

FOOTBALL FINANCES, 1991/92

In part because the accounting system of the athletic department has grown more responsive, it is possible this year to give an interim financial report on the football season just ended, although some of the figures—in particular, average ticket prices and general fund support—must be based on estimates and calculated values.

The picture that emerges is one of strenuous effort to achieve the impossible. Anyone who has been around the athletic offices lately must realize that they are run on a far from lavish scale. In every area but salaries, where the addition of new assistant athletic directors has increased expenditures considerably, the overall athletic program is struggling to contain costs.

Nowhere is this more apparent than in the football program, but nowhere is it more futile. As Athletic Director Lou Marciani freely admits and the Commissioner of the Gateway Conference said in a recent news article, Division IAA football is expensive. Any school playing football at this level must be prepared to subsidize its program heavily.

Western's athletic establishment maintains the expense is justified, citing all the standard arguments—from public relations benefits to promoting clean living—that were amply rebutted in a Senate report three years ago. No one has replied to this report. The coaches and a.d.'s doggedly reassert their habitual views without recognizing opposing arguments.

The recent NCAA proposal to establish Division I AAA for football programs without scholarships might have allowed schools like Western to keep football but reduce the cost. Unfortunately, the proposal was defeated. Moreover, our athletic establishment says now that although Western voted for the new division, we are committed to IAA and would not have played in IAAA even if it had been approved.

Meanwhile, WKU continues to pour money into football. As the following tables show, our efforts to contain costs kept expenditures essentially level from 90/91 to 91/92. Audited results are not yet in, but it seems so far as if football will stay beneath its budget this year, for the first time in memory. The team saved a bit on travel, but its greatest economy was not expending \$30,000 budgeted for guarantees to visiting teams.

Unfortunately, revenues were sharply down for the year, possibly because the team did not do well, but also because many fans were uninterested in games against our new conference rivals Northern Iowa and Eastern Illinois, spectacular bombs at the

turnstiles. Meanwhile, Marciani warns, the wide geographical spread of the Gateway Conference means that travel expenses will increase in the future, so this year's travel savings are unlikely to be repeated.

The bottom line is that this season's football expenses minus sales and other direct income increased by about \$50,000 over the previous year. Deducting sales and other direct income from expenses left a balance for the year of \$770,000 to be covered by 1) allocations from the year's student athletic and activity fees pool (football is currently allotted 23% of this money); 2) institutional scholarship funds, and 3) general fund support. Actually, of course, scholarships come from the general fund also, so the last two items represent the amount of general resources Western will devote to football for the year: \$638,369, as opposed to \$591,770 for 1990/91, an 8% increase in institutional commitment.

A couple of additional notes may be helpful. The figures given here differ from ones circulated elsewhere primarily because athletic scholarships have been switched to a nonathletic account in the university budget, "Scholarships Institutional." This report puts them back where they used to be, as an expense of the athletic program.

Secondly, in several categories reported scholarship expenses for football in 1991/92 are oddly lower than for the previous year. This seems to fly in the face of inflation. Western's 1991/92 Grants Budget lists lower totals for food, books, and housing than the audited figures for 1990/91 show were spent that year.

In one case the difference is large, and located in a sensitive area. Food for the 90/91 team cost \$175,000. The budget for 91/92 projects this cost as \$133,000, a decrease of \$42,000, or 24%. The new figure, which works out to a per diem food allowance of as little as \$7.50 per player, seems unrealistic. Possibly the expense is understated or Food Services is undercharging the team. In either case the item needs further checking.

Findings

It will surprise no one that in spite of genuine efforts to shave costs Western continues to lose money playing Division IAA football. This year revenues fell, requiring an 8% increase in institutional support for the program. And there are indications that scholarship money for football may be underbudgeted, which—if true—might lead us back into the bad old pattern of yearly budget overruns.

However, the picture is really bleaker than it appears on the surface. A number of national reports have made it clear that the real costs of fielding an athletic team are rarely reflected in its

budget, even when budgets include scholarships, which Western's currently do not. A large part of the maintenance, materials, and utilities expense for the football stadium should be charged to the football program. So should a significant portion of other budgets, such as the athletic trainer's operation (\$240,000 this year) and the athletic office budget, which soared from \$186,000 in 90/91 to \$348,000 currently. Taking athletics' own revenue-allocating factor of 23% into account, these last two items would add another \$135,000, or 15%, to the cost of IAA football at Western. This money, not balanced by sales, represents an additional dip into general resources.

Nor does the future look bright. If anything, increased travel costs and decreased fan interest associated with Western's entry into the Gateway Conference will further erode the football program's balance sheet. While Dr. Marciani gamely maintains that the marketing efforts and budgetary oversight of his new assistant athletic directors will improve the situation, his assessment is hopeful at best. It's not that the people in athletic administration—who are very good—or the players—who are probably very good people—or even football—which is doubtless a very good sport—are at fault. IAA football at a school with Western's resources and traditions is simply an extremely dubious undertaking.

