
Today's News

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Sharp Growth in Athletics Fund Raising Leads to Decline in Academic Donations on Some Campuses

By [BRAD WOLVERTON](#)

As the country's biggest athletics departments have sought ways to pay for multimillion-dollar facility expansions, coaches' salaries, and other rising costs, their fund-raising operations have experienced enormous growth. But contributions to sports programs are eating up an ever-larger share of donations to colleges, *Chronicle* research suggests.

The country's largest athletics departments and booster clubs raised more than \$1.2-billion in 2006-7, a *Chronicle* [survey](#) has found, with some programs more than tripling their gifts in the past decade.

Growth in new facilities has fueled much of the increase: Between 2002 and 2007, colleges in the nation's six premier athletics conferences raised more than \$3.9-billion for capital expenditures alone.

Over the next few years, big-time athletics programs hope to raise an additional \$2.5-billion for new buildings, the survey found. And many programs are expanding their fund-raising staffs to solicit big gifts.

But the sports fund-raising success has come at a cost: While donations to the country's 119 largest athletics departments have risen significantly in recent years, overall giving to those colleges has stayed relatively flat, according to an article in the April issue of the *Journal of Sport Management*, which analyzed fund-raising figures reported by colleges to the Council for Aid to Education.

Among the surveyed institutions, athletics departments brought in an [increasing share](#) of the colleges' overall donations. In 1998 athletics gifts accounted for 14.7 percent of overall gifts. By 2003 sports donations had reached 26 percent.

The shift has frayed relations among fund raisers soliciting the same donors and has led to broader concerns about the growing importance of sports as overall funding for colleges has stagnated.

"There's a fear among faculty members that there is a discrete amount of money that alums and non-alums are willing to commit," says Dennis R. Howard, a professor of business at the University of Oregon and co-author of the article in the sports-management journal. "And the more the athletic program gets, the less there is to support the academic programs."

Unparalleled Growth

Athletics departments have relied on private donations for decades. But in recent years, as spending on sports has grown at a rate three times faster than that for spending on the rest of the campus, athletics programs have turned to donors as never before.

And sports fans have delivered. Last year 27 athletics programs raised more than \$20-million each, the *Chronicle* survey found. Ten programs brought in more than \$30-million each.

The University of North Carolina at Chapel Hill led the way, collecting \$51-million. Next were the University of Virginia, Ohio State University, the University of Florida, and the University of Georgia.

As sports needs have grown, athletics fund-raising has become an increasingly sophisticated business, with some programs overseeing multimillion-dollar licensing deals, affinity-credit-card programs, preferred seating, even game-day parking privileges. One booster club, Seminole Boosters Inc., at Florida State University, is securing \$70-million of debt for the university's athletics facilities.

One way programs bring in revenue is fairly straightforward: They charge a seat-license fee for football and basketball, requiring fans to make donations to secure their tickets. For seven out of 10 sports donors, that is the only contribution they make, research shows. To get the best seats, however, donors must contribute more -- often considerably more.

Seat-license fees, which start as high as \$2,000 in some programs, have led some donors to cut back their contributions to other parts of the college, says Jeffrey L. Stinson, an assistant professor of marketing at North Dakota State University, who has studied the effect of athletics fund raising on total giving to colleges.

"We don't necessarily see a decrease on a dollar-for-dollar basis," he says. "But you do see donors cut back a little on that academic gift because they just don't have the capacity."

Some booster clubs, including the Tiger Athletic Foundation at Louisiana State University, have overcome that problem by allowing academic contributions to count toward premium seating and other sports perquisites. In other words, a \$10,000 gift to LSU's chemistry department, for example, will help buy better football tickets.

Ticket-license fees, along with revenue from luxury suites and premium seats, have helped many athletics departments grow quickly. So have mega-gifts. Last year T. Boone Pickens, a billionaire businessman, gave \$165-million to the athletics department at Oklahoma State University. In August, Philip H. Knight, co-founder of Nike, and his wife, Penny, donated \$100-million to the sports program at the University of Oregon.

Many athletics programs are seeing their biggest gains well below that level, however. LSU's booster club, which brought in \$35-million last year, saw its biggest jump in donors who give \$100,000 a year, says Ron Richard, chief executive officer of the club. The university has also doubled the number of athletics donors who give \$5,000 a year, to more than 200.

"With that amount of money, you get a guy who's on his way up," Mr. Richard says. "He's not a millionaire yet, but he's going to be."

By focusing on the wealthiest donors, even programs with smaller enrollments have grown quickly. Just 4,400 alumni make annual contributions to the athletics department at Wake Forest University, only a fifth as many as at some of its peer institutions. But Wake's supporters each give an average of \$3,000 a year.

