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INTERCOLLEGIATE ATHLETICS SUCCESS AND THE  
FINANCIAL IMPACT ON UNIVERSITIES

by

Adam G. Walker

A Dissertation

Submitted in Partial Fulfillment of the

Requirements for the Degree of

Doctor of Education

Major: Higher and Adult Education

The University of Memphis

August 2013

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## DEDICATION

I would like to personally dedicate this dissertation to my loving family, for which God has blessed me with. I am eternally grateful for the love and support you provided me. To my late mother Geri, I know you have always been and will continue to be proud of me, which means the world to me. I miss you and know your love and spirit guides me every day. To my father Terry, who made nearly every sporting event I ever participated in up through college (sometimes speeding home hundreds of miles away to make sure I made it to my little league games in the process); I appreciate how much you provided guidance, love, and support. Please know you will never be as proud of me as a son, as I am proud to call you my Dad. To my older brothers Troy and Matt and their families, thank you for involving me in your lives and sharing your joys, triumphs, and sorrows. My childhood would not have been the same without you. To my extended family, step-mother Carol, and step-brothers Kip, Doug, and Dillon thank you for your constant support and care. To my in-laws Tom and Pam, thank you for the unwavering assistance and love you show my family and my daughter Addison Kay. To my amazing wife Rebecca, thank you for your support and encouragement to complete this life-long dream. Without your countless efforts during this journey, this would not have been possible! Lastly, to my amazing daughter Addison, please know I will always be proud to call you my daughter, and I love you very much.

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## ABSTRACT

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Intercollegiate Athletics Success and the Financial Impact on Universities.  
Major Professor: Dr. Jeff Wilson.

Private monetary contributions and the role of athletics are topics of discussion at nearly all institutions, thus any relationship between the two has become increasingly valuable to determine donor motivations. The significance and value of athletics to each institution must be researched and examined to quantify the implications of athletics success. This quantitative research study analyzed universities' overall private contributions to determine if there was a significant difference in the percent of overall financial support to the institutions following a year of athletics success. For this study athletics success included participation in either the Division I men's basketball NCAA Final Four or Division I Football Bowl Subdivision (FBS) Bowl Championship Series (BCS) Bowl Game. This study used existing, post-secondary data from the Council for Aid to Education (CAE) Voluntary Support of Education (VSE) Survey to conduct a one sample *t*-test to determine significance. The study focused on a period of 10 years (2002-2011) using 129 samples that met the criteria above, then compared them to the baseline (all institutions) during the same period of time to determine if the change in the percent of overall contributions was statistically significant over a 2-year period (year prior to the athletics success to the year after). The results show a significant statistical difference of more than double in the percent increase of overall private contributions for institutions with athletics success compared to all higher education institutions. Furthermore, a marginal statistical difference was found for private athletically successful institutions compared to public institutions that experienced the same athletics success. No difference

was found by region, for history of athletics success, or between basketball or football athletics success for those institutions experiencing athletics success. The study concluded that there are significant implications for overall private financial support for institutions that experience athletics success, especially those with a private affiliation.

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## CHAPTER 1

### INTRODUCTION

Athletics is considered by some in the general public to be the "front porch" of any college or university. College athletics is often the first insight or topic that is discussed nationally among the American public in reference to an individual institution. When a university's athletics program is successful at an elite level, the media exposure can cast a wide spotlight and positive perception on that institution (Goff, 2004). This begs the question: when an institution experiences a year(s) of "athletics success," how does that athletics success impact an institution in terms of private contributions? This doctoral dissertation will cover this topic and discuss the research and statistics behind any relationship of athletics success and impact on a university in terms of overall private contributions to the institution. Fifty-two universities and 129 total samples were studied over a period of 10 years (2002-2011) to determine whether athletics success had a significant impact on overall private contributions to the university.

To an extent, all universities rely upon various revenue sources in order to operate. These funding streams vary, including government/state appropriations, grants, contracts, services, tuition, fees, private/corporate contributions, etc., but are essential to the overall operation and function of an institution (Archibald & Feldman, 2011). A public research university, for example, has many external expectations in terms of education, research, and service; thereby its financial resources are constantly in flux depending on enrollment, graduation, tuition, state appropriations, grants, contracts, and private contributions (Archibald & Feldman, 2011). Universities in particular depend upon a large majority of their resources from external forces such as private contributions

from individuals, corporations, and foundations (Lee & Clery, 2012). These external entities have power over the organization to determine if it receives the resources and how the resources should be spent (Froosman, 1999). Since these funds are not required, but voluntary, the outside agencies have influence with their contributions. Therefore it is essential to understand and analyze relationships that exist in donors' motivations for their private contributions, which may include athletics success.

Athletics success for this study was defined as either reaching a NCAA Final Four in Division I men's basketball or a Bowl Championship Series (BCS) Bowl Game in football. This definition was more conservative in nature to include a majority of people's opinions on what their definition is for "athletics success." Previous studies have defined athletics success as reaching the postseason in men's basketball or football, or a dramatic improvement in win totals in those sports (Anderson, 2012; Meer & Rosen, 2008). Since athletics success can be a subjective term, this study chose to define the term in which a broader audience would agree with the teams portrayed as "athletically successful," thus a narrowed focus was used to define the term. Some may even classify the definition as "elite athletics success."

As reasons discussed previously, relationships with external entities therefore are critical to maintain and enhance those resources (Pfeffer & Salancik, 1978). Intercollegiate athletics have played a central role in higher education and those relationships for many years by galvanizing alumni, friends, community, and the campus culture. One example is "homecoming" revolving around a home football game each Fall for most institutions. The inception of the National Collegiate Athletic Association (NCAA) in 1905 cemented intercollegiate athletics into the culture of higher education

(NCAA, 1999). The proliferation of this amateur enterprise and the American culture's increased demand for intercollegiate athletics has developed into over a billion dollar industry and resulted in a number of important outcomes.

Critics of collegiate athletics note a number of negative effects resulting from big-time intercollegiate athletics, many of which relate to the devaluation of the educational mission of the institution. Conversely, some firmly believe there are positive effects of athletics, such as school pride, enhanced campus atmosphere and culture, and heightened exposure nationally from successful athletics programs. Most importantly, these effects are greatly enhanced when a notable team (football or men's basketball) or entire athletics department, experience success on both the conference and national level (Anderson, 2012).

Intercollegiate athletics may have the potential to add a significant amount of value to a higher education institution. Recent research by Anderson (2012) and Pope and Pope (2009), conducted on the topics of athletics success and the impact on fundraising and admissions have provided people surrounding higher education a renewed perspective on the role of intercollegiate athletics. This new positive research reflects continuing and emerging trends of increased funding and quality of applicants following athletics success has more administrators and faculty taking notice.

The topics of enhanced admissions standards and private philanthropy are increasingly being emphasized on campuses nationwide. Alumni giving, in the form of private donations, continues to become a more significant issue as the current economic climate challenges higher education. Recent trends show alumni participation at most universities is declining (Council for Aid to Education, 2013). In fiscal year 2012, donors

contributed over \$31 billion to the nation's colleges and universities (Council for Aid to Education, 2013). Forty-four percent of contributions were directed from individuals, while 30% were generated from foundations and 17% from corporations (Council for Aid to Education, 2013). Nearly 89% of American households make contributions annually to 501(c)(3)<sup>1</sup> organizations totaling over \$130 billion (ePhilanthropy Foundation, 2005). Past (Bowen & Shulman, 2001) and current research (Meer & Rosen, 2008) continue to contradict the value of athletics success to an institution in terms of finances.

## **Background**

### **The Cost of College Athletics**

Universities have a diverse set of expectations in terms of research, teaching, and public service based on academia history and how faculty are evaluated in terms of tenure and promotion. The funding related to these commitments can also fluctuate. There are numerous revenue streams that are not static, thus financial planning for the future can be a difficult task. Endowments, state/government support, contributions, and tuition can all be related to other external factors not controlled by the university, the economy being a primary example. Relying upon certain resources becomes a strategic management operation (Archibald & Feldman, 2011). Universities which field major Division I athletics programs must also account for these expenses in their overall budget, especially

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<sup>1</sup>To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings may inure to any private shareholder or individual. In addition, it may not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates. Organizations described in section 501(c)(3) are commonly referred to as charitable organizations.

rising tuition costs which most athletics departments must cover for all student-athletes on scholarship (NCAA, 2010).

The NCAA and specifically the Knight Commission have had an escalating impact on higher education's intercollegiate programs. The Knight Commission on Intercollegiate Athletics was formed by the John S. and James L. Knight Foundation in 1989 after more than a decade of highly visible scandals in college athletics (Knight Commission, 2009b).

The Commission's initial goal was to recommend a reform agenda that emphasized academic values in an arena where commercialization of college sports often overshadow the underlying goals of higher education. Since 1989, the Knight Commission on Intercollegiate Athletics has worked to ensure that intercollegiate athletics programs operate within the educational mission of their colleges and universities (Knight Commission, 2009b).

This organization, in conjunction with the NCAA, has published a mounting number of reports on the finances behind college sports. The main emphasis is placed on the disparity in funding between "powerhouse" Division I programs and everyone else. The report shared the disparity between large programs and all others. This data gathered from the NCAA in 2007, breaks down all 119 Division I schools into 10 groups based on overall athletics' budgets (Fulks, 2009).

Large discrepancies exist between the top groups and all others. In 2007, there were 119 institutions that competed in Division I (FBS) football at the highest level, the deciles represented all 119 universities broken down into 10 segments (approximately 12 in each decile), by median athletics' budgets (Knight Commission, 2009a). The top two



deciles (top 20%) morph the remaining 80% of the institutions with an average of \$75 million budget compared to an average budget of \$37 million (Knight Commission, 2009a). The Knight Commission publishes these reports to draw public and political attention to these differences to create discussion and promote equality within intercollegiate athletics programs.

What is more astounding is the escalating amount of debt these athletics programs are sustaining. In 2010, the Knight Commission published a report that indicated the amount of debt programs were accumulating. While programs are bringing in massive amounts of revenue through television contracts, donations, ticket sales, and royalties; they are equally spending on salaries, operating expenses, and new facilities. The top 10% of programs grouped by operating expenses budget, have a median athletics debt of \$100 million, followed by \$60 million for the second decile (next 10% group) (Knight Commission, 2009a). The reports by the Knight Commission serve to educate and promote more efficient uses of funds. The main concern is the decision ultimately lies with the individual institutions how they budget and spend their funds. Often times the media highlight the extraordinary amounts of revenues institutions are generating, but do not discuss the equally large amounts of spending and debt in college athletics. Even in the SEC (Southeastern Conference), members received an average subsidy from their university of \$3.4 million just to balance their budgets (Fulks, 2009). At the University of Tennessee, the athletics department is well over \$200 million in debt, with annual debt service payments of \$21 million (Smith, 2013).

This seems absurd that the most prosperous conference has a majority of its members losing money annually. This is attributed to the fact that each athletics

organization has control over its budget and its nonprofit status means there are not incentives for making a profit (Fulks, 2009). Thus, it behooves an athletics department to use all the resources allotted to them via their annual budget/revenue. The gap is widening between large and small programs and there may eventually be political involvement into athletics programs and their budgets.

### **Statement of the Problem**

The role of athletics has come into question recently, especially by the academic realm of a university in terms of subsidizing the cost to run an athletics program. Some of the issues revolve around the overall value and added costs associated with an athletics program in relation to the university. Previous research on athletics success has been mixed on the value of athletics to an institution. This study covers these topics and discusses the research and data behind any relationship of athletics success and impact at a college or university. The relationship is measured in terms of overall private contributions to the institution in terms of the change in percent over a 2-year time span (year prior to success through year after success) to determine if there was a significant difference versus the average of all higher education institutions during the same time frame.

### **Purpose of the Study**

The purpose of this study was to examine universities that experienced athletics success, which is defined as reaching the Division I men's NCAA Final Four or Division I (FBS) BCS Bowl Game in football, and determine if there was a significant increase in the overall private contributions to the institution in terms of percent increase over a 2-year period during the athletics success.

## **Research Questions**

The research questions that guided this study were:

1. What financial impact does “athletics success” have on the institution in terms of overall private contributions? Specifically, is there a significant difference in the percent of overall private support to the institution following a year of athletics success?
2. What impact does regional location, public or private affiliation, or history of athletics success have on overall private contributions of athletically success institutions using the same measurements?
3. Does the difference of percent change in private contributions differ between institutions with basketball athletics success compared to institutions with football athletics success?

## **Significance of the Study**

Through this study, universities will be able to quantify the impacts of athletics success on an overall university in terms of private support. This research contributes to the overall knowledge and practice in the field of higher and adult education and to society at large. By acquiring knowledge about the relationship between athletics success and philanthropic support, institutions can better position themselves from these potential gains when they experience year(s) of elite athletics success. Also, the value of athletics to an institution may be better defined and quantified in terms of finances in part by this study. If athletics success is found to have a significant difference on philanthropic giving to the institution, there may be greater justification for universities to invest in their

athletics programs; which in turn may create enhanced academics by increased contributions overall.

### **Theoretical Framework**

The theoretical framework that follows ties together the thought that the perception, image, or identity a potential donor holds or university portrays, may be influential on the decision of a donor to contribute or increase their monetary support. Each of the theories below are closely associated with athletics, in that often times athletics receives the most exposure at an institution and is used as a conduit for the university's image. A successful athletics program may convey a positive image overall of the university and make a donor more inclined to give to that institution in regards to the enhanced exposure and feelings of pride or achievement for an institution they associate with personally.

