

Eleven-Year Trends in Division I 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.
- When the data are divided into quartiles for this presentation, those quartiles are based on 2014 total expenses within each subdivision.
- 345 Division I 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 I By Subdivision

Median (and Range) 2014 Revenues and Expenses for Division I Institutions By Subdivision

	FBS	FCS	Division I – No MFB
Generated Revenues	\$44,455,000 (\$5 million to \$193.9 million)	\$4,137,000 (\$659,000 to \$20.9 million)	\$2,667,000 (\$456,000 to \$22.3 million)
Total Revenues	\$62,275,000 (\$11.2 million to \$165.7 million)	\$15,315,000 (\$3.2 million to \$43.9 million)	\$14,413,000 (\$2.3 million to \$44.5 million)
Total Expenses	\$63,956,000 (\$11.4 million to \$146.8 million)	\$15,154,000 (\$3.9 million to \$43.8 million)	\$14,322,000 (\$3.9 million to \$44.5 million)
Net Generated Revenue	(\$14,734,000) (\$49.0 million) to \$23.6 million)	(\$11,041,000) (\$2.1 million to 35.7 million)	(\$11,245,000) (\$1.5 million to \$37.4 million)

Median (and Range) 2014 Revenues and Expenses for Division I FBS Institutions Autonomous Governance vs Others

	AG	Non-AG
Generated Revenues	\$81,660,000 (\$37.2 million to \$193.9 million)	\$11,895,000 (\$5 million to \$50.2 million)
Total Revenues	\$87,637,000 (\$50.7 million to \$196 million)	\$29,874,000 (\$12.1 million to \$71.5 million)
Total Expenses	\$87,292,000 (\$50.5 million to \$154.1 million)	\$29,797,000 (\$12.2 million to \$71.4 million)
Net Generated Revenue	(\$3,433,000) (\$37.9 million to \$83.5 million)	(\$18,267,000) (\$3.3 million to \$40.9 million)



Summary of 2014 FBS Data

- Large disparities seen in both revenues and expenses across FBS institutions.
- Median institution shows negative generated net revenue of approximately \$14.7 million.
- The median generated revenues increased by 6.1 percent, and the median total expenses increased by 2.8 percent since 2013.
- Generated revenues exceeded expenses in 2014 at 24 institutions. The average net positive revenue for those institutions was \$11.5 million (ranged from \$96,000 to \$83.5 million).



Summary of 2014 FCS Data

- Large disparities seen in both revenues and expenses across FCS institutions (expenses ranged from approximately \$3.9 to \$43.8 million and revenues ranged from \$3.2 to \$43.9 million).
- The median generated revenues increased by 9.1 percent, and the median total expenses also increased by 4.6 percent since 2013.
- Generated revenues did not exceed expenses for any institution in 2014.
- The median negative net generated revenue for FCS schools is approximately \$11.0 million.

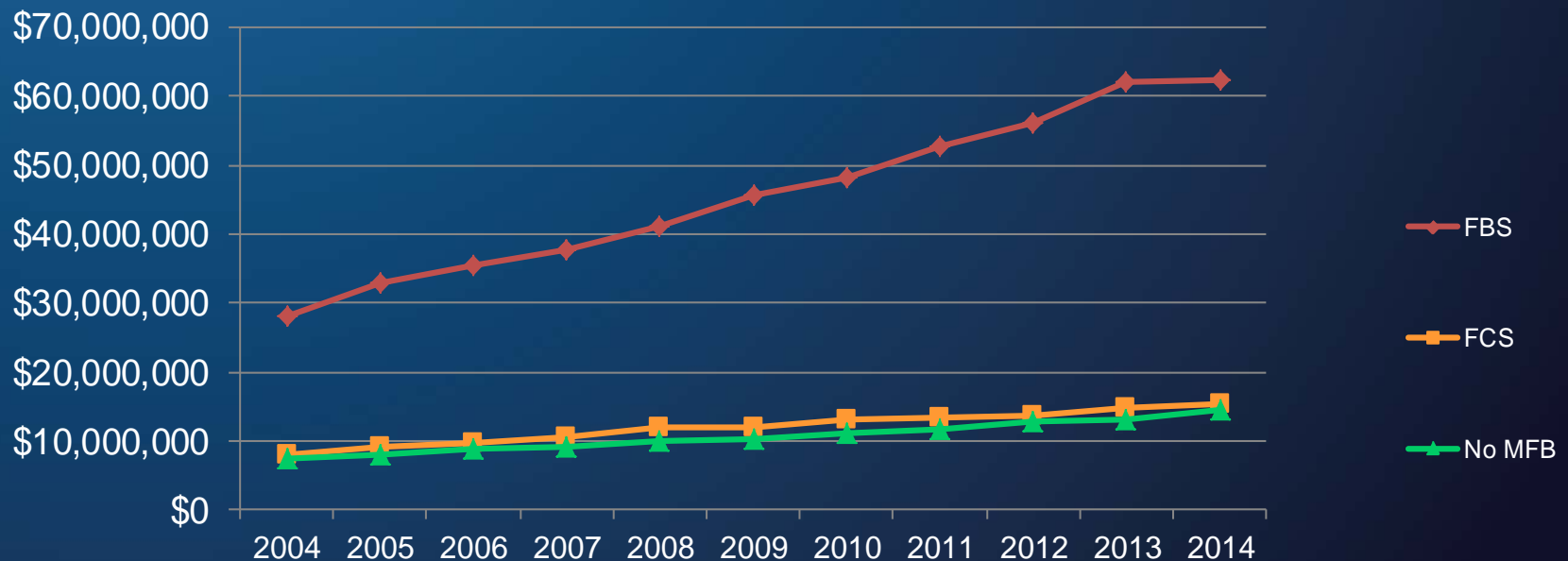


Summary of 2014 No MFB Data

- Large disparities seen in both revenues and expenses across No MFB institutions (expenses ranged from approximately \$3.9 to \$44.5 million and revenues ranged from \$2.3 to \$44.5 million).
- The median generated revenues increased by 9.8 percent, and the median total expenses also increased approximately 2.1 percent since 2013.
- Generated revenues did not exceed expenses for any institution in 2014.
- The median negative net generated revenue for Division I No MFB institutions is approximately \$11.2 million.

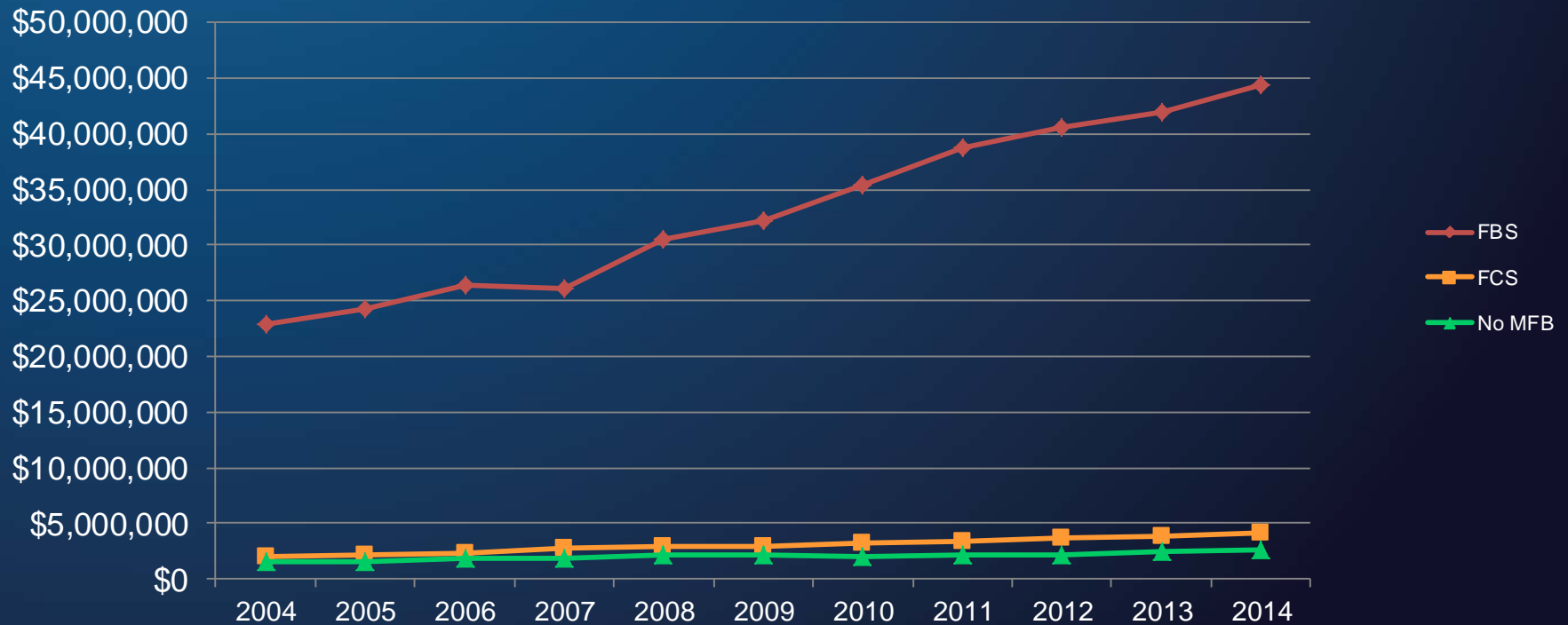
Revenue and Expense Trends from 2004 to 2014 By Subdivision

Division I Median Total Revenues By Subdivision and Year (2004 – 2014)



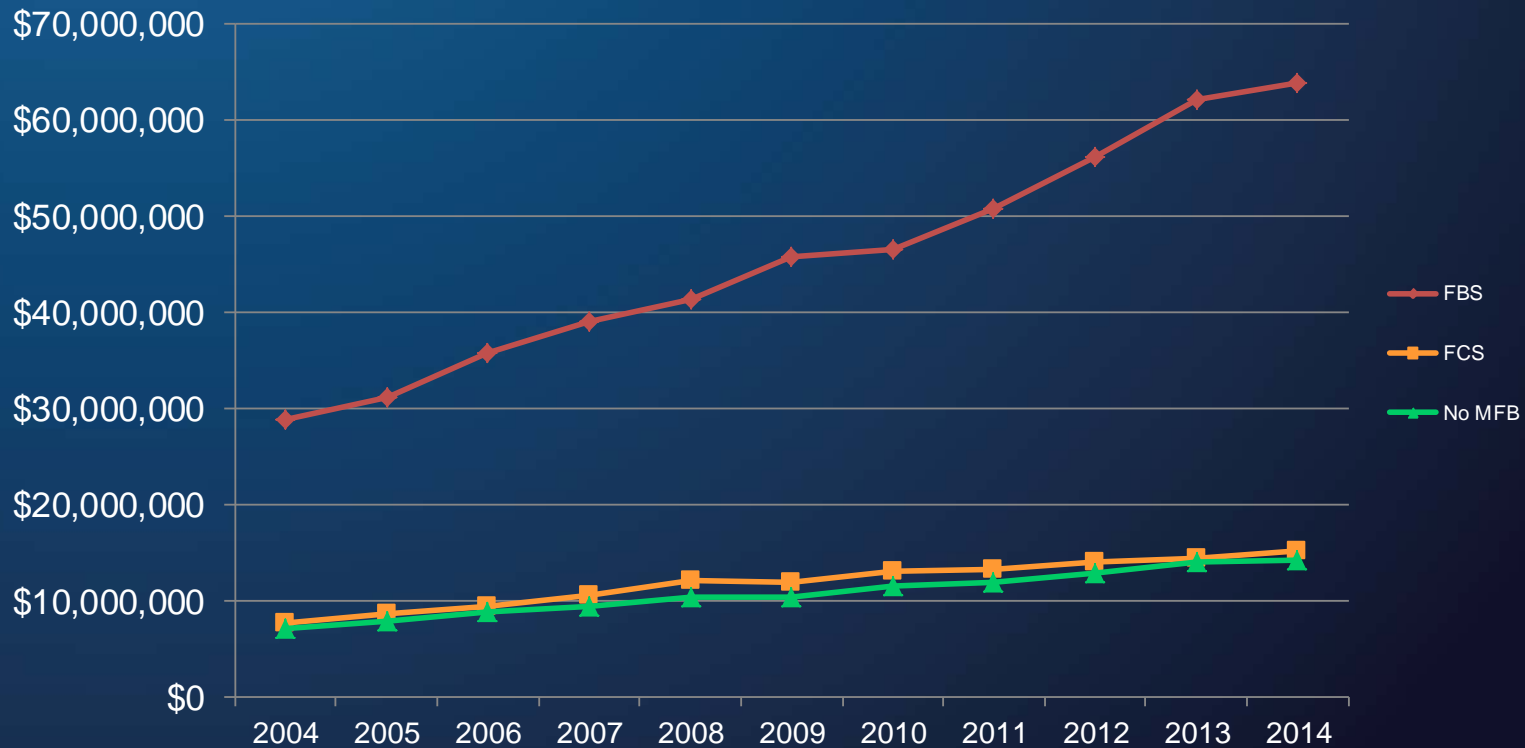
Percentage increase from 2004-2014: FBS = 120.7%
FCS = 93.9%
No MFB = 96.2%

