

The Cost of Competition

Understanding the External and Internal Forces Impacting
Your Athletics Portfolio

Please Add Your Institution to Your Screen Name

The screenshot displays a Zoom meeting interface. The main window shows a presentation slide with the EAB logo and the text "EAB Virtual Meetings 2020". The bottom toolbar includes icons for Mute, Stop Video, Invite, Participants (with a '2' icon), Share, Chat, and Record. A red "Leave Meeting" button is on the right. The "Participants (2)" panel is open on the right, showing "Test Participant (Me)" and "Meeting Host (Host)". A "Rename" dialog box is open over the "Test Participant (Me)" entry, with the text "Enter a new screen name:" and a text field containing "Jane Doe - Institution". An orange line points from the "Participants" icon in the toolbar to the "Rename" dialog box. Another orange line points from the "Update your name and add your institution" text box to the "Rename" dialog box.

Zoom Meeting ID: 841-573-482

You are viewing Meeting Host's screen

View Options

Speaker View

Participants (2)

Test Participant (Me)

Mute Rename

Meeting Host (Host)

Rename

Enter a new screen name:

Jane Doe - Institution

OK Cancel

Mute Stop Video Invite Participants Share Chat Record

Leave Meeting

Open Participants menu

Update your name and add your institution

New Presidents Intensive Curriculum



VIRTUAL INTRODUCTION | 1:00 – 2:00 PM ET

Tuesday, June 17, 2025

IN-PERSON SESSION | EAB HEADQUARTERS | WASHINGTON, DC

Monday, June 23, 2025

12:00 pm–7:00 pm ET

Reckoning with Relevance
Dynamic Strategy
Differentiating the Student Value Proposition
Institutional Self-Assessment

Tuesday, June 24, 2025

8:00 am–3:00 pm ET

Exploring the Impact of Federal Policy Shifts and Beyond
Implications of AI for Higher Ed and the Future of Work
Special Presidential Panel
The President as Fundraiser-In-Chief
Shared Governance 2.0

VIRTUAL SESSIONS | TUESDAYS | 1:00 – 3:00 PM ET

July 1, 2025

Blueprint for Growth

July 8, 2025

Rethinking Student
Success

July 15, 2025

Critical Considerations
for Achieving Financial
Sustainability and
Resilience

July 22, 2025

The New World of
College Athletics

July 29, 2025

Balancing Inclusivity,
Free Speech, and
Academic Freedom

Prompted and Informed by Our Partners

As athletics challenges intensified, presidents turned to EAB for insight

Prioritize Sports Based on Contributions to Institutional Goals



Enhance the Rigor of New Sport Planning and Launch



Assess Feasibility and Readiness for Divisional Reclassification



 Review & revitalization process presentation

 Student-Athlete Net Revenue Contribution Calculator

 Athletic Costs and Roster Benchmarking Tool

 New Sport Launch Playbook

 Supply Demand Opportunity Maps


 High School Sports Participation State Snapshots

 New Sport Feasibility Guide

 Sport Level Budget Template

 EAB NCAA Divisional Reclassification Report

 Athletic Expenses for Reclassified Institutions

 Enrollment and NTR¹Impacts

 Readiness Assessment

 College Athletics Strategy Resource Center

Uniquely Positioned to Help Navigate the Changing Landscape

2,100 Executives
in our
Network

150+ NCAA
Members

60+ Research Calls
on Athletics in
last 12 Months

Meet Your Presenters



Mary Frances Harris

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Special Guest President



Dr. Brian Noland

East Tennessee State
University



What is your familiarity and comfort level with the athletics business model, either at a past or your new institution?

- 1 The Evolving Athletics Landscape in Higher Ed
- 2 Is Competing Worth the Cost?
- 3 Reframing the “Value-Add” of an Athletics Department

The Biggest Players in College Athletics



National Collegiate Athletics Association

1,085

member institutions in
the U.S. and Canada

3

divisions, differentiated by
scholarship regulations,
number of required sports

520K+

student-athlete
participants¹



National Association of Intercollegiate Athletics

250

member institutions in
the U.S.

1

division, with 21
conferences

83K+

student-athlete
participants



National Junior College Athletic Association

525

member institutions in
the U.S.

