

# The Efficacy of Paying for College Sports

## *College Athletics CLIPS Guest Commentary*

*Our guest author believes that absent government intervention, school presidents will continue to do the 'bidding' of affluent boosters no matter what Knight Commission Reports and Causal Decision Theory may say about the negative consequences of their decisions on funding athletics programs.*

By Frank G. Splitt, The Drake Group, March 24, 2011

*Indisputably, sport is the finest, purest meritocracy, where performance is genuinely rewarded, fairly, at face value. The irony is that in college in America, sport is not fair, not democratic. Athletics is privileged, and athletes have come to form a mandarin class, where they play by different rules and thereby diminish the substance and the honor of education. That is the real March Madness, all year long. — Frank Deford, 2005*

The PBS *Need to Know* program, “Sis, boom, bust: The high cost of college sports,” that aired on March 4 should enlighten all concerned with the high cost of higher education at colleges and universities supporting big-time intercollegiate athletics programs. The program fits into the broader context of higher education discussed in the Prologue to “Collegiate Athletics Reform: Signs of Hope.”<sup>1</sup> The quality of higher education in America is declining relative to education in nations that prioritize academics over athletics. America’s colleges and universities should no longer be allowed to drift in a sea of mediocrity.<sup>2</sup>

Betsy Rate said the following in her introduction of the Web video of the program:<sup>3</sup>

It’s an uneasy time for many of America’s university campuses. In New York, the governor is proposing a 10 percent reduction in funding to higher education. In Michigan, it’s 15 percent. And in California, almost 16 percent. Last month, the president of the University of Nevada Las Vegas announced that the school may end up in the academic equivalent of bankruptcy. Tenured faculty could lose jobs, and entire departments may be closed.

But on many campuses, spending on intercollegiate athletics is growing, even though most sports programs run up millions of dollars a year in annual deficits. That means that while public universities are cutting in classrooms, your tuition dollars — and maybe even your tax dollars — are subsidizing big-time college sports.

Although the program was quite well done, it offered little in the way of surprises for those that are familiar with the economics of big-time collegiate athletics. For the unfamiliar, Amy Perko, Executive Director of the Knight Commission, posted a comment that referred readers to a commission report that provides recommendations for financial reforms for athletics programs.<sup>4</sup>

Ohio University officials—the president and the provost—made remarks typical of sitting academic officials in defense of the university’s continuing participation in NCAA Div 1 programs.. They simply parroted the NCAA cartel’s party line. To do otherwise would invite confrontations not only with members of their governing boards, affluent boosters, alumni, fans, and local business owners, but also with their counterparts at other cartel colleges and universities as well as NCAA officials. Few high-level officials are willing to risk their jobs by inviting such confrontations.

Remarks by the Ohio University officials stood in sharp contrast to those of the late Mason Welch Gross, the 16th President of Rutgers University, who said:

The college that has a sports program for any other reason than an educational reason is soon going to lose control of the program. If the college goes in for sports as a part of a program of public entertainment and public relations, then the public will dictate the kind of entertainment it wants. If the reason is fund-raising, then the fund-raisers and the potential donors will dictate the program. Whatever the reason may be, the college has lost control, including the control of those parts of its education policy which are related, such as admissions.

The often-repeated arguments in defense of the high (and escalating) costs of commercialized collegiate athletics are well known—mostly based on either faulty empirical evidence or logical error. The arguments are discussed by William Dowling in *Confessions of a Spoilsport*, a book that exposes the Faustian bargain university trustees and presidents make to support their professionalized sports entertainment businesses.<sup>5</sup>

In his discussion, Dowling makes reference to Frederic Murphy's work that relates spending on college sports to the "Dollar auction" game.<sup>6</sup> In this sequential game, players are seemingly compelled to make an ultimately irrational decision based completely on a sequence of rational choices they have made throughout the game. College and university presidents allow themselves to be trapped into playing an even more complicated game when they accepted their prestigious presidential positions.<sup>7</sup>

Big-time college football has an ugly side, one that has been a perennial source of embarrassment for otherwise upstanding American colleges and universities. The collateral damage resulting from overzealous efforts to have winning teams and bowl invitations is a price these universities are willing to pay. It's also the price the public is willing to pay for their entertainment.<sup>8</sup>

Absent government intervention, the lure of fame and fortune, emotions, and cultural values the athletic tail will likely continue to wag the academic dog, with school presidents continuing to do the 'bidding' of affluent boosters wherever they may be and no matter what Knight Commission Reports and Causal Decision Theory say about the both the short and long-term negative consequences of their decisions on funding athletics programs.

## NOTES

1. Splitt, Frank G., "Collegiate Athletics Reform: Signs of Hope," The Drake Group, March 15, 2011, [http://thedrakegroup.org/Splitt\\_Signs.pdf](http://thedrakegroup.org/Splitt_Signs.pdf).

2. \_\_\_\_\_, "'Academically Adrift' in a Sea of Sports," *The Chronicle of Higher Education*, Letters to the Editor, March 8, 2011, <http://chronicle.com/article/Academically-Adrift-in-a-Sea/126643/>

3. Karr, Rick (Narrator), "Sis, boom, bust: The high cost of college sports," *PBS Need to Know*, March 4, 2011, <http://www.pbs.org/wnet/need-to-know/economy/video-sis-boom-bust-the-high-cost-of-college-sports/7808/>

4. The Knight Commission, "Restoring the Balance: Dollars, Values and the Future of College Sports," June 17, 2010 [http://www.knightcommission.org/index.php?option=com\\_content&view=article&id=503&Itemid=166](http://www.knightcommission.org/index.php?option=com_content&view=article&id=503&Itemid=166)

5. Dowling, William C., *Confessions of a Spoilsport: My Life and Hard Times Fighting Sports Corruption at an Old Eastern University*, Penn State Press (2007).

6. Murphy, Frederic, "The Occasional Observer: College Athletics, a Dollar Auction Game," *Interfaces*, Institute of Operations Research and Management Sciences, May-June 1996.

The Dollar-auction game was designed by economist Martin Shubik to illustrate a paradox brought about by traditional rational choice theory. Murphy uses the game to illustrate the irrational escalation of commitment in the athletics arms race. By the end of the game, though both players stand to lose money, they continue bidding the value up well beyond the point that the dollar difference between the winner's and loser's loss is negligible; they are fueled to bid further by their past investment. See "The Dollar Auction" at [http://en.wikipedia.org/wiki/Dollar\\_auction](http://en.wikipedia.org/wiki/Dollar_auction) and "Shubik's Dollar Auction Game - Not Rational to Play?," at <http://bizop.ca/blog2/how-would-you-play-that/shubiks-dollar-auction.html>.

7. This more complicated game is likely best formulated via Causal Decision Theory that adopts principles of rational choice that attend to an act's real consequences. See "Causal Decision Theory," at <http://plato.stanford.edu/entries/decision-causal/>.

8. Splitt, Frank G., "Colleges Are Willing To Pay Price of Sports," *The Wall Street Journal*, LETTERS, March 22, 2011, <http://online.wsj.com/article/SB10001424052748703818204576206873877929778.html>