

## Chapter 1

### *Strange Bedfellows*<sup>1</sup>

Two starkly different worlds coexist today within American higher education. One is the traditional academic world that conforms to the succinct statement offered by economists Claudia Goldin and Lawrence Katz: “The business of colleges and universities is the creation and diffusion of knowledge.”<sup>2</sup> Because American universities have excelled in these functions, higher education in the U.S. today enjoys global preeminence. Yet there is another world within American higher education, just as firmly rooted, that bears no obvious relation to the first. It is the world of big-time college sports, a form of entertainment that has over the course of a century enmeshed itself in the American higher education scene, becoming part of the popular conception of the “collegiate” experience.

To appreciate the gulf that divides these two worlds, it is instructive to visit the campus of a university that has a big-time sports program. Let us take a quick virtual tour of one of these – the sprawling campus of the University of Texas in Austin. It will be sufficient for our purposes to visit just two buildings on that campus.

The first stop on our tour is a five-story building that is home to the Center for Nano- and Molecular Science and Technology. This brick and concrete building houses offices, equipment, and laboratories used by scientists and engineers. The professors affiliated with this center come from departments like chemistry and biochemistry, physics, biomedical engineering, chemical engineering, electrical and computer engineering, and mechanical engineering. Some of these departments at the University of Texas rank among the country’s highest-rated programs in their respective disciplines.<sup>3</sup> Together with post-doctoral fellows, graduate students, and other technical staff, some of whom have come to the United States from other countries, these faculty carry out research projects related to fields like nanoelectronics, nano biology and medicine, nanoparticle synthesis, and nanomechanics. Their research articles appear in such scholarly publications as *Biochemistry and Bioengineering*, *Inorganic Chemistry*, *Journal of Physical Chemistry*, *Nature*, *Polymer*, and *Science*. This research has the potential to contribute to such practical advances as better fuel cells and improved therapies for combating human neurodegenerative diseases.

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<sup>1</sup> Draft of chapter 1 of *Big-Time Sports in American Universities* (forthcoming, Cambridge University Press).

<sup>2</sup> Goldin and Katz (1999, p. 38).

<sup>3</sup> Rankings of graduate programs at the University of Texas:

<http://74.125.47.132/search?q=cache:wbJOODktGXAJ:www.utexas.edu/welcome/rankings.html+national+research+council+rankings+texas&cd=9&hl=en&ct=clnk&gl=us>, 9/11/09.

The highly technical research and advanced training that takes place in this building exemplify the essential work of research universities -- the creation and diffusion of knowledge. Indeed, the research and training that take place in this building appear to be a perfect embodiment of the university's published mission statement:

The mission of The University of Texas at Austin is to achieve excellence in the interrelated areas of undergraduate education, graduate education, research and public service. The university provides superior and comprehensive educational opportunities at the baccalaureate through doctoral and special professional educational levels.

The university contributes to the advancement of society through research, creative activity, scholarly inquiry and the development of new knowledge. The university preserves and promotes the arts, benefits the state's economy, serves the citizens through public programs and provides other public service.<sup>4</sup>

The University of Texas is by no means unique in its devotion to research and teaching. American research universities like it are magnets for the world's best graduate students because they are home to a large share of the world's leading research faculty and doctoral programs. American universities occupy an enviable position of preeminence among the world's research universities, a fact confirmed by global rankings. For example, the ranking produced by the *Times* of London judges that a third of the world's top 100 universities are in the United States. The ranking produced by Shanghai's Jiao Tong University, which is heavily weighted toward scientific research output, indicates that over half the top 100 are American.<sup>5</sup> In short, the Center for Nano- and Molecular Science and Technology at Texas admirably symbolizes the academic purpose of American universities.

The second stop on our virtual tour of the University of Texas, just a 10-minute walk away, takes us to a realm that is strikingly different from the world of research and teaching. This stop is the university's football stadium, named the Darrell K. Royal-Texas Memorial Stadium. This structure, featuring double decks on one side, can accommodate more than 100,000 spectators, and it was filled to capacity at every one of the seven home games during the 2009 season. At two ends of the stadium are towers, eight- and nine-stories high, respectively, that house luxury suites outfitted with theater-style seats, televisions, kitchenettes, and bars, and are available for lease at rates up to \$88,000 a year. The university's football team, which has played in post-season bowls in each of the last five years, rides to practice each day during the

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<sup>4</sup> <http://www.utexas.edu/welcome/mission.html>, 1/28/08.

<sup>5</sup> *Times* of London, <http://www.timeshighereducation.co.uk/Rankings2009-Top200.html>, 10/8/09.

Shanghai Jiao Tong University Center for World-Class Universities 2008  
<http://www.arwu.org/rank2008/EN2008.htm>, 9/11/09.

season on chartered buses and dresses out in a locker room equipped with five flat-screen TVs and adorned with a 20-foot ceiling light in the shape of a longhorn. A professor in the business school characterized the university's sports facilities as "beyond opulence."<sup>6</sup> The team's coach, Mack Brown, whose salary in 2007 was more than four times that of the university's president, and whose name elicited more than 12 times the number of Google hits, has his own weekly television show, broadcast on 14 local stations and one regional network each week during the season. Those who count themselves Texas football fans are legion. They are spread throughout the state and beyond, and they are by no means restricted to those with a college education.