Enticements to Give

To get the really big gifts, programs often entice donors with behind-the-scenes access, such as sideline passes and private dinners in coaches' homes. Three years ago, Wake Forest established the Moricle Society, for donors who contribute at least \$55,000 a year. The program has brought in an extra \$1-million a year for the athletics department. Society members fly free on teams' charter flights, are wined and dined, and get private "chalk talks" from coaches before games.

"We don't skimp on these people," says Cook Griffin, executive director of the Deacon Club, Wake's athletics fund-raising arm. "You can't spend too much on them."

Many athletics officials say they work hand-in-hand with their colleges' development offices, and that their efforts have led more donors to contribute to the college's general fund. At the University of Louisville, where private donations have nearly tripled in the past decade, to more than \$30-million last year, Rick Pitino, the basketball coach, recently visited a prospective donor to help land a big gift for the medical school.

At Louisiana State, Mr. Richard says he works closely with William G. Bowdon, chief executive of the LSU Foundation, the university's general fund-raising arm. The two men spent more than 30 years together in the Marine Corps, and their friendship has paid off. Within the past six months, the athletics fund helped arrange \$8-million in donations to academic programs, Mr. Richard says.

But critics at some colleges complain that the athletics fund-raising arm operates independently from the general development program, acting more like a marketing department than a charitable organization. Fund raisers in one big-time sports program recently installed their own software program to help cultivate donors, shutting out the university's development staff, says Mr. Stinson, the North Dakota State professor. In many programs, he says, there is "at least a competitive relationship if not an antagonistic one," between athletics fund raisers and college development officers.

Twenty years ago, athletics was the "stepchild" of fund raising -- but not anymore, says Bruce Flessner, a fund-raising consultant who works with many large colleges.

"They were the guys doing the golf tournaments, and no one took them seriously," he says. "Now they've pushed themselves front and center, and they're eating a big slice of the philanthropic pie."

College fund raisers play down the tension between the two sides.

"I don't want to give the impression that there's no rub from time to time as athletics is trying to raise money from big donors," says Bill Sturtevant, vice president for principal gifts for the University of Illinois Foundation. "But those things happen with other programs, too, and you just have to coordinate and work it out."

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A PROFILE OF FUND RAISING FOR ATHLETICS IN 6 MAJOR CONFERENCES

Athletics donations have risen sharply in recent years. Sixty-four of the 73 colleges in the six major conferences responded to a *Chronicle* survey about fund raising conducted in the past two months. Those responding reported they had raised a total of \$1.2-billion in private donations in 2006-7. Over the past five years, the participating colleges brought in more than \$3.9-billion for capital improvements.

	Donations in 2006-7	Overall rank in donations	Amount raised in capital campaigns for athletics in last 5 years	Goal of current capital campaign for athletics	Number of full-time athletics fund raisers
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Atlantic Coast Conference

U. of North Carolina at Chapel Hill	\$51,000,000*	1	\$230,000,000	--	20
U. of Virginia	\$45,240,112	2	\$188,100,000	--	19
Florida State U.	\$29,100,000	11	\$155,300,000	\$110,000,000	6
North Carolina State U.	\$27,254,723	14	\$125,625,000	--	16
Duke U.	\$25,495,000	17	\$150,000,000	--	15
Georgia Institute of Technology	\$25,000,000	18	--	\$125,000,000	8
Virginia Tech	\$23,680,688	19	\$22,300,000	--	6
Clemson U.	\$23,160,000	22	\$27,000,000	--	6
U. of Miami	\$19,200,000	29	\$63,000,000	\$70,000,000	9
Boston College	\$19,000,000	31	\$64,000,000	--	8
Wake Forest U.	\$12,692,782	46	\$63,000,000	\$87,000,000	9
U. of Maryland at College Park	--	--	--	--	--
Big 12 Conference					
Texas A&M U. at College Station	\$32,100,000	9	\$95,000,000	--	18
U. of Texas at Austin	\$26,000,000	16	\$23,400,000	--	14
Iowa State U.	\$19,600,000	27	--	\$85,000,000	6
Texas Tech U.	\$17,792,269	32	\$140,000,000	--	9
U. of Oklahoma at Norman	\$17,400,000	33	\$120,000,000	--	8
U. of Missouri at Columbia	\$15,000,000	37	\$130,000,000	--	5
U. of Nebraska at Lincoln	\$14,000,000	38	\$31,000,000	\$40,000,000	5
Kansas State U.	\$12,900,000	44	\$90,000,000	--	6
U. of Kansas	\$11,700,000	48	--	--	8
U. of Colorado at Boulder	\$10,849,308	50	--	--	8
Oklahoma State U.	\$9,400,000	53	\$289,000,000	\$115,000,000	6
Baylor U.	--	--	--	--	--
Big East Conference					
U. of Louisville	\$30,600,000	10	\$53,477,000	--	9
U. of Notre Dame	\$15,800,000	35	\$62,500,000	\$84,000,000	3
West Virginia U.	\$13,800,000	40	\$43,000,000	--	7
U. of Cincinnati	\$12,853,639	45	\$50,000,000	\$100,000,000	7

