

INTERCOLLEGIATE ATHLETICS .  
A STUDY IN ORGANIZATION, REGULATION, AND FINANCE

by

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# INTERCOLLEGIATE ATHLETICS

## A Study in Organization, Control, and Finance

### Historical Introduction

Literature has been filled with tales of physical prowess from the dawn of history. Athletic games have always held a prominent place in the interest of the public. From the days of Samson on down through the ages, physical perfection has been admired. No doubt Delilah was only following the dictates of custom when she fell in love with a powerful man. The same love of physical perfection ruled the ancient Greeks and Romans. Hercules, the quintessence of physical development, furnishes classic literature one of its greatest heroes. The winners of the wreath at the Olympic Games were as well respected by their fellow citizens as the great philosophers and statesmen. Because of this same intense public interest in men of great strength and skill, medieval jousts and tournaments were developed. The tales of Arthur and his Knights abound in references to powerful men, buoyed up by the righteousness of the cause, going forth to give battle to the forces of iniquity and evil.

This feeling of reverence and admiration for physical prowess was due to the fact that in ancient times strength and manual skill were the factors that determined a man's ability to provide both sustenance and protection for his family. Since the actions of primitive peoples are impulsive and emotional, it was only natural that the admiration of all men was focused on those who were best able to carry on the daily tasks of life. This feeling was prevalent for many centuries and gradually became instinctive. Now the games are not a form of training for the

battles of life in the same way that they once were, yet the interest in the same powers of competitive skill is not any less than in olden times.

The advance of civilization into a more complex regime has created the necessity of more regulation of all individual activity. Games have become more complicated and artificial, requiring more equipment and more supervision. As the cost of equipment and supervision increase, these games begin to have a very important economic significance. Who pays the cost? Who does the supervising? What is the benefit? Who derives the benefit? Is the benefit commensurate with the cost?

This study has been undertaken in an effort to find the best answers to some of the questions that confront the administrative authorities of the modern university. Many of these problems are still unsolved; many of them can only be solved by each student for himself. The individual answers are nothing more than the opinions of the different persons. An attempt is made in this study to formulate a composite opinion, based on the opinions of numerous individuals.

The material for this study is taken from the answers to a questionnaire (see following page) which was sent to seventy-five of the leading state, denominational and endowed universities and colleges of the United States, and supplemented by personal observation and experience. The difficulty of making a thorough study has been greatly augmented by the non-committal manner in which a large number of our questions have been answered. The information which was returned in response to our questionnaire was disappointing. The fact that so much secrecy is indulged in, is one of the principal reasons for the criticism and abuse which is showered so freely upon the innocent institution of intercollegiate athletics.

Organization of Athletic Department.

1. Administration and Control. Invested in Whom? \_\_\_\_\_  
If in a Board or Committee, \_\_\_\_\_  
Faculty members \_\_\_\_\_ Number? \_\_\_\_\_ How chosen? \_\_\_\_\_  
Alumni members \_\_\_\_\_ Number? \_\_\_\_\_ How chosen? \_\_\_\_\_  
Student members \_\_\_\_\_ Number? \_\_\_\_\_ How chosen? \_\_\_\_\_  
Is President or Chancellor a member? \_\_\_\_\_
2. How does University control Athletics? \_\_\_\_\_
3. Athletic Director: How chosen? \_\_\_\_\_ How paid? \_\_\_\_\_
4. Coaches:  
Chosen by whom? \_\_\_\_\_ Source of salary? \_\_\_\_\_
5. Accounting:  
By whom? \_\_\_\_\_ To whom? \_\_\_\_\_ How often? \_\_\_\_\_
6. Receipts: (for 1921 - 1922 ) Total? \_\_\_\_\_  
From admissions? \_\_\_\_\_ Who determines admission price \_\_\_\_\_  
From contracts, guarantees, etc. \_\_\_\_\_
7. Expenditures:  
A. Current Expense for  
Football \_\_\_\_\_ Basketball \_\_\_\_\_ Baseball \_\_\_\_\_  
Track \_\_\_\_\_ Mass Athletics \_\_\_\_\_  
B. Maintenance of permanent Equipment such as Gymnasium, Land,  
stadium, etc, (total) ? \_\_\_\_\_
8. Value of Permanent Equipment? \_\_\_\_\_  
How much of such Equipment secured as the result of:  
State appropriation? \_\_\_\_\_ Endowment campaign? \_\_\_\_\_  
Gift by a single individual? \_\_\_\_\_  
By a sinking fund from the athletic surplus? \_\_\_\_\_
9. Surplus: Disposal of? \_\_\_\_\_  
Who determines disposal of? \_\_\_\_\_
10. Deficits: How provided for? \_\_\_\_\_  
How finally paid? \_\_\_\_\_