The worlds represented by these two buildings at the University of Texas are astonishingly different. Not surprisingly, they occupy entirely distinct parts of the university's organizational chart. One of them is under the jurisdiction of the university's academic enterprise, and the other is under the control of the athletic enterprise. The nano-science center, on the academic side of the university, exemplifies the rarified, rational realm that has traditionally been associated with the academic world. Although this academic realm is by no means innocent of the commercial world, it is largely divorced from calculations of profit and loss. Facts, reason, and beauty are its raw materials; analysis, study, and free expression are its modes of operation.

By contrast, the stadium and those who work there, represent a world that is unashamedly commercial and thoroughly popular, even populist. This part of the university is quite literally a part of the entertainment industry. It sells its brand of performance in the commercial marketplace, depending for revenue on both paying customers and media. Perhaps its most obvious distinguishing feature is that its normal operations – as a matter of course – are visible to an extent simply unmatched by anything that happens on the academic side. The team's games are carried live on radio, from Abilene to Wichita Falls, on 40 different radio stations.<sup>7</sup> All 12 of its games during the 2008 season were televised, and so was its appearance in the Fiesta Bowl the following January.<sup>8</sup> Even ignoring the television cameras, just the gathering together of 100,000 individuals in one location is enough to mark an event as out of the ordinary. It has been said that many American universities are best known across the country, if at all, not for their academic programs, but by their football teams, and this remark is as true today as it was when it was written, over 80 years ago.<sup>9</sup>

But even setting national recognition aside for the moment and viewing the big-time athletic enterprise merely as one organizational unit inside a university, it still stands apart. On

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<sup>6</sup> Eric Dexheimer, "The Longhorn Economy," *American-Statesman*, September 30, 2007.

<sup>7</sup> <http://www.texassports.com/sports/m-footbl/spec-rel/football-tv-radio.html>, 9/12/09.

<sup>8</sup> <http://www.mackbrown-texasfootball.com/sports/m-footbl/spec-rel/fb-all-time-tv.html>, 10/2/09.

<sup>9</sup> Toma (2003); Angell (1928, p. 119): "intercollegiate athletics are the feature of our universities best known to the American public."

any campus with a big-time athletics program, the football and basketball schedules quite simply rule the university's calendar of events. What other department or school in the university holds the power, merely through its regular operation, to bring the rest of the institution to a halt? What other unit's scheduled activities are so influential that every other department, all the way up to the president's office, makes sure not to schedule any important meeting or event that would conflict with one of those scheduled activities? For anyone who grew up in the United States, or who has spent much time around a university with a big-time sports program, none of this will come as a surprise. Both the coexistence of these two disparate realms and the sway of athletics are such familiar traits of the American higher education scene that they are simply taken for granted.<sup>10</sup> Were it not so familiar, the contrast between these two worlds would surely be cause for wonder.

Here is an authentic case of American exceptionalism: in no other large country in the world is commercialized athletic competition so closely tied to institutions of higher education. To be sure, universities in Europe, Asia, Canada, and elsewhere frequently sponsor "club" teams that compete against each other in a variety of sports, ranging from squash and ice hockey to basketball and badminton. The oldest organized intercollegiate competition still going is the annual Boat Race, which has for over 150 years pitted against each other crews from the two great British universities, Oxford and Cambridge. But none of these forms of university-affiliated athletic competition generates the revenue or rises to the level of commercial sophistication of American intercollegiate athletics. Only in the United States has there grown up such an elaborate system of publicized and commercialized sports contests involving university-sponsored teams. Although most of the teams sponsored by the 4,000 colleges and universities in the United States are no more famous or commercial than university teams in other countries, the football and basketball teams representing several hundred universities achieve such high levels of revenue and visibility that their universities in effect become part of the American entertainment industry. This is big-time college athletics.

### **The European Visitor's Naïve Question**

Although this peculiarly American activity may be second nature to most Americans, and thus considered unremarkable, one can only imagine how odd it must appear to a visitor from abroad, whose experience with universities has never included an entertainment spectacle on this order that is put on by universities themselves. This is precisely the hypothetical situation invented back in 1929 by Henry Pritchett, then president of the Carnegie Foundation for the

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<sup>10</sup> Only a few people objected, for example, when the University of North Carolina sent its employees early, without pay, on a weekday when an evening football game threatened to cause a traffic jam. "Major Inconvenience," *Daily Tar Heel*, September 3, 2009.

Advancement of Teaching, when he included the following in his preface to the foundation's lengthy study of college athletics.

Nothing in the educational regime of our higher institutions perplexes the European visitor so much as the role that organized athletics play. On a crisp November afternoon he finds many thousands of men and women, gathered in a great amphitheater, wildly cheering a group of athletes who are described to him as playing a game of football....

When the visitor from the European university has pondered the matter, he comes to his American university colleagues with two questions:

“What relation has this astonishing athletic display to the work of an intellectual agency like a university?”

“How do students, devoted to study, find either the time or the money to stage so costly a performance?”<sup>11</sup>

Pritchett's imagined visitor can easily discover the answer to the second question: it is the university, not the students, who stage the performance. It is the first of these questions, concerning the fundamental purpose of the athletic enterprise, that is the truly perplexing one. And it is as deserving today of careful consideration as it was eight decades ago. Why do universities do it? This gaudy, wildly popular form of entertainment has no obvious connection to the intellectual work of universities other than the name on the uniforms. Yet big-time college athletics has over the course of a century become woven into the fabric of many American universities. So the visitor's question remains both pertinent and challenging, and it inspires other ones. Why is the enterprise of big-time athletics a part of the operation of contemporary American universities? What are the effects of doing it? What if anything needs to be done about it? These are the questions that motivate this book.