#### **Organizational Image and Identity Theory**

According to Dutton and Dukerich (1991), an organization's identity and image are separated by the perception internally (identity) and externally (image). The two must be articulated from the top of the organization and effectively communicated to both internal and external stakeholders to be effective messages (Dutton & Dukerich, 1991). This means the overall identity and image of a university is a mix of internal and external ideals. Athletics often conveys an external image and can reflect an identity. Promoting and managing these dynamics can project to a larger audience what the initial perception is of that institution.

Gioia and Thomas (1996) studied these factors in higher education organizations and found that communicating an optimistic image and identity were important indicators

of improvement in terms of internal and external perception. That is to say that it was a “self-fulfilling prophecy” of communicating a prestigious university, they became a more prestigious institution as a result of that branding.

An identity threat is another issue that must be addressed to maintain the university’s desired identity and image. Based on Ravasi and Schultz (2006), the researchers developed responses to identity threats and changing the imagery. First they identified the threat, assessed the extent of that threat, reflecting on the image it portrayed, revising the image, and projecting the desired revised image. This model is effective for external threats by addressing the issue and refocusing attention to what the desired image that the university wants depicted (Ravasi & Schultz, 2006).

### **Resource Dependence Theory**

Resource Dependence Theory developed by Pfeffer and Salancik (1978) operates on the concept that organizations depend on their environments for resources, both internally and externally. Universities in particular depend upon a large majority of their resources from external forces. These external entities have power over the organization to determine if it receives the resources and how those resources should be spent (Froosman, 1999).

Federal funded programs are a practical illustration of restricted funds for specific programs, where the resources must be used in accordance with the grant. Private contributions may be restricted as well. A donor may restrict funds to a certain area of interest, even if it is not the highest priority or need for the institution. Depending on the needs and scarcity, the university can be highly dependent upon the supplier of those funds (Casciaro & Piskorski, 2005).

Relationships with external entities are therefore very important to maintain and enhance those resources (Pfeffer & Salancik, 1978). Good stewardship of the funds is an efficient tool to build trust and a strong partnership with that party. Using the funds wisely and showing an impact or return on investment (ROI), indicates to that supplier that the university is both appreciative, values the resources, and effectively used the funds for the intended purposes.

External linkages are another approach institutions can attempt to widen resource opportunities. Partnerships with industry can provide significant funding and be mutually beneficial (Slaughter & Leslie, 1997). One threat to this model is too much involvement in these partnerships and losing autonomy and identity (Balderston, 1995).

Resource Dependence Theory states that institutions are dependent on external entities in order to survive (Bess & Dee, 2012). External constituents not only determine whether or not an organization will receive resources but they also determine the extent to which the organization uses the resources. Resource Dependence Theory implies that there is a power relationship between the organization and external entities. In addition to adapting to the environment organizations must maintain strong external relationships with constituents to attain resources for stability.

### **Systems Theory**

Systems Theory originates from early research by Bertalanffy (1968) and Berrien (1968). Systems Theory in organizational environments asserts that institutions have an interdependent relationship with the external environment (Bess & Dee, 2012). Ongoing transactions occur on a continuous basis between the organization and the environment. Key characteristics of the environment sustain the organization. Under this theory, a

reciprocal relationship exists between the organization and the environment. Such a relationship could occur in regards to athletics success and the external environment, the community where the university resides in being a primary example. This relationship could be positive, neutral, or negative.

### **Institutional Theory**

Institutional Theory addresses the significance of understanding external expectations for institutions (Bess & Dee, 2012). According to DiMaggio and Powell (1983), colleges and universities gain legitimacy through coercive, mimetic, and normative conformity. Choices made by the institution are limited by external pressures from the environment. Institutional Theory explains that institutions reflect the attitudes, values, and beliefs of the external environment in which the institution is embedded (Bess & Dee, 2012). Such might be the case with the surrounding community in which an institution is located, depending upon the community's actions and values may determine to the extent in which the athletics program is embraced or neglected.

### **Contingency Theory**

Contingency Theory asserts that organizations can only be successful when organizational variables are strategically aligned with environmental conditions (Bess & Dee, 2012). The organization must be flexible in order to react to external conditions of the environment (Ketokivi, 2006). Burns and Stalker (1961) explain the fit between the organizational variables and environmental conditions. According to Contingency Theory, the closer the environment is related to the organizational design the more effective the organization will be overall. This re-illustrates the importance of the athletics success aligning with the external environment's expectations.

As described above, each of these theories play into the overall success of an institution. Since athletics have an impact on the external environment and perception of the institution, these theories align with the premise of this study. Understanding how these theories are woven into the fabric between athletics and the university, can be beneficial to administrators to take advantage of situations where athletics success can enhance the image, perception, identity, or external environments in their favor.

### **Assumptions**

Donor motivations to give financially to an institution are influenced by their perceived image of the institution. This can be interpreted that one of the reasons an individual or corporation gives financially to a university is based partly on their perception of that university. One example would be if a donor believes the university is on a successful trajectory, they may be more inclined to financially support the institution. Another assumption is that the increased exposure due to the university's elite athletics success helps drive overall contributions. Those universities that experience athletics success have dramatically enhanced media exposure, therefore, the institution may gain additional emphasis on private contributions by alumni, friends, and corporations through this momentum (a "success breeds success" mentality).

### **Definition of Terms**

**Athletics Success:** The term "athletics success" for this study was defined as a university being athletically successful in their athletics season in either one or both of two scenarios. Scenario 1: men's basketball program advancing to the Final Four of the Division I NCAA basketball tournament. Scenario 2: men's Division I (FBS) football program advancing to a BCS (Bowl Championship Series) Bowl Game.



**Bowl Championship Series:** The Bowl Championship Series (BCS) is a pre-determined set of bowl games (Fiesta Bowl, Orange Bowl, Rose Bowl, Sugar Bowl, and the BCS National Title Game). This selection system encompassing elected officials and computer rankings was set in place to reward the most outstanding NCAA Football Bowl Subdivision (formally Division I) football programs. The teams were selected based on conference championship ties with the Atlantic Coast Conference (ACC), Big 10, Big 12, BIG EAST, Pacific-12 Conference (PAC 12), and Southeastern Conference (SEC). Each of these conference champions received an automatic qualifier into one of the selected bowl games. The remaining four spots were designated to the top two teams to play for the BCS National Championship, with the remaining two teams selected from the top 16 teams in the BCS Standings (a computer rating system used to rank teams based on record, human voting polls, and strength of schedule).

**History of Athletics Success:** an institution was considered as having a “history of athletics success” if that program has won two or more national championships in that sport.

**Men’s Final Four:** The “Men’s Basketball Final Four” is a trademarked name by the NCAA given to the final four teams that advance in the selected NCAA men’s Division I basketball field of 68 teams.

### **Overview of Chapters**

In this research study, public, secondary (existing) data were collected on all higher education institutions for a baseline during the past 10 years using the Council for

Aid to Education (CAE) Voluntary Support of Education (VSE)<sup>2</sup> Survey (2002-2013). The same instrument of measure was used for those institutions deemed as athletically successful during the past 10 years from 2002-2011 (N = 129). Contributions were examined the year previous to the athletics success, and the year after, for a 2-year span from 2001-2012. Chapter 1 covered the background, statement of the problem, purpose of the study, research questions, significance of the study, theoretical framework, assumptions, definitions and overview of the study. Chapter 2 discusses the breadth and scope of the literature surrounding this topic. In Chapter 3, the methodology for this study is outlined. Chapter 4 covers the results from the study, while Chapter 5 provides interpretation of results, findings related to literature, conclusions, implications for action, recommendations for future research, and concluding remarks.

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<sup>2</sup> The Council for Aid to Education (CAE), an independent subsidiary of RAND, has produced the Voluntary Support of Education (VSE) Survey since 1986. The annual giving data include all contributions actually received during the institution's fiscal year in the form of cash, securities, company products, and other property from alumni, non-alumni individuals, corporations, foundations, religious organizations, and other groups. Not included in the totals are public funds, earnings on investments held by the institution, and unfulfilled pledges.

## CHAPTER 2

### LITERATURE REVIEW

Private gifts to higher education are an important and essential topic that played a crucial role in the beginning and maturation of higher education. Higher education has relied upon many different funding sources, including private gifts, for their survival and growth (Thelin, 2004). Throughout history, colleges and universities have relied upon funds from private sectors.

The first emphasis on philanthropic gifts associated with American colleges arose during 1860-1880 (Thelin, 2004). Some of the first colleges that were created in the United States were a direct result of a large philanthropic gift from a private donor. Vanderbilt University was established from a \$1 million gift from Cornelius Vanderbilt in 1873 (Vanderbilt University Publications, 2012).

Even though there were examples of early philanthropy, it was during the 1970s and '80s that foundations across the nation began to conduct campaigns. These campaigns ranged from \$10 million to \$150 million in the early stages. Some institutions relied on a few donors to meet their needs. They soon learned that these few donors could not sustain the college for the years to come and had to adapt to include multiple people (Cook, 1997). In the late 1980s, for example, more than 60 of the nation's colleges and universities were then conducting campaigns to raise more than \$100 million each (Cook, 1997). Since the 1990s, the vast majority of both public and private institutions have increased their commitment to private fundraising by enlarging their development staffs and budgets. Presidents have increasingly devoted a significant portion of their time to fundraising activities, and this trend continues today. In 2011, Stanford recorded the

largest campaign total ever in higher education, collecting \$6.2 billion in commitments over a 5-year period (Roller, 2012). Stanford was also the first university to raise over \$1 billion dollars in a single fiscal year (Council for Aid to Education, 2013).

According to philanthropic studies scholar Peter Dobkin Hall (1992), “No single force is more responsible for the emergence of the modern university in America than giving by individuals and foundations” (p. 403). America is in the midst of the greatest transfer of wealth in human history, well over \$100 trillion will exchange hands in the next decades as baby-boomer’s wealth passes to the next generation (Summers, 2006). Along with the rest of the nonprofit sector, higher education is already harvesting those riches, with an average of more than \$30 billion donated to postsecondary education in the United States each year (Council for Aid to Education, 2013).

It is vital to know the motivations of these potential donors, such as success in athletics. The following literature review will discuss the history of private gifts, foundations, current issues facing development in higher education, endowments, corporate partnerships, and the relationships between athletics success and the impacts on universities. By understanding these relationships and trends universities may be better equipped to utilize this new knowledge to their advantage.

### **History of Private Gifts in Higher Education**

Early on, many colleges’ existence was predicated on the support of local communities and governments, where the primary focus for raising funds for the university was a key ingredient to a flourishing town. During this time, many religious organizations gave substantially to found colleges. It is interesting to note that development had such a high impact that Yale named its school after a donor in hopes of

soliciting further gifts only to no avail. African American churches and communities also had a broad impact on funding local colleges (Thelin, 2004).

The American system of higher education was radically revised between 1875 and 1905. The research university was developed in just 30 years. Some 250 new colleges were founded--many as a result of Gilded-Age philanthropy--and public higher education became firmly entrenched (Kennedy, 2005). The establishment or expansion of these institutions was a direct result of private contributions. The number of faculty members in American colleges and universities quintupled during this period (Kennedy, 2005).

As industry and the country began to grow, so did the universities. This time during 1880-1910 became known as the age of “university builders” (Thelin, 2004). During this time, colleges also explored commercial involvement with the first collaboration with industry in terms of research. Industry was a main factor in the emergence of universities. Discretionary support generated by American corporations helped fund institutions. Oil refining, railroads, shipping, coal, and steel production were at the heart of the economic boom. Religion also played a central role in the evolution of universities both in criteria and style. Most of this influence came in the form of funding and private donations to establish or support schools with a religious affiliation. Doctrines known as “gospel of wealth” and “stewardship of wealth” helped fund-raisers become successful during this time (Levin, 2000).

By the turn of the twentieth century, colleges had begun to adopt colors, mascots, and school songs to provide a strong connection with classmates and alumni. This increased attention towards athletics was also beneficial to the university itself and its

financial security (Thelin, 2004). These affinities lead to the early growth in athletics and “fans” (short for fanatical). In turn athletics became a rallying cry for alumni.

From 1920-1945, the American public was becoming more interested and involved in higher education. Enrollments and infatuation with the “college culture” increased. After World War I, a special interest was put on athletics teams (Thelin, 2004). A new wave of campus building began as many colleges built large football stadiums to accommodate fans. Industry was used once again through philanthropy to help support these great undertakings of campus growth (Thelin, 2004). Donors were more interested in the look of the university than supporting faculty. Philanthropy at the time focused on architecture and on academic standards. Instead of donors giving to establish a new college, the focus shifted towards enhancing existing ones (Thelin, 2004).

After World War II, from 1945-1970, colleges enjoyed a boom of the “Three P’s”: prosperity, prestige, and popularity. This was the “Golden Age” of higher education (Thelin, 2004). Colleges and universities grew rapidly and without guidance; so much so that many institutions’ physical infrastructure was not prepared for the influx of new students (Thelin, 2004). This new generation of students ushered in new revenue and changes to colleges. Education became readily available to a larger portion of the public (Thelin, 2004).

Higher education also gained insight from governance. Research grants and government support for state institutions took a major leap during this period. Research played a major role in reshaping the structure of higher education. After the war, the national government was pouring money into selective universities to foster research. Advantages of war time research was seen and benefits realized. It was after this time that

agencies realized the importance and efficiency of funding universities instead of developing their own. Many institutions benefited from the windfall. Some institutions relied on research grants to fund as much as 50% of their total operating budgets (Thelin, 2004).

