

Coach's big paycheck is just good business

By JIM HUTTER*

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"Why does the university spend so much on athletics?" And "Why is the football coach paid so much?"

You might be surprised, as I was, at the figures behind the answers.

Let's look at Iowa State University's athletic budget. The total university contribution of funds to the athletic department for the 2005 fiscal year was about \$2.6 million, minus an administrative fee of \$435,000, for a net contribution of about \$2.2 million. That's a lot. (The figures come from Larry Quant, ISU associate athletic director for finance, and were included in a recent presentation by Athletic Director Bruce Van De Velde to the Athletics Council and Faculty Senate.)

Now let's look at what the athletic department contributes financially to the university, to Ames and to Iowa.

ISU does not waive tuition and room and board fees for athletes on scholarship, as some universities do. Instead, the athletic department paid almost \$2 million for students on full scholarship, plus another \$1 million for those on partial scholarship.

Those same athletes had to pay some university fees not permitted by National Collegiate Athletic Association rules and charges not covered by partial scholarships. Plus, nonscholarship walk-on athletes paid \$2.1 million in tuition and fees.

It totals \$5.8 million paid by student-athletes and the athletic department. Hundreds of students - with an average grade point average that's above the all-university GPA - are in our classes, in the dorms and contribute to the whole life of the university.

Fees for summer-school classes, the Lied recreation center debt service, the ISU Center parking lots, summer camps for non-university student athletes, additional food-service costs, revenue brought in by the physical-therapy program and funds paid to the ISU bands add \$1.3 million.

Next, add in the money the department spends employing students, fees from its accredited training program, rent payments for Hilton Coliseum and revenues from concessions, merchandising and the like. This totals another \$2.1 million.

That rings up to more than \$9 million per year to the university resulting from the athletic department's presence.

Then there's spending that ripples through the rest of the local and state economy, such as the \$728,000 paid in sales taxes or the \$213,000 paid for room-and-board payments to cover the rent and food for student athletes who live off campus.

An estimated \$5 million or so in financial impact goes to local hotels, restaurants, and other merchants from football games, not to mention basketball or other sports.

And arguably, all of this does not equal the financial value to the university from the free publicity ISU receives from national and local media coverage of its football, basketball and other sports programs.

When teams appear in bowl games and post-season competition, admissions information requests and applications jump.

People who buy tickets and contribute money to athletic scholarship programs often are also donors to non-athletic programs - and buildings.

ISU is about tied with Baylor for the smallest athletic budget in the Big 12, less than half the budgets of Texas, Oklahoma and Nebraska. To get more revenue, a team must sell more tickets, appear more often on television and in post-season contests and have more donors give more money. And when do you think that happens? Therein lies the critical role of winning and of coaches who can produce winning teams.

At ISU, the basketball teams about pay for themselves. Football pays for the rest. And that's why some coaches are worth so much. And it's why a successful athletic program is just good business for a university.

*JIM HUTTER is an associate professor of political science at Iowa State University and member of the ISU Athletics Council.