Division I Median Generated Revenues By Subdivision and Year (2004 – 2014)



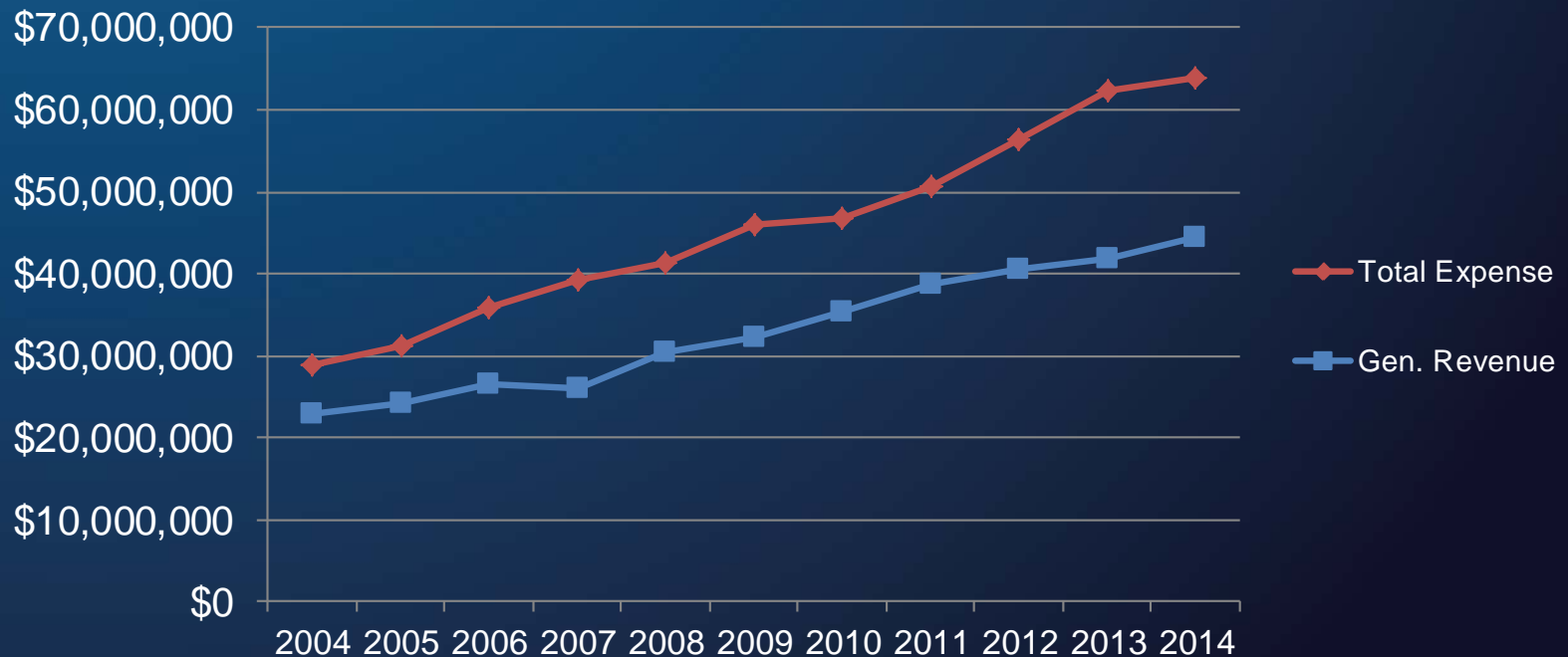
Percentage increase from 2004-2014: FBS = 94.4%
FCS = 99.1%
No MFB = 78.5%

Division I Median Total Expenses By Subdivision and Year (2004 – 2014)



Percentage increase from 2004-2014: FBS = 120.6%
FCS = 97.0%
No MFB = 99.7%

Comparison of FBS Generated Revenue and Total Expense Trends (2004 – 2014)

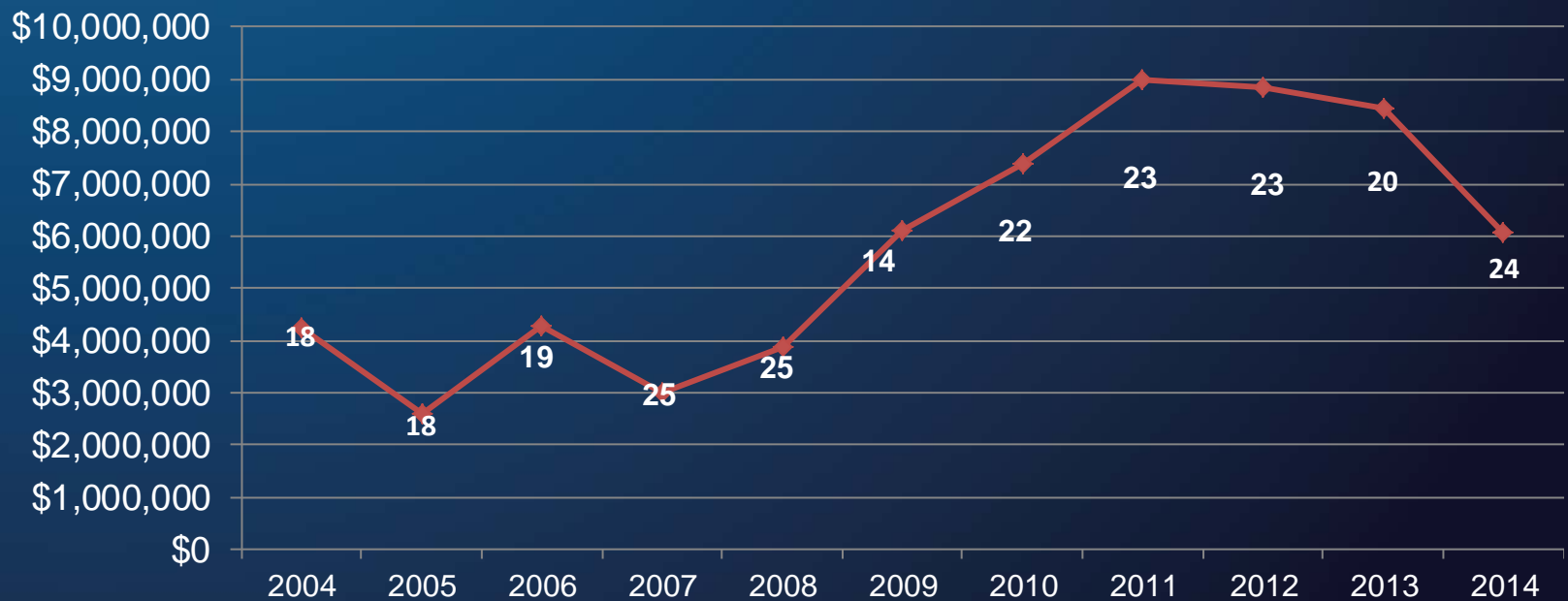


Division I Net Operating Results Excluding Allocated Support By Subdivision and Year (2004 – 2014)



Percentage increase from 2004-2014: FBS = 149.6%
FCS = 86.9%
No MFB = 106.3%

Division I FBS Median Positive Generated Net Revenue (PNR) for Those Schools Reporting PNR By Year



*Number displayed by each data point equals number of institutions showing positive generated net revenue in that year.

Summary of 2004 – 2014 FBS Trend Data

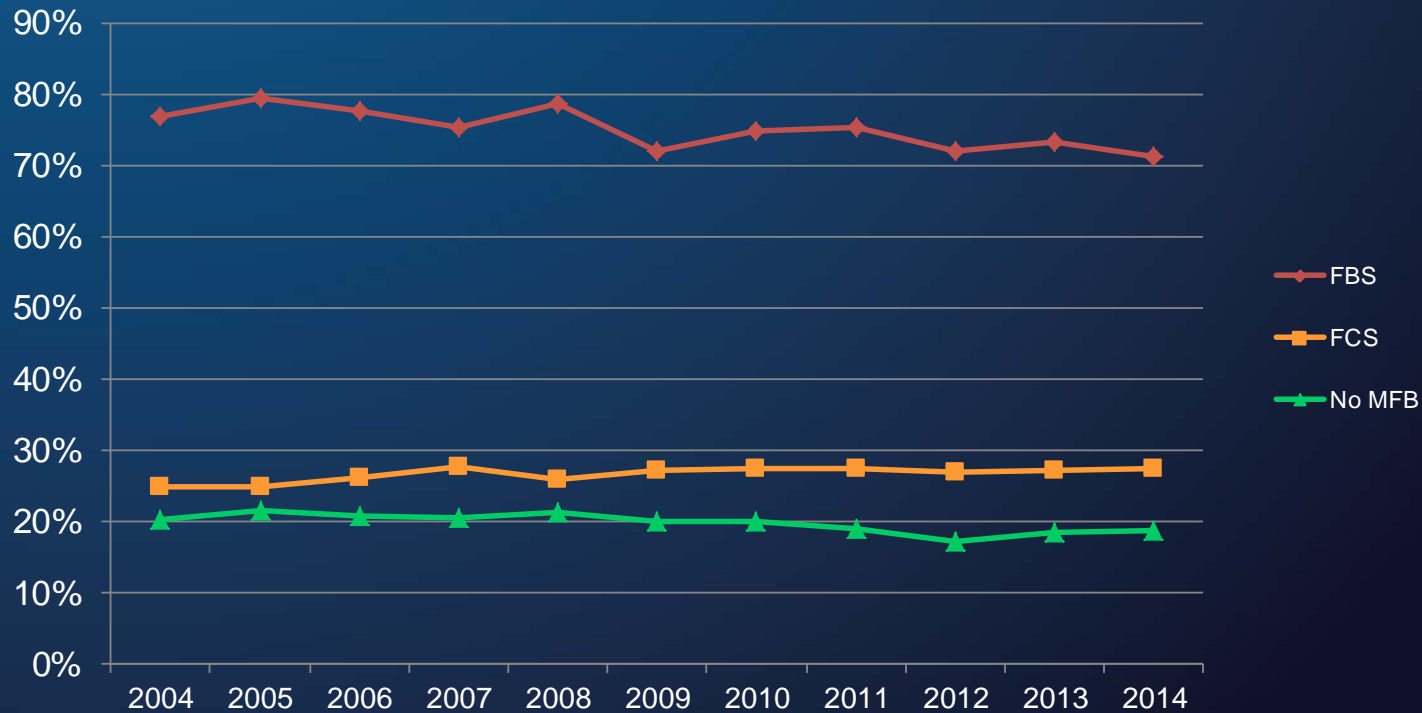
- Over the 11-year period, generated revenues grew by 94.4 percent. Total expenses grew by 120.6 percent.
- Over the past two years, generated revenues have grown by 9.5 percent while total expenses have grown by 13.7 percent.
- The three subdivisions show wide disparities among them in terms of median revenues and expenses. However, the median negative net revenue is relatively similar across the three subdivisions and there is a fairly narrow distribution of allocated revenue totals across the division (the medians are between \$11.0 million and \$14.7 million). This may indicate some consensus on the monetary value to institutions of supporting a Division I athletics program.