Please answer the following if you care to,

1. In your opinion is the time and money devoted to Athletics profitably expended? \_\_\_\_\_  
To what extent from the point of individual development? \_\_\_\_\_  
To what extent from the point of harmonizing divergent school and community interests? \_\_\_\_\_  
To what extent as pure entertainment? \_\_\_\_\_
2. Are the great sums of money involved and time expended in competition justifiable? \_\_\_\_\_
3. Are competitive athletics assuming more than their proper place in Academic life? \_\_\_\_\_

(Please sign) \_\_\_\_\_

(Official connection) \_\_\_\_\_

## Chapter I

### Types of Organization

Who supervises intercollegiate games? At first thought one says the coaches supervise the games they coach. To a certain extent the coaches do supervise the games, but this supervision, in most cases, is limited to the supervision of the technique of playing games. Who, then, controls the regulation and management of these games? In other words, who supervises the supervisor?

All the institutions studied are alike in vesting the control of athletics and athletic relations in a committee or board of directors, but many differ in the manner of choosing the members of these committees. Even more of a difference is discovered when the method of transacting business by the committee is studied. Some committees are nothing more than figure-heads created on paper, while others are very effective and diligent in their control of athletic relations. But no matter what may be their importance or unimportance advisory bodies of some sort exist at all of the institutions covered by this study. For the sake of convenience this will be referred to as "the committee" in this writing.

### The Composition of the Committee

Each university has peculiarities in the form of organization that are not important. No two have exactly the same organization. There are, however, three general groups into which the committees may be divided with reference to membership:

1. Composed of faculty members only
2. Composed of student members only
3. Composed of faculty, student, and alumni members in various combinations of voting strength

Since these committees seem to function equally well without regard to membership, it appears that local conditions are the factor of greatest weight in determining which class of members shall predominate in the personnel of the committee. However, in all cases where the faculty is not in nominal control the actual power is retained by the president of the university, who has the authority to control any student or any member of the faculty. Thus the final responsibility for the athletic policy is at the door of the president.

### Organization and Operation

#### Separate Incorporation Type

Intercollegiate athletics are extracurricular activities of the students, and as such have not been recognized by the administrative authorities until recent years. Hence, in the older universities the athletic association is an organization separate and apart from the university. This association is usually incorporated under the laws of the state in which the university is located and is not connected with the management of the university in any way, except by constitutional provisions regarding membership in the association and provisions as to the representation of various classes of members on the board of directors (which is the athletic committee under this form of organization). This forms the Separate Incorporation type of athletic control. (See Exhibit A)

Exhibit A. This university is organized under the control of a Board of Trustees who select a president to act as the chief executive officer of the institution. The president selects the members of his faculty, subject to the approval of the Board of Trustees. The members of the faculty, in turn, supervise the academic pursuits of the students and determine their scholastic standing. Eligibility of students to represent the university is based on