To explain the existence of big-time college athletics, university leaders and outside observers usually offer one of several justifications. First among them is the educational argument: beginning with the ancient Greeks, athletic pursuits have been recognized as a valuable component of a complete education. Through both training and competition, the athlete learns life lessons taught nowhere better than on the field of play. As Harvard president Charles Eliot argued before the 20<sup>th</sup> century, athletic participation develops such “qualities as courage, fortitude, and presence of mind in emergencies and under difficulties” as well as the cooperation and, for some, the “habit of command.”<sup>12</sup> While this explanation continues to have real force when applied to students' participation in the variety of sports offered on college campuses, it does little to justify the big-time athletic operation, since the primary way that college students participate in big-time college sports is as spectators. Relatively few of them enjoy the moral and physical benefits of participating in these sports. And for those who do play one of the revenue sports, as we will see, participation often takes on the quality of employment more than it does of recreation. Despite their official amateur status, their role begins to morph into one that has many

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<sup>11</sup> Pritchett (1929, p. vi.)

<sup>12</sup> Eliot (1894, p. 19). For a contemporary exposition of the same virtues, see Duncan (2010).

of the markings of a professional player, though certainly without the professional's monetary compensation.

A second common justification for big-time athletic operations is the one that might be the first to occur to many outside observers: money. At least in public perception, the highly visible football and basketball programs run by universities would appear to be a ready source of income, given the large figures commonly reported for such items as football bowl receipts and coaches' salaries. Indeed, the head basketball coach for the University of Connecticut defended his own \$1.6 million salary at a time when the state of Connecticut was running a large deficit, telling a reporter that his basketball program brought in \$12 million a year.<sup>13</sup> Although some big-time basketball, and football, programs might well turn a profit if run by themselves, universities typically consolidate all their intercollegiate sports under one department, with one budget. And most of these departments lose money, including the one operated by the University of Connecticut. As we will see, however, calculating profit or loss for these departments is not without its complexities and ambiguities.

A third argument that universities sometimes use to justify their investment in commercialized spectator sports is the claim that athletic acclaim begets public attention for the university's academic mission, which in turn pays off in quite tangible ways. Chief among the benefits thought to result from heightened visibility is a boost in applications for admission. Whether it is a Cinderella team's surprising success in the NCAA basketball tournament or the widespread recognition that comes from being a perennial football powerhouse, admissions directors believe that athletic prominence generates student applications. But the hoped-for benefits go beyond generating a stronger pool of applicants. Athletic success and the notoriety it brings with it is believed also to generate more donations, as noted above, and stronger support from state and local governments. Buoyed by the apparent success of newly ascendant big-time football programs at institutions like the University of Connecticut, Rutgers, the University of South Florida, and Boise State, other universities, among them Georgia State and the University of North Carolina at Charlotte, have announced in recent years their intention to launch football programs of their own.<sup>14</sup>

One more standard justification for big-time athletics is the ability that mass allegiance is thought to have in building the bonds of community on a campus. Having a team to root for has a feel-good effect on current students that can build valuable social capital while they attend and continue into later years as alumni. One administrator wrote, "Sports teams can foster a deep sense of community and social solidarity, even when those teams lose more often than they

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<sup>13</sup> Actually, revenue generated by the university's basketball program was only about half that amount. Joe Nocera, "Jim Calhoun Defends His Salary," *New York Times*, February 23, 2009.

<sup>14</sup> See, for example, Lynn Zinser, "A Revived Program and an Altered State at Rutgers," *New York Times*, August 26, 2007.

win.”<sup>15</sup> Since the vast majority of students become involved in big-time sports, if at all, as spectators rather than as players, this justification also invites careful consideration.

These four justifications make up the conventional answer to the foreign visitor’s question. Together they say that America’s unique form of university-sponsored commercial sport bolsters the academic mission of the universities that have chosen to do it. Some historians have argued that American colleges latched onto sports in the first place as a way to garner the attention and resources they needed to survive in the country’s decentralized, competitive marketplace, and these justifications are consistent with that argument. Is it a coincidence that the country whose universities are recognized as global leaders is also the only country whose universities sponsor commercial sports on a grand scale?

### **The Case against Big-Time College Athletics**

Despite these purported benefits, the college sports enterprise has long been the target of vigorous criticism. From the earliest days of intercollegiate competition in rugby, boat-racing, baseball, and football, beginning well before 1900, college sports competition generated not only throngs of spectators and widespread newspaper coverage, but also episodes of shocking misbehavior and intense controversy. And well before the era of television and multi-million dollar pay packages, university leaders were worried about the insinuation of commercial motives into college athletics. As a result, “What is to be done about college athletics?” has been a question for vigorous debate for well over a century. The longevity of this debate alone suggests that the problems associated with big-time athletics are not easily eliminated.

As far back as the nineteenth century, when the ivy-covered universities were the epicenter of football prowess, Harvard president Charles Eliot was warning of “great evil” in the commercialization and overemphasis of college sports, particularly the highly popular competition in boat-racing, baseball, and football. He declared, in his 1893 annual report, “With athletics considered as an end in themselves, pursued either for pecuniary profit or popular applause, a college or university has nothing to do. Neither is it an appropriate function for a college or university to provide periodical entertainment during term-time for multitudes of people who are not students.”<sup>16</sup> In 1905, following a frightening number of injuries and deaths in college football contests, President Theodore Roosevelt called representatives from Harvard, Yale, and Princeton on the White House carpet to demand that they reform football’s rules. This famous meeting resulted in a set of standardized rules and the creation of an organization of universities that would eventually become the National Collegiate Athletic Association

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<sup>15</sup> Gary A. Olson, “Should We Ditch Football?” *Chronicle of Higher Education*, May 5, 2010.