3

divisions, distinguished by
scholarship guidelines

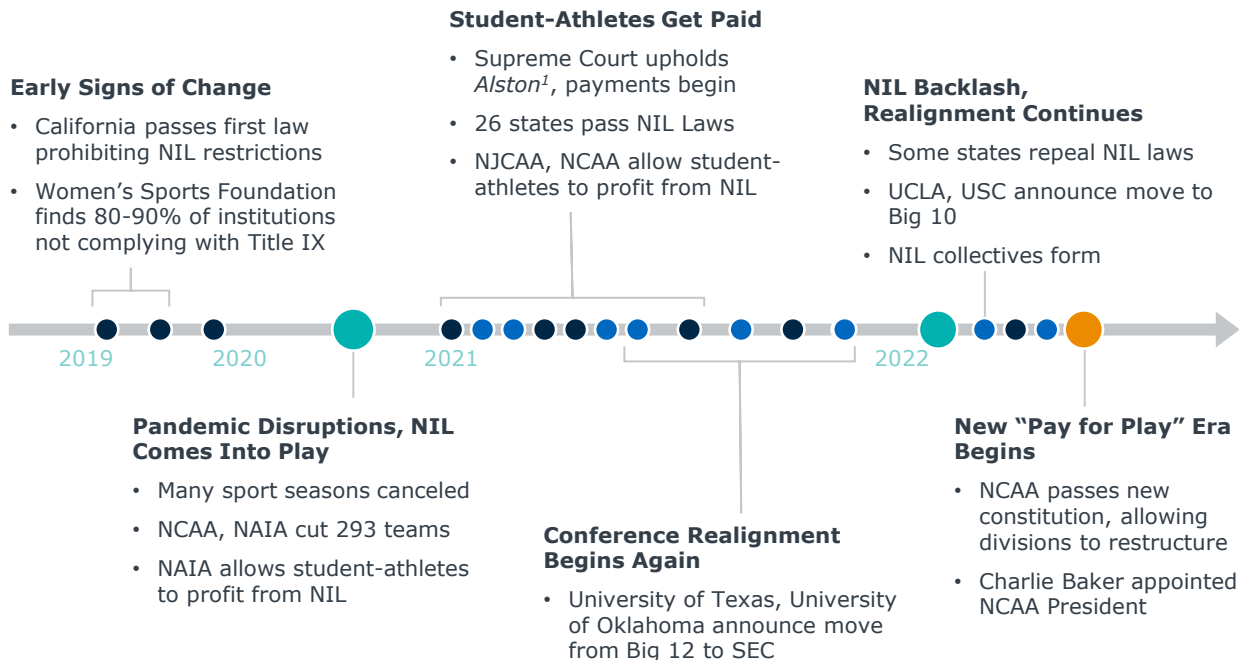
60K+

student-athlete
participants

¹) Athletes that play two sports are double counted in the total number
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A Tumultuous Landscape...

Leaders Face One of the Most Disruptive Periods in College Athletics Ever



1) *Alston v. NCAA* allows athletes to receive limited educational benefits (e.g., laptops, tutoring, cash)

...And a Rapidly Evolving Enterprise

External Forces Require Changes Within Higher Ed

Legal Woes Mount

- Class-action status for *House v. NCAA*
- USC, Dartmouth athlete petitions advance to NLRB
- *Carter v. NCAA* introduces potential for market-value scholarships
- *Johnson v. NCAA* hearings

Participation Restrictions

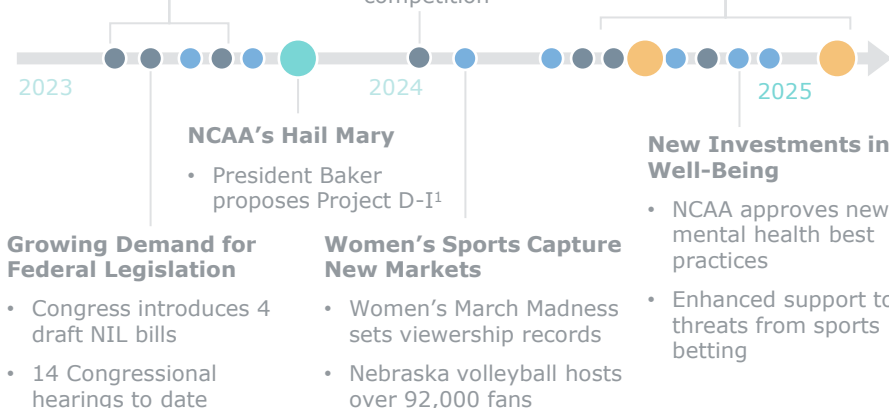
NAIA bans transgender athletes from competition

