

2013-14 D1 Revenue

Data for 2013-14

	Division 1	Teams (As of 2012-13) in The Six Major Conferences
GRAND TOTAL REVENUE	\$11,081,452,320	\$5,977,882,641
Directly Attributable to Football	\$3,808,261,914	\$2,917,413,086
Directly Attributable to Basketball	\$1,433,995,521	\$797,308,416
Directly attrib to other men's sports	\$963,942,077	\$262,475,047
Directly attrib women's sports	\$1,782,368,971	\$425,341,678
Directly attrib Co-Ed sports	\$4,733,486	\$2,082,153
Unallocated by Sport	\$3,092,091,697	\$1,575,019,254

With Adjustments to Allocate the Unallocated

Just Football (CFB) + Men's Basketball (MBB)	\$5,242,257,435	\$3,714,721,502
CFB+MBB + proportional share of unallocated	\$7,271,349,471	\$5,043,672,572
CFB+MBB+All unallocated	\$8,334,349,132	\$5,289,740,756
ALL Revenue	\$11,081,452,320	\$5,977,882,641
CFB+Share	\$5,282,305,113	\$3,961,125,042
MBB + Share	\$1,989,044,358	\$1,082,547,531
<i>Total (should match row 12)</i>	\$7,271,349,471	\$5,043,672,572

Consistently High Growth

- In 1985, the mean D1A revenues per school were **\$6.8 million**. In 2010, the FBS median (in 2008, the calculations done by the author switched from mean to median) revenue per school was **\$48.3 million** (ratio of 7.1). That's a growth rate of over 8% per year, which is much higher than U.S. economy (5% unadjusted for inflation...ratio of 3.4).
 - 10% growth since 1970.
- Coaches pay has jumped 13% *per year* from 2006-2011 at FBS schools – some make \$5MM/yr.
- More than 85% of university presidents at D1A schools said coaching pay was excessive (n=95).

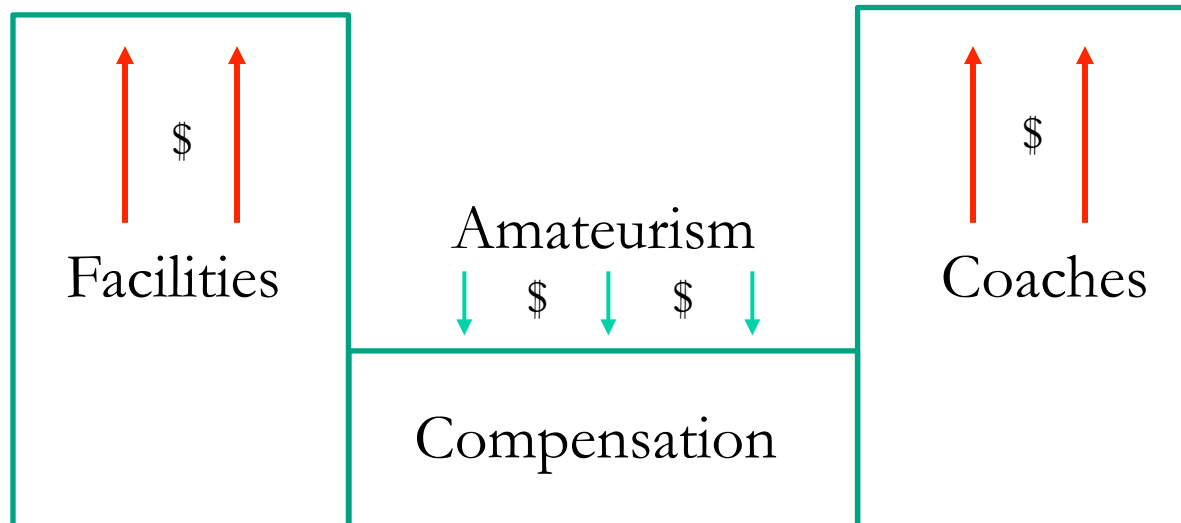
Competitive Input Markets



- Athlete decision-making on which school to choose is led by coaches, facilities, school attributes, size of scholarship/compensation.