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(NCAA).<sup>17</sup> The rules that came out of this new association successfully addressed the plague of football injuries, so this persistent problem was more or less laid to rest.

Not so with the other problems of big-time college sports. In particular, complaints about excessive emphasis on sports continued to bubble up during the 1920s. To address such criticism with research, the Carnegie Commission for the Advancement of Teaching undertook a three-year study of numerous aspects of college athletics. Drawing on site visits to over 100 colleges and universities, it addressed such issues as the administrative control of athletics inside the university, the consequences of participation, the status of college coaches, recruiting, press coverage of college sports, and amateur status. It documented abuses in recruiting, the undue influence of alumni boosters, slush funds, widespread subsidies to players, high salaries of coaches, and a “distorted scheme of values.” As the cause of these defects, the report blamed “commercialism, and a negligent attitude toward the educational opportunities for which the college exists.”<sup>18</sup>

In the eight decades since the Carnegie report of 1929, remarkably little has changed in the case against big-time athletics. The reform-minded Knight Commission on Intercollegiate Athletics decried the increasing time demands of televised games, other compromises of academic standards, the high salaries of coaches, abuses in recruiting, and under-the-table payments to athletes. It asserted that big-time athletics had taken on “all the trappings of a major entertainment enterprise.”<sup>19</sup> It listed as causes many of the same factors named in the 1929 Carnegie report: the push for revenue, the involvement of media, and the influence of boosters outside the university. Citing practices that threatened academic standards in the pursuit of more revenue, the commission argued that universities were guilty of a “great reversal of ends and means” and, as a consequence, had jeopardized the moral high ground that had traditionally been theirs.<sup>20</sup> In a follow-up report, it stated, “Sports as big business for colleges and universities...is in direct conflict with nearly every value that should matter for higher education.”<sup>21</sup> Newspaper columns with titles like “Serfs of the Turf” and “If Games are a Business, Colleges Invite Problems” criticized aspects of commercial college sports such as the ban on pay to players and universities’ dependence upon television and donations from boosters.<sup>22</sup> Books like *College Sports, Inc.: The Athletic Department vs. the University*, *Beer and Circus: How Big-Time College Sports is Crippling Undergraduate Education*, and *Varsity Green: A Behind the Scenes Look at Culture and Corruption in College Athletics* provided muckraking condemnations of spending excesses, compromised academic standards, and recruiting scandals. The last of these

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<sup>17</sup> Thelin (1996, p. 15).

<sup>18</sup> Savage (1929, pp. 306-307); “College Sports Tainted by Bounties, Carnegie Fund Finds in Wide Study,” *New York Times*, October 24, 1929; Thelin (1994, pp. 11, 25).

<sup>19</sup> Knight Commission Report (1991, p.5).

<sup>20</sup> Knight Commission (1991, p. 6).

<sup>21</sup> Knight Foundation Commission on Intercollegiate Athletics (2001, p. 21).

<sup>22</sup> Michael Lewis, “Serfs of the Turf,” *New York Times*, November 11, 2007; William H. Honan, “If Games are a Business, Colleges Invite Problems,” *New York Times*, August 16, 2000.

concludes with this denunciation: “the NCAA system of college athletics is broken. It is financially and academically corrupt, and morally bankrupt.”<sup>23</sup>

### **Why *Do* They Do It, Really?**

This listing of justifications on the one side and criticisms on the other does not seem to help very much in answering our imaginary visitor’s naïve question: what role *does* this brand of commercial entertainment play in a university, such as the University of Texas, that says it is dedicated to research, teaching, and service? It seems reasonable to assume that a university, being a rational and deliberative organization, would not decide to do something on so grand a scale unless it judged that the benefits it will derive from it will exceed the costs. In light of the problems highlighted by the critics of big-time college athletics, we could probably expect to find that some universities had decided that the benefits to be gained from commercial sports were not worth the costs. Others might decide the opposite. But for at least some universities this would have to be a difficult decision. So we could reasonably expect to observe more than a few universities, having made the decision to participate in big-time sports, changing their minds and dropping out or reentering the fray.

But this is not what we observe. Although there are some universities that have never participated and some that always have, we almost never observe them changing their minds. Instead, the history of big-time sports in American universities presents us with two broad facts. First, not all American universities engage in big-time sports competition, though many do, including some of the best universities in the country. Of the 20 highest ranking American universities on Shanghai Jiao Tong University’s 2008 world ranking, eight have big-time programs.<sup>24</sup> But the really striking fact is the second one: once a university adopts big-time sports, it almost never goes back. Of the 88 colleges and universities ranked in the top 100 by football success in 1920 and which have remained national universities, all but nine were still in the top 100 big-time college programs, ranked by expenditures, in 2009.<sup>25</sup> The University of Texas, for example, began intercollegiate football in 1902, and since that year it has played football at the highest competitive level every year.<sup>26</sup> Texas has had, in effect, 107 annual opportunities to stop doing it, but it has consistently chosen to stay in this game.

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<sup>23</sup> Sperber (1991, 2001); Yost (2010, p. 195).