Athlete Compensation Gains Clarity

- \$2.8B settlement for current, former athletes in *House v. NCAA*
- \$20.5M revenue-sharing cap for *House* opt-ins
- Roster limits replace scholarship maxima

Coming Down the Pike in 2025-2026

- Determine revenue-sharing allotment for *House* opt-ins
- Ongoing antitrust lawsuits and legal challenges
- Potential federal legislation about student-athlete employment status



The Big Decisions Looming in Your First 12 Months

- ✓ Whether to add or eliminate sports for enrollment, cost-cutting goals
- ✓ How to adjust your budget to accommodate for settlement payments, lower NCAA distributions
- ✓ Whether to reclassify divisions, associations

1) Project Division I proposes framework for institutions to offer "enhanced educational benefits," enter directly into NIL deals with student-athletes, and a subdivision of the top revenue-generators to pay student-athletes

The Ripple Effects Go Far Beyond NCAA D-I

Cascading Impacts Reset the Floor for Other Divisions, Athlete Expectations

Happening Now



Expectations for Mental Health Support

Competitive pressure, on top of academics, contributes to student-athlete burnout.

Potential Impacts

- Increased **student-athlete expectations** for support
- **New legislative requirements** to follow best practices
- Hire **dedicated support roles** focused on student-athlete mental health
- Pressure to add extra opportunities for **group, team support**



Student-Athlete Compensation and NIL

Student-athletes ask for added support as new money-making opportunities emerge.

Potential Impacts

- Increased demand for **NIL education**, branding and social media, contract review
- **Collective bargaining** on wages, healthcare, practice time, and travel
- Pressure to implement **revenue-sharing** models, causing extra budget strain

Forthcoming Challenges



Market Dynamics and Your Role Within Them

Institutions move between conferences and divisions to earn more revenue.