In the post-war era, philanthropy took a backseat to government funding, as the amount of money awarded from research grants outweighed private donations. Foundations came to support other areas of the university not funded by grants. Their money was also more flexible. The Ford Foundation gave a substantial amount of money (over \$500 million) for teachers' salaries at the time (Thelin, 2004). The Ford Foundation also helped establish more permanent foundations at some colleges. During this period a majority of universities began founding their official fundraising arm of the university with a more defined staff and mission (Thelin, 2004).

After the Golden Age, from 1970-2000, an era of slow growth blanketed most campuses in higher education. As a result of these and other forces, colleges and universities of all varieties increasingly looked to fundraising from private sources to supply a greater percentage of their needs (Thelin, 2004). In particular, many public institutions began private fundraising programs during the mid-1970s and by the early 1980s institutions enhanced their reliance upon the private sector for the resources needed to fulfill their aspirations (Cook, 1997). Many campuses responded to students by building recreational centers, suites, apartments, career centers, upgrading student unions, activity centers, libraries, programs in residence halls, intramurals, learning centers, tutors, etc. These upgrades were necessary in large part to incorporate new technology and computers. Many of these improvements were meant to recruit and retain students

and many presidents were the leading fund-raisers for these undertakings. This trend continues today.

### **Foundations Begin to Grow and the Birth of Campaigns**

Institutions of all sizes are now placing an increased emphasis on fundraising and campaigns. These internal fundraising units are often called “development offices” but more recently have been named “institutional advancement offices.” They are organized in various fashions. Some offices are centralized so that all fundraising is handled by the central administration, while others are decentralized so that each college, school, or center has its own development unit and is organized centrally for coordination and some shared costs. Often universities use a hybrid approach between the two models (Worth, 2010).

Fundraising campaigns are typically 5-year efforts. That is where the confusion starts, for it is often assumed that solicitation begins in the first year and that by the fifth, all the money has been collected. Actually, the cash flow of most campaigns stretches over 12-years or more. Fundraising drives are 5-year efforts only in their public phases, which begin after the campaigns and financial goals are announced. The public phase typically is preceded by a two year, private effort to collect gifts and pledges from trustees and previous major donors. Adding to the confusion is that commitments made during both the private and public phases of the campaign are likely to be 5-year pledges. It is rare that donors make lump-sum cash gifts. Thus, the cash flow in a typical campaign extends from the first payment in the first year of the private phase to the final payment on a pledge made up to five years after the last year of the public phase.



Fundraising is a primary method of resources that colleges and universities utilize. Cook and Lasher (1996) stated that with the exception of a few schools, fundraising programs were implemented in higher education in the mid-1970s. Cook and Lasher (1996) further added that fundraising in education is dependent on the need for more revenue by colleges and universities, as well as competition from other schools. According to the researchers, if institutions are to be successful in their fundraising efforts, they need to implement short-term and long-term goals.

Some postsecondary institutions have greater protection from the financial pressure of getting private funding than others. The flagship state research universities may do better because of their size, multiple streams of revenue, increasing funding for research, and their prestige. The public, non-research, regional colleges and community colleges have less ability to escape the financial pressures. These institutions are more narrowly dependent on state support than are the universities and have less potential to attract private gifts and alumni giving. These colleges do not have as much latitude to raise tuition because they serve lower-income students who are less able to afford the higher prices. In addition, these institutions will experience greater competition for students from the growing proprietary sector. (Lee & Clery, 2012, pp. 21-35)

Campaigns today are often continuous, as one ends, another campaign begins. Comprehensive campaigns typically last between seven and 10 years, and include multiple phases. Worth (2010) distinguished what the typical campaign consists of:

1. Pre-campaign period (6 to 18 months), in which feasibility studies are often conducted by professional fundraising consultants external to the institution.

2. Campaign planning (3 to 6 months), in which priorities for the university are identified, some goals for units are set and campaign leadership is identified.
3. Quiet phase (1 to 2 years), during which planning continues and volunteer campaign leaders are asked to participate and solicited for lead gifts (typically all gifts to the institution are counted during this period although the campaign has not yet been publicly announced).
4. Public phase (3 to 5 years), during which the campaign is officially kicked off to the public.

Prior to the public phase, institutions should have already raised between 40 to 50% of their campaign goal. However, with the growth of billion dollar campaigns, this amount may be closer to 33% of the total goal (Worth, 2010). Typically as the campaign progresses, it reaches a point where the initial excitement wears off, referred to as a “plateau” or “fatigue phase.” Excitement tends to be rejuvenated in the final stretch of a successful campaign, as the institution, donors, and alumni are able to celebrate the closure (Worth, 2010). During comprehensive campaigns, all donors are asked to make “stretch gifts” towards the campaign.

Often times during a campaign 80% of the total donations are contributed by 20% of the donors, sometimes referred to as 80/20 rule (Worth, 2010). As campaign goals and the disparities of wealth have grown exceedingly, the 80/20 rule has become the 90/10 or even the 95/5 rule (Worth, 2010). A “special gift” can be defined as a donor being asked to give between five to 20 times their regular giving during a comprehensive campaign; meanwhile a “transformational gift” can be denoted as 500 to 1,000 times larger and often given via a planned or deferred gift (Worth, 2010). Planned gifts are often referred

to as the donor's "ultimate gift," as they are typically larger gifts that are planned in advance of the donor's passing (Worth, 2010).

Other sources of interaction are also vital to higher education institutions, such as compacts and other funding. The Midwestern Higher Education Compact (2009) merges governments and higher education institutions by signed agreements or other formal contractual arrangements that are based on expected outcomes. In other cases, governments may tie performance funding to block grants or to funding formulas (Lee & Clery, 2012). More than 23 states have launched matching funds programs to boost private giving to public colleges and universities (Lee & Clery, 2012).

While universities receive support from state governments it is important to understand how campaign gifts are counted, so as not to be led astray by the numbers that appear periodically on the development office's totals compared to support from the state. The numbers reported reflect a combination of cash received and pledges made. They do not equal cash that is available such as is the case with state support.

Often half or more of the gifts made to a campaign are earmarked for the institution's endowment, and most institutions follow a rule of spending only approximately 4-5% of the endowment's market value each year. Faculty members often forget the tradeoff involved in building endowments: The long-term benefit of a large endowment means the sacrifice of short-term spendable cash (Cook, 1997). According to the Almanac of Higher Education (2010b), there were 197 higher education institutions that boasted endowments above \$250 million in 2010.

Four distinctive campaign models can be found today: the traditional capital campaign, the comprehensive campaign, the single-purpose campaign, and the continuing

major gifts program (Pulley, 2003). This array of titles can be confusing, especially because many institutions fail to differentiate between them. Most large campaigns in the modern era are called capital campaigns but are really comprehensive campaigns. The rate of these campaigns, both in number and size, has continued to increase in recent years, and this trend shows no signs of slowing.

### **Current Issues Facing Development in Higher Education**

The trend with American universities is distinctive in that philanthropy continues to be a marquee issue. Compared with four-year colleges and universities, community colleges receive only a fraction of that money. According to the Council for Aid to Education, the average two-year institution received about \$1.4 million in voluntary support in 2004-2005; the most that any community college reported raising that year was about \$16 million (Council for Aid to Education, 2006). Although community colleges serve nearly half of the undergraduates in this country, they receive around 2% of the financial gifts (2004-2005) made to higher education (Stout, 2006).

Over the past three decades, the hiring of development-staff members at four-year colleges and universities has increased. The return on investment makes sense. It is an axiom of the fund-raising trade that investing \$1 dollar now in your development operation yields \$10 dollars in the not-too-distant future. For example, in the early 1990s, the University of Washington bravely quadrupled its development budget, despite a budget crunch (Levin, 2000). Today, the university employs nearly 400 development-staff members, and the payoff was clear as the university completed a \$2 billion campaign in 2007. On the other hand, consider the largest community college in the country, one that enrolls half as many students as major research universities like the University of

Washington. Miami Dade College in Florida employs a total of nine people in fundraising and alumni relations (Summers, 2006). This illustrates the emphasis placed on development at large universities versus small two and four-year institutions.

Endowment sizes are another topic of interest at higher education institutions. What is interesting is the fact that university endowments in the United States are five times the size of those in the United Kingdom, even though those universities were established well before any in the United States. This exhibits the emphasis and focused commitment of universities in the U.S. (Stout, 2007). There is a greater emphasis on philanthropy towards higher education in the United States versus other countries. This is due to differences in cultures and expectations. Other countries provide higher education at no cost to students and even fully subsidize their institutions without much emphasis on private contributions.

Control, use, and investment of endowments are also being more highly scrutinized. Past issues have sparked concern around foundations when the University of Georgia and their foundation had disputes in 2005 and split up for a short-term before renegotiating. Many questions arose as to who controlled the \$450 million endowment. The rift between the two began over athletics and unpopular decisions (Fain, 2005). Issues are arising across the country in terms of lawsuits from families who feel the terms of their MOU (Memorandum of Understanding) or gift agreements have been violated; and are now asking for millions of dollars in return.

Naming at institutions is now more uniformed than it was in the past. Even the name of a college can have a price. Rowan University changed its name in 1992 in response to a \$100 million gift by Henry Rowan, the largest philanthropic gift to a public

institution at the time (Rowan University, 2012). The fundraising standard for naming a space or structure is typically at least half the cost of the entity being named. Since 1967 65 gifts of more than \$100 million have been designated to higher education (Almanac of Higher Education, 2010a). According to The Chronicle of Philanthropy (2012), in 2011 324 individuals, foundations, or corporations gave \$1 million or more to colleges or universities.

### **Endowments**

Kaufman and Woglom (2005) studied the finances of liberal arts colleges. They stated that many liberal arts colleges were able to gain wealth from 1996 to 2001. Kaufman and Woglom stated that the condition of the stock market was a primary factor as to why colleges were able to gain revenue. They also discussed other areas of potential revenue, such as interest from endowments, capital gains, and utilizing practical spending habits.

Harvard boasts the largest endowment in higher education at over \$32 billion (U.S. News & World Report, 2012a). In past years, colleges and universities have been criticized for hoarding institutional endowment monies, rather than use these funds to diminish tuition increases and increase the availability of student financial aid (Cowan, 2008). Although endowments are often perceived as one large pool of money, in reality endowment funds have separate accounts with restrictions to be used for various sources including student scholarships, an endowed professorship or other expenses such as creating a new center or program (Cowan, 2008).

## **Corporate Partnerships**

Colleges have continued to turn to businesses or corporations, especially local, to develop partnerships. By creating business partnerships, colleges can alleviate some of the financial burden while training a highly-skilled workforce needed for developing the local economy (Sundberg, 2002). For colleges looking to meet the needs of its constituency, especially those in rural areas, many look to develop a cooperative partnership agreements among agencies at all levels (Holub, 1996). This could include internships and practical experience at small businesses to large research projects at Fortune 500 companies. The models that have been successful create partnerships with the local chamber of commerce, public school system, as well as another local institution of higher learning. Together the consortium works to assess their region's most pressing needs by tackling similar issues from different angles. An area of demand is emerging technology. Business partnerships work together to create state-of-the-art education technology facilities, jointly owned by the participating institutions and funded primarily by local businesses (Sundberg, 2002).

While partnerships between individual colleges and businesses in their region are becoming more common, some states have created system-wide programs to ensure excellence for each regional college. The California Community College system has created a program to analyze market trends in order to create highly specialized training programs to enable community colleges to remain relevant and responsive in their offerings. Through an initiative by the California Community Colleges Economic and Workforce Development, the Centers of Excellence was created (Sundberg, 2002). The COE partners with business and industry to deliver regional workforce research

customized for community college decision making and resource development. By employing this strategy, California's community colleges are working to ensure that they are educating and training a workforce that meets the needs of each region, and keeping the state competitive in its industry innovations.

Colleges also have explored selling their goods or holdings in an effort to generate funding. Cohen and Brawer (2008) describe colleges that sell their teaching models or lease college lands in an effort to raise capital for the institution. These options not only create revenue for the college, but create opportunities for the students and staff to better develop their own skills.

### **Relationships between Athletics Success and the Impacts on Universities**

The basis of a positive relationship between donor giving and athletics team success is to an extent a psychological perspective. James Strode (2006), in his research on this topic, noted that the relationship begins with the concept of achievement. Each person has an inner motive that drives one towards excellence, and which is vicariously fulfilled through association with successful athletics programs (McClelland, 1961). The first published study of the effect of athletics success on donations reported no relation between total alumni giving, including to both the athletics department and to other parts of their alma mater (Sigelman & Carter, 1979). Three other early cross-section studies (Brooker & Klastorin, 1981; Coughlin & Erikson, 1984; Sigelman & Bookheimer, 1983), did observe higher contributions associated with athletics success.

Athletics donors earmark their gifts to athletics because of a special affinity or because of the incentives and benefits of giving to athletics (Howard & Stinson, 2008). Some have analyzed whether giving to athletics has produced a crowding-out effect,



hurting overall academic giving. For instance, Howard and Stinson (2008) found that a shift toward greater athletics giving was present at schools with major football programs. The researchers deduced that schools did experience giving increases around athletics team success. Their research shows that the crowding-out effect does not occur, on average, at these institutions but that both parties (athletics and academic) benefit from success (Howard & Stinson, 2008).

The definition of success is different to each individual, although Humphreys and Mondello (2005) closely studied the effects of post-season football bowl games and NCAA Division I men's basketball tournament appearances. They define success as partaking in post-season play. Again football and basketball, the most visible sports, generate the most interest and contributions from donors. These are also the sports which receive the most media exposure nationwide. For this study the definition was even more conservative and included only universities reaching the Division I men's Final Four or a football BCS Bowl Game.