<sup>24</sup> The eight that have big-time sports were Stanford, UC Berkeley, UCLA, Washington, Wisconsin, Michigan, Illinois, and Minnesota.

<sup>25</sup> Top 100 ranking for 1920 was a average of the 1919, 1920, and 1921 power rankings as given by James Howell, op cit. The nine that made the unusual decision to drop big-time sports did so deliberately. Seven pulled out to form their own conference (the Ivy League) where recruiting would be limited by forbidding athletic scholarships. The other two were Washington University and the University of Chicago.

<sup>26</sup> James Howell website <http://www.jhowell.net/cf/scores/byName.htm>, 5/10/10.

Every university that runs a commercial sports operation, or is considering it, makes such a calculation on a regular basis, or should be doing so. And the fact is that hundreds of American universities operate big-time sports programs, and have been doing so for a long time. Although their decision-making, compared to comparably-sized corporations, may be more complex and decentralized, contemporary universities are not stupid. Their decisions are usually made soberly and in consultation with competent and experienced analysts, and they rarely make the same mistake over and over. So when we observe so many intelligent institutions doing something again and again, it should be an indication that the benefits – at least as they perceive them – exceed the costs. But that does not answer the question of why. What role is commercial sports playing that makes it so valuable that many American universities keep doing it, year after year?

One logical way of finding out the answer to this question would be to consult those who ought to know best: universities themselves and scholars who specialize in studying universities. Surprisingly, neither of these seemingly definitive sources provides much help in answering the question. Those who lead and think deeply about universities rarely acknowledge that athletics has any significant part whatsoever in the purpose or operation of these great institutions, let alone describe athletic competition as being a central function. In their formal mission statements laying out their institutional aims and aspirations, universities rarely mention athletics at all. In this regard, the mission statement of the University of Texas quoted above is typical. Despite the larger-than-life, actual prominence of athletics at universities like Texas, their leaders typically ignore that activity altogether when putting together a formal statement listing their institution's essential functions and objectives.

A similar lack of attention to the role of intercollegiate athletics also characterizes most of the scholarly research about universities. Like other levels of education, higher education has long been the subject of sustained and serious scholarly study. But to read most scholarly research about American higher education, one would conclude that commercial college athletics did not exist at all. Studies such as these devote their attention instead to such topics as research, university governance, teaching, faculty time and recruitment, admissions and financial aid.<sup>27</sup> Nor is there a mention of big-time athletics in the National Survey of Student Engagement (NSSE), one of the most widely used student surveys currently being used to assess the quality of the undergraduate college experience. This survey asks about participation in recreation and sports, but not about being a fan or spectator for college games.

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<sup>27</sup> There are some notable exceptions to this tendency for athletics to be excluded from studies of universities, however. Other books that seek to integrate athletics into a broader analysis of universities include three written by former university presidents (Duderstadt (2000), Bok (2003), and Shapiro (2005)) as well as Thelin (1994), Toma (2003), Zemsky, Wegner and Massy (2005), and Weisbrod, Ballou and Asch (2008) . The lack of attention to commercial athletics in scholarly research is discussed at greater length in the next chapter.

This inattention to athletics – by those who should know higher education best – presents a striking paradox. In light of the obvious prominence of big-time college athletics, why do those who should know the most about universities so often act as if it did not exist at all? Ask a handful of people on the street what they know about the University of X, and likely as not that university will be known best by its football or basketball teams. Its famous coaches or players will be known by vastly more people than its president or most prominent faculty members. Can college sports truly be so marginal to the real business of universities to be worthy of so little attention? Surely the operation of big-time sports programs, on the basis of their fame alone, justifies more attention than that. Indeed, how can an activity so prominent not be a “core mission” of universities? More to the point, what explains the reluctance of universities to acknowledge the prominent role of big time sports in the daily operation of their institutions? Do academic leaders view big time sports as an embarrassment, like the dissolute, ne’er-do-well cousin consigned to the corner when society calls?

This question of purpose is not merely a subject for scholarly seminars. It has been raised on Capitol Hill by those who question whether big-time athletics is in fact an activity related, in a legal sense, to the exempt, educational purpose on which favorable tax treatment of universities is based. Currently, contributions made to university athletic departments are tax-deductible just like contributions to fund academic programs. Representative Bill Thomas, chairman of the House Ways and Means Committee, implicitly questioned the legitimacy of this treatment in 2006 in a very public letter to then-president of the NCAA, Myles Brand. He asked “whether major intercollegiate athletics further the exempt purpose of the NCAA and, more generally, educational institutions.” The numerous questions Rep. Thomas asked in his seven-page letter contained several not-so-veiled criticisms of “[c]orporate sponsorships, multimillion dollar television deals, highly paid coaches with no academic duties, and the dedication of inordinate amounts of time by athletes to training lead many to believe that major college football and men's basketball more closely resemble professional sports than amateur sports.” The letter also noted “escalating coaches' salaries, costly chartered travel, and state-of-the-art athletic facilities,” and “commercialized entertainment.”<sup>28</sup> As we will see, contributions have become a significant source of revenue for big-time sports programs, so any serious proposal to alter their tax treatment would surely strike fear in the hearts of athletic directors.