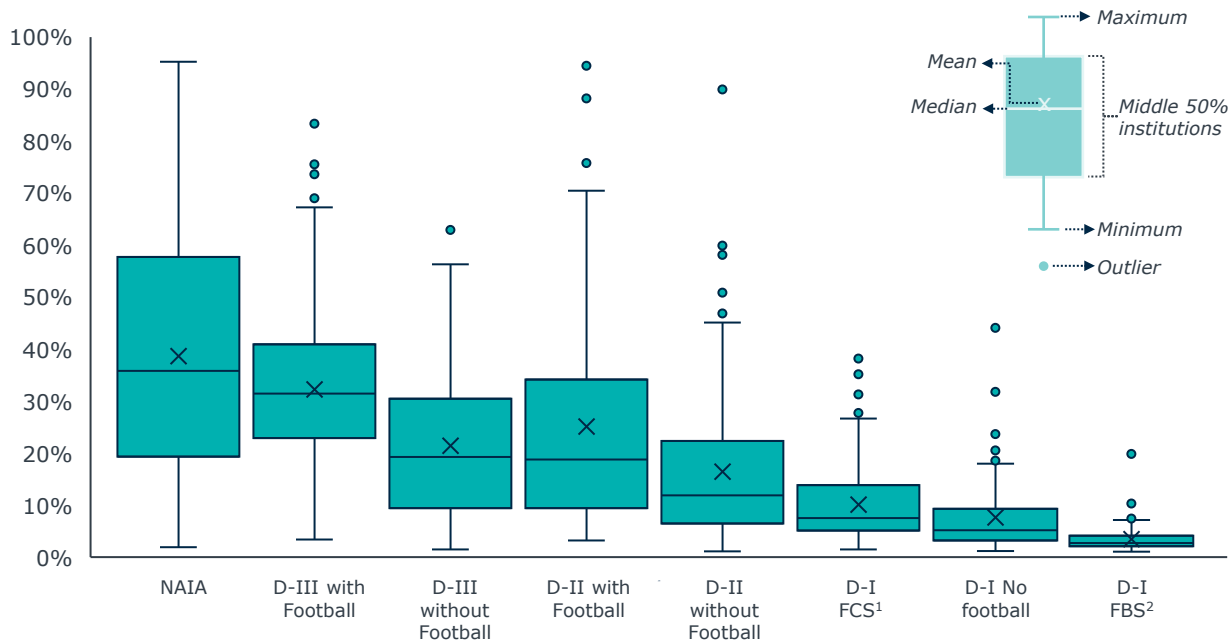
Potential Impacts

- Power conferences further **consolidate revenue and athletic talent**
- **Must redefine your institution's role** within the athletic ecosystem
- Pressure from boards to **move conferences, reclassify divisions**
- Student-athlete **retention decreases** as transfers rise

A Necessary Investment for Many

As Large Share of Undergrad Enrollment, Student-Athletes Key to Stability

Student-Athletes as a Share of Undergraduate Enrollment by Division, 2022-2023



1) Football Championship Subdivision

2) Football Bowl Subdivision

Athletic Costs on the Rise



Increased Operating Expenses and Coaching Salaries Drive Up Costs

Changes in Average Annual Institutional Athletics Costs¹, 2016-17 to 2022-23

Athletic Association	Grand Total Expenses	Game Day / Operating Expenses	Coaching Compensation	Athletic Aid	Recruiting Expenses
NCAA Division I	+\$2.9 M (6%)	+\$656K (11%)	+\$541K (7%)	-\$517K (6%)	+\$135K (17%)
NCAA Division II	+\$120K (2%)	+\$218K (21%)	+\$50K (4%)	-\$83K (3%)	-\$5.2K (7%)
NCAA Division III	+\$205K (6%)	+\$75K (9%)	+\$103K (10%)	N/A	-\$2.8K (5%)
NAIA	+\$928K (19%)	+\$99K (15%)	+\$158K (24%)	+\$581K (23%)	-\$1K (3%)

1) Adjusted for inflation.

The Bottom Line

There is (Almost) No Such Thing as a Self-Sustaining Athletics Department

Median Net Generated Revenue for NCAA Member Institutions, by Division

Division I

352 Members

-\$19.3M

FBS institutions

-\$15.3M

FCS and non-football institutions

Division II

293 Members

-\$6.6M

With football

-\$6.2M

Without football

Division III

434 Members

-\$3.9M

With football

-\$2.2M

Without football

28 NCAA member institutions generate more athletic revenue than expenses

Top 10 Institutions by Generated Net Revenue, 2022

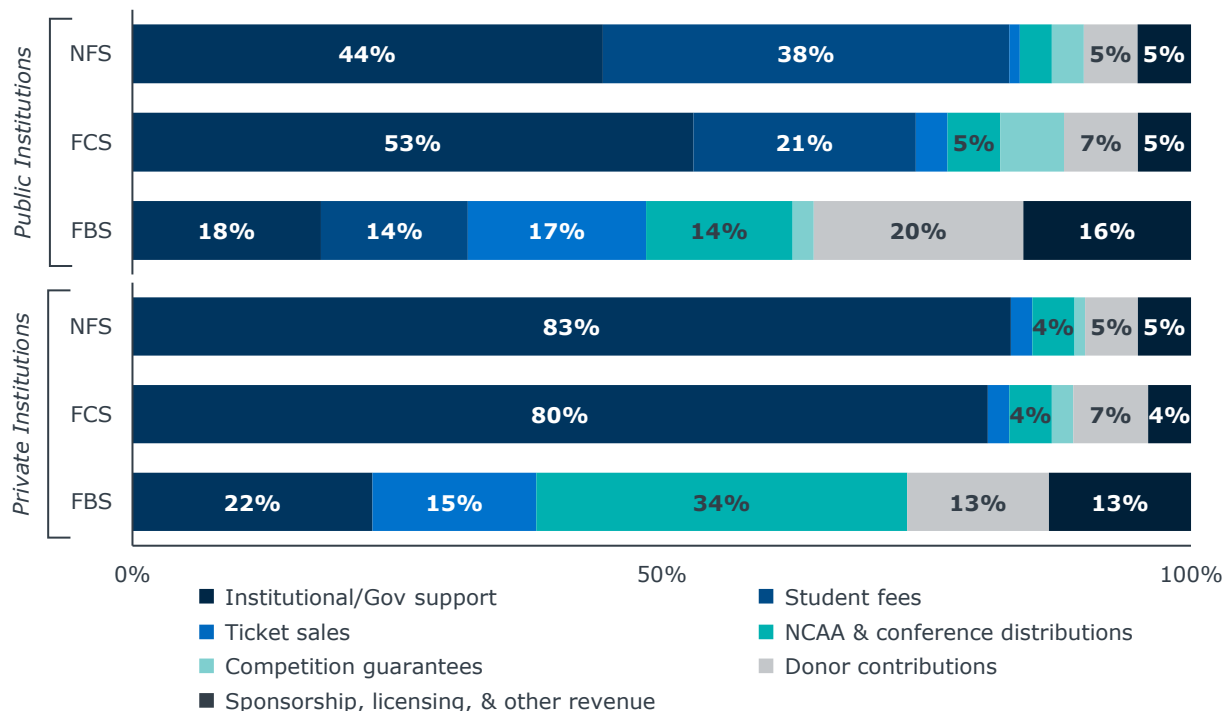
1. Indiana University
2. University of Georgia
3. The Ohio State University
4. University of Michigan
5. Texas A&M University
6. Michigan State University
7. University of Texas
8. University of Florida
9. The Pennsylvania State University
10. Auburn University