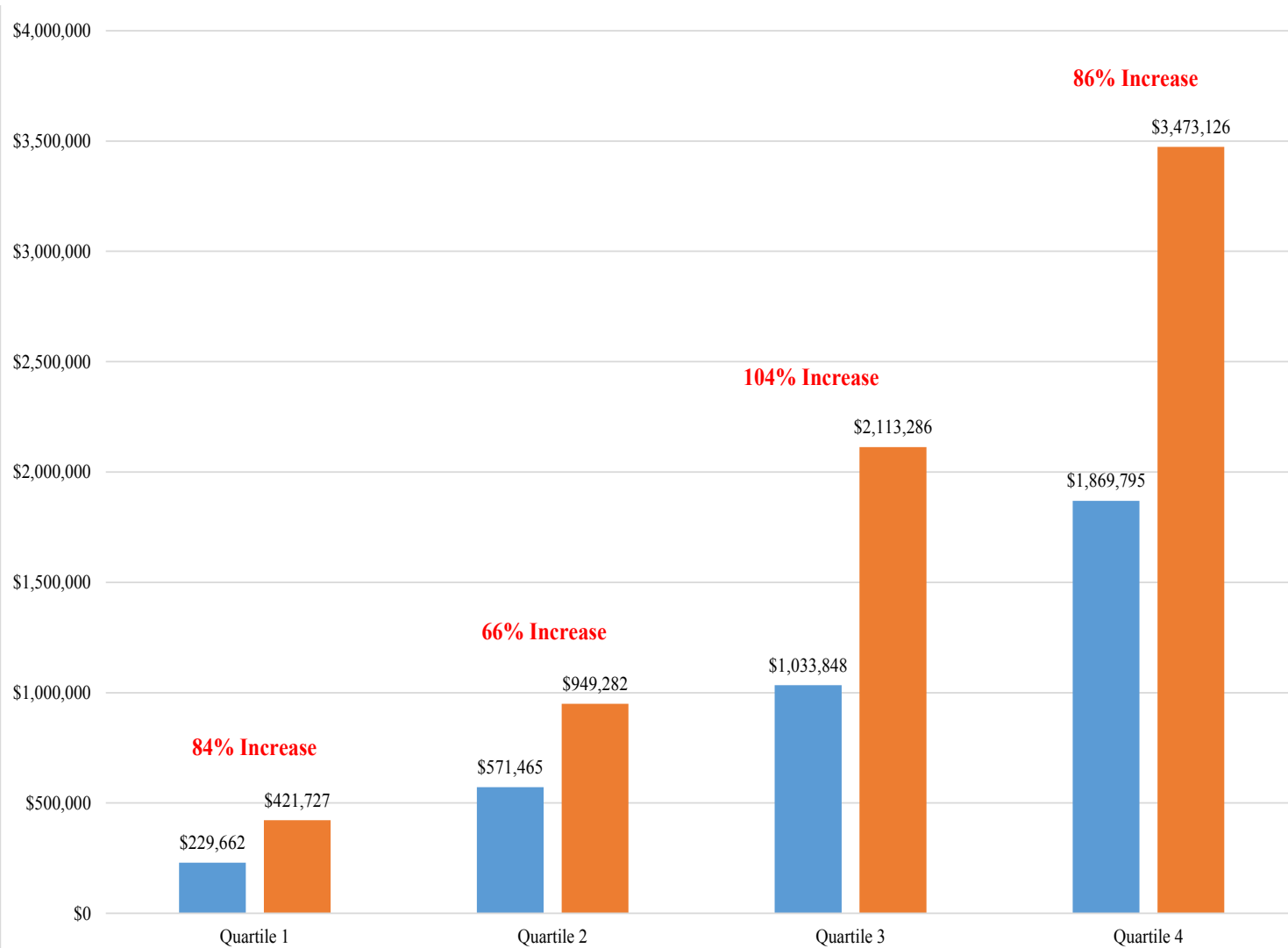
Non-competitive Input Markets

Inefficient Substitution



- Capping one factor (compensation) only makes schools invest more in the other factors (e.g., facilities and coaches).
- Spending is not reduced with amateurism rules, just re-allocated.