Exhibit A: The Separate Incorporation Type

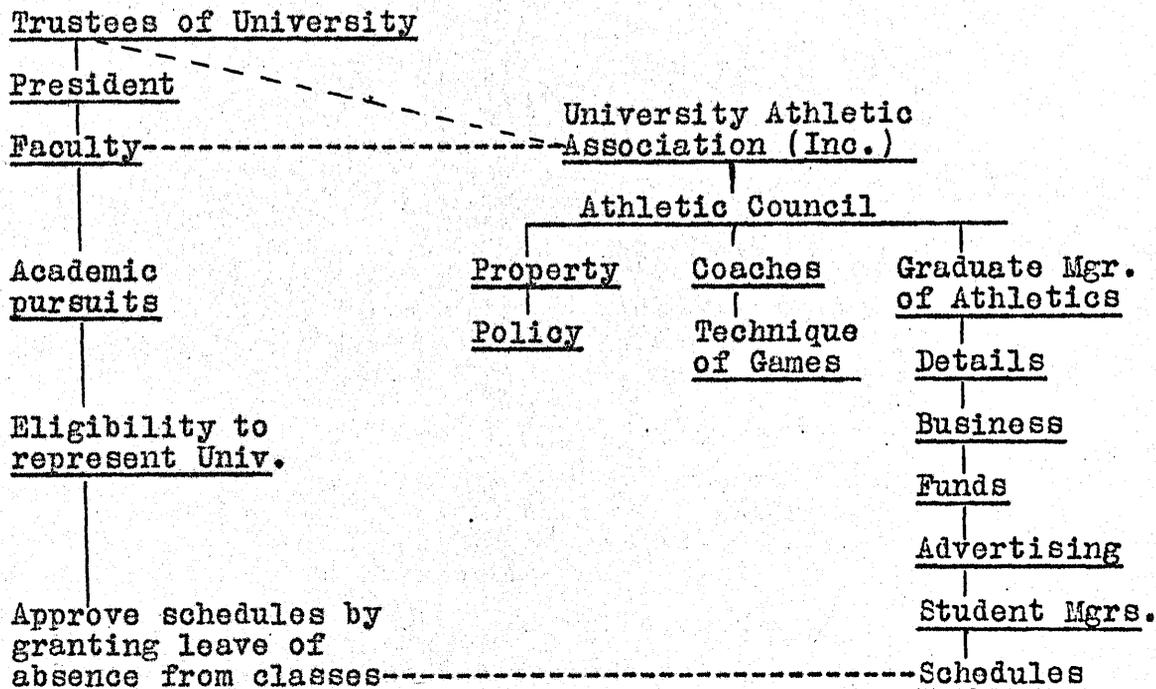


Exhibit A: This University was organized under the control of a board of Trustees, who select a president to act as the chief executive officer of the institution. The President selects the members of the faculty, subject to the approval of the Trustees. The faculty supervises the students in all academic activities, and keeps the records that determine scholastic standing.

Later, the athletic association was formed as a separate organization. Indirect control of the athletic association lies with the Trustees and faculty by reason of certain provisions in the constitution of the association, which provide that a certain number of the directors of the association must also be members of the Board of Trustees and faculty.

The faculty has further indirect control of the affairs of the association because students must have attained certain scholastic standings before they are eligible to participate in the activities of the athletic association, and the faculty must approve of all athletic schedules and grant leave of absence to members of teams before the students can participate.

the attainment of certain scholastic requirements.

The athletic association formed later, is indirectly controlled by the trustees and faculty for the reason that a certain number of the directors of the athletic association must be chosen from the Board of Trustees and faculty. The constitution of the association illustrated in Exhibit A was formed under the laws of the state of New York and contains the following:

"The C---- University Athletic Association was incorporated on June 5, 1889 under the provisions of Chapter 368 of the laws of 1865, of the State of New York. The object stated in the articles of incorporation is the promotion of the social, gymnastic, and athletic interests of C---- University.

"Membership: The Athletic Council of the C---- University Athletic Association shall be composed of the following persons:

- (a) The six trustees of the C---- University Athletic Association, to-wit: Four members from the faculty of C---- University, one graduate representative from the Board of Trustees of C---- University, and one graduate member at large.
- (b) One representative from each C---- University Alumni Association, such representatives to have three votes in all, provided three or more be present; when there is one alumni present, to have one vote; when two are present, each to have one vote; when there are three present, each to have one vote; when four are present each to have three-fourths of a vote, etc.
- (c) The graduate manager.
- (d) The managers and captains of the baseball, football, and track teams and the manager and representative of the crew.
- (e) One representative of the Minor Sports Council.
- (f) Two freshman representatives, a graduate

and an undergraduate, have one vote together, the graduate to be elected in June by the undergraduates."

The separately incorporated association has proved an excellent method for the management of athletics at old, well established institutions which are rich in traditions and college customs. It, however, like the common law of England, has need of a strong traditional background. Lacking such a background, the loose nature of the organization offers many opportunities for self-willed and radical individuals to cause trouble and friction in the functioning of the association. Centralization of control is not possible.