Where the Money Comes From

Generated Revenue is an Unreliable Funding Source for Most Institutions

Sources of Athletic Budget Revenue for NCAA Division I Member Institutions

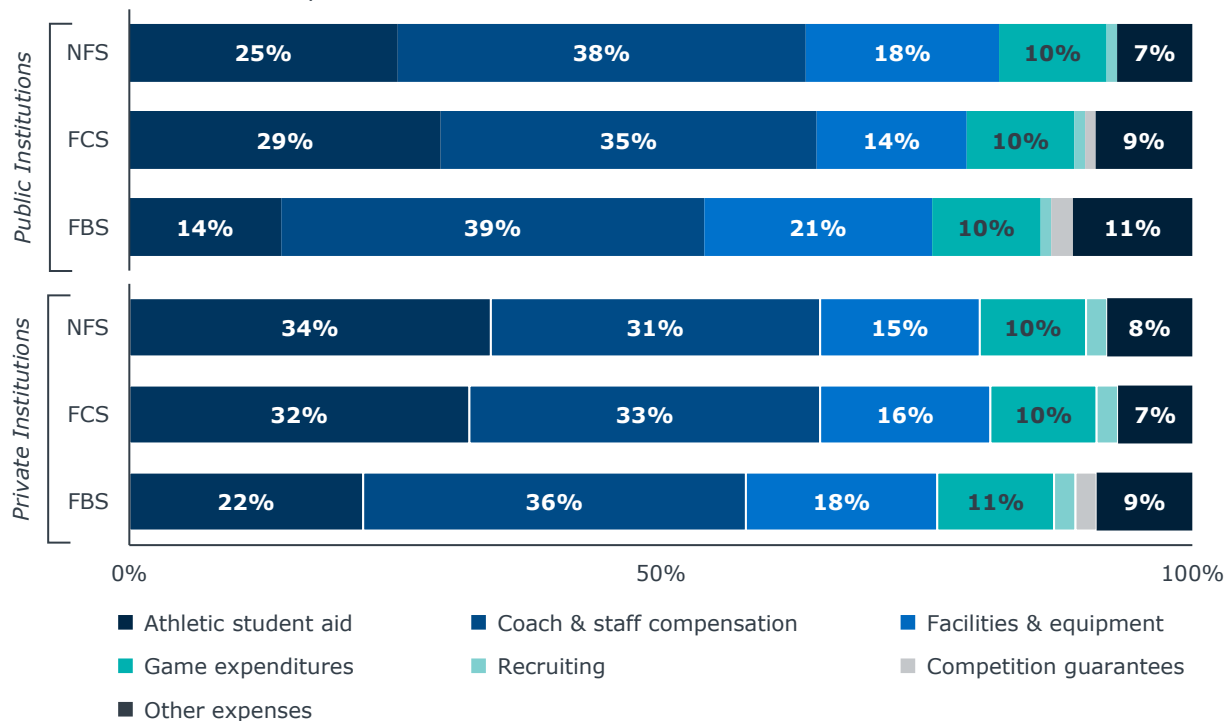




Where the Money Goes

Athletic Aid, Compensation Dominate Expenses

Distribution of Athletic Expenditures for NCAA Division I Member Institutions



Source: Knight Commission on Intercollegiate Athletics, *Finances of D-I Privates (2015)*, 2015; Knight Commission on Intercollegiate Athletics, *Finances of D-I Publics (2020)*, 2022; EAB interviews and analysis.