Summary of 2004 – 2014 FCS and No MFB Trend Data

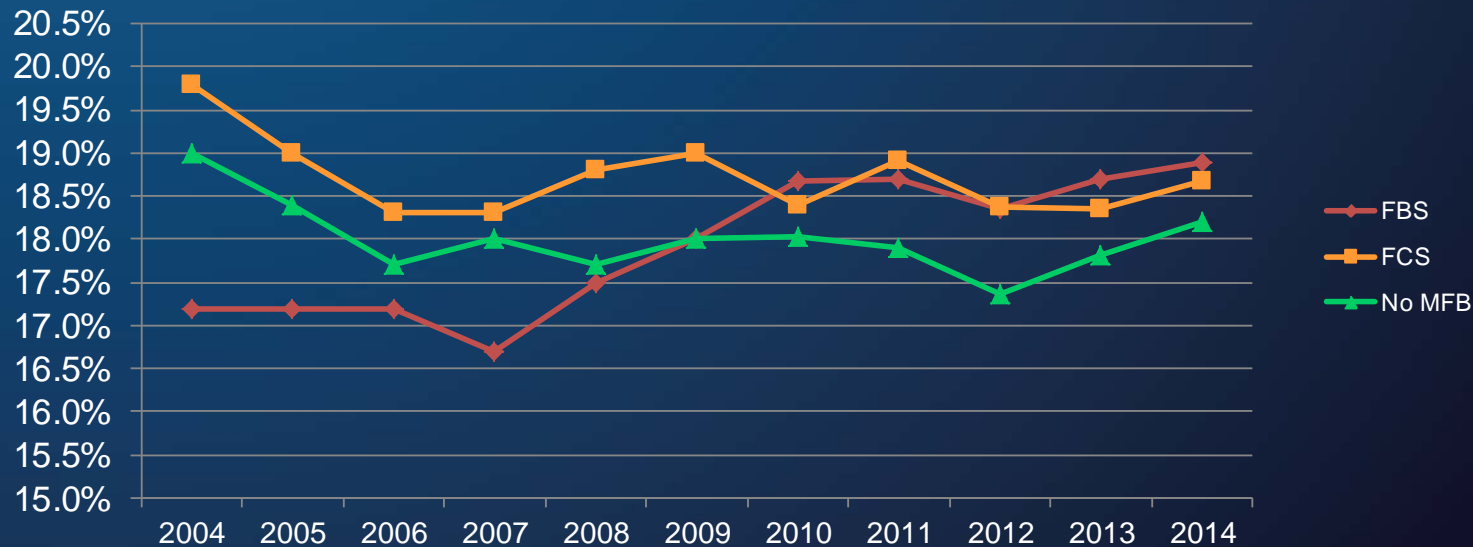
- Over the 11-year period, generated revenues for FCS grew by 99.1 percent. Total expenses grew by 97.0 percent.
 - Over the past two years, generated revenues increased by 10.3 percent and total expenses increased by 7.4 percent.
- Among Division I schools with no MFB, generated revenues grew by 99.1 percent over the past 11-year period. During this same time, total expenses grew by 99.7 percent.
 - Over the past two years, generated revenues increased by 20.9 percent and total expenses increased by 10.3 percent.

Selected Findings from Dashboard Indicators By Subdivision

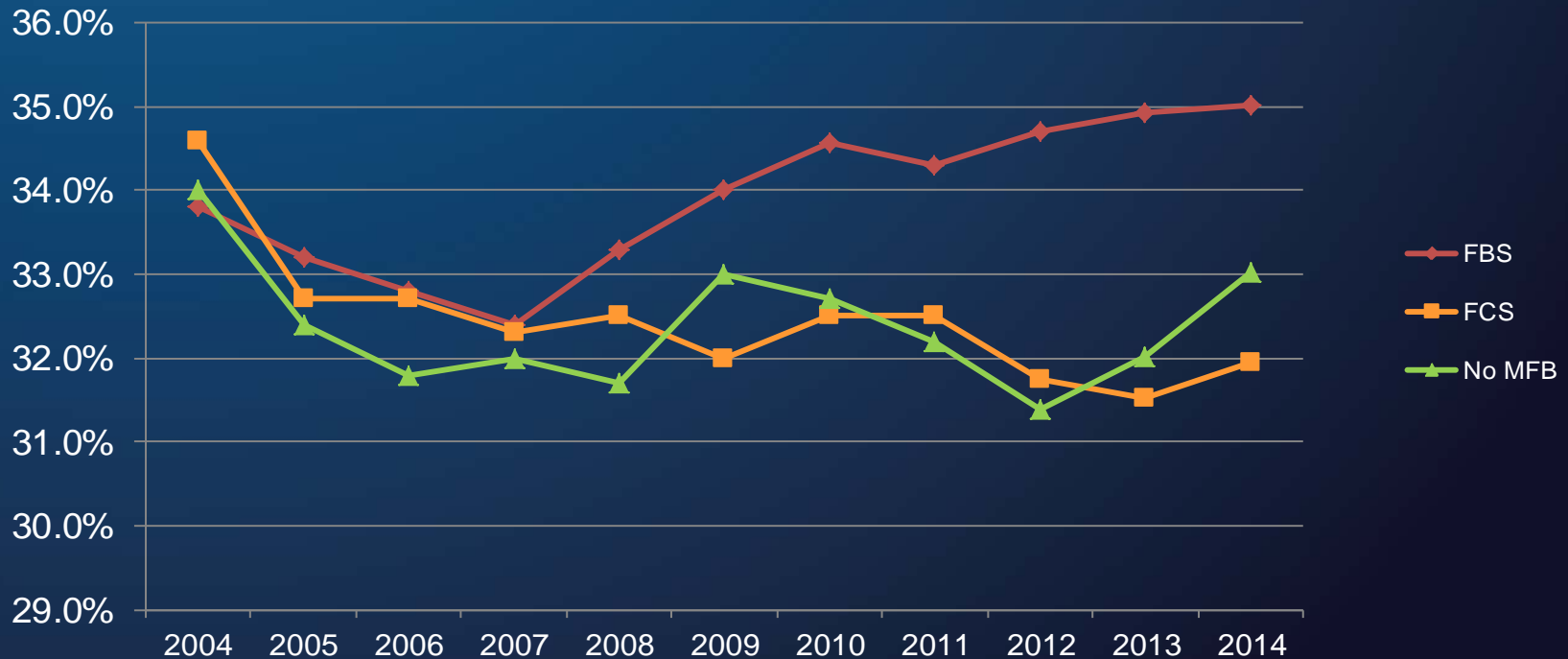
Division I Median Revenue Self-Sufficiency (Gen. Rev. by Total Exp.) By Subdivision and Year (2004 – 2014)



Division I Median Proportion of Total Expenses Related to Coaches' Compensation By Subdivision and Year (2004 – 2014)



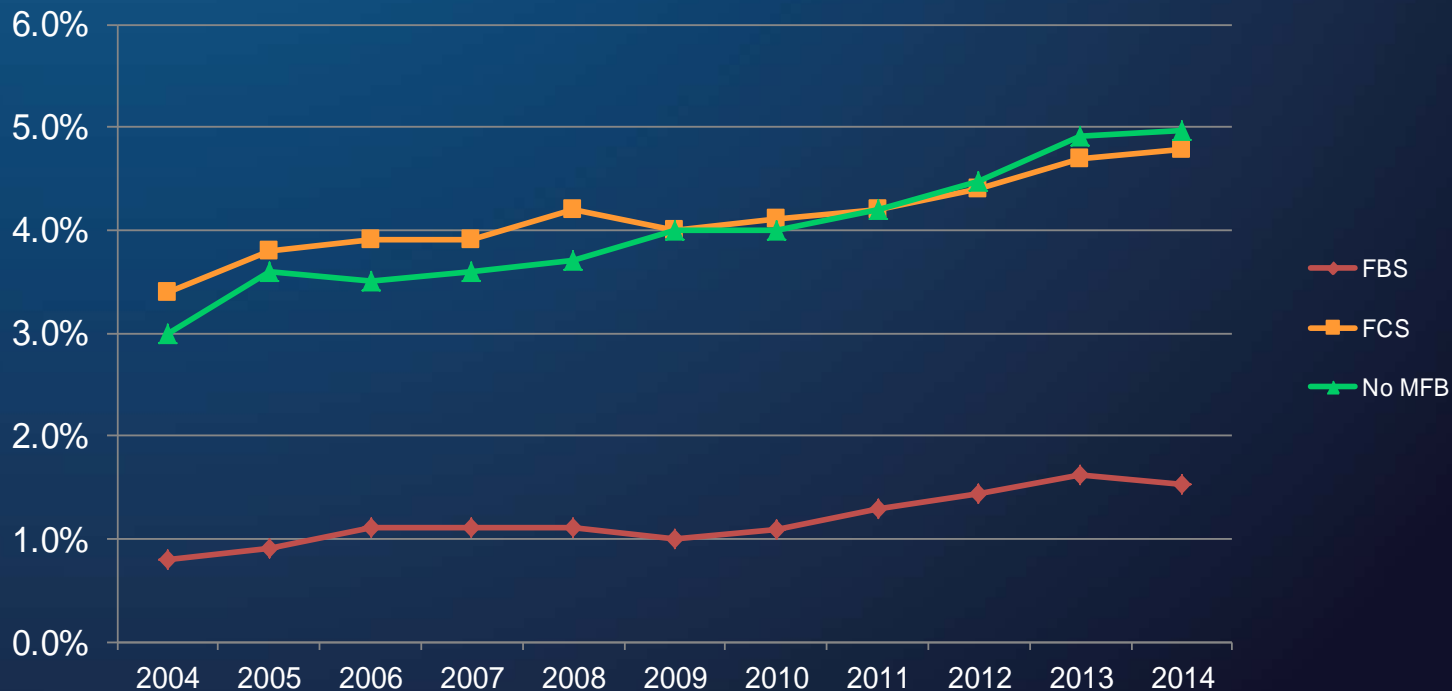
Division I Median Proportion of Total Expenses Related to Total Compensation By Subdivision and Year (2004 – 2014)



