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Eastern Michigan professors criticize decision to cut four sports

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Eastern Michigan University is shutting down four sports programs to close a budget gap, leaving critics infuriated and asking: Why not football?

The university is cutting wrestling, men's swimming and diving, softball, and women's tennis. But not football, a sport that generates for Eastern Michigan nowhere near the amount of revenue a toptier program in the National Collegiate Athletic Association's Power 5 conferences does. The university significantly subsidized the program in 2017, according to budget information obtained by *The Ann Arbor News*. Of football's \$9 million budget, the university funded nearly \$6 million.

And the team's record is dismal under the most recent coach, Chris Creighton, whose first season in 2014 ended with a $\underline{2-10}$ [2] record -- last in the Mid-American Conference, or MAC, with little improvement (5-7) in 2017.

But the university is adamant that it won't cut football, saying that if it did, it would be ineligible to stay in the conference. It would either need to leave the MAC or drop to NCAA Division II.

Athletics director Scott Wetherbee bluntly rejected the idea in a recent news conference, saying the university receives about \$2 million from its participation in the MAC.

"It wasn't even an option to look at that," Wetherbee said. "If you are going to drop down to Division II, is that the reputation we want? We compare ourselves to a Western Michigan, a Central Michigan, a Toledo and Bowling Green. Do we want to all of a sudden compare ourselves to Oakland, Saginaw Valley or Grand Valley? Those are obviously questions the president and the [Board of Trustees] said, 'No, we don't."



Experts say football often isn't self-sustaining for all but the most elite programs. The prospects of advertisers, positive press and wealthy donors who follow football are alluring but don't always materialize.

Victor Matheson, a sports economist and professor of economics and accounting at the College of the Holy Cross, described the Eastern Michigan football team as "lambs being led to slaughter" -- it will lose again and again, he said.

The university might be paid well for playing one high-profile game against at a team like Michigan State University, but outside of that single event, Eastern Michigan's season is unlikely to be a big draw, according to Matheson.

"They have delusions of grandeur," he said.

The phenomenon isn't new. Many institutions with middling or losing football records and little revenue still preserve their programs. It was with great fanfare that the University of Massachusetts at Amherst announced in 2011 that it would bump up its football program to the NCAA's Football Bowl Subdivision and join the MAC (it since has left the conference and plays independently).

The athletics director at the time, John McCutcheon, <u>heralded the decision</u> [3] as "landmark," saying he believed the exposure would elevate the university to new national heights.

But as *Bloomberg* reported [4], the UMass athletics department now relies much more heavily on institutional dollars, as the money expected from the shift never came.

Admittedly, reducing a university's football presence comes with both financial and public relations challenges: when the president at the University of Alabama at Birmingham tried to cut the football in 2014, he faced an actual angry mob in one public appearance that required him to rely on a police escort.

Richard Vedder, a distinguished professor of economics emeritus at Ohio University, <u>wrote</u> [5] for *Inside Higher Ed* that chopping the UAB team made sense: though the university's stadium held 72,000, attendance at games averaged no more than 15,000. At the time, UAB spent about \$27 million on all of its sports, but they generated only about \$9 million.

"Schools are in an athletic arms race, feeling the necessity to spend ever more funds on high coaches' salaries and fancy facilities, lest they suffer athletic humiliation and the wrath of irate alumni and fans," Vedder wrote in 2014.

Alumni later revived the program, contributing millions to keep it afloat.

Unlike at other institutions, at Eastern Michigan the idea of cutting football has inspired interest. An accounting professor there, Howard Bunsis, recommended in 2016 that the university drop football, which the trustees <u>rejected</u> [6]. Then a report showing that the university had contributed 80 percent of the athletics budget since 2005 drew the condemnation of faculty and students (in 2017, the institution spent about \$23 million to back the athletics budget of \$32 million -- a little more than 70 percent). It had also just been featured on a segment of the HBO show *Real Sports With Bryant Gumbel*, which highlighted that the football team hadn't had a winning season in 20 years.

The faculty union at Eastern Michigan, its branch of the American Association of University Professors, has aggressively campaigned against the college leadership's financial decisions, particularly related to athletics.

After the university announced it would eliminate the other sports, saving an estimated \$2.4 million, Judith Kullberg, a political science professor and the faculty union president, released a biting statement: "It's about time that Eastern Michigan University administrators took a hard look at the money we spend on athletics," she wrote. "But today's announcement to cut four sports is the wrong call. This decision needs further review -- not by out-of-touch administrators, but through consultation with students, faculty and staff."

Bunsis released <u>an analysis</u> [7] on the union's behalf, claiming that the university would actually lose money from the sports cuts -- more than \$61,000 per year. He and the union also noted that the university <u>had incorrectly told</u> [8] the NCAA that match expenses for wrestling amounted to about \$290,000, when in reality, they were far lower -- about \$12,000. A university spokesman, Geoffrey Larcom, said this error did not factor into its decision to eliminate the program.

Other sports economists who reviewed Bunsis's report said it does identify flaws in the university's calculations, but that it also makes assumptions about the institution's enrollment that may not be accurate. He asserts that athletes will leave the university once the sports are discontinued and that their slots as students won't be filled. Bunsis wrote that the university will lose tuition revenue from about 59 athletes.

Fewer athletes means the NCAA will contribute less, too, a loss of more than \$396,000, Bunsis determined.

But he assumes only that departing athletes would lead to empty beds, said Andrew Zimbalist, a sports economist and a professor at Smith College.

"If there are savings in these cuts, then the school is strengthening itself fiscally, which should indirectly at least help to retain or attract new students," Zimbalist said via email. "Finally, while there is a difference between cash and accounting cost with scholarships, [Bunsis] needs to account for the fact that the actual costs of education per tuition are above the tuition."

Larcom provided a rebuttal to Bunsis's report (emphasis his):

The university stands by its long-term analysis relative to the **future expense reductions** related to the elimination of four sports.

It's important to note that the cited report works from an NCAA form summarizing previous year expenses and costs, while the university's estimates focus on projected

budgets in the coming years. The athletic director has made it clear that such savings will not immediately be realized this next year but in the years to come.

In addition, the cited report fails to fully incorporate several key items, most notably the institutional aid (vs. athletic scholarships) received by student-athletes, which totals nearly \$626,000 annually. It also likely overestimates how many athletes will leave the university.

And as the athletic director has stated publicly before, this decision also took into account future and obvious costs required for new facilities and equipment, neither of which were factored into the cited report's numerical analysis.

Because it appears that there are both savings and losses in cutting the programs, keeping them is seemingly a "break-even proposition," said Rodney Fort, a professor of sports management at the University of Michigan. Bunsis has done a service for the university, he said, because so far everyone has focused only on the savings of getting rid of the sports.

"I would judge the result to be that, in total, the net result is a wash -- \$61,000 on the EMU athletic department budget is just noise. But that is a distinct improvement over the one-sided discussion happening now," Fort said via email.

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- [1] http://www.mlive.com/news/ann-arbor/index.ssf/2018/03/eastern michigan pays 23m 1000.html
- [2] http://www.espn.com/college-football/standings/ /season/2014/group/15
- [3] https://www.umass.edu/newsoffice/article/umass-announces-elevation-fbs-football-and-invitation-mac
- [4] https://www.bloomberg.com/news/features/2017-01-06/football-is-forever-the-money-losing-drug-these-schools-can-t-quit
- [5] https://www.insidehighered.com/views/2014/12/16/one-universitys-decision-drop-football-should-be-model-others-essay
- [6] http://www.mlive.com/news/ann-arbor/index.ssf/2016/04/emu faculty students support d.html
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