Whether or not universities like to admit it, big-time athletics must be counted as one of their significant activities. The facts I document in this book make it impossible to avoid this conclusion. Just how big a part of their total activity it constitutes remains an issue that can be put aside for the moment. But I believe the evidence will show that big-time athletics is too important to be relegated entirely to the sports pages. There is too much at stake for American universities to do so. Since World War II American research universities have been the envy of

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<sup>28</sup> Letter sent to NCAA president Myles Brand from House Ways and Means Committee Chairman Bill Thomas on October 2, 2006; USA Today, posted 10/5/09.

the world, as illustrated by their dominance in lists of top universities in the world. Today they represent a prime export industry in a country plagued by chronic trade deficits. At issue is whether the university entertainment enterprise is a threat to American higher education or instead is one of its reasons for success. Big-time athletics brings with it the promise of attention and commercial gain, but also the necessity of compromise and the threat of unsavory publicity, all of which creates perennial tensions over the proper role of this enterprise. These tensions appear to be intensifying, as a result of the growing commercial value of college football and basketball. How these tensions are resolved will not only have a direct effect on the quality of universities, but will also say a great deal about universities' actual objectives.

To answer the basic questions about the role and effect of this peculiarly American activity, we must go beyond the on-going shrill debate over big-time college sports, finding a path between the moralistic denunciations on the one side and the moralistic justifications on the other. This will require looking at universities as they are, not simply as one might wish them to be. It will also require shaking off the silence that has characterized so much of the scholarly research about universities. Rather than treating athletics as if it did not exist, or as some inconsequential extracurricular activity no more significant than the drama society, serious researchers need to take commercial sports seriously. If this activity is important enough to command the popular attention, media coverage, and rancorous debate that it does, it is worth being taken seriously.

### **This Book**

The first order of business is to understand why so many American universities embrace big-time athletics and what the real consequences are in doing so. Taking the university itself as the primary object of interest, this book asks two main questions: First, what purpose does this activity serve in universities? Second, what are its effects on the functioning of universities? The study will look at the financial and non-financial costs and benefits for institutions and higher education more broadly associated with this particular activity. A third question, taken up in the concluding chapter, is what implications flow from the answers to these first two questions.

My aim in writing this book is to describe the phenomenon of big-time college sports as it is, trying to make sense of why so many smart institutions have decided it is a worthwhile enterprise to be part of. I begin by looking at the striking disconnect between what universities *say* about the importance they attach to athletics (practically nothing) and the reality of a spectacularly visible college sports industry. Using some sources of data never before employed for the purpose, I document the tremendous power of big-time college sports and, by implication, the large role that universities have taken on in the country's entertainment industry.

Big-time college sports can best be understood by looking at each of its four main roles. First, it is a consumer good, and it has a market that is worthy of study, in part for its size and in part for its peculiarities. Demand in this market takes on spectacularly unconventional forms, with some of the customers acting like zealots or crazed lunatics, while market supply is controlled by one of America's most effective cartels. Second, big-time college sports is a business enterprise, operated by universities that follow a business model whose logic leads to some unavoidable conflicts with deep-seated academic traditions. I look into the details of the business operation, including the frequently asked question of whether these athletic enterprises make money or lose money. The third role of big-time sports is as an instrument universities can employ to build and sustain the support of powerful constituencies. By examining the V.I.P. guest lists at football games, it is possible to gain a new perspective on universities' strategies for institutional advancement. I also review what statistical research can tell us about the beneficial advertising effect that is often claimed for big-time college sports. The fourth role I examine is educational. Using surveys of student time use and attitudes, I investigate the claims that big-time sports strengthens the sense of community on a campus and look as well at differences across campuses in such activities as studying and binge drinking.

Not all the important effects of running a big-time sports program can be measured. But no analysis of those effects can be complete without considering the intangible costs incurred when actions taken on behalf of the athletic enterprise end up clashing with cherished academic principles. Such conflicts do take place. They are, in fact, a cost of being in the big-time college sports business. To the likely surprise of at least some readers, I will argue that some values are actually served in ways not often recognized, not undercut. Because some of the intangible benefits I identify extend beyond the campus boundaries, universities themselves cannot necessarily be counted on to weigh costs and benefits in the same way society might.

This book has the least to say about the topics that take up most of the on-going debate about college sports: NCAA regulations and how they ought to be revised. Instead, this book steps back to ask how we got to where we are and what forces sustain this remarkable enterprise. I do take up the question of policy, but that question is preceded by the economist's concern with incentives and self-interest. Is there any reason to believe the decisions made by intelligent institutions like universities are resulting in a situation that is not in their best interest, or in society's? Such an unhappy outcome would not be without precedent, as studies of pollution, over-fishing, and arms races illustrate. In any case, readers who anticipate a list of reforms that promise to solve the problems of big-time college athletics will surely be disappointed.

As I use the familiar term, "big-time" college sports is synonymous with *commercial* college sports. In practice this boils down to university athletic departments with large budgets, because along with large budgets come the characteristics that make these programs so lovable and so problematic. In addition to big budgets, these programs also usually enjoy high levels of

attendance and extensive media coverage, including at least some TV coverage. They actively recruit athletes and award scholarships based on athletic ability, and they employ professional and highly compensated coaches. All of the universities in this group have a men's basketball team that plays at the highest level of competition (NCAA Division I), and most of them also field a football team in the most competitive group (Football Bowl Subdivision, or FBS). These athletic departments are generally characterized by sophisticated business planning, a keen awareness of marketing and media, and serious fundraising, as well as highly-paid professional coaching staffs in the two major revenue sports. Their teams are widely known, thanks to heavy attendance at games, frequent television appearances, media coverage, and a history of past competition.