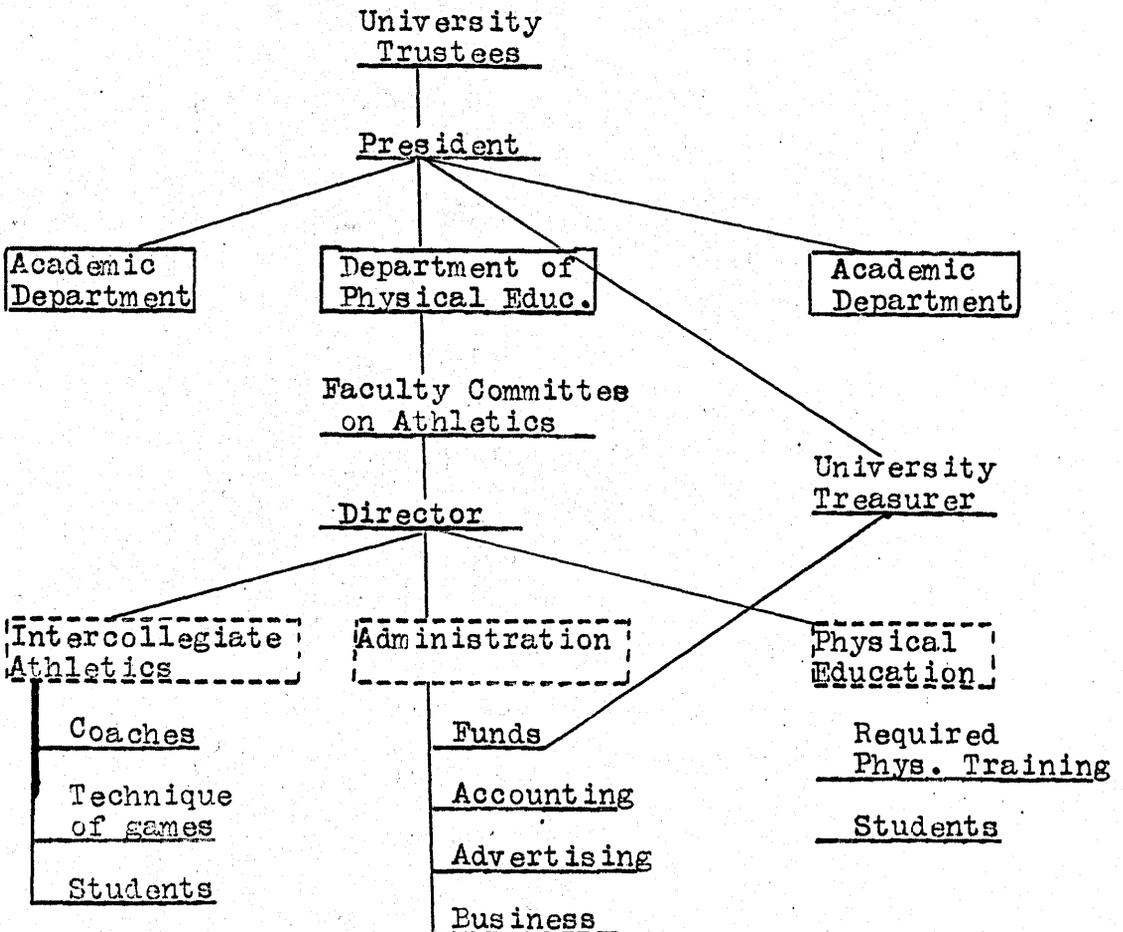
#### Departmental Type

Many institutions foreseeing the prominent part that athletics were to assume in the life of the student body, were able to form the athletic department of the university as an integral part of the university itself with the athletic officers under the direct supervision and control of the president and trustees in exactly the same manner as the chairmen of the other departments. This form may be called the Departmental type of athletic control.

Exhibit B (page 9) illustrates this Departmental type of control in which director, coaches and instructors all are regularly appointed members of the faculty of the university. They look to the university for their salaries, and what is more important, they are responsible to the university authorities for the proper performance of their duties.

All earnings of the department are in the care of the university treasurer and all expenditures must be from funds provided for the use of the department by the governing body of the university. Thus the whole department of physical education is completely under the control of the university, at least in theory. If officials become lax in the performance of their

Exhibit B: The Departmental Type



duty and fail to properly control the athletic activities; this system, as well as any other, may be abused. No system has the power to operate itself. Perpetual motion in management is no more possible than is mechanical perpetual motion.

### Mixed Type

The Departmental type of control has a variation that is really a distinct type. This consists of a nominal subjugation of the athletic department, coupled with real separation in the actual operation of the affairs of the department. This may be called the Mixed type of athletic control.