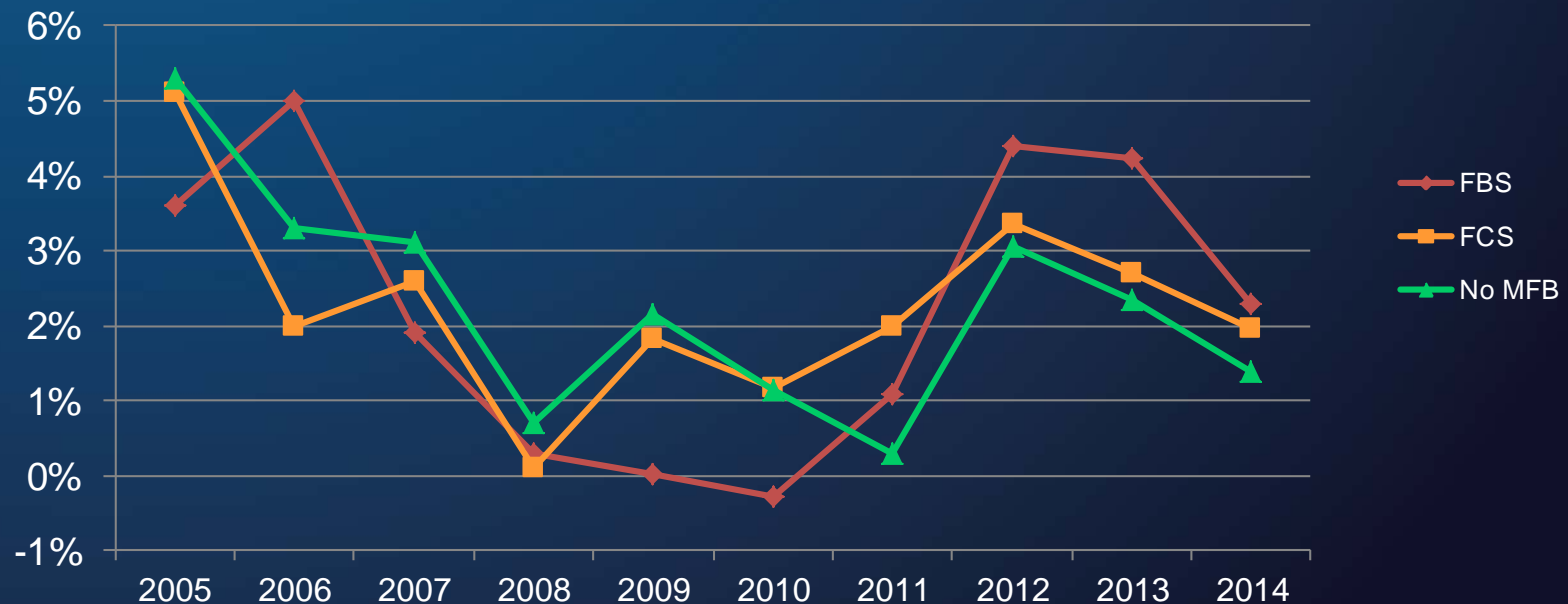
Division I Median Ratio of Athletics Expenses to Institutional Expenses By Subdivision and Year (2004 – 2014)



Division I Median Ratio of Allocated Revenues to Institutional Expenses By Subdivision and Year (2004 – 2014)



Division I Median Increase Gap* Between Athletics Expenses and Institutional Expenses By Subdivision and Year (2004 – 2014)



*Increase Gap is calculated by subtracting annual percentage increase in institutional expenses from annual percentage increase in athletics expenses.

Summary of 2004 – 2014 FBS Dashboard Indicator Trend Data

- The median FBS institution is approximately 71.3 percent self-sufficient. This is in contrast with 27.3 and 18.6 percent levels in the other two subdivisions.
- Coaches' compensation as a proportion of total expenses has remained steady over time.
- Total compensation as a proportion of total expenses has also remained steady over time.
- The median ratio of athletics expenses to institutional expenses has risen from about 4.5 percent in 2004 to almost 6 percent in 2014.
- In the early years of this time period, athletics expenses were growing at rates that were up to 5.0 percent faster than institutional expenses. While the past few years the rate has slowed to rate almost zero, the trend is increasing after the recent recession. In 2012 and 2013 athletics expenses were growing 4 percent to 5 percent faster than institutional expenses; however, this year that has decreased to 2 percent.
- The median cost per student-athlete has grown from \$63,000 to \$110,000.

Summary of 2004 – 2014 FCS Dashboard Indicator Trend Data

- The median FCS institution is approximately 27.3 percent self-sufficient.
- Coaches' compensation as a proportion of total expenses has dropped from almost 20 percent at the beginning of the period to 18.7 percent in the most recent year.
- The median ratio of athletics expenses to institutional expenses has grown from just over 5 percent to almost 7 percent over this period. FCS institutions have the highest such ratio of the three subdivisions.
- In the early years of this time period, athletics expenses were growing at rates that were up to 5.0 percent faster than institutional expenses. While the past few years the rate has slowed, the trend is increasing after the recent recession, and athletics expenses increased at a rate that was about 2 percent higher than institutional expenses in the most recent year.
- Cost per student-athlete has grown from \$20,000 to \$38,800.

Summary of 2004 – 2014 No MFB Dashboard Indicator Trend Data

- The median Division I no MFB institution is approximately 18.6 percent self-sufficient.
- Coaches' compensation as a proportion of total expenses has been fairly steady over the period (17.0 to 19.0 percent of the total expenses).
- The median ratio of athletics expenses to institutional expenses has grown from about 4.5 percent to over 6 percent over this period.
- In the early years of this time period, athletics expenses were growing at rates that were up to 5.0 percent faster than institutional expenses. While the past few years the rate has slowed, the trend is increasing after the recent recession and athletics expenses have increased 1 to 2 more quickly than institutional expenses over the past two years.
- Cost per student-athlete has grown from \$26,000 to \$45,200.

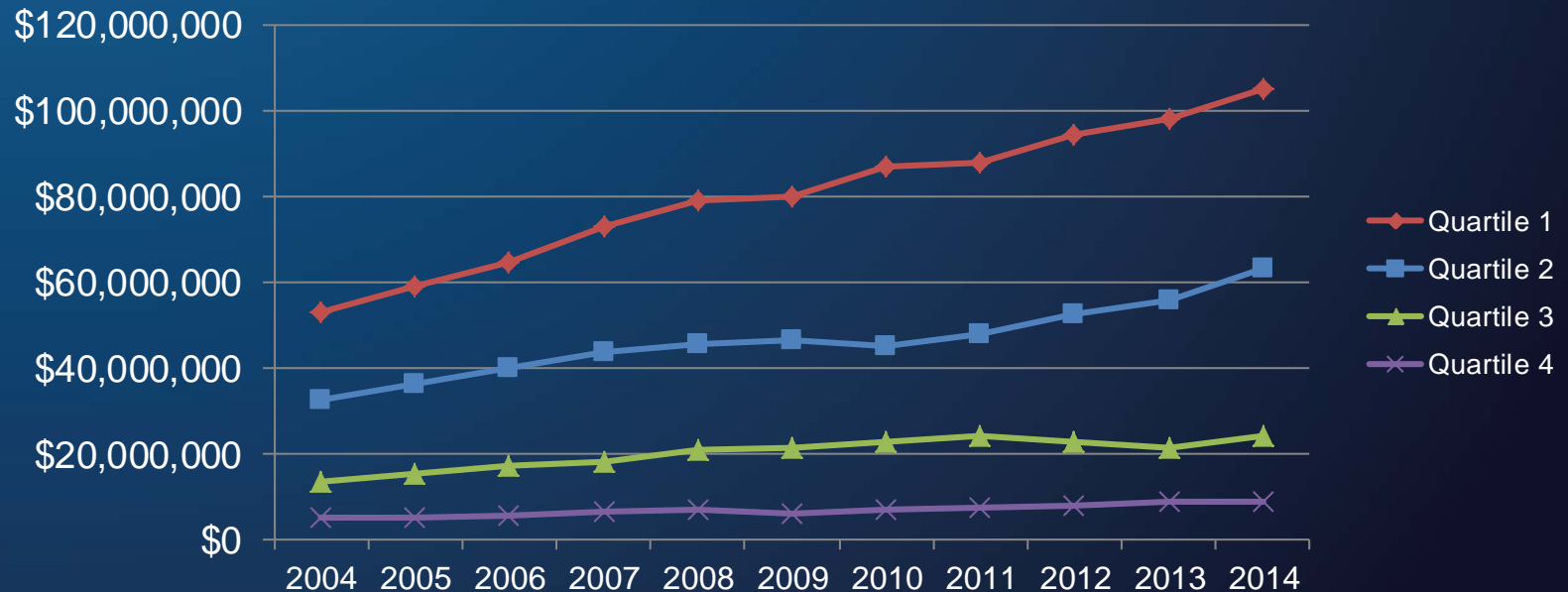
Revenue and Expense Detail for FBS Institutions By Expense Quartile

Median 2014 Revenues and Expenses for FBS Institutions

By Expense Quartile

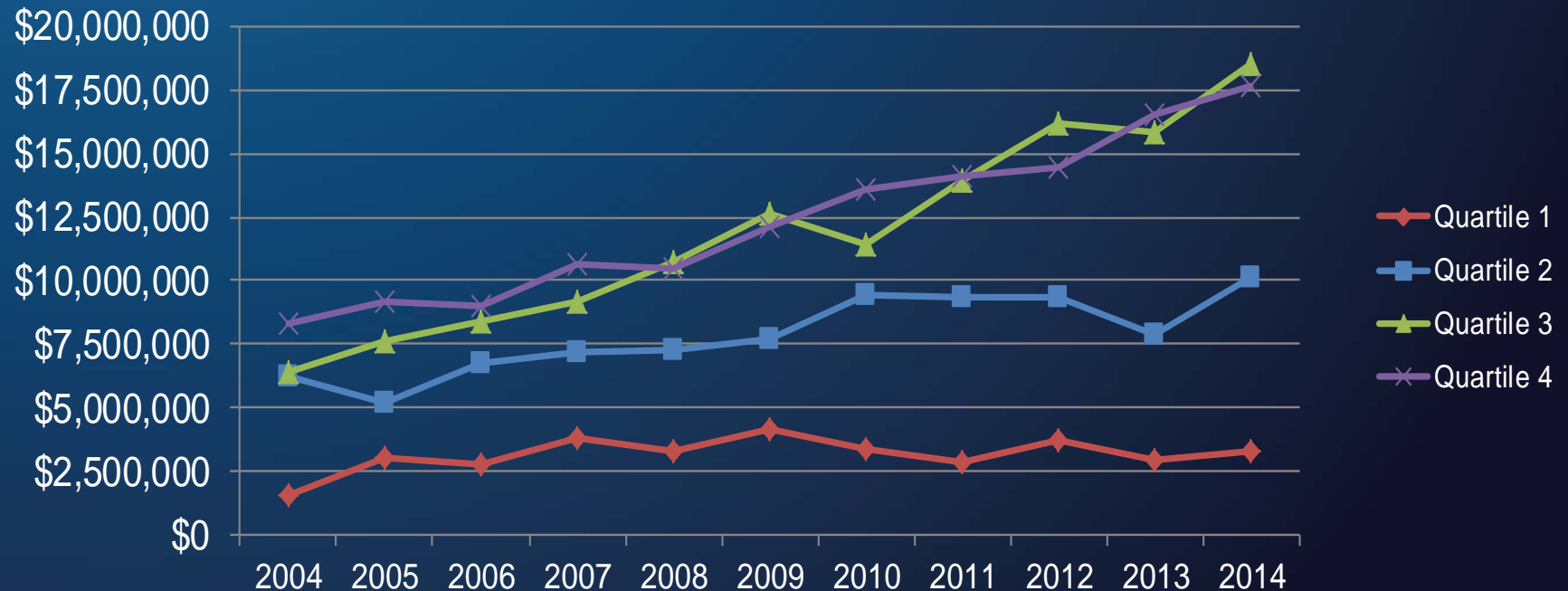
	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FBS
Generated Revenues	\$105,275,000	\$63,442,000	\$24,274,000	\$8,917,000	\$44,455,000
Total Revenues	\$110,240,000	\$75,417,000	\$40,990,000	\$27,050,000	\$62,275,000
Total Expenses	\$107,423,000	\$73,293,000	\$43,087,000	\$27,237,000	\$63,956,000
Net Generated Revenue	\$217,000	(\$9,897,000)	(\$19,326,000)	(\$17,074,000)	(\$14,734,000)

