The financial impact of US college sport on the training of Olympic athletes

Contact details
Name author(s): Matthew T. Brown, Mark Nagel & John Grady
Institution(s) or organisation(s): University of South Carolina
City and country: Columbia, SC, USA
Email address for correspondence: matt.brown@sc.edu

Aim of paper and research questions
During the 2004 Summer Olympics, Kristy Coventry, a native of Zimbabwe, won three swimming medals. That same year, she helped lead Auburn University (Alabama) to a women's swimming national championship in the United States. Coventry is one of many swimmers who have competed for both Olympic medals and National Collegiate Athletic Association (NCAA) championships. During the 2008 games, Auburn University alone had six swimmers from five nations win 13 medals ("Auburn at the 2008…," 2008).

The American college athletic system provides many benefits for athletes seeking advanced training opportunities. The best US colleges for athletics offer scholarship opportunities and access to world-class training and competition facilities for elite athletes. For many athletes from around the world, it is better to train at US colleges than at facilities available in their home countries (Farrell, 2008). However, the cost of training Olympic athletics on US campuses is considerable.

College athletic departments typically derive a vast majority of their revenues from men's basketball and American football. For example, the most valuable men's basketball program generated US$16.9 million in profits and the most valuable American football program generated US$45.8 million during the 2007-2008 academic year (Schwartz, 2007; 2008). The basketball and football profits are used to offset financial losses from other sponsored sports. The purpose of this study is to determine the amount of financial support provided by football and basketball programs for Olympic sports and the training of Olympic athletes.

Literature review
Little prior academic research exists specifically concerning collegiate sport finance and subsidizing "non-revenue" sports, which typically include the Olympic sports offered by a university. However, the vast majority of college athletic programs lose money from operations (Duderstadt, 2000; Gerdy, 2006). Pressures are often placed on athletic administrators to minimize departmental losses. This can result in a reduction in the number of Olympic sport programs (Rhoads, 2008; Zoffinger, 2008). Further, when university budgets are cut due to economic pressures, stakeholders tend to question the amount of university funding allotted to offset athletic department losses (Toy & Ludwig, 2009). These cuts will have the effect of potentially hampering the development of Olympic athletes. In fact, recent cuts to Olympic sports have led the United States Olympic Committee (USOC) and the NCAA to create a task force to investigate these reductions and formulate solutions to ensure their future presence on college campuses (Rhoads, 2008).

Research design and data analysis
At the end of the 2007 fiscal year, the NCAA had 119 Football Bowl Subdivision members (FBS) (NCAA, 2007). These are the elite college athletic programs in the US. Due to the variety

of Olympic sports offered at the elite collegiate level, an initial investigation regarding one sport – swimming – was warranted. There were 85 FBS universities with swimming programs.

Data regarding collegiate athletic program finances were collected and analysed from the US Department of Education's Equity in Athletics Disclosure Act (EADA) website database. The data used in this study were from the 2007-2008 academic year.

Results

The average revenues generated by FBS athletic departments were US$45.6 million while the average expenditures were US$42.7 million. This resulted in an average athletic department profit of US$2.9 million. The two main revenue producing sports, men's basketball and American football, had combined profits of US$268 million and US$983 million respectively. The average profit for a men's basketball team was US$2.3 million. For the American football team, the average profit was US$8.4 million.

Men's and women's swimming teams had combined revenue of US$37 million and combined expenses of US$102 million, resulting in a overall loss of US$65 million. The average revenues per team were US$435,831 while the average expenditures per team were US$1.2 million. Overall, men's and women's swimming teams had an average loss of US$764,357.

Discussion and conclusion

The results of this study indicate that men's and women's collegiate swimming programs received a US$65 million supplement from the profits generated by American football and men's basketball teams. As a comparison, USA Swimming had expenses of US$21.0 million during fiscal year 2007 (US Swimming, Inc., 2008). Though it is not exactly known how financially reliant USA Swimming and other national swimming governing bodies are upon NCAA swimming programs, since 4,164 swimmers compete at the FBS level, the football and basketball supplements are likely critical to the development of future Olympians.

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