There are, then, three general types of organization. In actual operation the personal power of individuals may be so great that the form becomes unimportant, but this is such an intangible phase of the matter that it is almost impossible of analysis. Nevertheless, it cannot be disregarded when any specific institution is under consideration.

### The Conference

The conference, made up of institutions who have organized themselves together to secure better control of competitive conditions, is one of the most powerful factors in modern athletic control. The authority to make and formulate rules for the uniform control and regulation of athletic relations has been delegated to regularly appointed representatives of the member institutions. This organization is necessary in order that the members have power to enforce rules which have been commonly agreed upon. After several years of such association a spirit of friendly rivalry develops that is very pleasant and beneficial to all concerned. If the right kind of leadership is present this rivalry will develop into one of sportsmanship as well as one of prowess. The

conference has been a very important influence in minimizing many abuses, such as proselyting and poor scholastic standards, which often accompany athletic activities. Thus a uniformity of organization is developed which tends to make it difficult to yield to the temptation to "win at any cost". The usefulness of the conference is limited to the solution of problems that are more or less general. Other problems of a local nature must be solved locally. The conference has succeeded in bettering conditions in many parts of the nation.

We have found that nearly every institution of collegiate rank has an organization which attempts to regulate athletics in a very thorough manner. An athletic department organized under the control of the administration of the institution, either as a part of the general organization or as a subsidiary unit, is invariably found. In either case the control that it is possible for it to exercise is practically absolute. What, then, is the reason that so much difficulty has been encountered in regulation? Why has it been possible for so many events of a scandalous nature to occur? The answer to both queries is the same. The proper administrative authorities have been asleep on the job. Wake up faculty committee! wake up! Take an interest in your duties before the athletic situation degenerates into such a putrid condition that you can no longer save your school from scandal.

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Note: The Intercollegiate Conference, commonly known as the Western Conference, was organized in 1895 and began to function the following year. It has been eminently successful in raising the plane of athletic conditions in the middle West. The Conference has regulations governing nearly all phases of the relations between members. Members of the various athletic departments must be regular members of the

university faculty, on duty for the entire school year. Certain undesirable classes of men are excluded from the conference, either as instructors or as contestants. A high standard of scholastic performance is demanded from students before they are considered eligible to represent a member institution. High ideals of sportsmanship have become traditional. Altogether this Conference, through its example, has had a far-reaching influence on the athletics of the country at large.

## Chapter II

### The Committee

The athletic committee is the body that is in nominal control of the athletic policy at all the institutions studied. This body, under whatever name it operates, has the same relation to the athletic organization that the board of directors has to the customary business corporation. It determines the general policy of the athletic department. The athletic director is the business manager. He works under the supervision and control of the committee and takes active charge of the detailed management of the department. The director, who is responsible to the committee for his actions, exercises his own judgment in matters of routine where it is not practical to have the sanction of the committee on each trivial question that arises.

### Membership

The membership of the committee is composed of student, faculty and alumni representatives. The manner of selecting members, the number representing each division of the university life, the manner of voting, and the allotment of voting strength vary widely. The size of the committee also varies greatly. These questions are for local solution. Some of the best committees are those having very different classes of members. The smaller committee is best in most cases because the larger the committee the more compromise there must be.

### Selection of Members

The prevailing custom is for the faculty members to be appointed by the president for an indefinite time of service, while the student and alumni members are usually elected by the group they represent and serve for a definite time. Due to the rapid graduation of students,

the committee members of this class do not often serve on the committee for more than one year, but alumni members are often elected for a longer term. Thus it is apparent that all the interested groups have a voice in the selection of representatives on the committee and so have some control over the policies that are adopted by the athletic department.

### Duties

The members of this athletic committee have the regular duties of a board of directors. Each member is expected to keep himself informed regarding all the affairs of the athletic department, and to express his opinions in the discussions concerning the policy that is to be pursued by the athletic department. When matters are brought to a vote each member must think for himself and vote as he thinks, else his opinions are of no value, and he is not an aid to the committee. The vote of the members constitutes a crystallization of the opinion of the majority and should be supported by all. Like all groups of more than one member the committee is subject to the will of vigorous and aggressive members, while the voice of the timid is seldom heard. If a few radical and vociferous members are allowed to dominate the thought and vote of the committee, the benefit of deliberation by the committee is lost. If committee members are not broad enough to support the measures adopted by the vote of the majority, friction develops that always results in disaster.