Division I FBS Median Generated Revenues By Expense Quartile and Year (2004 – 2014)



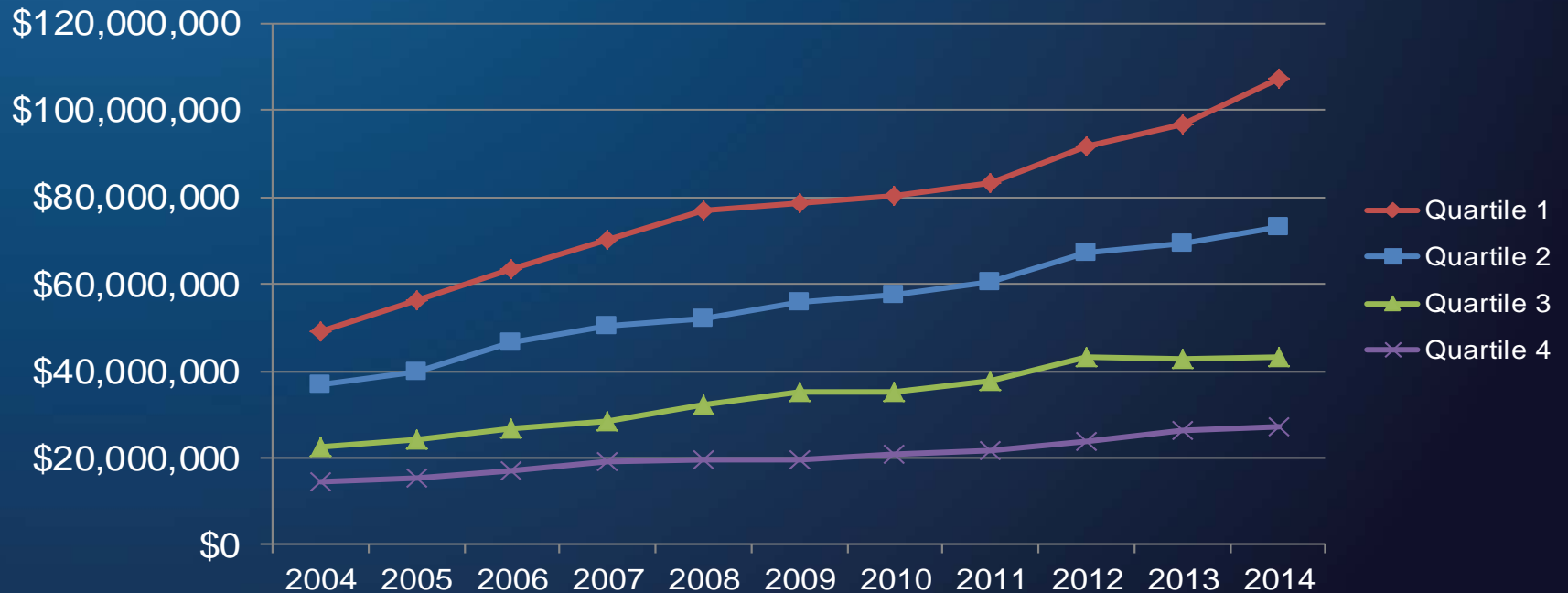
Percentage increase from 2004-2014: Quartile 1 = 97.8%
Quartile 2 = 94.6%
Quartile 3 = 76.4%
Quartile 4 = 78.6%

Division I FBS Median Allocated Revenues By Expense Quartile and Year (2004 – 2014)



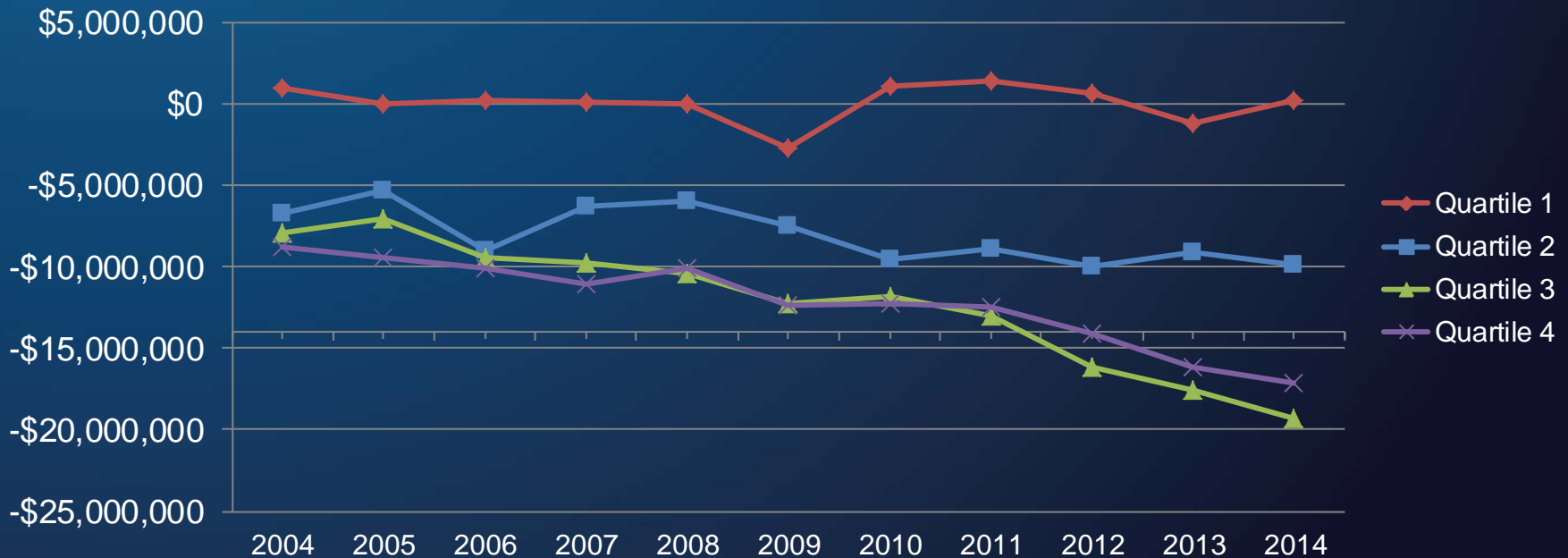
Percentage increase from 2004-2014: Quartile 1 = 108.1%
 Quartile 2 = 63.0%
 Quartile 3 = 190.7%
 Quartile 4 = 113.0%

Division I FBS Median Total Expenses By Expense Quartile and Year (2004 – 2014)



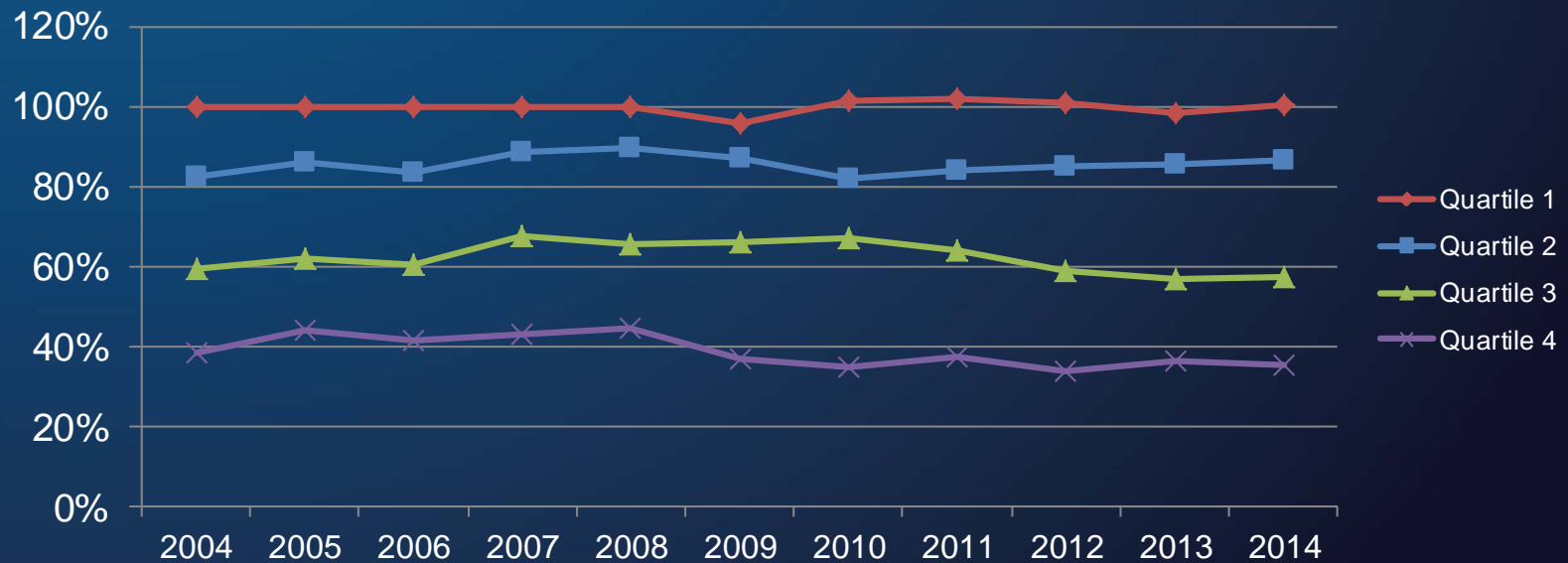
Percentage increase from 2004-2014: Quartile 1 = 118.0%
Quartile 2 = 99.4%
Quartile 3 = 92.4%
Quartile 4 = 89.5%

Division I FBS Net Generated Revenue By Expense Quartile and Year (2004 – 2014)



Percentage change from 2004-2014: Quartile 1 = **-78.5%**
 Quartile 2 = 47.1%
 Quartile 3 = 144.3%
 Quartile 4 = 94.0%

Division I FBS Median Revenue Self-Sufficiency (Gen. Rev by Total Exp.) By Expense Quartile and Year (2004 – 2014)