Most importantly, Humphreys and Mondello (2005) found that restricted giving (giving specifically earmarked for athletics) did increase with appearances by schools in post-season play, although unrestricted giving did not increase. Unrestricted giving typically responds to variations in economic conditions and athletics success does not prove to induce donors to increase this unrestricted giving. Humphreys and Mondello (2005) defined restricted donations as those earmarked for athletics, suggesting that academic departments do not benefit from athletics success at public institutions, although similar to Howard and Stinson's (2008) findings, private institutions did see an increase in academic giving.

In 2007, Humphreys and Mondello reviewed a comprehensive data set for 320 colleges and universities drawn from the Integrated Postsecondary Education Data System for the period 1976-1996, a previously untapped source for donation studies. Their data included giving by alumni, foundations, corporations, and other sources. They studied both restricted and unrestricted donations in the study. They found no increase in unrestricted donations as a result of any measure of success of either football or men's basketball programs. Restricted giving appeared to rise at both public and private universities in response to success of the basketball team, and at public institutions when the football team is invited to a bowl game.

Howard and Stinson (2007) found similar findings that less prestigious academic institutions are influenced more by athletics success and have a larger portion of total institutional gifts allocated in support of intercollegiate athletics programs. According to Litan, Orszag, and Orszag (2003) there is no relationship between spending more on athletics and winning more. Second, increased spending on coaches' salaries has no significant relationship to success or increased revenue, according to a follow-up study.

These studies would be another factor to examine each institution on a case by case basis to determine why this is so. One could hypothesize back to the culture and environment discussed in the theoretical framework section that relates to giving; stated that the mission, image, identity, and expectations of the institution affect perceptions and therefore emphasis placed on athletics success and giving. Koo and Dittmore (2012) found in their study that those increased athletics donations come at the expense of academic contributions, calling into question the assertion that athletics success is inherently financially beneficial to an institution's academic endeavors. While an overall

increase in contributions occurred at the institution, a majority of those contributions went to athletics, with the academic side seeing a marginal increase overall.

Not all studies have found any relationship in regards to athletics success and unrestricted giving to an institution. Meer and Rosen (2008) found when a male graduate's former team wins its conference championship, his donations for general purposes increased by about 7% and his donations to the athletics program increased by about the same percentage. This study indicates another perspective that overall athletics success drives overall private contributions to an institution. Rhoads and Gerking (2000) also found a positive relationship by examining bowl appearances in football and NCAA tournament appearances in basketball, which resulted in an increase in overall alumni contributions to the institution.

While athletics has been viewed as an entity which primarily needs university subsidies and can contribute to the “cost disease” at many institutions nationwide, there are benefits. In select cases, programs at the highest levels make money and can help alleviate financial burdens for their institutions. Anderson (2012) found a positive link between athletics success and donations, applications, and enhanced freshmen students’ academic standards. His study finds that winning reduces acceptance rates (enhancing selectivity), and increases donations, applications, academic reputation, in-state enrollment, and incoming SAT scores. Prior to this study, conflicting studies existed as to whether athletics success increases overall donations to institutions (Anderson, 2012; Bowen & Shulman, 2001; Brooker & Klastorin, 1981; Coughlin & Erikson, 1984; Howard & Stinson, 2007, 2008; Humphreys & Mondello, 2005; Meer & Rosen, 2008; Sigelman & Carter, 1979; Sigelman & Bookheimer, 1983; Wharton, 2005).

From his conclusions, Anderson (2012) states, consider a school that improves its season wins by 5 games (the approximate difference between a 25th percentile season and a 75th percentile season). Changes of this magnitude occur approximately 8% of the time over a 1-year period and 13% of the time over a 2-year period. This school may expect alumni athletics donations to increase by \$682,000 (28%), applications to increase by 677 (5%), the acceptance rate to drop by 1.5 percentage points (2%), in-state enrollment to increase by 76 students (3%), and incoming 25th percentile SAT scores to increase by 9 points (1%). (p. 18)

Another recent case is the first of its kind; Louisiana State University (LSU) Athletics announced in the summer of 2012 that they will begin transferring up to \$7.2 million annually to the academic side of campus from athletics revenues. This is the first case where an athletics program has pledged to help contribute to the overall university instead of receiving a subsidy (Addo, 2012). Other institutions support the academic side, but it is usually on a year to year basis and not pledged over a period of years. However, the support of academics by athletics is rare; 98 of the 120 Division I institutions in 2010 lost money on their athletics programs; the median deficit was \$9.4 million (NCAA, 2010). It is a case of a “go big or go home” mentality, which can either pay off large for a small amount of schools or leave institutions paying large for their athletics programs.

There may also be indirect effects to public institutions in terms of state appropriations. Using data on 570 public universities, Humphreys (2006) found that those fielding Division I (FBS) football teams receive about 8% more from their state legislature than otherwise comparable universities that do not participate in Division I

(FBS) football. Participation seems to be what matters. Success is less important. State subsidies appear to be no greater for universities with top 20 or bowl-participating football teams.

Bowen and Shulman (2001) found that among a top donor group, the top 5% of donors to universities do not, on the whole, care about athletics and instead cite more interest in supporting undergraduate education, intellectual freedom, and extracurricular activities. Donors of today are looking to support broad participation, affecting the largest number of lives possible. Most donors often identify with the many students who are leading lives similar to the ones they led while in school, which is more than likely not as one of a few star athletes. Ultimately, donors want their schools to place less, not more, emphasis on collegiate athletics (Bowen & Shulman, 2001). Although this research shows evidence of no relationship between success and giving, the pervading outcome of research on this topic reveals a positive relationship between the two.

The most notable university admissions case as it relates to athletics success originates from Boston College University and the “Flutie Factor” that resulted from Doug Flutie’s on-field heroics in 1984 (Fleming, 2007). In this case, Boston College experienced an unprecedented 30% application increase in the two years following the legendary Hail Mary pass (Fleming, 2007).

Since this case, there are a number of other similar situations where universities have experienced a spike in applications and have increased their enrollment due to athletics success. McEvoy (2006), in an article written for the United States Sports Academy, shows empirical support for admissions applications increases and provides a number of additional case studies and previous research on the topic, all contributing

further to this fact. Athletics serve as a marketing tool and rallying point for the institution, leading to recruiting more students, not just student-athletes (McEvoy, 2006). Additionally, and equally as important to higher education, empirical evidence finds that athletics prominence and success were related to increased out-of-state enrollment (McEvoy, 2006).

Recently, Butler University after their consecutive runs to the men's Final Four experienced an increase of 41% in applications, athletics donations increased by 200% (\$1 million to \$3 million over two years) and alumni giving increased 10% in one year (DiConsiglio, 2012). Some reports also estimate the public exposure Butler received was estimated at \$500 million in publicity (DiConsiglio, 2012). Gonzaga, VCU, TCU, and Boise State have all seen similar results in applications and donations (DiConsiglio, 2012).

Toma and Cross (1998) also found athletics success relates to an increase in applications. They compared the 30 institutions that won national championships in football and men's basketball between 1979 and 1992 with a set of peer institutions to see if an increase in admissions applications occurred after athletics success. The researchers found that under most circumstances notable increases resulted in admissions applications received, both in the year of, and over the three years following the championship season (Toma & Cross, 1998). Sandy and Sloane (2004) found that institutions with Division I athletics programs attract more applications and enroll students with higher average SAT scores than similar institutions that do not participate in Division I sports. McCormick and Tinsley (1987) discovered the same results when

they examined 63 universities, each in one of the six “big-time” athletics conferences, compared to other colleges and universities.

Fleming (2007), in a report on Jaren and Devin Pope’s research around sports success and admissions, declares the empirical evidence among the top 20 football schools and top 16 basketball schools, has an increase of between 2% and 8% in admissions. Fleming noted that Pope found an increased pool of applicants across the schools with both high and low SAT scores. While the amount of applicants may increase, critics say that the yield decreases. Although, Pope and Pope (2009) argues that the greater amount of applications simply allows the institution to be more selective and improve their incoming freshmen class. Tucker (2005) also found significance in the relation to football success and enhanced incoming freshmen’s SAT scores from studying years 1990 through 2002.

The most influential piece of Pope and Pope’s (2009) research is that it was conducted over a 19-year span, eliminating the chance for critics to claim that the increase in admissions was not sustainable. This time period allows the studies to show the increase as well as the stability that followed (Pope & Pope, 2009). In an interview with George Mason University’s press secretary, it was revealed that the school had a number of positive outcomes from their Final Four appearance in 2006. On top of admissions increasing, the general visibility and awareness of the institution created a genuine sense of pride in those affiliated with the university and produced a special curiosity from those who did not know about the university (Pope & Pope, 2009).

Based on this evidence showing a positive relationship between university admissions and athletics team success, institutions of higher education have a choice of

how to capitalize on this phenomenon. McEvoy (2006), in his research, gives a detailed listing of options for the university. First, the university could admit more applicants of “comparable quality” resulting in increased enrollment and thus, additional revenue. Second, the university could increase the “rigor in its admissions process,” admitting the same number of students as before, although with better qualifications, increasing the average quality of student. Third, a hybrid approach could be taken by only slightly increasing the applicant pool and increasing admissions standards (McEvoy, 2006). Regardless of the option that is chosen, the institution should benefit.

David Wharton (2005) reveals the other side of this issue. University of Southern California (USC) experienced as much success on the football field as any school from 2001-2005. Although USC’s enrollment continued to rise after the success, USC administrators and nationwide research questioned whether any part of the increase was due to the football team’s success. There was a relationship between USC’s football success and an increase of donations to the football program, but the admissions factor was not as clear cut. USC administrators also noted the 2000 survey by the Art & Science Group that reported that students who said they were swayed by a winning team also reported lower test scores and lower household incomes (Wharton, 2005). This concerned many people who fear the publicity will degrade the academic integrity of the institution if the admissions process is not continually monitored and managed.

### **Chapter Summary**

In this chapter relevant literature was discussed regarding the history of private gifts in higher education, the beginnings of foundations and the growth of campaigns, current issues facing development in higher education, endowments, corporate



partnerships, and previous research regarding the relationship between athletics success and various impacts on universities. Several topics were covered among the research relating to athletics success and the impacts on higher education, including: overall private contributions to the institutions, private contributions to athletics, private contributions for unrestricted use or for academic purposes, applications for admissions, selective admissions, enrollment (including out-of-state), academic test scores, visibility and publicity created by athletics, state appropriations related to athletics success, athletics supporting academic initiatives, spending on athletics in relation to success, academic rankings, and differences in giving at private and public institutions in regards to athletics success. The majority of the previous research has found a positive association between the topics addressed above for institutions as a result of athletics success. The ensuing chapter discusses the methodology behind the study.

## CHAPTER 3

### METHODOLOGY

The purpose of this study was to examine universities that experienced athletics success (men's basketball Final Four or football BCS Bowl Game) and determine if there was a significant increase in overall private contributions to the institutions in terms of percent increase. By learning more about the relationship between athletics success and philanthropic support, institutions can better position themselves from these potential gains when they experience a year(s) of elite athletics success. Also, the value of athletics to an institution may be better defined and quantified in terms of finances in part by this study.

The research questions this study centered on were:

1. What financial impact does “athletics success” have on the institution in terms of overall private contributions? Specifically, is there a significant difference in the percent of overall private support to the institution following a year of athletics success?
2. What impact does regional location, public or private affiliation, or history of athletics success have on overall private contributions using the same measurements?
3. Does the difference of percent change in private contributions differ between institutions with basketball athletics success compared to institutions with football athletics success?

This chapter outlines the specific procedures used to answer the research questions above. The chapter also discusses the research design, sample, research

context, data collection (and other procedures), variables, hypotheses, data analysis, validity and reliability, IRB, ethical considerations, pilot test, limitations, and delimitations used to conduct this study. This chapter will be concluded by providing a chapter summary.

### **Research Design**

This study was a quantitative analysis of public, secondary data obtained through the Council for Aid to Education Voluntary Support of Education (VSE) Survey, a voluntary survey of higher education institutions with standardized data pulled from their annual reports. This survey records private support to each institution. The population as defined by athletics success was applied during the course of the last 10 years (2002-2011) to determine if there was a significant difference in the percent of contributions to the university utilizing a one-sample *t*-test analysis in SPSS (Statistical Package for Social Sciences) 19th edition. Subsequent research questions regarding differences in region were analyzed using a one-way analysis of variance (ANOVA) test; public or private affiliation, history of athletics success, and basketball versus football success was analyzed using an independent samples *t*-test.

### **Sample**

All higher education institutions that participated in the Council for Aid to Education Voluntary Survey for Education (VSE) Survey were included in the study, which ranged from 954 to 1,052 participants from 2001-2012 (Council for Aid to Education, 2013). See Appendix D for a summary of contributions for all institutions. All institutions, including athletically successful institutions, were used as a baseline for comparison to those schools that experienced athletics success. Based on the definition

for athletics success, 40 institutions participated in a men's Final Four over the last 10 years from 2002-2011 (NCAA, 2013). See Appendix B for list of institutions. One institution did not report data in the survey and was excluded, leaving the sample size for basketball at 39. Also using a similar definition for athletics success applied to football, 91 institutions competed in a BCS Bowl Game over the last 10 years from 2002-2011 (Bowl Championship Series, 2013). See Appendix C for list of institutions. One institution did not report data in the survey and was excluded, leaving the sample size at 90.