### Relation to Athletic Department

The athletic department is often represented on the committee by a faculty member, who is chosen from the athletic faculty. Frequently the director of athletics is an ex-officio member of the committee. The director should take a leading part in formulating the policy of the department because he is, or at least should be,

more familiar with athletic conditions and problems than the other members. At the same time the director must be willing to yield something from his favorite plans because he is often susceptible to prejudice in his opinions. The athletic director is the servant of the committee and as such should not be permitted to dominate the committee. This is a feature of athletic control that is of utmost importance. Too many committees are lax in exercising the proper control over the athletic director, permitting him to mutilate the educational value of his department with commercialism.

Chapter III

The Athletic Director and Coaches

Selection

I. There are two methods that are usually followed when it becomes necessary to select a new athletic director. Under the old separate incorporation type of organization the committee receives application from, or makes overtures to candidates for the position. The committee submits its choice to the president of the university for approval after selecting a man who is considered suitable. In some cases final election must be made by the trustees of the institution. When the successful candidate is finally chosen and elected, he is offered a contract containing definite terms of agreement, and outlining the bounds of his authority. This contract forms the chief link binding the director to the university. So long as he keeps within the terms of the contract he is permitted to manage the affairs of the department with little or no interference from the university. Such an arrangement relieves the university administration from much of the worry attendant upon the management of athletics, but it leaves the athletic director an undisputed czar in his department. By this plan the director has a free reign until the termination of his contract.

II. The procedure under the departmental type of organization is best shown by quoting from a letter from President C---.

"Athletics and Physical Education at C--- College are recognized as a regular part of the College curriculum and are handled in precisely the same way as any other department.

"All questions of athletic policy and finance are directly in the hands of the President.

"The Athletic Director is elected by the Board of Trustees upon recommendation of the President in the same way as any other member of the faculty.

"All members of the athletic staff are regular members of the faculty and are given the rank and salary to which their training and experience entitle them. No member of the athletic staff receives a salary greater than other members of the faculty of the same rank. Their salary is paid out of the regular funds of the College in the same way as that of any other instructor."

This is an excellent way to select and pay members of the athletic staff for by this plan all members are under the direct control of the president. Thus athletics must reflect the ideals and policy of the institution, or if it does not, the blame can be definitely located and the person who fails to "fit in" can be dismissed.

#### Sources of Salary

The source of his salary often has a marked influence on the policies a director of athletics will favor. If the athletic association is separate from the university, there is a tendency for the director and coaches to demand a higher salary than they would otherwise expect. The reason is readily apparent. When the director knows that there are plenty of funds, earned through the efforts of his department, he will feel that he is entitled to more salary. He will also be more inclined to lend a favorable ear to the demands of other members of the staff for more salary. This is not necessarily such a mistaken idea from a personal standpoint, but it offers the temptation to endeavor to earn too large an income from the promotion of athletic games. This, in turn, gives rise to a well grounded feeling that our educational

institutions are being exploited for purely selfish personal gains. Although there is little real reason for this feeling, nevertheless, such an impression is widespread. It is the duty of the director to make certain that such a criticism of his department cannot be made with justice.

### Duties

The duties of the athletic director are legion. He is before the eye of the public more than any official of the university except the president. Since he is the active business manager of athletics, he must have some business ability and training. In his contact with the public his personality and character must reflect honor upon the university he serves. With these qualities there should be combined some athletic ability and some training as an educator. If he has insufficient athletic experience he is unable to know whether or not the other members of his staff are performing their duties in a proper manner. If he fails to understand the problems of an educational nature, he will not know how much athletic activity it is wise to encourage, without danger of interfering with the regular academic functions of the university.

The duties of an athletic director are so varied and so important that it is not only proper but even necessary that he should be paid well, in order to secure the ability required for the position.

### Coaches

The coaches are selected and paid in a manner similar to the method of selecting and paying the director under whom they work. Since the duties of the coach and director are of a similar nature, except that those of the coach are restricted while those of the director are more general in nature, the training of the

two should be somewhat alike, although the director should be older and possessed of more general knowledge and experience. The duties of the coach, however, demand that his training be specialized and confined to a specific knowledge of the games he supervises.

