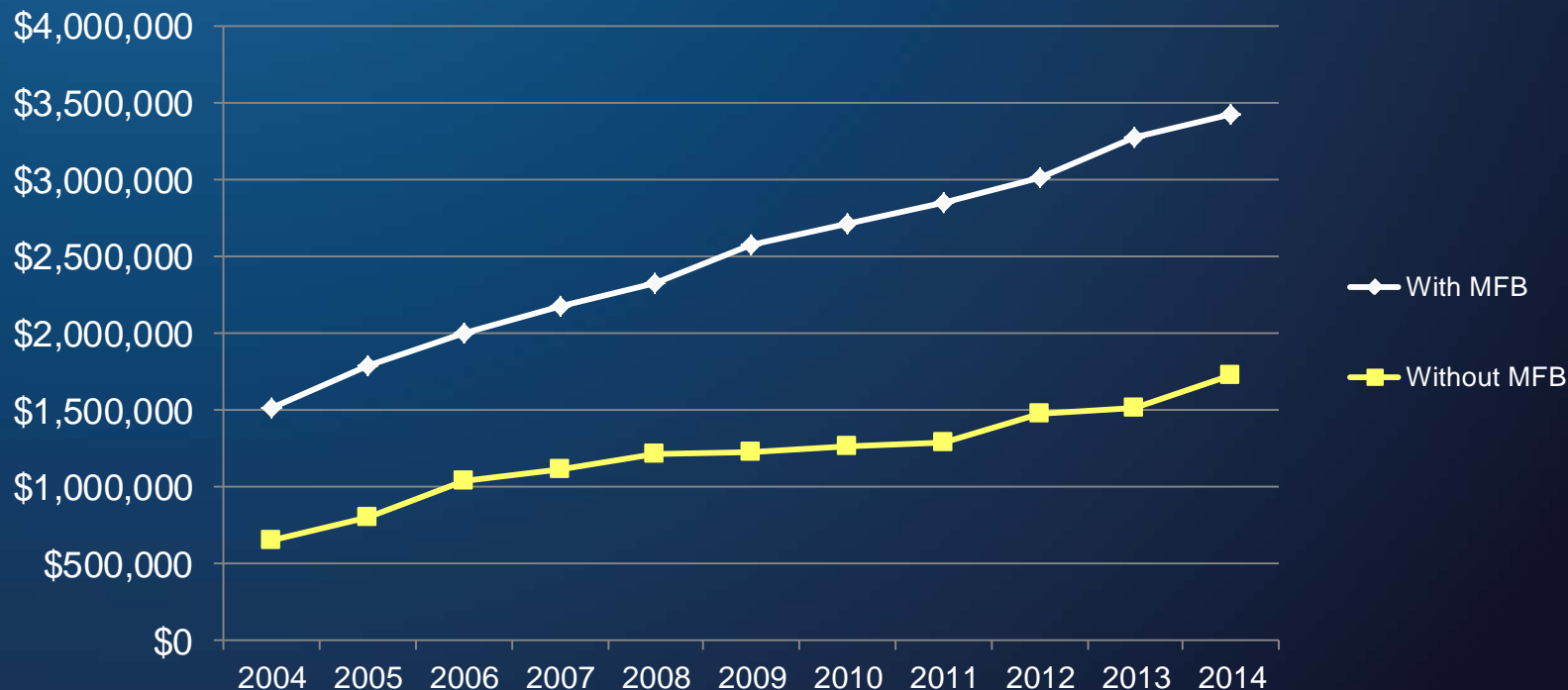
- Large disparities seen in both revenues and expenses across Division III – with MFB institutions (expenses ranged from approximately \$812,000 to \$16.0 million and revenues ranged from \$507,000 to \$16.0 million). The median expenses for this group of institutions was \$3.4 million.
- Generated revenues ranged from \$0 to \$2.3 million. The median generated revenue was approximately \$296,000.
- Generated revenues did not exceed expenses for any institution in 2014.
- The median institution shows negative net generated revenue of approximately \$3.0 million. This could be construed as the cost to the institution of running a Division III athletics program with football.

Summary of 2014 Division III – without MFB Data

- Large disparities seen in both revenues and expenses across Division III – without MFB institutions (expenses ranged from \$447,000 to \$9.8 million and revenues ranged from approximately \$96,000 to \$11.1 million). The median expenses for this group of institutions was \$1.7 million.
- Generated revenues ranged from \$0 to \$2.2 million. The median generated revenue was approximately \$112,000.
- Generated revenues did not exceed expenses for any institution in 2014.
- The median negative net generated revenue for Division III – without MFB schools is approximately \$1.5 million. This could be construed as the cost to the institution of running a Division III athletics program without football.