The book focuses almost entirely on the sports of football and men's basketball, although for a few universities sports such as women's basketball, hockey, or baseball may take on some of the characteristics of the two major revenue sports. It therefore devotes little attention to the athletic programs of liberal arts colleges, nor does it include the contemporary Ivy League, whose stated policy precludes offering athletic scholarships. The teams and the universities that sponsor them attract the bulk of attention in American intercollegiate athletics. Hundreds of thousands of spectators attend their games in person and millions more watch them on television. Their players, coaches, and contests are covered widely by sports reportage in every conceivable form of media. Their stadiums and arenas are the largest, their budgets are the biggest, their recruits are the most talented, their coaches are the highest paid, and their teams are the most competitive.

Beyond several dozen universities with the very largest programs, there is no obvious line to draw between universities that do or do not qualify for the "big-time" designation. Ranked simply by their athletic expenditures in 2009, the top 100 athletic programs, listed in Table 1.1, yields a group of universities that would probably qualify no matter what criteria one used. Annual expenditures for these programs ranged from \$112.9 million (Texas) to \$20.0 million (Marshall), and together those 100 accounted for over a third of all the expenditures on athletics made by the roughly 2,000 colleges and universities that reported data to the U.S. Department of Education. By way of comparison, the average Broadway show in 2008/09 grossed about \$22 million.<sup>29</sup> A majority of the universities in this list belong to one of six major conferences<sup>30</sup> and have widely-recognized names. Most play football at the highest level (FBS). It is universities from this list which year after year dominate the final rankings in college football and, to a lesser

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<sup>29</sup> In the 2008/09 season, the average Broadway show grossed \$21.9 million. (There were 43 shows, and they grossed a total of \$943.3 million. Gans, Andrew, "Broadway Grossed Nearly \$1 Billion in 2008-2009," *Playbill.com*, May 26, 2009.

[http://www.playbill.com/news/article/129587-Broadway\\_Grossed\\_Nearly\\_\\$1\\_Billion\\_in\\_2008-2009](http://www.playbill.com/news/article/129587-Broadway_Grossed_Nearly_$1_Billion_in_2008-2009), 9/12/09

<sup>30</sup> Atlantic Coast, Southeastern, Big Ten, Big 12, Pacific Coast (Pac-10), and Big East.

extent, men's basketball. The list includes all of the top 25 highest ranked football teams in 2009 and 18 of the top 25 teams in basketball in 2009/10.<sup>31</sup>

Although all are known for their athletic teams, these universities can by no means be lumped together as "jock schools." In fact, some of them are among the best universities in the world. More than half of the entire list of 100 universities with big-time programs are recognized for their strong academic programs: 53 of them were ranked among either the top research universities in the Shanghai Jiao Tong University ranking or the top national universities as determined by *U.S. News*.<sup>32</sup> In other words, the University of Texas has a lot of company. Dozens of American universities contain within them these two strikingly different enterprises, the academic one devoted to the traditional activities of research and teaching and the athletic one engaged in supplying a wildly popular form of commercial entertainment.

## A Preview

Although they rarely acknowledge it, the American universities that operate big-time, commercial sports enterprises are in the entertainment business. University leaders often justify these enterprises on instrumental grounds, for their supposed ability to boost student applications and alumni donations, for example. But a more reliable explanation for their existence is that university stakeholders simply desire them because they want to have competitive teams. To be successful in this business, a university must have within it an enterprise that is quite different from the other, academic entity that controls the traditional functions of teaching, research, and service. Thus two dissimilar enterprises have come to coexist within these universities in a reluctant but necessary symbiotic embrace, each one needing something only the other can provide, but each one wary of the other. The educational side of the university desires athletic success because its stakeholders demand it, though it is reluctant to use educational funds to subsidize it. The entertainment side – comprised largely of the athletic department – needs the academic imprimatur that only the educational side can provide. Owing to the education side's reluctance to provide subsidies to it, the athletic side is driven to exploit the commercial value of its product. But the uneasy marriage between these two disparate entities is constantly threatened by two imperatives: the desire to win and the need to raise revenue to make that possible.

Because of the popularity of intercollegiate athletics, these universities have become major players in the nation's entertainment industry, and their social significance exists to a large extent in the world of popular, or populist, culture. Not only do these universities compete with

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<sup>31</sup> See <http://espn.go.com/college-football/rankings/> /year/2009, 5/11/10. Basketball is less dominated by these 100. Basketball rankings are from *espn/usatoday*; <http://sports.espn.go.com/ncb/rankings?seasonYear=2010>, 5/11/10.

<sup>32</sup> Refers to the top 90 American universities as listed by Shanghai Jiao Tong University Center for World-Class Universities 2008 and the top 101 national universities listed by *U.S. News* in their 2010 ranking. <http://www.arwu.org/rank2008/EN2008.htm>, 9/11/09.. *U.S. News and World Report* 2010 Edition, August 2009; <http://colleges.usnews.rankingsandreviews.com/best-colleges/national-universities-rankings>, 9/4/09. Because universities were ranked by group, it was not possible to identify just the top 100 in either ranking.

one another for research grants or faculty, they also compete with *American Idol* and professional sports for the attention of the average citizen. Contrary to the impression that universities give in their official statements, therefore, entertainment has in fact become a significant function of these American universities. Recognizing this entertainment function and the inherent conflicts it brings with it helps to explain some otherwise curious aspects of American higher education. Not only does it explain the outsized attention given to sports in big-time sports universities, the high salaries paid to coaches, and the rampant commercialism, it also helps to explain the value of the NCAA cartel and the reluctance of universities to acknowledge the importance of athletics to their overall missions.