The relation of the coach to the members of his teams is of such an intimate nature that he wields a powerful influence on the lives of the men playing games under his direction. This influence extends to the entire student body as well as to the students on the various teams, so that the coach should be selected for other characteristics in addition to mere athletic ability. It is a well known fact, especially in cases where a coach has had the good fortune to produce several successful teams, that the mannerisms of the coach are often adopted as styles by the student body. This is the result of hero-worship. It is the most natural thing in the world, but is very dangerous if the coach happens to be of an undesirable moral type.

Finally, it is the duty of both the director and the coaches to minimize the common practice of using athletics and athletic teams as a means of advertising the institution. Of course, successful athletic teams do bring a very noticeable amount of publicity to the school they represent, all of which is perfectly right and proper. On the other hand there is the possibility that well organized publicity campaigns may be conducted under the veil of athletic news. This deliberate use of athletics as an advertising medium is to be deplored. The athletic director is quite often responsible for abuses of this nature.

When the principles of absolute honesty and open dealing are employed by directors and coaches in the conduct of the affairs of the athletic department, few of the common evils are to be found.

## Chapter IV

### Students

Every activity of the university is justified only by the benefit derived by the students of the university. We may go further and say that the students should have as large a voice in the management of the activities of the university as it has been found that they are able to use with proper wisdom. That being the case, students should be given some voice in the control of the athletic affairs of the university. But just how much athletic control should be given to students, is difficult to determine.

Intercollegiate athletics, rightly or wrongly, have assumed a place of great prominence in the lives and hearts of a large majority of the students. The benefit or harm of this is a matter of opinion, and will remain a question for dispute for sometime to come. But that has no bearing upon our present discussion. There can be no dispute concerning the fact that the students do have this interest. It is also true that the student body lacks the poise that comes with experience, and frequently shows a tendency to over-do things. So it has been found wise to regulate the activities of the students along all lines. Some activities need to be encouraged while others need to be curtailed. Nearly all student activity must be regulated to some extent.

The first step that has been taken in the regulation of student participation in athletics is the establishment of scholastic requirements which the students must satisfy before they are eligible to participate in games. Since the prime function of the university is the work of the classroom, it is very fitting that the student should demonstrate his ability in class before he is allowed to take up other activities that consume his time and energy. However, a high standard of performance along

the lines of scholarship is not enough to fit the student for the broader field which is encountered in after years. Modern existence demands that one mingle with his fellow men without friction. Participation in athletics is splendid training for this purpose. The athlete must learn to forgive many transgressions against his rights. He must learn to exercise patience and forbearance. Even to students who do not actually participate in games the athletic department offers training for later activities. When students are elected to represent the student body on the athletic committee, they are trained to study the problems of the committee and thus secure valuable practice in using judgment. The power to make independent decisions is developed.

There is an opportunity for every student to secure very valuable training both as a contestant in athletic games and as a participant in student management of the games. The Kansas Relay Meet is under practically complete student management.\* All the business details are in student hands, and all the problems of administration are handled by students. Executive experience thus gained is perhaps more valuable to them than any available academic course. The management of all athletics is largely in the hands of students at the University of California. The training that students may gain by such activity is of vast importance because the opportunity is presented to gain some practical business experience.

\* This practice has been discontinued.

PART II

F I N A N C E

## Chapter V

### Receipts

"Easy money" is a term that may well be applied to the athletic income of a few peculiarly favored institutions. On the other hand, the great majority of colleges find it very difficult to earn enough money from athletics to pay the necessary expenses. Securing an income that is large enough to meet the requirements of the department, is the most serious problem that faces most athletic directors.

Conditions at each individual institution are so different that it is practically impossible to make sweeping statements regarding what constitutes a reasonable sum of money for the athletic department to earn. There are two important considerations that should be kept in mind while studying the income of any institution. First, one should ascertain whether or not the students themselves are called upon to render financial support to an embarrassing degree. Second, the athletic income should be compared with the <sup>university</sup> income from other sources. Too great a proportion of the entire income of the institution should not be derived from athletics. More important still, too great a proportion of the resources of the institution should not be expended for the development of athletic teams. Common sense is the only reliable guide in determining the amount of support a student, in average circumstances, should be asked to give. It also is the only guide which will help to determine how great a proportion of the resources of the university may, with propriety, be devoted to athletic promotion. It is not only proper that a small college devote a greater proportion of its resources to athletics than does a richly endowed university, it is an absolute necessity. How large a sum or how great a proportion should be expended are questions to be determined

by the proper authorities of the individual institution.