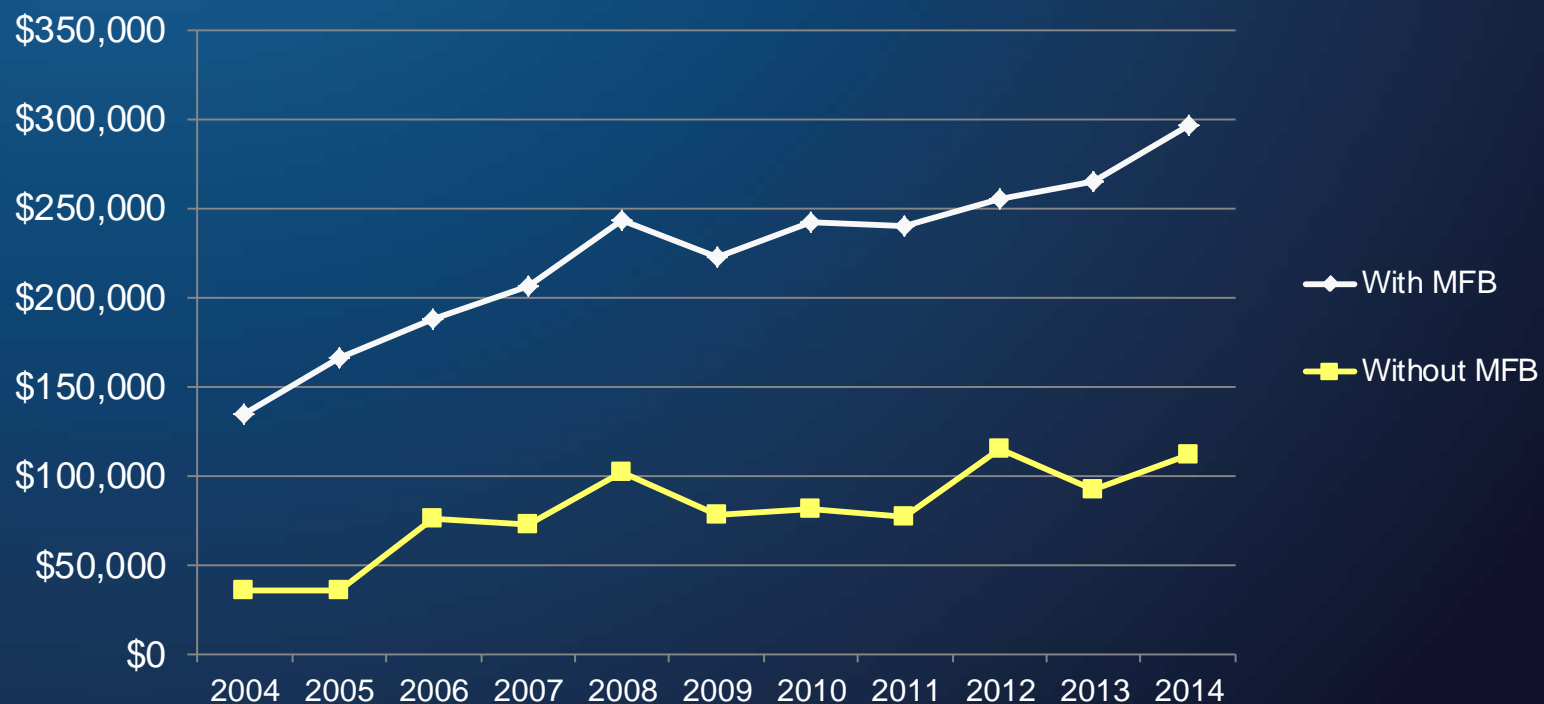
Revenue and Expense Trends from 2004 to 2014 By Football Sponsorship

Division III Median Total Revenues With and Without Football (2004 – 2014)