2014 Top Four Revenue Categories for FBS Institutions By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FBS
Category 1 (% of Total)	Alumni Contributions (28%)	NCAA/Conf. Distributions (26%)	Direct Inst. Support (19%)	Student Fees (28%)	Alumni Contributions (21%)
Category 2 (% of Total)	Ticket Sales (26%)	Alumni Contributions (19%)	NCAA/Conf. Distributions (16%)	Direct Inst. Support (27%)	Ticket Sales (20%)
Category 3 (% of Total)	NCAA/Conf. Distributions (20%)	Ticket Sales (19%)	Ticket Sales (15%)	Alumni Contributions (9%)	NCAA/Conf. Distributions (20%)
Category 4 (% of Total)	Royalties and Sponsorships (8%)	Direct Inst. Support (10%)	Alumni Contributions (15%)	NCAA/Conf. Distributions (8%)	Direct Inst. Support (9%)

2014 Top Four Expense Categories for FBS Institutions

By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FBS
Category 1 (% of Total)	Salaries and Benefits (35%)	Salaries and Benefits (36%)	Salaries and Benefits (38%)	Salaries and Benefits (31%)	Salaries and Benefits (35%)
Category 2 (% of Total)	Facilities and Maintenance (18%)	Grants-in-Aid (16%)	Grants-in-Aid (16%)	Grants-in-Aid (24%)	Grants-in-Aid (15%)
Category 3 (% of Total)	Grants-in-Aid (11%)	Facilities and Maintenance (13%)	Facilities and Maintenance (9%)	Team Travel (9%)	Facilities and Maintenance (14%)
Category 4 (% of Total)	Other Expenses (11%)	Other Expenses (8%)	Team Travel (8%)	Facilities and Maintenance (6%)	Other Expenses (9%)

Summary of 2004 – 2014 FBS Revenue and Expense Detail

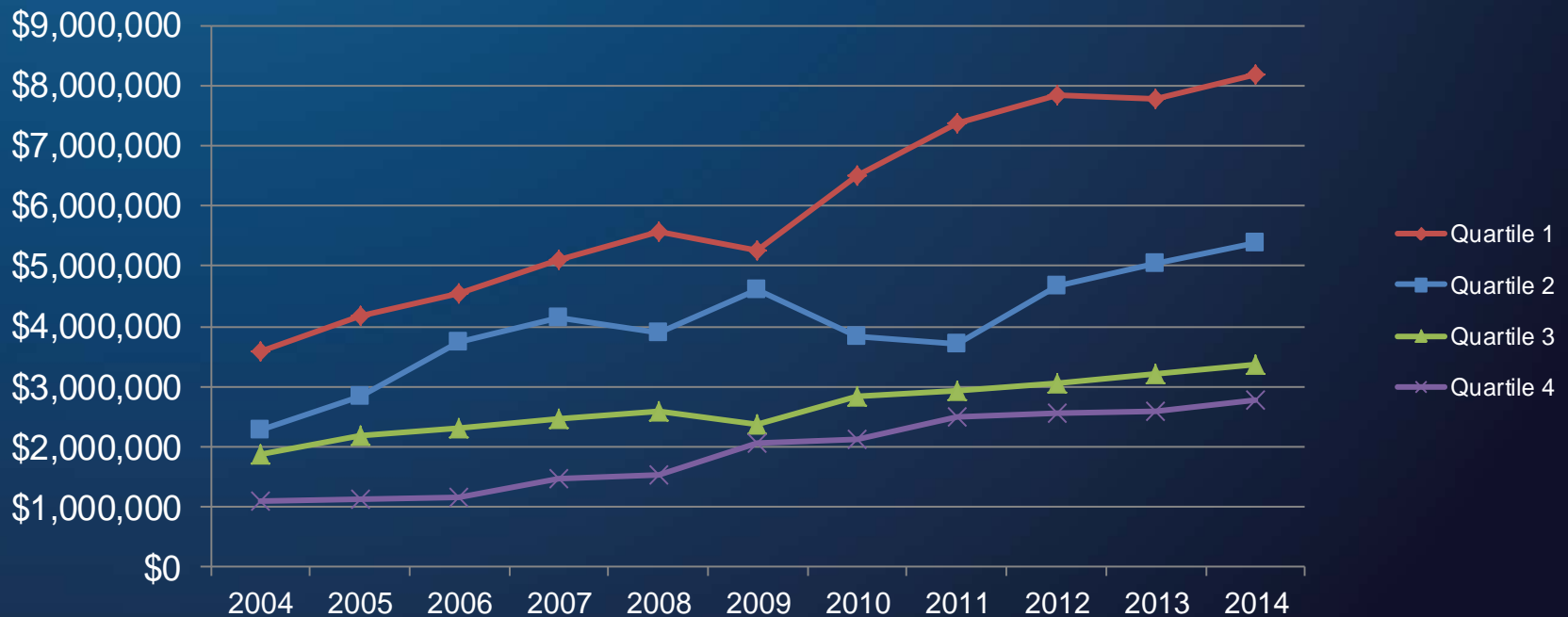
- There are large disparities within FBS in both revenues and expenses. For instance, the median expenses in the top quartile were approximately \$107.4 million, versus a median of \$27.2 million in the lowest quartile.
- The gap between high and low seems to be widening. The lowest quartiles shows the lowest rates of growth in generated revenues; conversely, the highest quartile is growing expenses at the fastest rate.
- No positive growth in net generated revenue is shown.
- Alumni contributions is the top revenue category in the top quartile, while student fees is the top revenue generator in the lowest quartile.
- Salaries are the main expense items in all quartiles at approximately 35.0 percent of total expenses. Facilities expenses are second for the top quartile, for all others it is grants-in-aid.

Revenue and Expense Detail for FCS Institutions By Expense Quartile

Median 2014 Revenues and Expenses for FCS Institutions By Expense Quartile

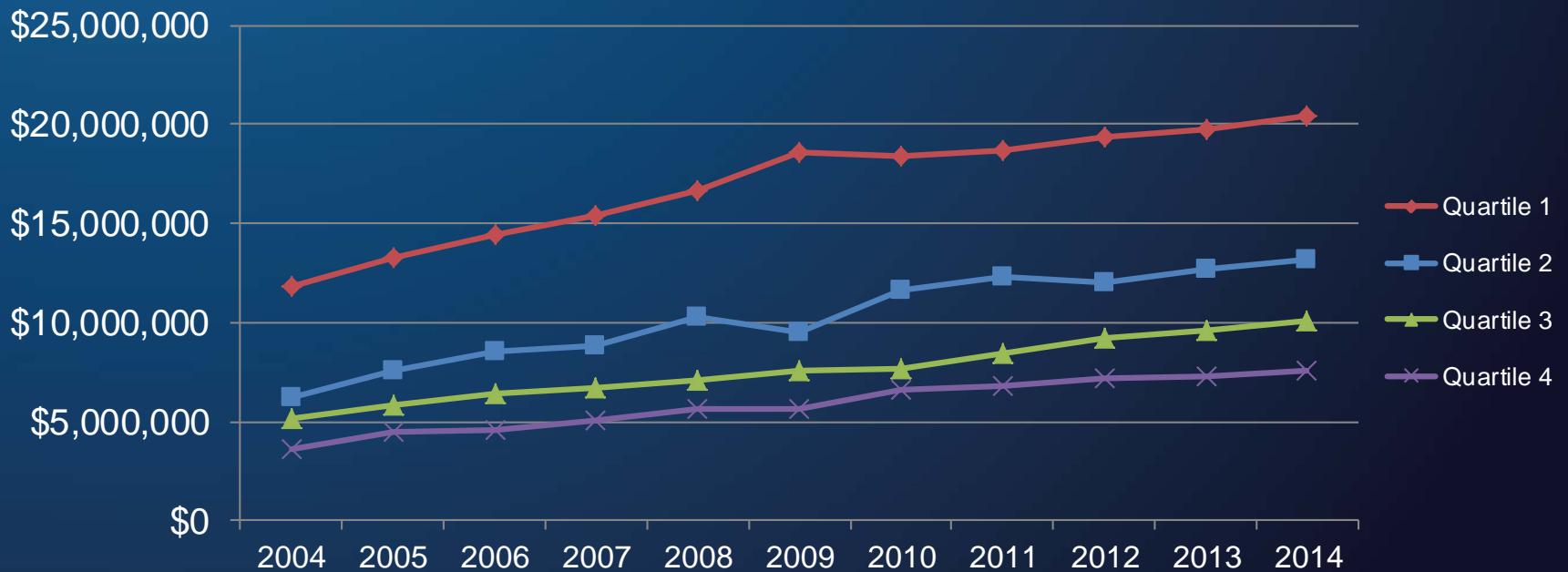
	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FCS
Generated Revenues	\$8,170,861	\$5,379,164	\$3,360,681	\$2,773,864	\$4,136,548
Total Revenues	\$28,559,829	\$19,020,977	\$13,481,937	\$10,680,462	\$15,314,760
Total Expenses	\$27,376,170	\$19,020,977	\$13,785,163	\$10,580,102	\$15,153,704
Net Generated Revenue	(\$20,444,859)	(\$13,004,523)	(\$10,302,648)	(\$7,537,823)	(\$11,041,239)

Division I FCS Median Generated Revenues By Expense Quartile and Year (2004 – 2014)



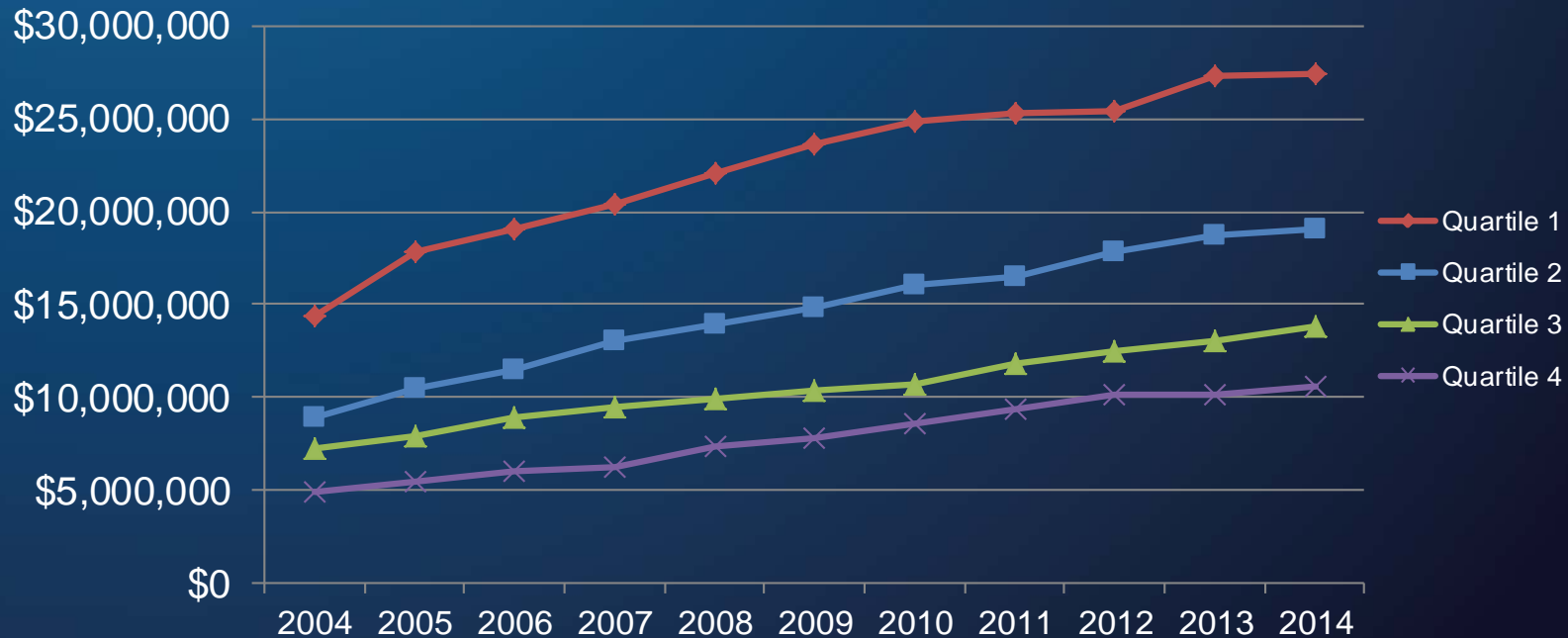
Percentage increase from 2004-2014: Quartile 1 = 127.8%
 Quartile 2 = 136.0%
 Quartile 3 = 80.6%
 Quartile 4 = 153.2%