Adding the basketball athletically successful institutions (39) to the football athletically successful institutions (90), provided a total sample size of 129 for the study. There were 52 universities included as independent variables, as multiple schools competed in Final Fours or BCS Bowls multiple times. Each year accounted for a separate sample totaling 129, and data were collected accordingly over the 10-year defined period. The years collecting data span from 2001-2012 compared to the period of athletics success 2002-2011 to collect all previous year's data and the year following the success, which is why 2012 athletics success is excluded (fiscal year 2013 data were not available, released in 2014 VSE Survey).

### **Research Context**

The context for this research revolves around the voluntary survey and how gifts to institutions are counted. It is vital to be sure all data were reported in a uniform and consistent manner from every institution. See Appendix A for the guidelines and instructions provided by Council for Aid to Education's VSE Survey.

### **Data Collection (and other procedures)**

Data collections were from the Council for Aid to Education's VSE (Voluntary Survey for Education) Survey. The Council for Aid to Education has conducted survey research on the private support of education since 1957 (Council for Aid to Education, 2013). Over the years, this research has evolved into a large-scale annual research and dissemination program, the VSE. The survey is open to all colleges, universities, and private elementary and secondary schools in the United States. The Council for Advancement and Support of Education (CASE) co-sponsors the survey. Based on these results, CAE develops and disseminates national estimates of giving to higher education (Council for Aid to Education, 2013).

The Voluntary Support of Education Survey is designed to obtain information on the amounts, sources, donor-specified purposes, forms of private gifts, grants, and bequests received by educational institutions. The 2013 VSE Survey collected data on funds raised from private sources for the fiscal year beginning July 1, 2011, and ending June 30, 2012, with a few institutions reporting on different fiscal calendars (Council for Aid to Education, 2013). In July 2012, CAE mailed an announcement that the survey was open to 2,700 four-year institutions and 1,184 two-year institutions.

Beginning July 2012, any of these institutions for which CAE had email addresses received regular notices requesting participation. In September 2012, CASE notified its members that the survey was open and urged them to participate. Other institutions that asked to report were admitted to the survey as well. No U.S. institution that elected to participate was excluded (Council for Aid to Education, 2013). The deadline for

completing the survey was October 1, 2012. Institutions were given extensions on a case-by-case basis through December 31, 2012.

In January, 2013, data were downloaded for analysis and publication, and few changes were made to these offline data. Institutions were permitted to change their online results if they discovered errors. Fewer than 2% of respondents made substantive changes to their surveys (Council for Aid to Education, 2013). Despite fluctuations in the number and composition of the group of institutions participating, there was a core group that participated in sequential years. This group varied in size from 875 to 980; in 2013, it was 937 (Council for Aid to Education, 2013). The data were current as of the date of this publication. Information in the data pages was provided by the institution on the annual VSE Survey. Data were not independently verified by CAE (Council for Aid to Education, 2013). For this study the category of “total support” was identified as the main dependent variable. Total support was defined as the total of outright giving and deferred giving, both at present value (Council for Aid to Education, 2013).

In the most recent survey by the Council for Aid to Education (2013) 1,015 higher education institutions had provided complete data, including all samples studied for this research project. A baseline of financial support in terms of difference in giving by percent was totaled for all higher education institutions utilizing these institutions from 2001-2012, a year before the 2002 athletics success and a year after the 2011 athletics success. This baseline was used against the sample to determine if a statistically significant difference was found.

## **Variables**

The schools that experienced athletics success over the last 10 years (2002-2011) were the independent variables. These were the institutions participating in the men's basketball Final Four or a football BCS Bowl Game. Other variables were segmented in the post-analysis of the tests by regional location, public or private affiliation, history of athletics success, and basketball or football success. The dependent variable was the change in percent of private support contributed over the course of two years. The VSE Survey was used to extract the overall giving reported and the change from year-to-year was the percent change. The baseline was all other higher education institutions included in the VSE report.

## **Hypotheses**

The hypotheses relating to the research questions that were tested for the study were:

1. There is a significant difference in the percent of overall private support to the institution following a year of athletics success compared to the baseline.
2. In regards to regional location, there will be no significant difference between the regions of those universities that experienced athletics success in terms of percent change in overall contributions. In regards to public or private affiliation, the percent increase at public institutions will be larger than the percent increase of contributions at private institutions with athletics success. Lastly, those institutions without a "history of athletics success" will experience a greater percent increase in overall contributions versus those institutions deemed as having a "history of athletics success."

3. No significant difference in contributions will exist between institutions with basketball athletics success compared to institutions with football athletics success.

### **Data Analysis**

A one-sample *t*-test was used to determine significance between the 129 samples versus all other institutions used as a baseline for the same time frame, a single value. Results of the VSE Survey were recorded in a spreadsheet and transferred to SPSS for statistical analysis. Descriptive statistics and data relationships were calculated. One-sample *t*-tests were used to determine significance between the years prior, during, and after the year of athletics success at each institution. A statistical software program, SPSS was used for in-depth data analyses.

Measurements were taken the year prior to the athletics' success, year during, and the year after, accounting for a 2-year span. These data measured the percent of increase or decrease of private support over the two years compared to the baseline (all institutions of higher education listed in the survey, average  $N = 1,003$ ), and whether that difference was statistically significant utilizing a one-sample *t*-test. A one-sample *t*-test was administered to determine significance at the .05 alpha level. Effect size was measured after the *t*-test to determine the effect size of any significant statistical differences found. A *Cohen's D* test was utilized to find the effect size of each significant result (Cohen, 1988).

The data were segmented including region, public vs. private affiliation, history of athletics success, and basketball vs. football success. A one-way ANOVA test was used to compare the groups in terms of regions (East, North/Midwest, South, and West). Each



region was compared to the baseline via a one-sample *t*-test. If a region was found to be significant, then that region(s) was compared against the other regions in an independent samples *t*-test comparison. Independent samples *t*-tests were utilized to compare the groups in terms of public vs. private affiliation, history of athletics success, and basketball vs. football success.

### **Validity and Reliability**

Validity involves the appropriateness, meaningfulness, and usefulness of inferences made by the researcher based on the data collected (Wallen & Fraenkel, 2001). Validity can often be thought of as judgmental or subjective. According to Patten (2004), content validity is determined by judgments on the appropriateness of the instrument's content and if it measures what it is intended to measure. Patten identifies three core principles to improve content validity: 1) use a broad sample of content rather than a narrow one, 2) emphasize important material, and 3) write questions to measure the appropriate skill. These three principles were addressed when the Voluntary Support of Education Survey was administered. In this case, the VSE Survey is indeed valid and measures what it was intended to measure: private philanthropic contributions to universities. This was the intention and scope of the survey, to provide an accurate reflection and uniformed measure of all higher education institutions.

According to Patten (2004), "validity is more important than reliability" (p. 71). However, reliability does need to be addressed in any study. Reliability relates to the consistency of the data collected (Wallen & Fraenkel, 2001). The reliability of the data was maintained through specific and comprehensive instructions (see Appendix A) on how to correctly record totals and gifts to the institution in the survey. However, the

voluntary survey instrument has not been independently tested for reliability (Kaplan, 2013). The results of the survey rely on the self-reporting data from each institution.

### **IRB**

An exemption was issued by the IRB Administration at The University of Memphis on August 16<sup>th</sup>, 2012 for this study. The IRB administrator reviewed the study's determination (2306). Based on the information provided on the form which indicated existing, secondary, public data, the study did not need to submit an application to the IRB as the research did not meet the Office of Human Subjects Research Protections definition of human subjects research. See Appendix E for IRB exemption.

### **Ethical Considerations**

The potential ethical issues related to this study include political and intentional misreporting of the data in the voluntary survey. There lies a possibility that institutions which self-report the data may have been influenced to misrepresent a true reflection of their fundraising efforts. Many checks and balances are in place to avert such practices. For instance, a history of reporting at the institution, possibly many people used to report the data, and the data were made publically available for all to view, including those at that institution.

### **Pilot Test**

A pilot test was conducted in the Fall of 2012 utilizing data from the past seven years (2005-2011) of the VSE Survey (Walker, 2012). Research focused on intercollegiate teams of the past five years (2006-2010) which attained athletics success in men's basketball or football. Athletics success was defined as participating in the Division I men's Final Four in basketball or a Bowl Championship Series (BCS) Bowl

Game in football. Research centered on the outcomes financially for the university after their athletics success in terms of percent change in private contributions to the institution from the year previous to the success and the year after a 2-year span.

Data were collected from public, secondary sources and were standardized by utilizing the Council for Aid to Education (CAE) VSE (Voluntary Support of Education) annual report. This annual report is a standardized reporting of nearly all higher education institutions and their philanthropic support. A one-sample *t*-test analysis in SPSS 19<sup>th</sup> edition was ran on 68 samples to determine if a significant difference existed in overall private contributions (in percent change) to the university after their athletics success, compared to all higher education institutions.

Based on statistical analysis of seven years of data (2005-2011), the study found a significant increase in overall contributions over two years after a university's "athletics success." This increase was more than double the percent increase in contributions compared to the baseline percent increase in overall contributions over the same two years (6.24% baseline vs. 13.37% for sample),  $t(67) = 2.24, p = .028, d = .55$  (Table 1). Initial analysis was shown to be promising to justify moving forward with a 10 year study. The implications for this pilot study were that institutions that experience a year of athletics success have a significant positive increase of overall private contributions, in terms of percent increase, compared to the baseline of all other higher education institutions surveyed (Walker, 2012).

Table 1

*Comparison of Means of Percent Change in Private Contributions Over Two Years between Athletically Successful Institutions and All Institutions, the Past Five Years*

Group	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>
All Institutions	.0624	-	-	-	-
Athletics Success	.1337	.27	67	2.24	.028

### **Limitations**

Limitations of this study include outside factors that may affect the relationship with an increase in private contributions not related to athletics success, such as a university in a fundraising campaign. Another example would be economic issues that have a role in private contributions. In economic recessions and depressions, private philanthropy can decrease dramatically. Individual attributes such as leadership and structure at a university which may enhance or limit the effectiveness of their fundraising efforts could also classify as a limitation of this study, but should be negated by comparing universities in the study to all other institutions.

This study may be limited in relying upon the methodology used by the Council for Aid to Education’s VSE Survey. Any survey and responses should be reliable and valid, however, a limitation of this study was that the VSE Survey has not been independently tested for validity and reliability (Kaplan, 2013).

## **Delimitations**

The delimitations of the study included defining the population for athletics success. The definition of athletics success limited the study to programs that men's basketball team advanced to a Final Four or football team advanced to a BCS Bowl Game. This definition was conservative and narrow in nature to include a majority of people who would agree that an athletics team was "successful" if it reached the Final Four or a BCS Bowl Game. The total sample was narrowed to 129 and excluded two institutions that met the athletics success definition but did not report in the VSE Survey. Also, the variables history of athletics success and regions were identified and defined by this study which place institutions in these categories. Lastly, this study only identified athletics success in men's basketball and football.

## **Chapter Summary**

This study was carried out on 129 samples for each of the years studied (2002-2011) utilizing the same methods described above. As stated the results were transcribed into a spreadsheet and analyzed using a one-sample *t*-test in SPSS with an alpha level of .05. Other variables of the athletically successful institutions were analyzed using a one-way ANOVA, one-sample *t*-tests, or independent samples *t*-tests. These samples were compared against a baseline for all higher education institutions during the same time frame to determine significance. The results of these analyses follow in the subsequent chapter.

## CHAPTER 4

### RESULTS

As stated in Chapter 1, the study examined the relationship between athletics success and financial impact, in terms of the percent change in private support over the two years compared to the baseline of all higher education institutions' average over the same 2-year time frame. Thus, the independent variable was athletics success and the dependent variable was the percent change from the year prior to the success to the year after, a 2-year span. The chapter is organized in terms of the research questions guiding this study. These research questions included:

1. What financial impact does “athletics success” have on the institution in terms of overall private contributions? Specifically, is there a significant difference in the percent of overall private support to the institution following a year of athletics success?
2. What impact does regional location, public or private affiliation, or history of athletics success have on overall private contributions of athletically success institutions using the same measurements?
3. Does the difference of percent change in private contributions differ between institutions with basketball athletics success compared to institutions with football athletics success?

#### **Study Demographics**

The study included 129 institutions during the last 10 years, 2002-2011, that had achieved athletics success. As stated, athletics success was defined as participating in the men's Division I NCAA Final Four in basketball or a BCS Bowl Game in football.

Ninety of these institutions studied participated in a BCS Bowl Game, while the remaining 39 participated in a men's Division I NCAA Final Four. Fifteen of these institutions were private institutions, while the remaining 114 were public institutions. Eighty-three institutions were identified as having a "history of athletics success." A history of athletics success in this study was defined as a school winning two or more national championships in that sport. Forty-six institutions were identified as no "history of athletics success" for this study. Schools were also placed into a geographical region and analyzed. Twenty-two institutions were listed in the "East" region of the country, 52 were listed as "North/Midwest" region of the country, 36 were included in the "South" region of the United States and lastly 19 institutions were identified in the "West" region of the country (Refer to Table 2).