Figure 8: FBS Football Head Coach Salaries by Quartile Mean, 2006-2013



Source: USA Today

Note: Removed all zero and "N/A" observations from Total Pay.

Distributions for the quartiles are adjusted towards the median.

■ 2006 ■ 2013

"McKay Center Gives USC 'Huge' Recruiting Edge."

Baylor: "Along with the impact it will have on the experience of current Baylor athletes, the new complex will help boost **recruiting** efforts, McCaw says. 'It's going to be a spectacular, well-equipped complex that will showcase our athletic programs and compare very favorably to facilities at other Big 12 schools. I can't wait to show it to **recruits**'."

Texas: "Provide sufficient personnel and facilities to conduct regular season home athletics events and championship events that encourage spectator attendance, assist in the **recruiting** of prospective student-athletes, and attract potential donors."

West Virginia: "For **recruiting** purposes it is essential that our facilities exceed the expectations of prospective student-athletes and compare favorably to other schools in the BIG 12 and the nation. As always, maintaining facilities and strategically planning for the future is an ongoing process."

Nebraska: "As part of the \$8.7 million renovation of the West Stadium, \$1.8 million was designated for updating Nebraska's historical displays in Memorial Stadium. These updates enhance the game day environment for fans at Memorial Stadium and assist the Huskers' **recruiting** efforts for future student-athletes."

Kansas State: "this facility will provide a showcase for our coaches to **recruit** the best and brightest student-athletes in the country, complementing our incredible game day atmosphere, ideal college town and world-class university experience."

Syracuse: "'The renovations to our facility will directly impact the accomplishments of our football program, as well as provide an enormous positive effect on our **recruiting** endeavors,' Marrone [Syracuse Coach] said in a statement."

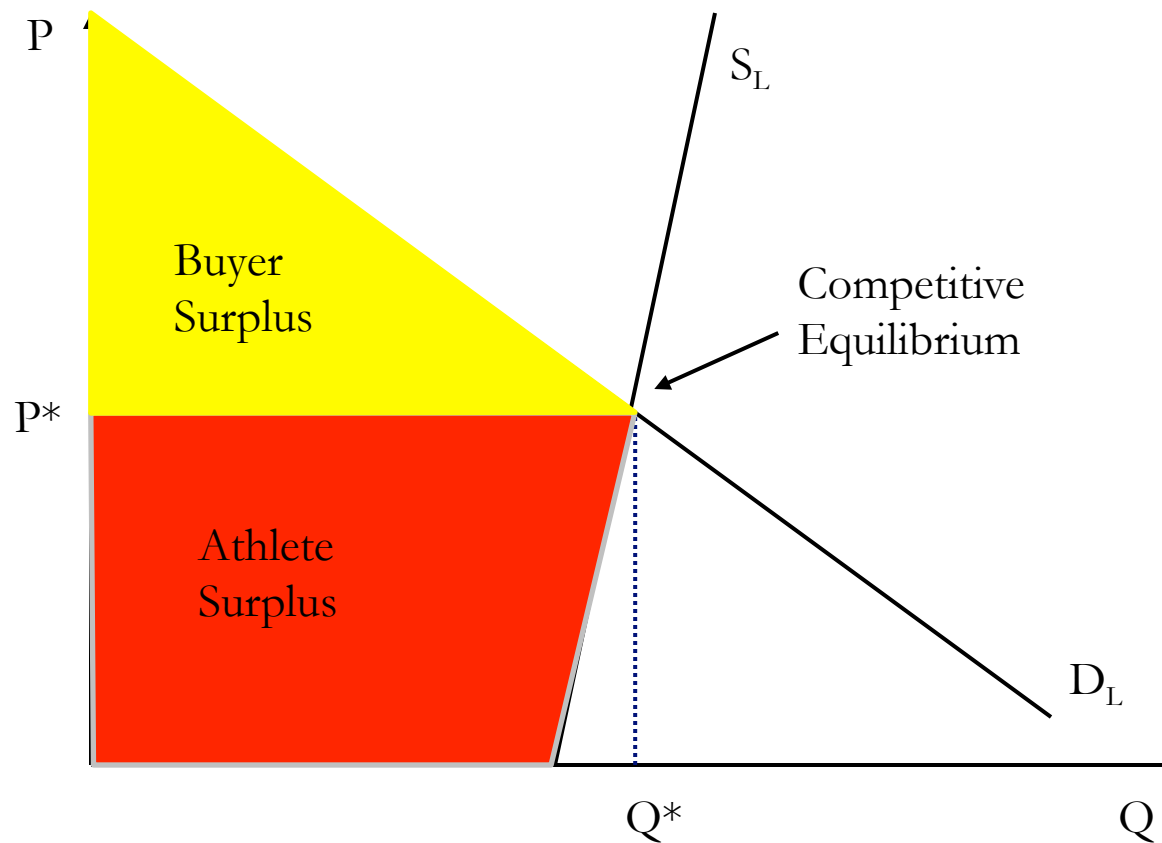
Alabama: "Through generous private support, we now have some of the finest facilities in the country. These facilities provide Alabama Athletics with a **recruiting** tool to attract elite student-athletes from around the world to compete for the University of Alabama."