Division I FCS Median Allocated Revenues By Expense Quartile and Year (2004 – 2014)



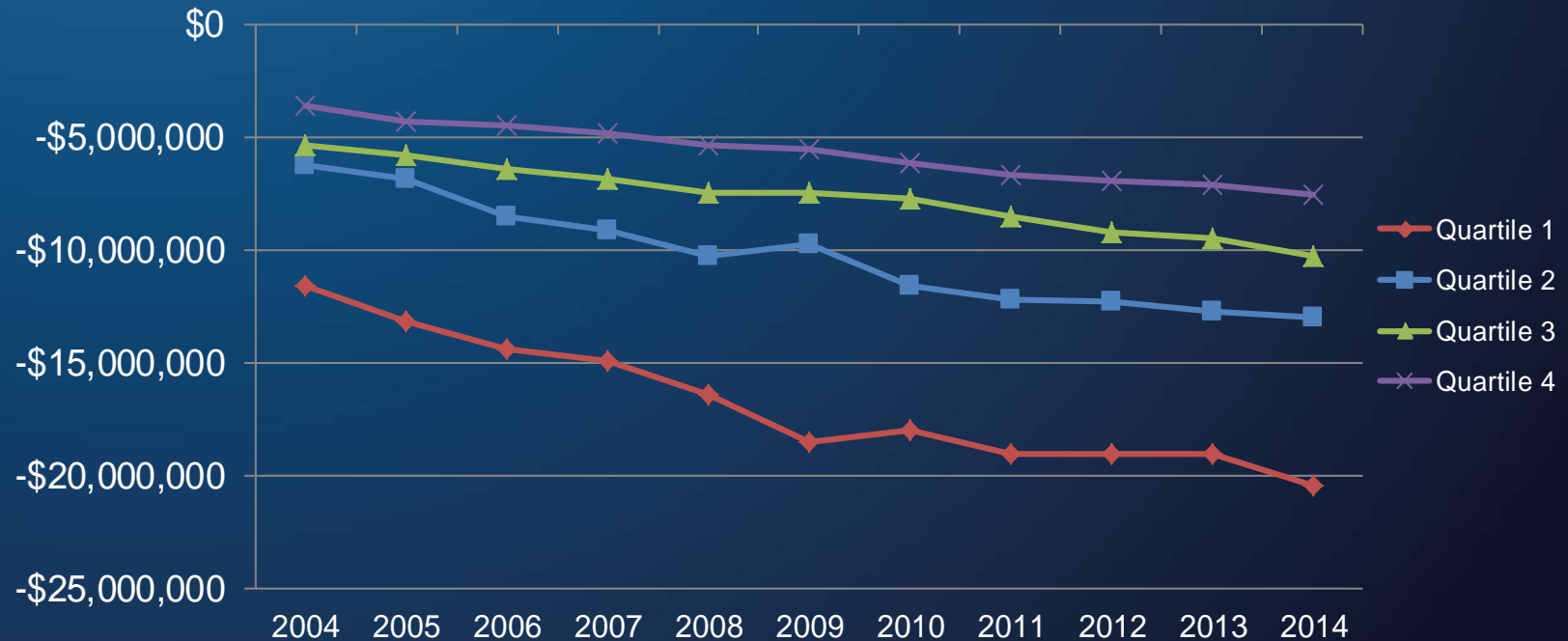
Percentage increase from 2004-2014: Quartile 1 = 72.5%
Quartile 2 = 112.3%
Quartile 3 = 94.5%
Quartile 4 = 112.7%

Division I FCS Median Total Expenses By Expense Quartile and Year (2004 – 2014)



Percentage increase from 2004-2014: Quartile 1 = 90.0%
 Quartile 2 = 113.8%
 Quartile 3 = 91.1%
 Quartile 4 = 116.1%

Division I FCS Net Generated Revenue By Expense Quartile and Year (2004 – 2014)



Percentage change from 2004-2014: Quartile 1 = 75.9%
 Quartile 2 = 109.2%
 Quartile 3 = 90.8%
 Quartile 4 = 107.6%

2014 Top Four Revenue Categories for FCS Institutions

By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FCS
Category 1 (% of Total)	Direct Inst. Support (41%)	Direct Inst. Support (46%)	Direct Inst. Support (52%)	Direct Inst. Support (43%)	Direct Inst. Support (45%)
Category 2 (% of Total)	Student Fees (17%)	Student Fees (14%)	Student Fees (14%)	Student Fees (21%)	Student Fees (16%)
Category 3 (% of Total)	Indirect Inst. Support (12%)	Indirect Inst. Support (9%)	Indirect Inst. Support (7%)	Guarantees and Options (9%)	Indirect Inst. Support (9%)
Category 4 (% of Total)	Alumni Contributions (9%)	Alumni Contributions (8%)	Alumni Contributions (6%)	Alumni Contributions (6%)	Alumni Contributions (8%)

2014 Top Four Expense Categories for FCS Institutions

By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall FCS
Category 1 (% of Total)	Salaries and Benefits (32%)	Salaries and Benefits (32%)	Salaries and Benefits (32%)	Grants-in-Aid (33%)	Salaries and Benefits (32%)
Category 2 (% of Total)	Grants-in-Aid (20%)	Grants-in-Aid (28%)	Grants-in-Aid (32%)	Salaries and Benefits (33%)	Grants-in-Aid (26%)
Category 3 (% of Total)	Indirect Inst. Support (12%)	Indirect Inst. Support (9%)	Team Travel (9%)	Team Travel (9%)	Indirect Inst. Support (9%)
Category 4 (% of Total)	Direct Inst. Support (9%)	Team Travel (8%)	Indirect Inst. Support (7%)	Other (5%)	Team Travel (8%)

Summary of 2004 – 2014 FCS Revenue and Expense Detail

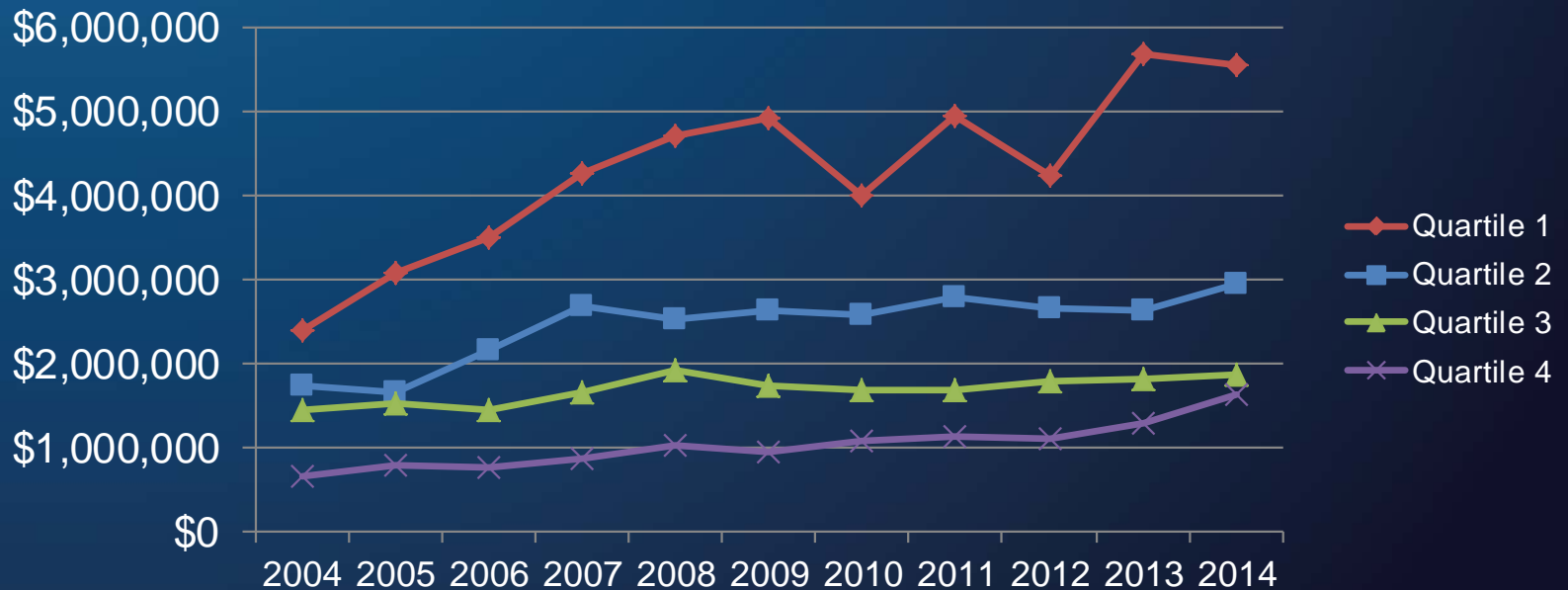
- There are large disparities within FCS in both revenues and expenses. For instance the median expenses in the top quartile were approximately \$27.4 million, versus a median of \$10.6 million in the lowest quartile.
- The gap between high and low seems to be widening.
- No positive growth in net generated revenue is shown.
- Direct institutional support is the top revenue category in all quartiles.
- Salaries and grants-in-aid are the top two expense items in all quartiles at approximately 32 percent of total expenses. Grants-in-aid follow salaries at 26 percent for overall expenses.