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Canaries in the Coal Mine



Institutions Turn to Cost-Cutting Playbook and Target “Non-Revenue” Sports

352

Teams cut at 161 NCAA member institutions since March 2020

198

Teams cut at 35 NAIA member institutions since March 2020

30

NJCAA teams cut from March 2020-2021



- Eliminated men’s and women’s swimming, women’s lacrosse
- 30 student-athletes impacted



- Discontinued men’s and women’s golf, archery
- Cited “a gap between projected costs and revenue”



- Discontinued all sports programs
- 70 student-athletes on 5 teams impacted



- Cut men’s cross country, track & field
- Prompted by gender equity, Title IX, and cost concerns



- Eliminated men’s and women’s lacrosse
- Part of an effort to “create a sustainable path forward”



- Cut men’s and women’s swimming
- College “not in a position to commit the necessary resources”

Source: [College Sport Cuts/Additions Since March 2020](#), 2024; Iowa Capital Dispatch, [Colleges are eliminating sports teams](#), 2021; Georgetown College, [Budget Cut Decisions Explained](#), 2022; ABC News 7, [NOVA CC student-athletes concerned about future after school abruptly cuts sports](#), 2024; The Journal, [Clemson cuts track and field, cross-country programs](#), 2023; Multnomah University, [Multnomah University to Eliminate Men's and Women's Lacrosse](#), 2023; SwimSwam, [NJCAA South Georgia to Cut Swimming Program](#), 2024; EAB interviews and analysis.

More Harm Than Good

Easy (On Paper) Solution Has Long Tail of Unintended Consequences

Cut Sports Among the Least Expensive

Median Annual Costs as of 2022-23

Women's Teams	Commonly Cut			Most Expensive
	Tennis	Golf	XC	Basketball
D-I	\$173K	\$450K	\$173K	\$1.9M
D-II	\$81K	\$169K	\$81K	\$530K
D-III	\$30K	\$52K	\$30K	\$160K

Men's Teams

	Tennis	Golf	XC	Football
D-I	\$433K	\$452K	\$159K	\$8.6M
D-II	\$167K	\$172K	\$69K	\$1.6M
D-III	\$52K	\$55K	\$32K	\$550K

Costs Quickly Rebound

+\$219K

Increase in median total athletic spend two years after cutting a sport, compared to the year before cutting the program

Alternative Cost-Saving Plays

- Limit travel to local and postseason play only
- Maximize hiring of grad assistants and part-time staff
- Inter- and intra-institutional shared facilities and resources
- Downward reclassification

Pivot to the “Return on Athletics” (ROA)



$$\text{Revenues} - \text{Expenses} = \text{ROA}$$

Revenues

► Generated Revenue

- Ticket sales
- NCAA and conference distributions
- Donor contributions
- Corporate sponsorships, advertising, and licensing
- Media agreements
- Competition guarantees

- **Tuition Revenue** from partial, non-scholarship, and former student-athletes

Expenses

► Sport-Specific Expenses

- Coaching salaries
- Facilities and equipment
- Travel and recruitment
- Competition guarantees
- Game day expenses

► Athletic and Merit Aid

► Administrative Costs

- Staff salaries (e.g., athletic trainers, administrative staff)
- Marketing and promotions

1) The “athletics coupon” means accounting for NTR in your return calculation.