Wisconsin: "While these facilities have had a positive impact on our athletic program, a number of our sports remain at a competitive and **recruiting** disadvantage due to inadequate athletic facilities as compared with our peer institutions."

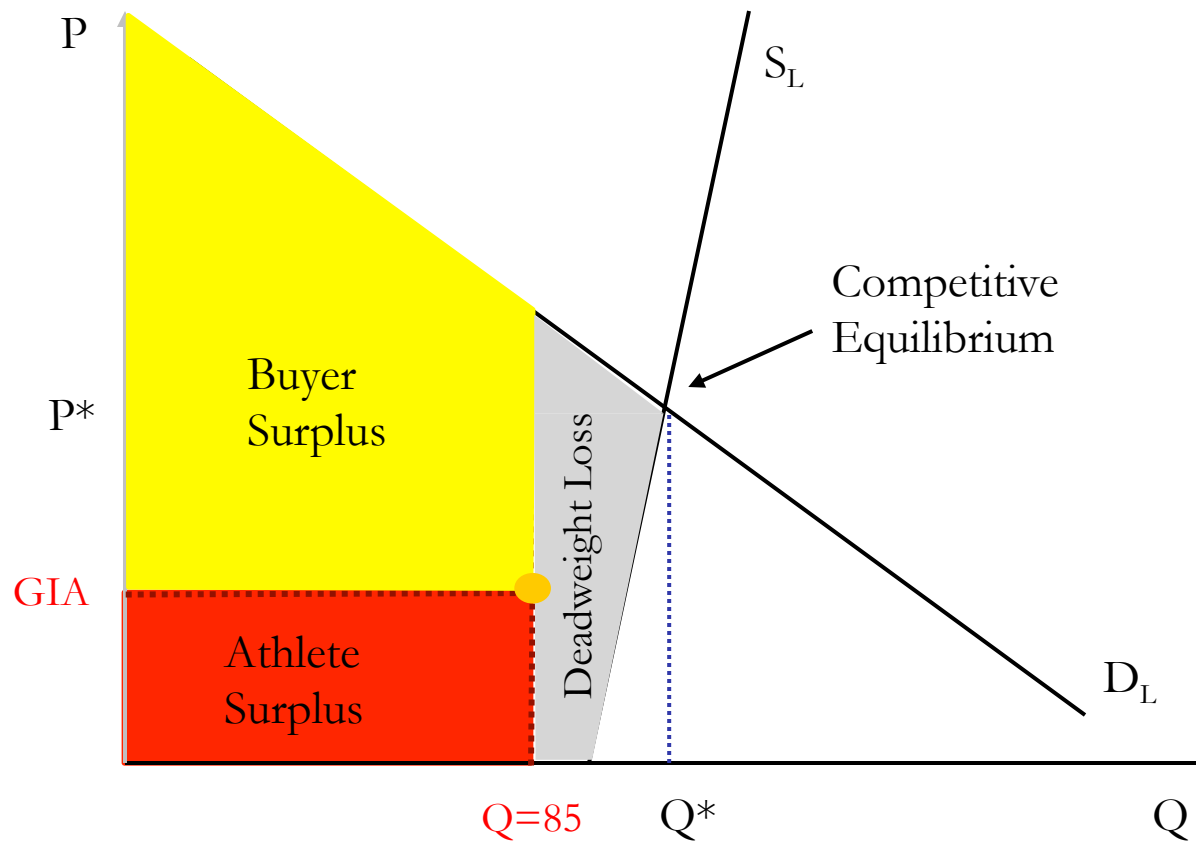
Colorado State: "In 1998, Colorado State enhanced its weight room and built an academic center as part of the McGraw Athletic Center project, but these facilities no longer meet the needs of its expanded student-athlete base, nor do they allow the Rams to compete for top-quality **recruits**."