Revenue and Expense Detail for No MFB Institutions By Expense Quartile

Median 2014 Revenues and Expenses for No MFB Institutions By Expense Quartile

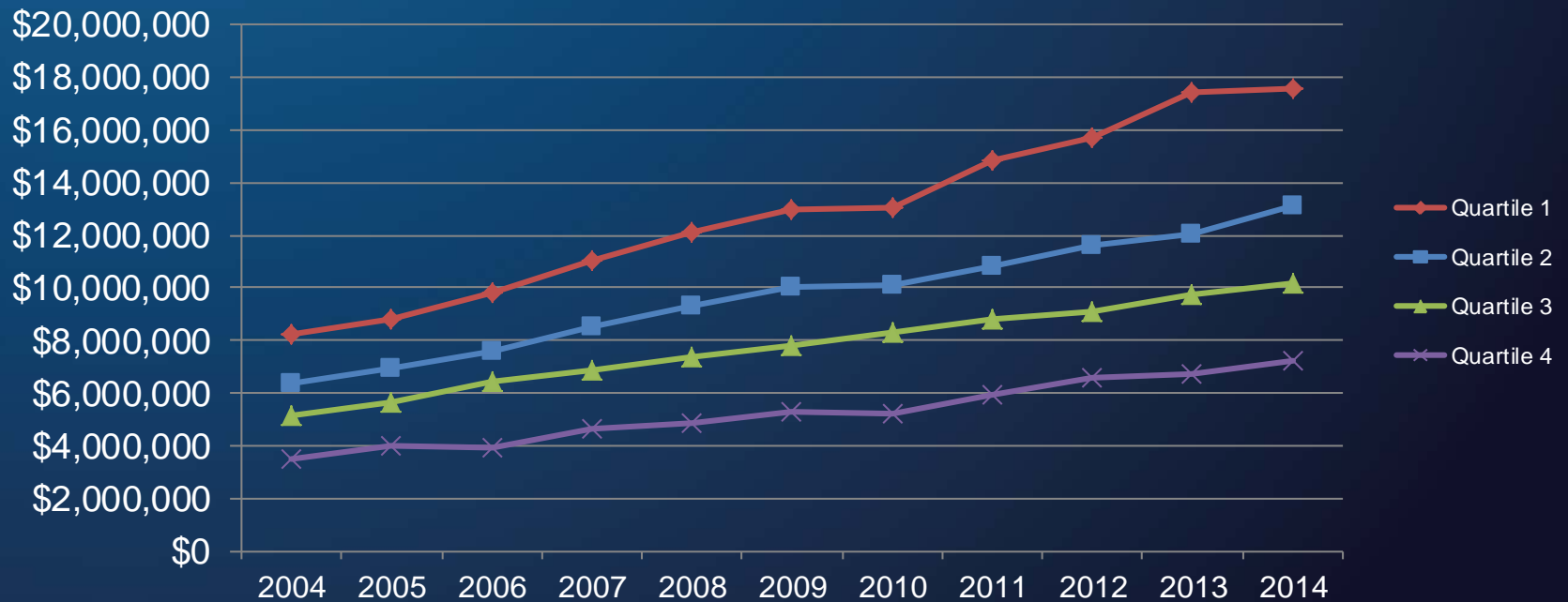
	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall No MFB
Generated Revenues	\$5,550,482	\$2,960,931	\$1,875,600	\$1,622,076	\$2,666,733
Total Revenues	\$24,374,227	\$16,733,183	\$12,549,290	\$9,524,138	\$14,413,451
Total Expenses	\$23,155,743	\$16,282,355	\$12,482,364	\$9,002,717	\$14,321,711
Net Generated Revenue	(\$17,746,301)	(\$12,899,102)	(\$10,481,327)	(\$6,975,099)	(\$11,244,847)

Division I No MFB Median Generated Revenues By Expense Quartile and Year (2004 – 2014)



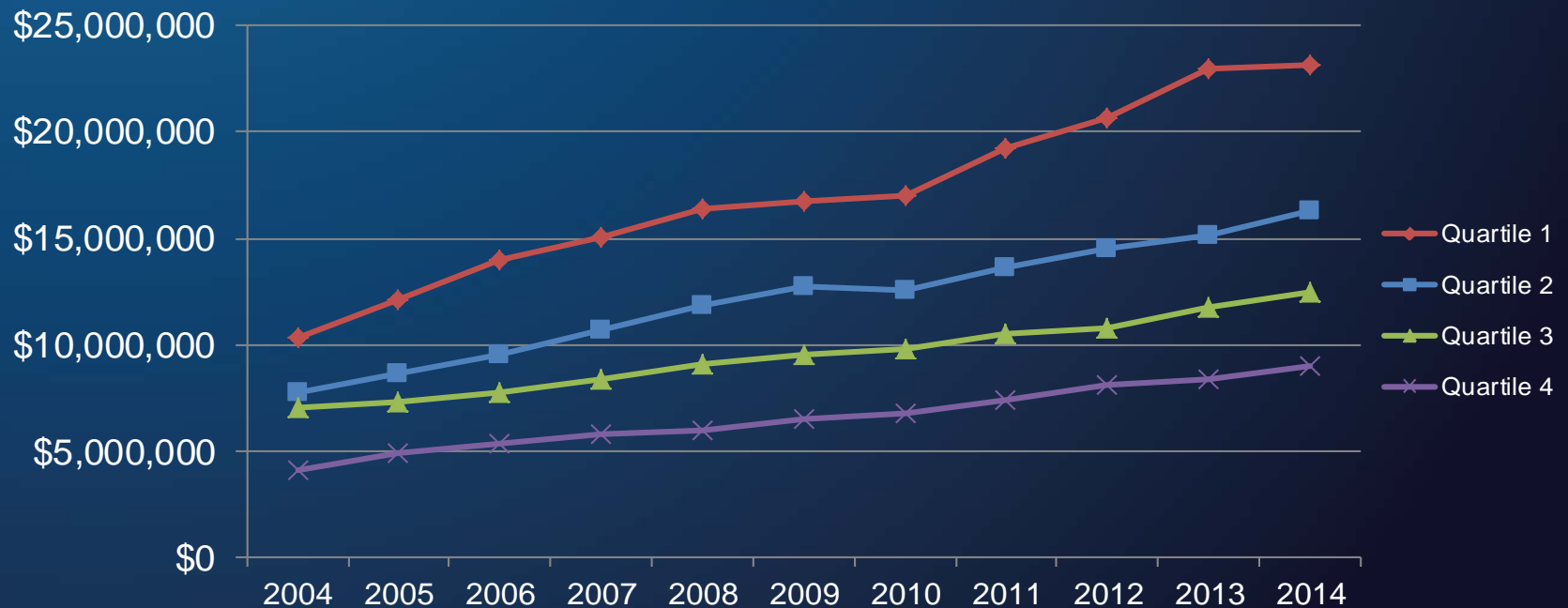
Percentage increase from 2004-2014: Quartile 1 = 130.8%
Quartile 2 = 70.9%
Quartile 3 = 29.9%
Quartile 4 = 144.7%

Division I No MFB Median Allocated Revenues By Expense Quartile and Year (2004 – 2014)



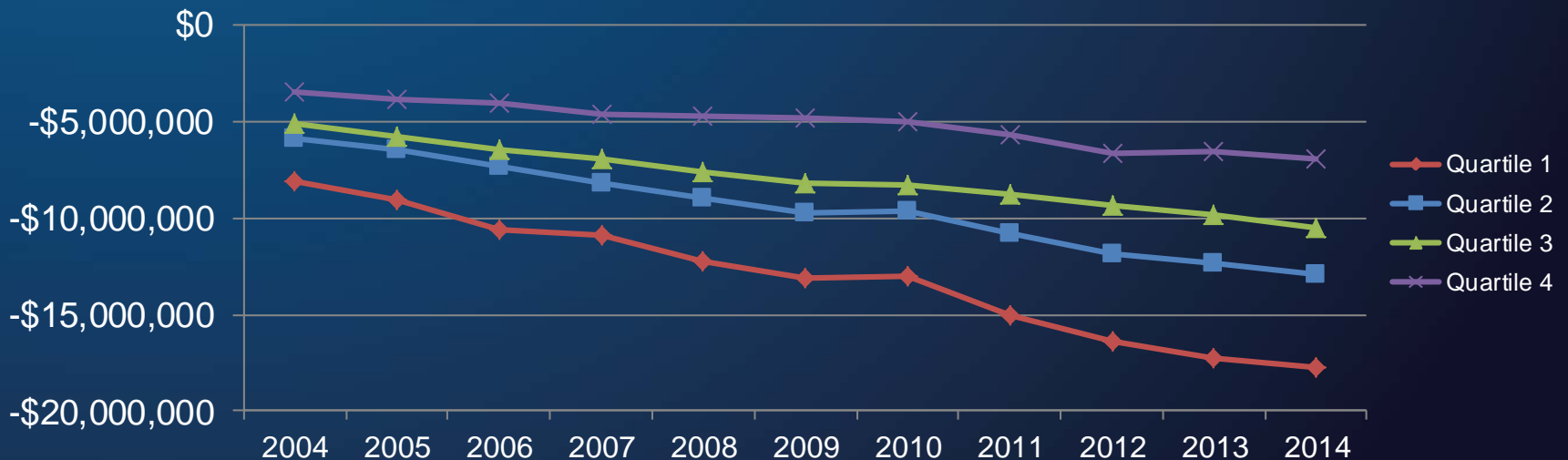
Percentage increase from 2004-2014: Quartile 1 = 113.1%
 Quartile 2 = 107.3%
 Quartile 3 = 96.7%
 Quartile 4 = 106.4%

Division I No MFB Median Total Expenses By Expense Quartile and Year (2004 – 2014)



Percentage increase from 2004-2014: Quartile 1 = 123.3%
Quartile 2 = 110.6%
Quartile 3 = 77.0%
Quartile 4 = 116.8%

Division I No MFB Net Generated Revenue By Expense Quartile and Year (2004 – 2014)



Percentage change from 2004-2014: Quartile 1 = 118.6%
 Quartile 2 = 119.6%
 Quartile 3 = 107.5%
 Quartile 4 = 102.6%

2014 Top Four Revenue Categories for No MFB Institutions By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall No MFB
Category 1 (% of Total)	Direct Inst. Support (50%)	Direct Inst. Support (50%)	Direct Inst. Support (53%)	Direct Inst. Support (44%)	Direct Inst. Support (50%)
Category 2 (% of Total)	Indirect Inst. Support (13%)	Student Fees (19%)	Student Fees (22%)	Student Fees (29%)	Student Fees (17%)
Category 3 (% of Total)	Alumni Contributions (9%)	Indirect Inst. Support (10%)	Indirect Inst. Support (6%)	Indirect Inst. Support (6%)	Indirect Inst. Support (10%)
Category 4 (% of Total)	Student Fees (9%)	Alumni Contributions (7%)	Alumni Contributions (5%)	Alumni Contributions (6%)	Alumni Contributions (7%)

2014 Top Four Expense Categories for No MFB Institutions By Expense Quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Overall No MFB
Category 1 (% of Total)	Salaries and Benefits (30%)	Salaries and Benefits (33%)	Salaries and Benefits (36%)	Salaries and Benefits (32%)	Salaries and Benefits (32%)
Category 2 (% of Total)	Grants-in-Aid (28%)	Grants-in-Aid (29%)	Grants-in-Aid (30%)	Grants-in-Aid (31%)	Grants-in-Aid (29%)
Category 3 (% of Total)	Indirect Inst. Support (13%)	Indirect Inst. Support (10%)	Team Travel (8%)	Team Travel (10%)	Indirect Inst. Support (10%)
Category 4 (% of Total)	Team Travel (8%)	Team Travel (8%)	Indirect Inst. Support (6%)	Indirect Inst. Support (6%)	Team Travel (8%)

Summary of 2004 – 2014 No MFB Revenue and Expense Detail

- There are large disparities within Division I schools without MFB in both revenues and expenses. For instance, the median expenses in the top quartile were approximately \$23.2 million, versus a median of \$9.0 million in the lowest quartile.
- The gap between high and low seems to be widening. The third quartile shows the lowest rate of growth in generated revenues; conversely, the highest quartile is growing expenses at the fastest rate.
- No positive growth in net generated revenue is shown.
- Direct institutional support is the top revenue category in all quartiles, followed by indirect institutional support in the top quartile and student fees in the bottom three quartiles.
- Salaries are the main expense items in all quartiles at approximately 32 percent of total expenses. Grants-in-aid follows at 29 percent for overall expenses.