At a time of budget scares, crowded classrooms, understaffed departments, and deferred maintenance continuing to compete in IAA football seems a highly irresponsible undertaking too.

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FOOTBALL FINANCES, 1991/92

	91/92	90/91	
Sales and Endowment Income			
Ticket Sales	\$85,188 ¹	101,383 ²	
Guarantees	25,000 ³	45,000 ²	
Endowment Income	5,290 ³	5,000 ⁴	
Sports Network	2,000 ³	2,000 ⁴	
	117,478	153,386	23% decrease
Expenses			
Salaries & fringes	338,010 ³	335,005 ²	
Materials & supplies	85,887 ³	69,662 ²	
Travel	56,500 ³	71,668 ²	
Equipment	5,000 ³	39,205 ²	
Scholarships	408,450 ⁵	375,223 ²	
	893,847	890,763	flat
Expenses minus Revenues	776, 369	737,350	5% increase
Allocations and General Fund support			
Student fees X 23%	138,000 ³	145,580 ⁴	
Scholarship pool	408,450	375,223	
General Fund	229,919 ⁴	216,547 ⁴	
	776,369	737,350	

¹Bobby Houk

²Financial Records System

³Barry Brickman

⁴Calculated

⁵Grants Budget, Pam Herriford

FOOTBALL ATTENDANCE, 1991

Arriving at reliable figures on football attendance is difficult because there are so many ways of getting into a game and so many rates at which tickets are sold. Moreover, the ticket office is rushed at this time of year, according to Bobby Houk, ticket manager, so that a firm audit of football sales is not performed until well into the following spring. No audited figures, even for net sales, are yet available for the 1991 season.

Nevertheless, numbers can be arrived at with a degree of confidence, at least for paid attendance, and university estimates of total attendance at each home game are available. In the following table, sales figures are unaudited numbers from the ticket office. Bobby Houk says these are "fairly accurate." Total attendance numbers come from the same source. These total attendance figures are estimates viewed with skepticism by many.

Because there are several season ticket plans, ranging from \$75 to \$16 as part of a family package, and because individual game tickets range from \$7 to \$2 for children, this report estimates the average price of a season ticket at \$40 and the average price of a individual game ticket at \$5. Bobby Houk confirmed the \$5 estimate as reasonable, but couldn't say what the average value of a season ticket might be. So this estimate may be wrong.

Factoring these estimates into Ticket Office sales figures shows that the greatest sales success of the year was Western's opening game against Murray. About 1,200 season ticket holders were eligible to attend, whether they did or not, and about 2,200 individuals bought game tickets, for a paid attendance of about 3,400. The official attendance estimate for the day was 12,222, a much larger figure, but one that may be reasonable in view of student attendance and complimentary admissions over and above ticket sales.

In contrast, the most dismal days of the year were the games against Northern Iowa and Eastern Illinois—two of our rivals in the new Gateway Conference. The same 1,200 season ticket holders were eligible to attend, but game sales ran only about 300-350 for each game. Those games came at the end of the season, when the team had already lost several times, but their low attendance and sales may substantiate what many fear, that lack of interest in the Gateway teams will weaken Western's football program even further in the future.

FOOTBALL ATTENDANCE 1991

	Net ⁶	# Sold ⁷	Est. Attendance ⁶
Season ticket sales	\$47,668	1,192	
Individual tickets	37,520	7,504	

Individual sales by game:

Game 1, Murray	11,028	2,206	12,222
Game 2, Morehead	5,130	1,026	8,180
Game 3, Middle Tenn.	8,025	1,605	8,068
Game 4, Troy State	9,921	1,984	10,980
Game 5, N. Iowa	1,639	328	3,228
Game 6, E. Illinois	<u>1,777</u>	<u>355</u>	<u>4,124</u>
	37,520	7,504	46,802

⁶Bobby Houk

⁷calculated on the basis of estimated values

PER GAME FIGURES

Average sales and paid attendance

	Sales	#Sold ⁸
Average Individual Ticket Sales:	\$6,253	1,250
Average Season Ticket Sales per game:	<u>7,945</u>	<u>1,192</u>
	14,198	2,442

Average costs per Home Game, 1991

Overall Football expenditures per home game: \$148,974

Football Program salaries per home game: \$56,335

Football grants in aid per home game: \$68,075

Football food grants in aid per home game: \$22,167⁹

Football books grants in aid per home game: \$2,042

Football housing grants in aid per home game: \$11,900

Football tuition grants in aid per home game: \$31,967

Number of hours Governor Nunn could be hired to consult per expenditure per home game (less expenses): 1,000

⁸Estimated.

⁹Next four items are subsets of total grants in aid; food costs may be significantly underestimated.