Iowa State: "Sukup Basketball Complex | Men's and Women's Basketball: The 29,000 square-foot facility, located less than three miles from campus in west Ames, is without a doubt one of the finest of its kind nationally."

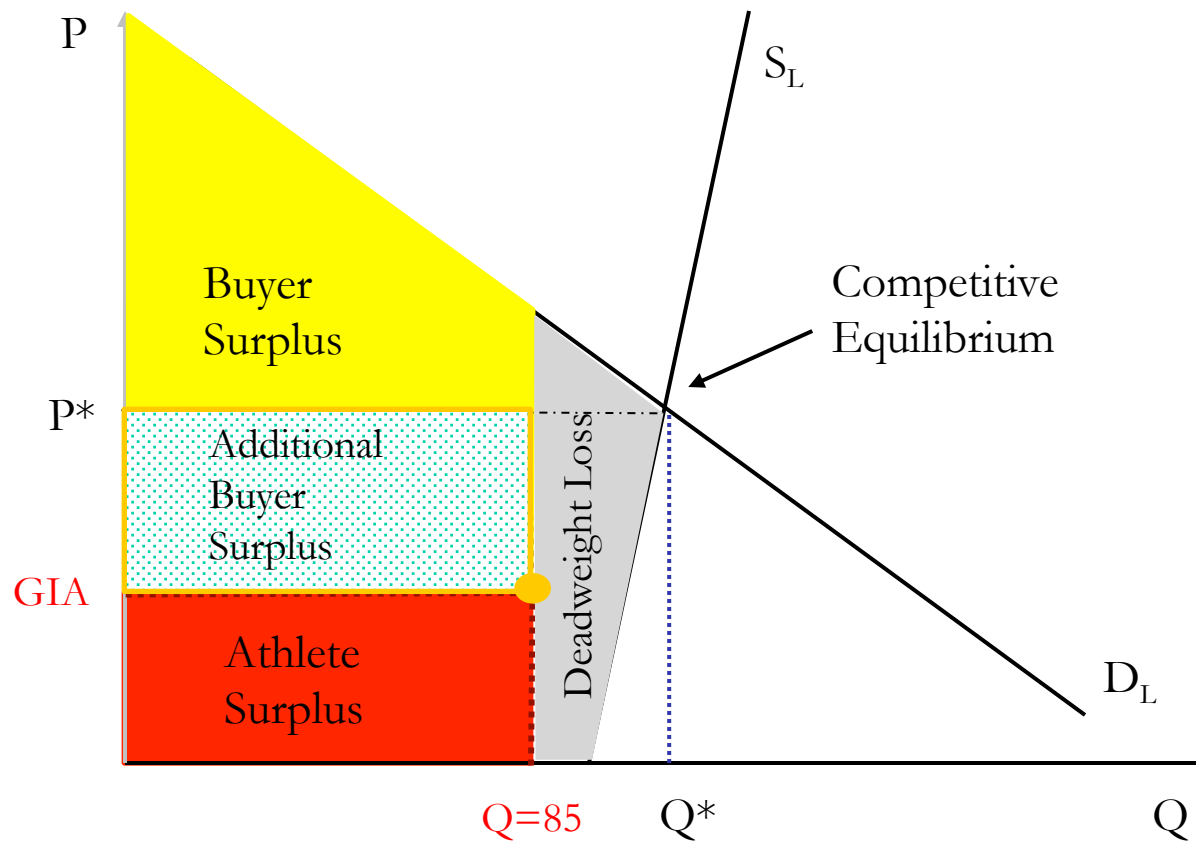
Market for College Athletes



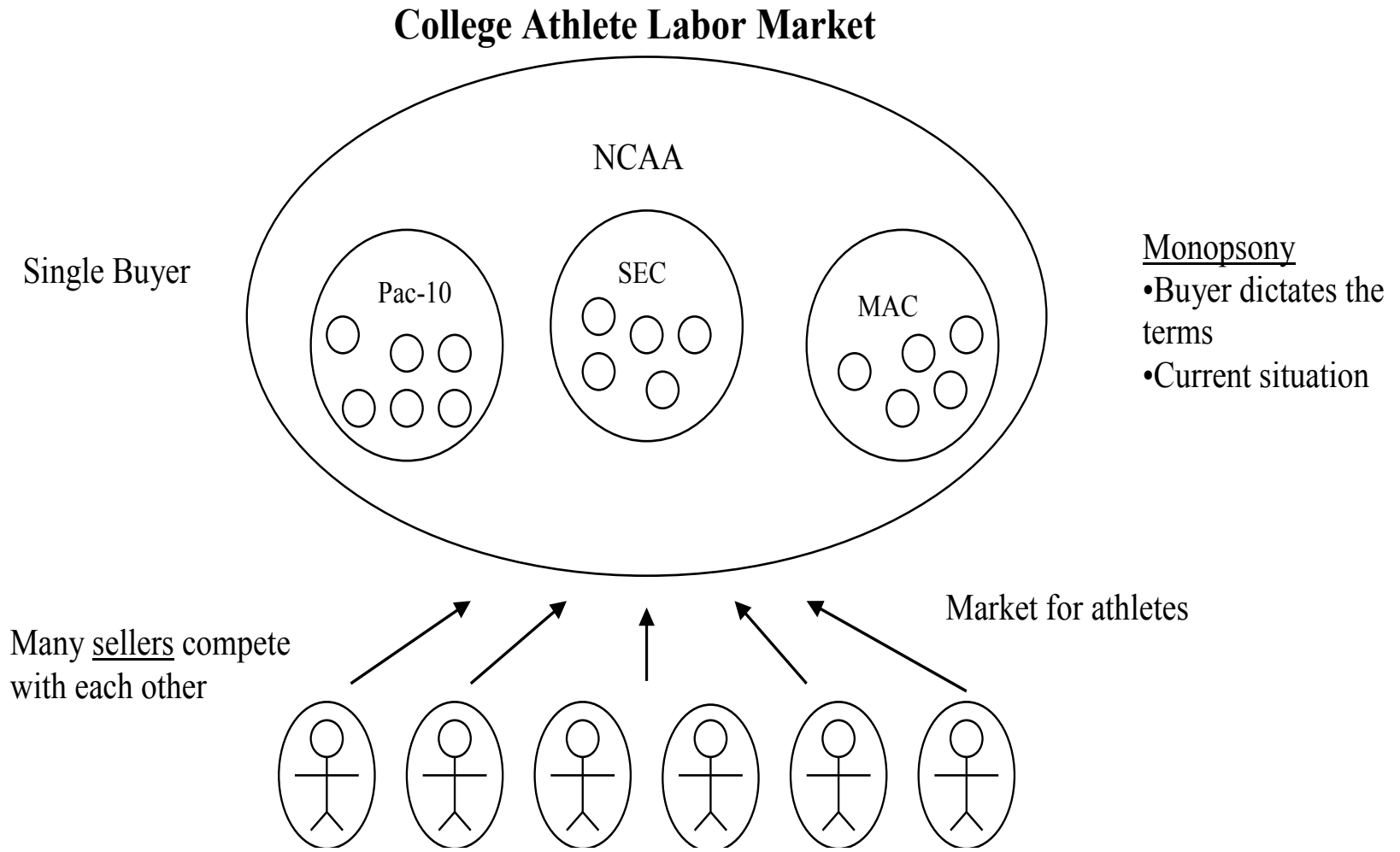
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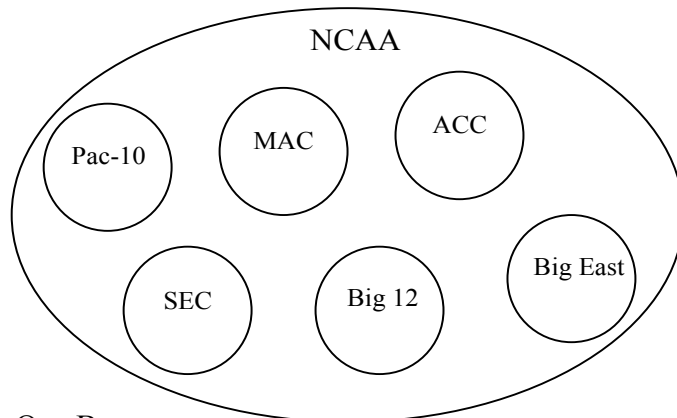
Solutions by Other Leagues