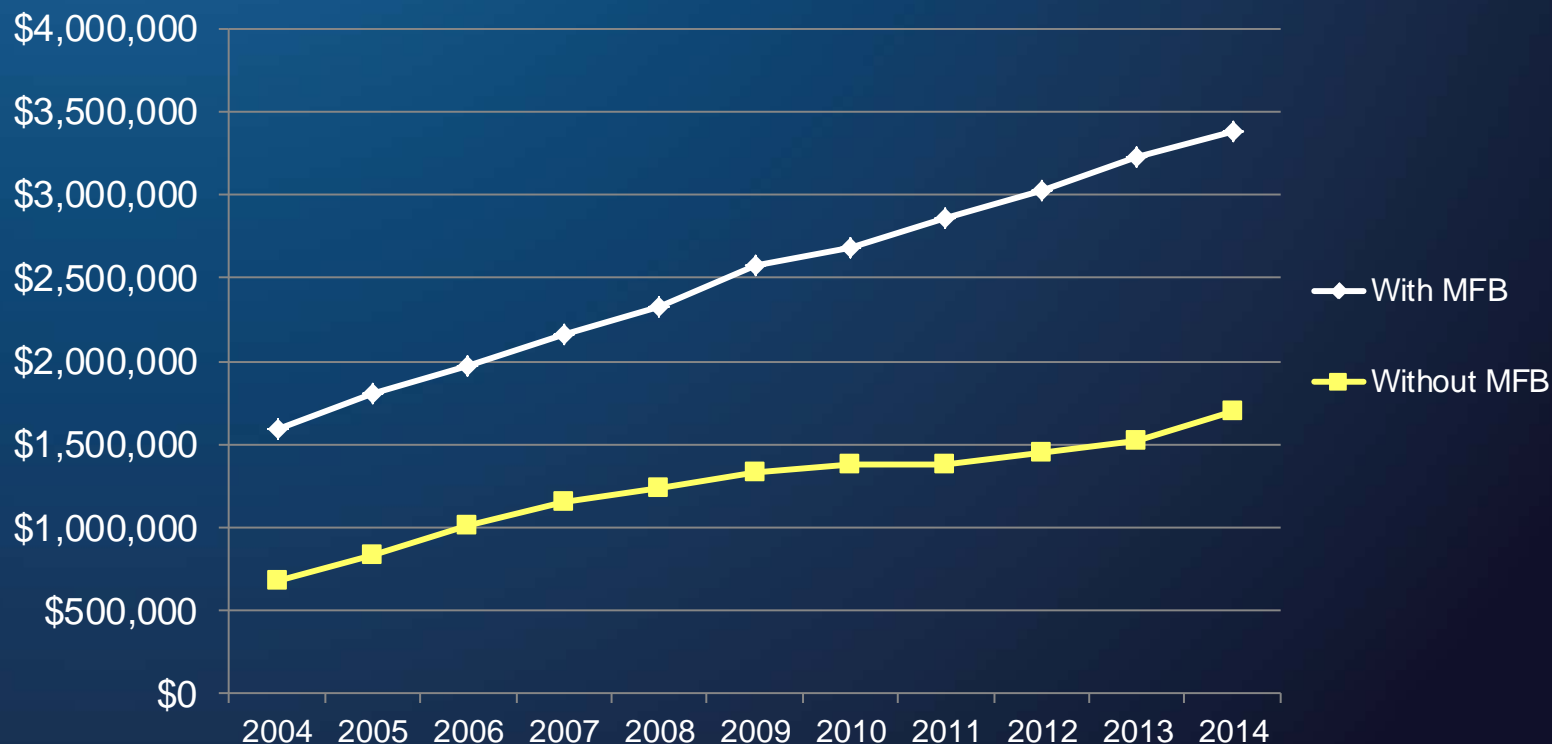
Percentage increase from 2004-2014: With MFB = 125.8%
No MFB = 162.5%

Division III Median Generated Revenues With and Without Football (2004 – 2014)