It should come as no surprise that the pursuit of athletic success can lead to some inherent problems. In the winner-take-all environment of athletic competition, in which success is defined only in relation to the competition, there is no natural stopping point to spending. There will always be ways to spend more money that will increase the chance of coming out ahead. Central to the ability to win is recruiting high-value athletes. In carrying out this all-important function, the imperative to win makes it logical to push to the limit whatever rules exist. This imperative also heightens the importance of getting the best coach and having the best facilities. Thus being competitive implies constant pressure on both budgets and recruiting rules. One implication is that the kinds of problems associated with big-time college sports are not amenable to any kind of easy structural fix, because they are a direct consequence of deliberate and clear-eyed decisions. Hence, there is a fundamental tension in these universities between the academic and entertainment functions. It is not easily resolved.

Despite its well-documented problems, the entertainment function in America's big-time sports universities is not an altogether bad thing. Not only are students and alumni provided with games to attend, teams to follow, and communities to be a part of, the inhabitants of surrounding cities and states get something to cheer for and be proud of. Often, the teams that are the objects of this attention and devotion are also models of interracial tolerance and cooperation, and they offer examples of high achievement from humble origins. Perhaps these benefits could be derived in other ways or at less cost. But regardless of one's ultimate calculation of the benefits and costs of big-time sports, viewing these universities through the prism of their athletic operations leaves little alternative but to revise our view of their basic functions. Just as surely as they perform the traditional functions of teaching, research, and service, these universities are also in the entertainment business.



**Table 1.1. Top 100 Universities by Expenditures on Athletics,  
in Millions of Dollars, Fiscal Year 2009**

Rank	University	Expenses (\$ M)
1	University of Texas at Austin	112.9
2	Ohio State University	102.1
3	University of Florida	101.5
4	Louisiana State University	94.0
5	University of Tennessee	92.5
6	University of Wisconsin-Madison	87.7
7	Auburn University	85.5
8	University of Alabama	81.8
9	University of Oklahoma	81.4
10	University of Southern California	80.2
11	University of Michigan-Ann Arbor	79.2
12	University of Georgia	76.5
13	Pennsylvania State University	76.5
14	University of South Carolina	75.6
15	Stanford University	74.7
16	University of California-Berkeley	73.4
17	Florida State University	73.1
18	Duke University	71.1
19	University of Iowa	70.7
20	University of Minnesota	70.3
21	University of North Carolina at Chapel Hill	70.0
22	Texas A & M University	70.0
23	Oklahoma State University	68.8
24	University of California-Los Angeles	66.2
25	University of Kentucky	65.9
26	University of Kansas	65.8
27	University of Notre Dame	64.7
28	University of Virginia	63.7
29	University of Arkansas	62.9
30	Boston College	62.9
31	University of Nebraska	62.8
32	Michigan State University	60.9
33	University of Washington	60.6

34	University of Oregon	60.2
35	University of Maryland-College Park	59.7
36	University of Connecticut	58.5
37	Purdue University	57.5
38	Clemson University	56.2
39	University of Missouri	55.6
40	Indiana University	55.1
41	University of Miami	54.5
42	University of Louisville	54.4
43	Rutgers University	54.1
44	University of Illinois at Urbana-Champaign	53.7
45	West Virginia University	53.4
46	Arizona State University	53.3
47	Syracuse University	52.1
48	University of Arizona	51.6
49	Virginia Tech	50.9
50	Oregon State University	50.2
51	Northwestern University	48.6
52	Baylor University	48.5
53	University of Colorado at Boulder	48.2
54	Georgia Tech	48.1
55	Texas Christian University	46.5
56	Kansas State University	46.1
57	University of Pittsburgh	45.8
58	North Carolina State University	45.8
59	Iowa State University	45.8
60	Vanderbilt University	44.1
61	Wake Forest University	43.9
62	Texas Tech University	42.3
63	University of Mississippi	41.3
64	Mississippi State University	36.5
65	Washington State University	35.9
66	Brigham Young University	35.6
67	Southern Methodist University	35.4
68	University of South Florida	35.1
69	University of Cincinnati	35.0
70	San Diego State University	34.5
71	University of Memphis	33.5
72	University of New Mexico	32.0
73	University of Nevada-Las Vegas	31.9
74	University of Utah	31.0

75	Rice University	30.7
76	University of Hawaii at Manoa	30.5
77	University of Central Florida	30.0
78	University of Houston	29.6
79	Georgetown University	29.0
80	East Carolina University	28.4
81	University of Tulsa	27.1
82	Temple University	26.9
83	California State University-Fresno	26.7
84	New Mexico State University	25.6
85	Miami University-Oxford	24.7
86	University of Wyoming	24.7
87	University at Buffalo	23.4
88	University of Texas at El Paso	22.9
89	Central Michigan University	22.5
90	University of Alabama at Birmingham	22.4
91	Eastern Michigan University	22.0
92	Ohio University	21.9
93	Colorado State University	21.7
94	Western Michigan University	21.7
95	University of Nevada-Reno	21.4
96	Florida International University	21.3
97	Western Kentucky University	21.0
98	Tulane University of Louisiana	20.8
99	Boise State University	20.5
100	Marshall University	20.0
		\$5,045.2

Source: U.S. Department of Education.

<http://www.ope.ed.gov/athletics/GetDownloadFile.aspx, 5/11/10>