Table 2

*Institutions Achieving Athletics Success, 2002-2011*

Defining Factors	Number of Institutions
Athletics Success Men’s Basketball	39
Athletics Success Football	90
Public	114
Private	15
History of Athletics Success	83
No History of Athletics Success	46
East Region	22
North/Midwest Region	52
South Region	36
West Region	19

**Statistical Results**

The following statistical procedures were used to analyze the data:

**Research Question 1**

For research question 1, a one-sample *t*-test was conducted comparing 129 institutions with athletics success to the baseline which ranged from 954 – 1,052 institutions, with an average of 1,003 respondents for all higher education institutions reporting during 2001-2012. The mean percent change during a 2-year period for all



higher education institutions was .0535 (5.35%) increase during the time period of 2002-2011, which included the athletically successful institutions as well. The athletically successful institutions mean was 12.84% during the same time period. The results of the one-sample *t*-test were significant at the .05 level,  $t(128) = 3.09$ ,  $p = .002$ ,  $d = .55$  (Table 3); therefore, there is a statistically significant difference between the percent change in private contributions to institutions that experience athletics success compared to all other institutions.

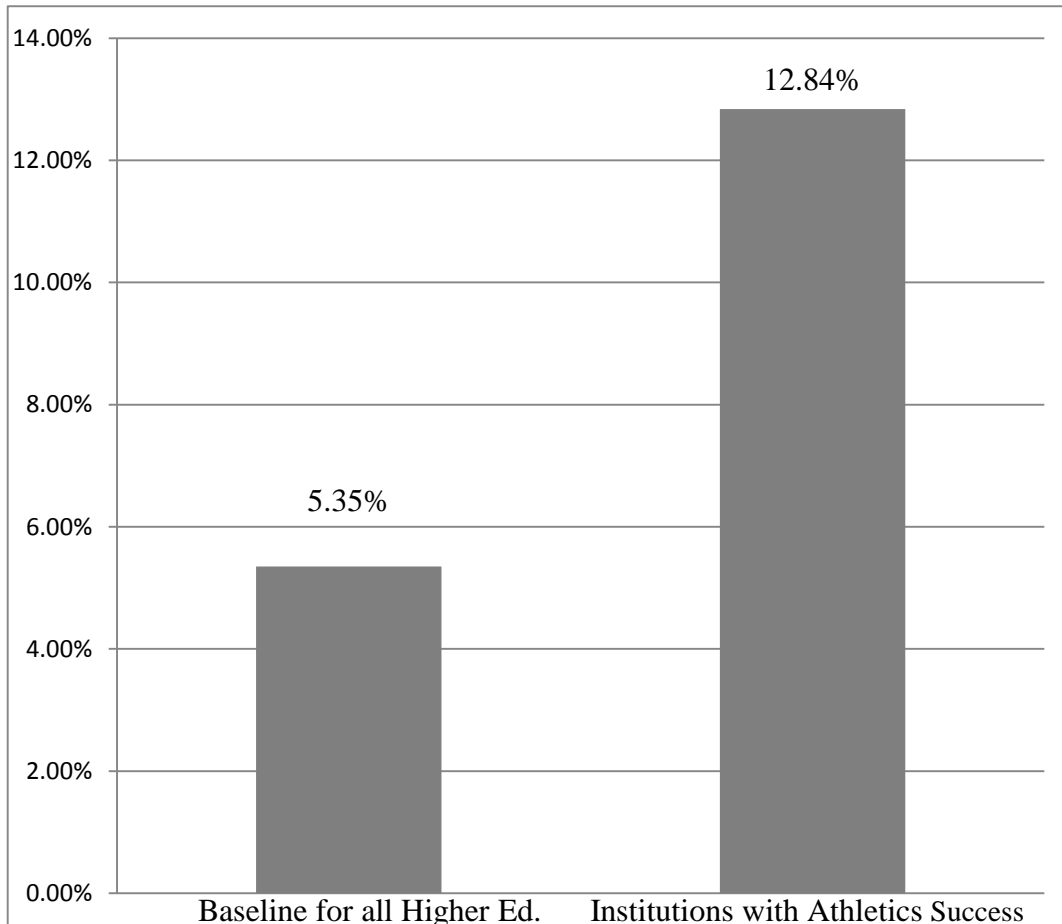
Table 3

*Comparison of Means of Percent Change in Private Contributions Over Two Years between Athletically Successful Institutions and All Institutions*

Group	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>	<i>d</i>
Athletics Success	.1284	.28	128	3.09	.002	.55

The results show a median percent change for all higher education institutions of 5.35% over two years. Those institutions with athletics success exhibited a median percent change of 12.84% (Figure 1). As stated above, this difference is statistically significant ( $p = .002$ ). This indicates an average increase of more than double for an institution that experiences athletics success over the baseline. The effect size or *Cohen's D* for this result was .55. This result of .55 indicates the two groups' means differ by more than half a standard deviation. This difference is larger than .5, which is considered a medium effect size (Cohen, 1988). The formula used to compute the *Cohen's D* effect

size was:  $d = ( t*2 ) / ( \text{sqrt}(df) )$  where,  $d = \text{Cohen's } d$  value or effect size (standardized mean difference),  $t = t$  test value and  $df = \text{degrees of freedom}$ .



*Figure 1.* Percent Increase of Overall Giving to Institutions Over Two Years (2002-2011)

## **Research Question 2**

For the second research question, the study conducted several tests on each of the variables. For the variable private versus public, an independent samples  $t$ -test was conducted between private ( $M = .2821$ ,  $SD = .34$ ) and public ( $M = .1081$ ,  $SD = .26$ ) and showed marginal statistical significance between the two groups,  $t(16.27) = 1.92$ ,  $p =$

.072,  $d = .34$  (Table 4). The equal variances not assumed was used since homogeneity of variance was not met ( $.038 < .05$ ) in the *Levene's Test* for Equality of Variances.

Table 4

*Comparison of Private versus Public Athletically Successful Institutions*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>	<i>d</i>
Private	15	.2821	.34	-	-	-	
Public	114	.1081	.26	16.27	1.92	.072	.34

Private and public institutions were then separately studied in a one-sample *t*-test versus the baseline. Private institutions displayed a statistical significance versus the baseline,  $t(14) = 2.62$ ,  $p = .02$ ,  $d = 1.40$  (Table 5). The effect size for private institutions that experienced athletics success was above the threshold for an effect size considered large ( $1.40 > .80$ ) in a study (Cohen, 1988). Public institutions also demonstrated statistical significance versus the baseline,  $t(113) = 2.24$ ,  $p = .027$ ,  $d = .42$  (Table 6). The effect size for public institutions that experienced athletics success was considered between the small (.2-.3) to medium range (.50) in this instance (Cohen, 1988). This could possibly show the private institutions as a driving force as an interaction effect.

Table 5

*Comparison of Private Athletically Successful Institutions versus the Baseline*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>	<i>d</i>
Private	15	.2821	.34	14	2.62	.020	1.40

Table 6

*Comparison of Public Athletically Successful Institutions versus the Baseline*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>	<i>d</i>
Public	114	.1081	.26	114	2.24	.027	.42

Next the study conducted an independent samples *t*-test between institutions with a history of athletics success, which experienced a year of athletics success, versus institutions with no history of athletics success, which experienced a year of athletics success. The results concluded no statistical significant difference between the two groups aforementioned,  $t(127) = .46$ ,  $p = .648$  (Table 7).

Table 7

*Comparison of Athletically Successful Institutions with a History of Athletics Success versus Athletically Successful Institutions with No History of Athletics Success*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>
No History of Success	46	.1433	.30	-	-	-
History of Success	83	.1201	.26	127	.46	.648

The following analysis examined if there were differences between geographical regions of the country that experienced athletics success. Each institution was segmented into one of four regions: East, North/Midwest, South, or West. Twenty-two institutions were classified as East, 52 as North/Midwest, 36 as South, and 19 as West. A one-way ANOVA test was conducted, the results showed no statistical difference between the four groups,  $t(3, 125) = .41, p = .745$  (Table 8).

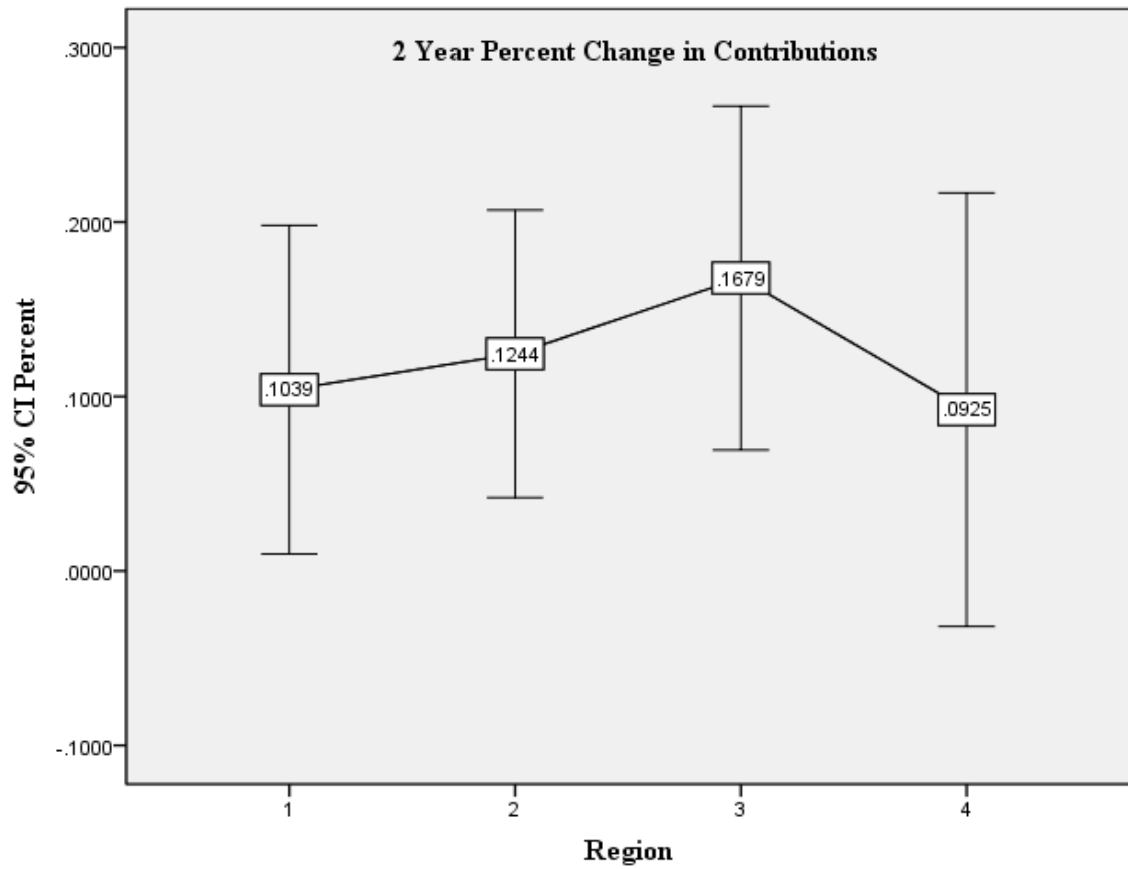
Table 8

*Comparison of Athletically Successful Institutions by Region of the Country (East, North/Midwest, South, and West)*

	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Between Groups	.10	3	.03	.41	.745
Within Groups	9.59	125	.08	-	-
Total	9.69	128	-	-	-

After examining the difference in means between the groups (Figure 2), a one-sample *t*-test was conducted separately utilizing each region versus the baseline. The results below illustrate only the South region exhibiting a statistically significant difference from the baseline group,  $t(35) = 2.36, p = .024, d = .80$  (Table 9). The effect size is considered to be large (.80).

**Means Plot for Athletically Successful Institutions by Region**



**Region 1 = East, Region 2 = North/Midwest, Region 3 = South, Region 4 = West**

*Figure 2.*

Table 9

*Comparison of Athletically Successfully Institutions by Region versus the Baseline*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>	<i>d</i>
East	22	.1039	.21	21	1.11	.278	-
North/Midwest	52	.1244	.30	51	1.73	.090	-
South	36	.1679	.29	35	2.36	.024	.80
West	19	.0925	.26	18	.66	.518	-

Since the one-sample *t*-test showed significance in the South region, but no other regions, a follow up independent samples *t*-test was conducted comparing the South region versus all other regions. The results demonstrate no statistical difference was found between the South region and all other regions combined,  $t(127) = -1.02$ ,  $p = .311$  (Table 10). Furthermore, a one-sample *t*-test comparing the three regions, excluding the South region, still found significance compared to the baseline  $t(92) = 2.14$ ,  $p = .0353$ ,  $d = .45$ .



Table 10

*Comparison of Athletically Successful Institutions in the South Region versus Athletically Successful Institutions in all other Regions*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>
East, North/Midwest, West	93	.1130	.27	-	-	-
South	36	.1679	.29	127	-1.02	.311

**Research Question 3**

Finally, the study conducted an independent samples *t*-test between institutions that experienced athletics success in basketball versus institutions that experienced athletics success in football. The results indicate no statistical significant difference between the two groups aforementioned,  $t(128) = .81, p = .418$  (Table 11).

Table 11

*Comparison of Football Athletically Successful Institutions versus Basketball Athletically Successful Institutions*

Group	<i>N</i>	<i>M</i>	<i>SD</i>	<i>df</i>	<i>t</i>	<i>p</i>
Institutions with BB Success	39	.1615	.25	-	-	-
Institutions with FB Success	90	.1195	.28	128	.81	.418

BB = Basketball, FB = Football

## Chapter Summary

In this chapter, the statistical results were analyzed and reported. Several significant results were found including the main research question regarding institutions with athletics success. The study discovered a significant increase in the overall percent of private contributions to the institution over a 2-year period that experienced athletics success in basketball or football, compared to all higher education institutions. Also, athletically successful private institutions were revealed to be marginally different from athletically successful public institutions in terms of the same measurement (percent of private contributions). There were no differences between athletically successful institutions in terms of history of athletics success or by region. However, the South region was the only region to be statistically significant by itself when compared to the baseline in a one-sample *t*-test, even though the four regions did not differ in a one-way ANOVA or comparative grouped *t*-test (three regions combined versus the South region). Finally, there was no difference found between institutions that experienced athletics success in basketball compared to institutions that experienced athletics success in football. The succeeding and concluding chapter will provide interpretation of the results, findings related to the literature, conclusions, implications for action, recommendations for future research, and concluding remarks.