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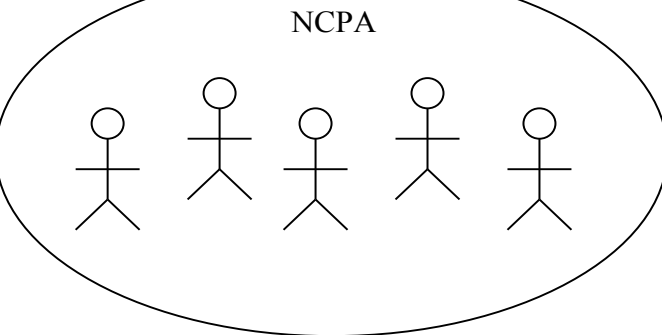
2 Solutions

Labor Effort



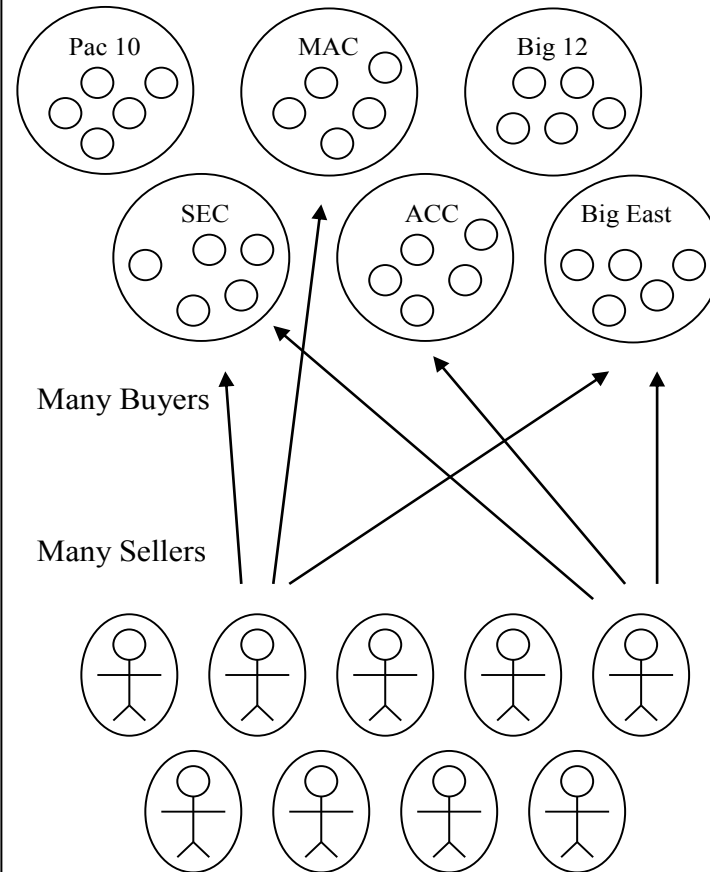
One Buyer

One Seller



Collective bargaining occurs and fair compensation is agreed upon.

Antitrust Effort



Many Buyers

Many Sellers

Competition leads to fair compensation.