Calculating the Return on Athletics

Business-as-Usual Calculations Show Losses

Example From Softball Team at D-III Private Institution



\$0

in revenue

—



\$157,493

in expenses

=



-\$157,493

Return on Softball

Revenues

- Generated Revenue: \$0

Expenses

- Coaching salaries: \$59,735
- Facilities and equipment: \$18,897
- Travel and recruitment: \$35,292
- Athletic aid: \$0
- Administrative staff salaries: \$39,159
- Marketing and other: \$4,410

Calculating the Real Return on Athletics

Applying the "Athletics Coupon"

Revised Example From D-III Private Institution Softball Team



Revenues

- Generated Revenue: \$0
- Gross tuition revenue: \$527,350
- Roster: 21

Expenses

- Coaching salaries: \$59,735
- Facilities and equipment: \$18,897
- Travel and recruitment: \$35,292
- Athletic aid: \$0
- Unfunded aid: \$294,008
- Administrative staff salaries: \$39,159
- Marketing and other: \$4,410

Allocate Resources Based on Strategic Tiers



Categorize Sports to Prioritize Competitiveness, Institutional Goals



National



- *Football*
- *Men's, Women's Basketball*
- *Men's, Women's Golf*

Description

- Generate highest revenues
- Compete for championships, NCAA tournaments
- Recruit and play nationally
- Provide national exposure

Investment Strategy

- Highest NIL and revenue share investment
- Budget allocation commensurate to demands of national level of play

Regional



- *Volleyball*
- *Baseball*
- *Men's, Women's Tennis*

- Generate moderate revenues
- Consistently compete for conference championships, NCAA appearances
- Regional brand exposure

- Modest NIL and revenue share investment
- Schedule regional opponents
- Budget appropriate for regional recruiting, scheduling

Local



- *Softball*
- *Men's, Women's Soccer*
- *Men's, Women's Track/XC*
- *Triathlon*

- Generated revenues support operations, scholarships
- Occasionally compete for championships
- Focus on local recruitment and brand development

- No NIL or revenue share
- Coaching staff limited, often part-time and grad assistants
- Budget allocation centers in-state championships, local travel

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Athletics Asked to Support Many Outcomes



The Real Return on Athletics Includes More than Finances





Metrics to Supplement Your ROA Calculation

Aligning Evaluation of Your Athletics Portfolio with Institutional Goals



Academic Goals

- Job training and employment outcomes
- Student athletes GPAs
- Graduation rates
- Equity gaps

Fundraising



- Student-athlete donations
- Donor cultivation and solicitation
 - Engagement opportunities
 - Major gift pipeline development
 - Annual giving support for athletics from fans, community members, families, and alumni



Recruitment and Retention

- Recruitment pipeline
- Institutional retention rates
- In-sport retention
- Satisfaction with coaching and mentorship

Student Value Proposition



- Sense of belonging and team affinity
- Mental health service utilization
- Student diversity
- Job placements (First-Destination Survey)

Embed Athletics in Your Listening Tour

Actions for Your First 100 Days

During Your Listening Tour

1

Poll Student-Athletes, Advisory Committee



How can we maximize our student support services to support student-athlete athletic and academic success?

2

Strategize with Cabinet and Athletic Director



How well does athletics serve our enrollment strategy and business model?

3

Garner Buy-In from Board



Are we willing to invest in the structures and programs to achieve the goals we've set out in cabinet-level conversations?

4

Define Athletic "Success" with Cabinet, Board



What does success look like for athletics at our institution?

5

Measure Progress, Enhance Programs



How can we track progress as we work to achieve athletic "success"?

Other Ways EAB Can Support Your Athletics Goals

29

College Athletics Strategy Resource Center



Revitalizing the Athletics Portfolio

- Map the program review and revitalization process
- Evaluate teams' contributions to institutional goals



The Cost of Competition

- Understand the evolving athletics landscape
- Calculate the "return on athletics"
- Reframe the value-add of athletics department



New Sport Launch Playbook

- Supply-demand opportunity maps
- HS sport participation state snapshots
- Sport-specific budget template

See You Next Time!

Tuesday, July 29th, 2025 | 1:00 pm – 3:00 pm ET



Jonathan Alger, J.D.

American University

*(President-Emeritus, James
Madison University)*

Topic

- Balancing Inclusivity, Free Speech, and Academic Freedom | Navigating Flashpoints and Policy Implications in the New Normal

EAB Presenter

- Sally Amoruso, Chief Partner Officer

Special Guest President

- Jonathan Alger, J.D. | American University



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