## CHAPTER 5

### DISCUSSION

This chapter presents a summary of the study and important conclusions drawn from the data presented in Chapter 4. It provides an interpretation of the results, findings related to the literature, conclusions, implications for action, recommendations for further research, and concluding remarks.

#### **Interpretation of Results**

As stated in previous chapters, this study analyzed institutions that were athletically successful ( $N = 129$ ) during the past 10 years (2002-2011). Data were gathered from the Council for Aid to Education's VSE Survey prior to the year of each institution's success and also measured the following year (2001-2012). This percent change was compared to all higher education institutions that also participated in the Council for Aid to Education VSE Survey during the same 2-year period.

The research questions that guided this study were:

1. What financial impact does "athletics success" have on the institution in terms of overall private contributions? Specifically, is there a significant difference in the percent of overall private support to the institution following a year of athletics success?
2. What impact does regional location, public or private affiliation, or history of athletics success have on overall private contributions of athletically success institutions using the same measurements?

3. Does the difference of percent change in private contributions differ between institutions with basketball athletics success compared to institutions with football athletics success?

The following hypotheses for this study were tested and relate to the research questions examined:

1. There is a significant difference in the percent of overall private support to the institution following a year of athletics success compared to the baseline.
2. In regards to regional location, there will be no significant difference between the regions of those universities that experienced athletics success in terms of percent change in overall contributions. In regards to public or private affiliation, the percent increase at public institutions will be larger than the percent increase of contributions at private institutions with athletics success. Lastly, those institutions without a “history of athletics success” will experience a greater percent increase in overall contributions versus those institutions deemed as having a “history of athletics success.”
3. No significant difference in contributions will exist between institutions with basketball athletics success compared to institutions with football athletics success.

The results of this study reveal a statistically significant difference in the percent increase of private contributions for institutions that experienced athletics success compared to all higher education institutions (baseline). The mean difference was 12.84% for the athletically successful institutions versus 5.35% for the baseline group. This was more than double an increase in the percent of private contributions. The increase was

even more powerful since the baseline also included the athletically successful institutions, which they (the independent variable-athletically successful institutions) are being compared against. These results indicate there are indeed financial implications for institutions that are athletically successful to reap the benefits. These results affirm the hypothesis (1) for research question 1 “There is a significant difference in the percent of overall private support to the institution following a year of athletics success compared to the baseline.”

The results regarding the second research question were evaluated by several statistical analyses. For differences by region, all four regions were found to not be different statistically from one another by way of a one-way ANOVA test, which affirmed the study’s hypothesis (2) surrounding regions. However, analyzing the data in more depth, the study found the South region to be the largest in terms of percent change in contributions over two years, 16.8%, while the West region had the lowest value at a 9.25% change. The only region that was significantly different versus the baseline independently was the South region  $t(35) = 2.36, p = .024, d = .80$ . This represents a large effect size, indicating a possible interaction effect on the group as a whole as none of the other regions differed significantly when individually compared to the baseline using a one-sample *t*-test. Another contributing factor may be a smaller degrees of freedom for each group individually, which could account for why the other groups did not see a statistically significant difference from the baseline individually. This was ascertained to be true by subsequent tests showing the regions not differing from one another and the three regions (excluding the South region) showing significance when compared to the baseline in a one-sample *t*-test.

For the variable private versus public affiliation and impact on institutions with athletics success, the study found a marginal significant difference between the two in an independent samples *t*-test  $t(127) = 1.92, p = .072, d = .34$ . The effect size was considered to be relatively small. Examining the two individually compared to the baseline, the study found both to be statistically significant. The private institutions that experienced athletics success had a mean percent change over the two years of 28.2%,  $t(14) = 2.62, p = .020, d = 1.40$ . The effect size for the private institutions was very large. This indicates a very strong relationship between athletics success and the increase in contributions in terms of percent for private institutions. The public institutions also saw a significant difference from the baseline with a mean percent change over the two years of 10.8%,  $t(114) = 2.24, p = .027, d = .42$ . The effect size of .42 was close to a medium effect size (.50), but not as significant as private institutions. This represents a significant finding for public institutions, and even more so in regards to those with a private affiliation.

This finding was unforeseen as it completely contradicted the study's hypothesis (2) that public institutions would see a larger percent increase versus private, when in fact it was private institutions that realized the larger increase. One thought on why this may be is the culture of philanthropy at private institutions is more deeply entrenched; thus, as a result of an athletically successful year, it motivates an already larger generous populous to contribute, compared to public institutions. This is also verified as the top 10 institutions in percentage of alumni that give back are all private institutions (The Alumni Factor, 2012).

For the variable history of athletics success, while a difference in means between the two groups existed, the study concluded no statistical difference between those institutions with a history of athletics success ( $M = 12\%$ ) compared to institutions without a history of athletics success ( $M = 14.3\%$ ). This suggests that all institutions regardless of their history of athletics success can benefit from a year of athletics success. This was consistent with the study's hypothesis (2) that a difference between the two would not exist.

Testing of the last research question to determine if a difference existed between institutions with basketball success versus football success, the study found no statistical significant difference between the two. This confirmed the study's hypothesis (3) that "no significant difference in contributions will exist between institutions with basketball athletics success compared to institutions with football athletics success." It was, however, interesting to note that institutions with basketball success exhibited a larger mean ( $M = 16.1\%$ ) compared to institutions with football success ( $M = 11.9\%$ ).

### **Findings Related to Literature**

The main result of this study, that institutions that experience athletics success exhibit a significant difference in private contributions is congruent with previous studies (Anderson, 2012; Brooker & Klastorin, 1981; Coughlin & Erikson, 1984; Howard & Stinson, 2008; Humphreys & Mondello, 2005; Meer & Rosen, 2008; Sigelman & Bookheimer, 1983). However, what is unique to this study was the definition of athletics success was more narrowly defined and the data source utilized was the Council for Aid to Education's VSE Survey, which were distinctive from the studies above. Moreover, this study found significance utilizing this data set where a previous study in 2007 by

Humphreys and Mondello using a similar database found no significance from the years 1976-1996. These current findings may indicate a shift in the influence athletics success plays in private contributions to institutions in the current environment. This study also differed from previous studies in that it accounted for multiple years prior to and after the athletics success, for a more accurate reflection of how the athletics success had a significant financial impact on those institutions. Accounting for a change over multiple years versus a single year after athletics success, provides additional validity to the study compared to previous studies.

The results indicating private institutions benefit more than public institutions may contradict the study by Howard and Stinson (2007), which found less prestigious academic institutions are influenced more by athletics success. Howard and Stinson defined prestigious institutions as Tier I by U.S. News & World Report. During the time of this study by Howard and Stinson (2007), Tier I was defined as institutions that ranked in the top 50%, currently institutions are classified as Tier I if they rank in the top 75% (U.S. News & World Report, 2012b). While the two studies' definitions do not align, and a majority of the private institutions are classified as Tier I, the findings are interesting to note and surprising given the study's hypothesis. The difference in means over two years was marginally significant between the private and public institutions (28.2% vs. 10.8%). Furthermore, Humphreys and Mondello (2007), in their study ranging from 1976-1996, found basketball success was linked to an increase in restricted contributions at both private and public institutions, however, football success was linked to an increase at only public institutions. In an earlier study, Humphreys and Mondello (2005) defined restricted donations as those earmarked for athletics, suggesting that academic



departments do not benefit from athletics success at public institutions, although similar to Howard and Stinson's (2008) findings, private institutions did see an increase in academic giving.

This study found a relationship at both private and public institutions and giving overall, which may be evidence that there may be a shift in the donor's perception nationwide regarding athletics and private contributions. One could hypothesize back to the culture and environment discussed in the theoretical framework section that relates to giving; stated that the mission, image, identity, and expectations of the institution affect perceptions and therefore emphasis placed on athletics success and giving. Organizational Image and Identity Theory relates to the identity and image portray by the university as a result of the athletics success (Dutton & Dukerich, 1991).

Next, the results comparing variables by region and history of athletics success are unique, in and of themselves since these variables have either been lightly researched or never been studied previously in this context and definition of athletics success. Particularly of interest, are the results for the South region being significant when compared to the baseline. This may represent an influential variable on the dataset as a whole.

Lastly, the findings on private contributions for basketball success versus football success observed no statistical difference between the two. This was similar to the findings by Humphreys and Mondello (2007) that found restricted giving appeared to rise at both public and private universities in response to success of the basketball team, and at public institutions when the football team is invited to a bowl game.

## **Conclusions**

The study found that regardless of public or private affiliation, history of athletics success, or region; those institutions that experience athletics success, either in basketball or football, saw a significant increase in overall private contributions to their institution. These results are especially meaningful because the impacts on the institution are of a financial nature. These enhanced resources can facilitate desired growth for the institution in manners it deems appropriate. These resources and impact may have a long-lasting result and cultivate future financial gains in the process. These findings relate back to the Resource Dependence Theory in that institutions are dependent on external stakeholders for resources and therefore must be cognizant of motivations and influencers those stakeholders may hold, which could include athletics success (Pfeffer & Salancik, 1978).

The study also found a marginally significant difference between private institutions that experienced athletics success compared to public institutions with the same athletics success. These results show there may be a particular advantage to private institutions that experience athletics success compared to baseline institutions. In this instance, the impact is very noticeable, with a 28% increase over two years compared to a 5% increase for all other institutions during the same period of time. This was more than five times an increase for private institutions' overall financial support compared to the mean percent increase for all higher education institutions.

## **Implications for Action**

There are 347 institutions which compete at the NCAA Division I level in basketball and 120 institutions which field a NCAA Division I (FBS) football program (NCAA, 2013); for these schools the implications from these results are vast. The results

from this study help to quantify the return on investment in athletics programs in terms of overall private contributions to the institution (Walker, 2013). This also does not take into account other intangibles and possible indirect results from this athletics success, such as increased applications, enrollment, improved SAT/ACT scores of incoming freshman, enhanced national attention/marketing/exposure, royalties from sales of merchandise, community economic impact, television revenue, and possibly enhanced image of the institution.

These findings may help justify and encourage those institutions to invest in their athletics programs strategically to reap these financial benefits. Administrators should have a strategic plan in place well before the success occurs to take full advantage of the benefits, much like institutions have an emergency preparedness plan. By having a strategic plan, universities will be able to capitalize on the marketing, exposure, donations, and image to the fullest extent during and immediately after athletics success. This thought relates to Institutional Theory and Contingency Theory in which institutions should understand external expectations and strategically align themselves with the external environmental conditions, such as the impact athletics success may create for their university (Burns & Stalker, 1961; DiMaggio & Powell, 1983). Each institution should prepare for as many extreme instances as possible, both positive and negative.

This is especially true since the study found no statistical difference between schools with a history of athletics success compared to institutions without a history of athletics success. Excellent examples, come from the recent and surprising success of such teams including VCU, George Mason, Butler, Boise State, and TCU. However, even institutions with a long history of success may benefit from recent athletics success. In

April of 2013, after Michigan made a deep run in the men's basketball NCAA Final Four, Charles Munger committed \$110 million to the University of Michigan, the largest gift to the institution (University of Michigan News Service, 2013). Furthermore, the gift was made after he was an invited guest of the University to the Final Four, and his gift was designated for the academic side of the institution to build a new graduate student hall. This recent gift speaks to the power and influence athletics may hold in donor motivations, even to gifts towards academic initiatives.

### **Recommendations for Future Research**

While this study provided substantial and unique results, not to mention added to continuing research on this subject, several future studies should be conducted on topics related to athletics success and the financial impact on universities to expand on this relationship. To further this research, one could examine in detail where the increase in contributions was allotted within the institution. However, since most athletics departments are subsidized, even if all of the increase went specifically towards athletics, the institution itself would benefit by providing less of a subsidy, thereby saving resources that could be allocated elsewhere base on priority and needs of the university.

The relationship between private and public affiliation in regards to athletics success should be researched further to determine if a strong relationship exists. The sample size of 15 in this study for private institutions was rather small and a stronger relationship may be found with an expanded study of private institutions that experience athletics success.

In regards to region, there were no statistically significant differences between regions that experienced athletics success. However, the Southern region exhibited the

largest mean among the groups and was the only region to exhibit significance on its own compared to the baseline. In the future, conducting a two-way ANOVA accounting for athletics success in basketball and football by region would be suggested. There may be an influential pattern found by sport and region if further research is completed.

There are also several other direct and indirect financial impacts of athletics success on institutions. Several recommendations for future studies may include analyzing television revenue and royalties universities receive and how they may fluctuate based on athletics success. Also, the economic impact of the athletics success may be examined in the community which the institution resides in, which associates with Systems Theory in that institutions have an interdependent relationship with their external environment (Bertalanffy & Berrien, 1968).

Finally, the ability to quantify the marketing, exposure, and possibly enhanced perception or rankings an institution gains from their athletics success would be of particular interest since these variables are often difficult to measure, but can be very valuable financially in the long-term. Simply enhancing the alumni giving percentage can increase an institution's ranking in the U.S. News & World Report marginally, which accounts for 5% of the rankings (U.S. News & World Report, 2012b).