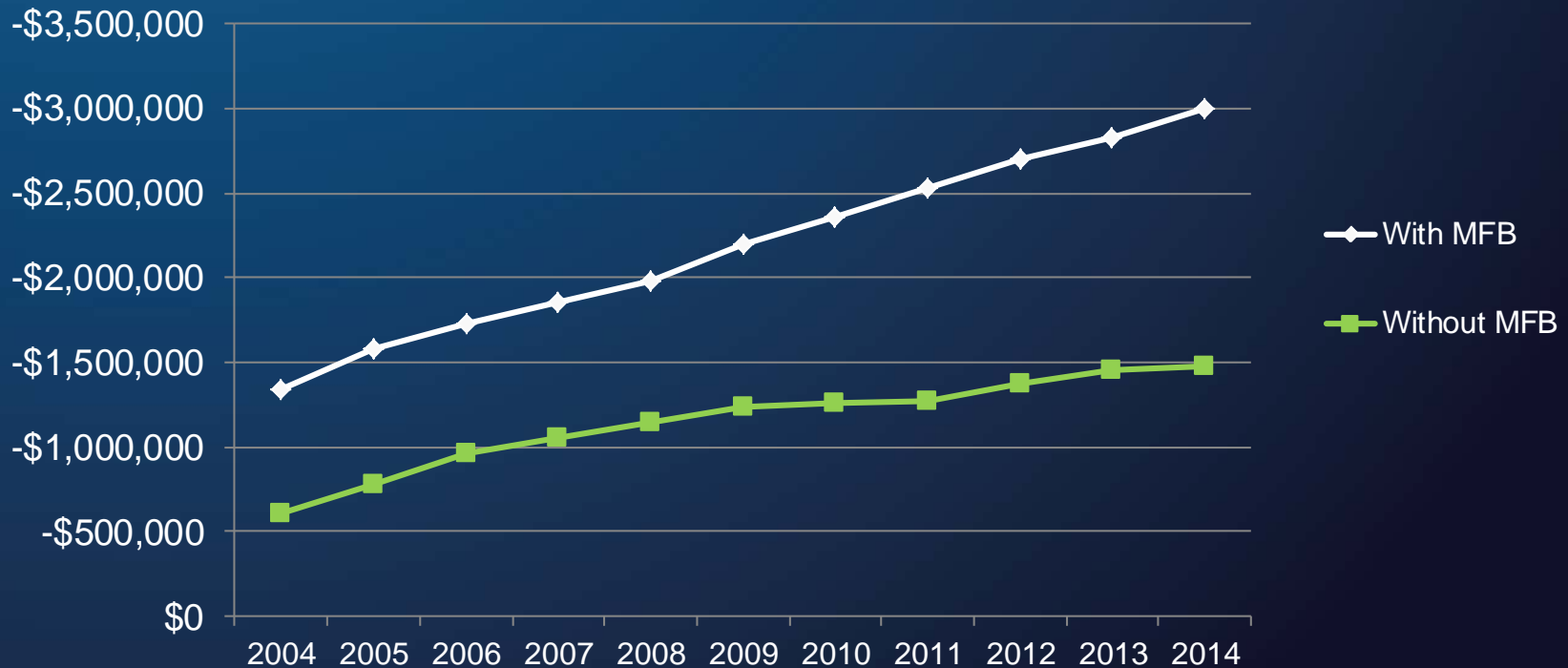
Percentage increase from 2004-2014: With MFB = 121.1%
No MFB = 213.7%

Division III Median Total Expenses With and Without Football (2004 – 2014)



Percentage increase from 2004-2014: With MFB = 111.8%
No MFB = 148.8%

Division III Net Operating Results Excluding Allocated Support With and Without Football (2004 – 2014)



Percentage increase from 2004-2014: With MFB = 123.6%
No MFB = 142.0%

Summary of 2004 – 2014 Division III – with MFB Trend Data

- Over the 11-year period, total generated revenues grew by 121.1 percent. Total expenses grew by 111.8 percent.
- The overall negative net revenue (which might be construed as the “true” cost of running an athletics program) went from approximately \$1.3 million in 2004 to approximately \$3.0 million in 2014. This represents a change of about 123.6 percent over that 11-year period.

Summary of 2004 – 2014 Division III – without MFB Trend Data

- Over the 11-year period, total generated revenues grew by 213.7 percent. Total expenses grew by 148.8 percent.
- The overall negative net revenue (which might be construed as the “true” cost of running an athletics program) went from approximately \$612,000 in 2004 to approximately \$1.5 million in 2014. This represents a change of about 142.0 percent over that 11-year period.

2014 Dashboard Findings By Football Sponsorship

Summary of 2014 Division III Financial Dashboards

	Division III w/ MFB	Division III w/o MFB	Overall
Sponsorship	20	16	19
Student Athlete as a Percentage of Student Body	25%	14%	19%
Athletics as a Percentage of Institutional Expenditures	5%	3%	4%
Spending Increase Gap	2%	3%	2%
Athletic Expense Per Student-Athlete	\$7,477	\$7,465	\$7,466
Salaries, Benefits and Severance as Percentage of Total Expenditures	48%	49%	48%
Coaches Compensation as Percentage of Total Expenditures	31%	22%	28%
Administrative Compensation as Percentage of Total Expenditures	17%	23%	19%
Participation and Game Expenses as Percentage of Total Expenditures	25%	27%	26%
Team Travel Expenses as Percentage of Total Expenditures	12%	13%	12%
Facilities Maintenance and Administrative Support Expenses as Percentage of Total Expenditures	16%	15%	16%