Syracuse U.	\$10,300,000	52	--	--	6
Rutgers U. at New Brunswick	\$7,400,000	55	\$32,000,000	--	5
U. of Pittsburgh main campus	\$6,700,000	58	\$35,000,000	--	
Villanova U.	\$5,400,000	59	\$18,500,000	--	3
Providence College	\$2,000,000	61	--	--	1
St. John's U. (N.Y.)	\$1,900,000	62	\$650,000	\$30,000,000	4
DePaul U.	\$950,402	63	\$3,200,000	--	2
Seton Hall U.	\$930,180	64	\$3,000,000	--	2
Georgetown U.	--	--	--	--	--
Marquette U.	--	--	--	--	--
U. of Connecticut	--	--	--	--	--
U. of South Florida	--	--	--	--	--
Big Ten Conference					
Ohio State U.	\$39,000,000	3	--	\$100,000,000	9
Michigan State U.	\$28,500,000	12	\$121,000,000	--	9
U. of Minnesota-Twin Cities	\$26,122,242	15	--	--	8
U. of Illinois at Urbana-Champaign	\$23,500,000	20	--	\$216,000,000	12
U. of Iowa	\$20,800,000	24	\$15,000,000	--	9
U. of Wisconsin at Madison	\$20,500,000	25	--	\$50,000,000	5
U. of Michigan at Ann Arbor	\$20,490,000	26	\$98,740,000	--	8
Purdue U.	\$19,600,000	27	--	\$80,000,000	4
Indiana U. at Bloomington	\$13,992,652	39	\$80,000,000	--	11
Northwestern U.	\$9,000,000	54	\$15,000,000	--	3
Pennsylvania State U. at University Park	--	--	--	--	--
Pacific-10 Conference					
U. of California at Berkeley	\$34,157,157	8	\$100,000,000	\$125,000,000	12
U. of Washington	\$19,100,000	30	\$80,000,000	\$300,000,000	11
Oregon State U.	\$16,763,000	34	--	\$129,500,000	11
U. of California at Los Angeles	\$15,400,000	36	\$30,000,000	--	12

U. of Arizona	\$13,262,515	41	\$15,464,693	\$25,000,000	6
U. of Oregon	\$12,500,000	47	--	--	9
Arizona State U. at Tempe	\$10,470,000	51	--	--	8
Washington State U.	\$6,907,278	56	--	--	8
Stanford U.	--	--	--	--	--
U. of Southern California	--	--	--	--	8
Southeastern Conference					
U. of Florida	\$37,400,000	4	--	--	11
U. of Georgia	\$36,600,000	5	\$64,180,000	--	8
U. of Tennessee at Knoxville	\$35,800,000	6	--	\$210,000,000	8
Louisiana State U. at Baton Rouge	\$35,000,000	7	--	\$100,000,000	6
U. of South Carolina at Columbia	\$28,200,000	13	\$14,000,000	--	9
Auburn U. main campus	\$23,339,000	21	\$136,000,000	\$30,000,000	5
U. of Alabama at Tuscaloosa	\$22,397,071	23	\$70,000,000	--	6
U. of Kentucky	\$13,200,000	42	\$33,000,000	--	6
U. of Mississippi	\$13,200,000	42	\$32,000,000	--	6
U. of Arkansas at Fayetteville	\$11,500,000	49	\$3,500,000	--	8
Mississippi State U.	\$6,800,000	57	--	--	6
Vanderbilt U.	\$5,309,000	60	\$92,508,000	\$25,000,000	7
* Unaudited					
NOTE: A dash indicates data were not reported.					
SOURCE: <i>Chronicle</i> reporting					

TRENDS IN GIVING TO ATHLETICS PROGRAMS

Year	Average athletics donation per institution	Proportion of total gifts going to athletics
1998	\$858,613	14.7%
1999	\$1,071,281	16.9%
2000	\$1,237,649	16.9%
2001	\$1,543,396	17.8%

2002	\$1,674,970	22.9%
2003	\$2,105,787	26.0%

NOTE: The figures cover gifts by alumni to the 119 NCAA Division I-A institutions.

SOURCE: Jeffrey L. Stinson and Dennis R. Howard

Background articles from *The Chronicle*:

- [Big Spending on Sports Can Injure Institutions' Credit Rating, Report Says](#) (7/17/2007)
- [More Than 40 Athletics Programs Are Exploring Life-Insurance Policies on Boosters](#) (4/24/2007)
- [A Gift for Athletics From a Wealthy Oilman Triggers a Furor at Oklahoma State U.](#) (2/20/2006)
- [Oklahoma State U. Receives a Record \\$165-Million Donation for Athletics](#) (1/11/2006)

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