### **Concluding Remarks**

This dissertation study found significant differences in financial support for institutions that experienced athletics success. It is my hope that this study and its findings shed additional light on this subject matter and will continue to place an emphasis, and enhance discussions on the overall impact intercollegiate athletics may play in the role of an institution. Recent research, including this study, exhibit significant

financial benefits to institutions with athletics success. This relationship may especially hold true today, as an institution's exposure due athletics success is magnified by multimedia outlets including social media, blogs, and enhanced television coverage. However, providing an undeniable link between athletics success and enhancing the overall mission of an institution should not be the motivation behind any discussion, but rather interpreting both the deliverables that can be measured (such as finances), and the intangibles athletics bring to an overall campus in terms of culture, sense of community, belongingness, and pride should be the overall goal and emphasis for all institutions regardless of athletics success.

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## APPENDIX A

### VSE SURVEY INSTRUCTIONS TO INSTITUTIONS ON HOW TO REPORT GIFTS

#### **To be included as voluntary support (all gift and grant income)**

- Gifts and grants to your institution, both for current operations and for capital purposes, regardless of form (cash, products, property, securities, etc.);
- Gifts and grants to affiliated foundations and organizations created to raise funds for the institution;
- Securities, real estate, equipment, property, or other noncash gifts, to be evaluated at the fair market value placed on them by an independent appraiser, not the cash income therefrom;
- Deferred gifts;
- Cash value of life insurance contracts;
- Cash payments returned as contributions from salaried staff;
- Insurance premiums paid by donors.

#### **Not to be included as voluntary support**

The following types of funds should *not* be counted in reports of annual fundraising results, even if circumstances indicate that the payer regarded them as a contribution:

- Advertising revenue;
- Contract revenues, including contracted sponsored research funds;
- Contributed services, unless cash payments for the services are then returned as contributions;
- Contributions from cities or regional governments, even though those entities may be incorporated;
- Discounts on purchases, such as the common practice of offering education discounts, but not to be confused with "bargain sales," which are countable gifts;
- Earned income, including transfer payments from medical or analogous practice plans;
- Gifts from affiliated foundations and organizations to the institution (because they are counted when received by the foundation or organization, not when they are passed to the institution itself);
- Government funds, whether local, state (including state matching grants), federal, or foreign, including tribal governments;
- Investment earnings on gifts, even if accrued during the fundraising reporting year and even if required with the terms specified by the donor (the only exception permitted being interest accumulations counted in guaranteed investment instruments that mature within the reporting year, such as zero-coupon bonds);
- Pledges. Although the Financial Accounting Standards Board (FASB) requires certain institutions to report unconditional pledges in their financial statements, these should not be included in annual gift totals of fundraising results;

- Revenue from special education programs;
- Student financial aid when the gift is in support of a specific student identified by name;
- Surplus income transfers from ticket-based operations, except for any amount equal to that permitted as a charitable deduction by the IRS;
- Testamentary commitments (bequest intentions);
- Tuition payments;
- Value of deferred giving contracts terminated due to the death of the income beneficiary during the year. Count deferred gifts when established or added to, not when realized.

(Council for Aid to Education VSE Survey, 2012 p. 37-38)

APPENDIX B

LIST OF ATHLETICALLY SUCCESSFUL MEN'S BASKETBALL INSTITUTIONS

2002-2011

<u>Final Four</u> <u>Basketball</u> <u>Institutions</u> <u>2002-2011</u> <u>(39)</u>	<u>Region</u>	<u>Public/Private</u>	<u>Tradition of</u> <u>Athletics Success?</u> <u>(NCAA National Titles-two</u> <u>or more)</u>	<u>Year</u>
Maryland (won 2002 National Championship)	East	Public	No	2002
Indiana	North/Midwest	Public	Yes (5)	2002
Oklahoma	North/Midwest	Public	No	2002
Syracuse (won 2003 National Championship)	East	Public	No	2003
Texas	South	Public	No	2003
Marquette (Excluded-did not report)	North/Midwest	Private	No	2003
Georgia Tech	East	Public	No	2004

Oklahoma State	North/Midwest	Public	Yes (2)	2004
Illinois	North/Midwest	Public	No	2005
Louisville	North/Midwest	Public	Yes (2)	2005
UCLA	West	Public	Yes (11)	2006
UCLA	West	Public	Yes (11)	2007
UCLA	West	Public	Yes (11)	2008
Florida (won 2006, 2007 National Championship)	South	Public	Yes (2)	<b>2006</b>
Florida	South	Public	Yes (2)	<b>2007</b>
LSU	South	Public	No	2006
George Mason	East	Public	No	2006
Ohio State	North/Midwest	Public	No (1)	2007
Georgetown	East	Private	No (1)	2007
Kansas (won 2008 National Championship)	North/Midwest	Public	Yes (3)	2002
Kansas	North/Midwest	Public	Yes (3)	2003
Kansas	North/Midwest	Public	Yes (3)	<b>2008</b>
Memphis	South	Public	No	2008

North Carolina	East	Public	Yes (5)	<b>2005</b>
(won 2005, 2009 National Championship)				
North Carolina	East	Public	Yes (5)	2008
North Carolina	East	Public	Yes (5)	<b>2009</b>
Connecticut	East	Public	Yes (3)	<b>2004</b>
(won 2004, 2011 National Championship)				
Connecticut	East	Public	Yes (3)	2009
Connecticut	East	Public	Yes (3)	<b>2011</b>
Michigan State	North/Midwest	Public	Yes (2)	2005
Michigan State	North/Midwest	Public	Yes (2)	2009
Michigan State	North/Midwest	Public	Yes (2)	2010
Villanova	East	Private	No (1)	2009
Duke (won	East	Private	Yes (4)	2004
2010 National Championship)				
Duke	East	Private	Yes (4)	<b>2010</b>
West Virginia	North/Midwest	Public	No	2010
Butler	North/Midwest	Private	No	2010
Butler	North/Midwest	Private	No	2011

Kentucky	North/Midwest	Public	Yes (8)	2011
VCU	East	Public	No	2011

APPENDIX C

LIST OF ATHLETICALLY SUCCESSFUL FOOTBALL INSTITUTIONS 2002-2011

<u>BCS Bowl Football</u>	<u>Region</u>	<u>Public/Private</u>	<u>Tradition of</u>	<u>Year</u>
<u>Institutions 2002-2011</u>			<u>Athletics</u>	
<u>(90) (*prior to 2007 only</u>			<u>Success?</u>	
<u>4 BCS Bowls were</u>			<u>(National Titles-</u>	
<u>played vs. 2007-present 5</u>			<u>two or more)</u>	
<u>BCS Bowls)</u>				
Colorado	West	Public	No	2002
Maryland	East	Public	No	2002
Miami (won 2002	South	Private	Yes (5)	<b>2002</b>
National Championship)				
Miami	South	Private	Yes (5)	2003
Miami	South	Private	Yes (5)	2004
Nebraska	North/Midwest	Public	Yes (5)	2002
Washington State	West	Public	No	2003
Kansas State	North/Midwest	Public	No	2004
Pittsburgh	East	Public	Yes (9)	2005
Ohio State (won 2003	North/Midwest	Public	Yes (7)	<b>2003</b>
National Championship)				
Ohio State	North/Midwest	Public	Yes (7)	2004
Ohio State	North/Midwest	Public	Yes (7)	2006
Ohio State	North/Midwest	Public	Yes (7)	2007



Ohio State	North/Midwest	Public	Yes (7)	2008
Ohio State	North/Midwest	Public	Yes (7)	2009
Ohio State	North/Midwest	Public	Yes (7)	2010
Ohio State	North/Midwest	Public	Yes (7)	2011
Notre Dame	North/Midwest	Private	Yes (13)	2006
Notre Dame	North/Midwest	Private	Yes (13)	2007
West Virginia	North/Midwest	Public	No	2006
West Virginia	North/Midwest	Public	No	2008
Georgia	South	Public	Yes (4)	2003
Georgia	South	Public	Yes (4)	2006
Georgia	South	Public	Yes (4)	2008
Penn State	North/Midwest	Public	Yes (4)	2006
Penn State	North/Midwest	Public	Yes (4)	2009
Florida State	South	Public	Yes (2)	2003
Florida State	South	Public	Yes (2)	2004
Florida State	South	Public	Yes (2)	2006
Texas (won 2006 National Championship)	South	Public	Yes (4)	2005
Texas	South	Public	Yes (4)	<b>2006</b>
Texas	South	Public	Yes (4)	2009
Texas	South	Public	Yes (4)	2010

USC (won 2004* (AP), 2005 National Championship)	West	Public	Yes (10)	2003
USC	West	Public	Yes (10)	<b>2004</b>
USC	West	Public	Yes (10)	<b>2005</b>
USC	West	Public	Yes (10)	2006
USC	West	Public	Yes (10)	2007
USC	West	Public	Yes (10)	2008
USC	West	Public	Yes (10)	2009
Michigan	North/Midwest	Public	Yes (11)	2004
Michigan	North/Midwest	Public	Yes (11)	2005
Michigan	North/Midwest	Public	Yes (11)	2007
Boise State	West	Public	No	2007
Boise State	West	Public	No	2010
Oklahoma	North/Midwest	Public	Yes (7)	2003
Oklahoma	North/Midwest	Public	Yes (7)	2004
Oklahoma	North/Midwest	Public	Yes (7)	2005
Oklahoma	North/Midwest	Public	Yes (7)	2007
Oklahoma	North/Midwest	Public	Yes (7)	2008
Oklahoma	North/Midwest	Public	Yes (7)	2009
Oklahoma	North/Midwest	Public	Yes (7)	2011
Louisville	North/Midwest	Public	No	2007
Wake Forest	East	Private	No	2007

LSU (won 2004, 2008 National Championship)	South	Public	Yes (4)	2002
LSU	South	Public	Yes (4)	<b>2004</b>
LSU	South	Public	Yes (4)	2007
LSU	South	Public	Yes (4)	<b>2008</b>
Florida (won 2007, 2009 National Championship)	South	Public	Yes (3)	2002
Florida	South	Public	Yes (3)	<b>2007</b>
Florida	South	Public	Yes (3)	2008
Florida	South	Public	Yes (3)	<b>2009</b>
Florida	South	Public	Yes (3)	2010
Illinois	North/Midwest	Public	Yes (4)	2002
Illinois	North/Midwest	Public	Yes (4)	2008
Hawaii	West	Public	No	2008
Kansas	North/Midwest	Public	No	2008
Virginia Tech	East	Public	No	2005
Virginia Tech	East	Public	No	2008
Virginia Tech	East	Public	No	2009
Virginia Tech	East	Public	No	2011
Cincinnati	North/Midwest	Public	No	2009
Cincinnati	North/Midwest	Public	No	2010
Utah (Excluded-did not report)	West	Public	No	2005

Utah	West	Public	No	2009
Alabama (won 2010 National Championship)	South	Public	Yes (13)	2009
Alabama	South	Public	Yes (13)	<b>2010</b>
Oregon	West	Public	No	2002
Oregon	West	Public	No	2010
Oregon	West	Public	No	2011
TCU	South	Private	No	2010
TCU	South	Private	No	2011
Iowa	North/Midwest	Public	No	2003
Iowa	North/Midwest	Public	No	2010
Georgia Tech	South	Public	Yes (4)	2010
Wisconsin	North/Midwest	Public	No	2011
Connecticut	East	Public	No	2011
Stanford	West	Private	No	2011
Arkansas	South	Public	No	2011
Auburn (won 2011 National Championship)	South	Public	Yes (3)	2005
Auburn	South	Public	Yes (3)	<b>2011</b>

APPENDIX D

COUNCIL FOR AID TO EDUCATION VSE SURVEY RESULTS FOR ALL HIGHER  
EDUCATION INSTITUTIONS 2001-2012

<u>Year</u>	<u>Total Giving (in billions of dollars)</u>	<u>Percent Change</u>	<u>Mean over Two Yrs.</u>
2001	24.2	4.30%	
2002	23.9	-1.20%	
2003	23.9	0.00%	-1.24%
2004	24.4	2.10%	2.09%
2005	25.6	4.90%	7.11%
2006	28	9.40%	14.75%
2007	29.75	6.30%	16.21%
2008	31.6	6.20%	12.86%
2009	27.85	-11.90%	-6.39%
2010	28	0.50%	-11.39%
2011	30.3	8.20%	8.80%
2012	31	2.30%	10.71%
		<u>Mean Percent Change over Two Yrs. 2001- 2012</u>	<u>5.35%</u>

APPENDIX E  
IRB EXEMPTION

**Adam G Walker (awalker9)**

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**From:** Elijah John Luebbe (eluebbe) on behalf of Institutional Review Board  
**Sent:** Thursday, August 16, 2012 11:25 AM  
**To:** Adam G Walker (awalker9)  
**Cc:** Jeff Wilson (jlwison4)  
**Subject:** IRB Determination 2306

Hello,

The IRB Administrator has reviewed your Determination (2306). Based on the information provided on the form, you do not need to submit an application to the IRB as your research does not meet the Office of Human Subjects Research Protections definition of human subjects research. Should you have any questions for the IRB Administrator, you can e-mail her at [jreid@memphis.edu](mailto:jreid@memphis.edu).

Thank you,

Elijah Luebbe  
Research Support Services  
University of Memphis  
315 Admin Bldg  
Memphis, TN 38152-3370