In deciding upon a policy two objectives should be kept in mind: to secure the funds required to maintain the athletic department; and to get as many spectators as possible to attend contests, thereby increasing interest in athletics. The management of every athletic department should exercise great diligence in keeping the expenses down to the very lowest figure compatible with the size and rank of the institution. Sometimes there is an exaggerated conception of the amount of activity it is proper for the college to engage in. More often the conception of what constitutes proper competition is even more exaggerated. When these extravagant ideas prevail, the necessity for increased income is almost certain to arise.

The responsibility for the success of athletic policies is usually placed upon the athletic director. However, in most cases he merely suggests a policy to the athletic committee or the Board of Trustees upon whom the selection of the final policy then rests. The measure of success that has attended the efforts of the director in other matters is very often the principal factor which determines the weight that will be given to his suggestions by the committee. Like the Prime Minister of England, the director should resign from his office when the governing body fails to vote him confidence by defeating his financial program.

#### Sources of Income

Income for athletic purposes may be derived from four sources, namely: charges for admission, appropriation, rentals, and cash donations for current use. The first of these, charges for admission, has proven by far the most productive source of athletic income. Because of its

ability to produce the money this source is utilized almost universally. Several policies of charging for admission are in vogue, the simplest of which is the demand that a regular fixed price of admission be paid for each and every game. This is often varied by charging a higher price for the feature game of the season. In fact feature games are often arranged with this exact object in view, the charging of higher prices to fill an empty treasury.

Since the state legislatures are more than loath to appropriate the tax payers' money for the development of athletic teams, since the trustees of endowed institutions are reluctant to set aside money that is earned by the regular endowment of the university, and since in both cases legal restrictions often prevent the use of such funds, this source of athletic income can be dismissed from our attention with no further comment.

Now and then it is possible for a university to rent the stadium or gymnasium to other organizations, and thus secure some money. This is not a productive source of income, however, because the expense is frequently greater than the rental that is paid.

The United States Military Academy at West Point has a unique financial system, which is worthy of mention because it is so different. Admission to all contests held at the Academy is free. All who care to come are welcome. The expenses of the teams are paid out of a fund raised by means of voluntary contributions from army officers and civilian friends of the Academy. Due to the peculiar relation of the Academy to the Army and the patriotic appeal that is made to others this plan is successful at the Military Academy; but since these peculiar conditions do not prevail at the other universities of the

United States, it is probable that such a plan would not succeed at any other institution.

Methods Used to Secure Income  
from Charges for Admission

The Activity Ticket. Money taken in payment for admission comes from the student body of the university and from the general public. It has been found that the best way to secure the support of the students is by means of the student activity ticket, which may be one of two kinds. One is nothing more than a season ticket which the student has the privilege of buying at a reduced price; the other the student is forced to buy, because it is included in the fees he must pay at matriculation. There are two reasons why such a ticket is very desirable. It brings ready cash into the athletic treasury, and it makes it possible for the students to follow the fortunes of the team at a minimum expense. This ticket allows the students to attend the feature games of the season for the same price that they pay for other games. It also allows the athletic department to realize more money from the public on the occasion of such contests. Whether this habit of using the public interest in certain contests for the purpose of increasing revenues is a good one or not, is a widely debated question. Since it is customary that certain other educational activities be regarded as a means of entertainment by the public, which is ready and willing to pay for it, it seems only fair that this same public be called upon to furnish some of the money needed by the athletic department. In the case of most universities and colleges it is essential that some money be secured from the public.

The Season Ticket. The best method of securing the regular support of the public is by the sale of season tickets. These tickets possess the same advantages that the student ticket enjoys. They permit the holder to see all the contests of a season, or year, for much less money than the sum of the admission prices for each game,

they create a source of ready cash for the athletic department, and they stimulate public interest in athletics. Although usually feature contests are included along with the others in the privileges of the season ticket, this is not always true. So far as the staging of contests, and the charging of admission for them is involved, any policy that secures the greatest revenue is the best method to employ. But, there is a danger that the educational and social value of these contests may be lost sight of if too great a spirit of commercial enterprise is allowed to attach itself to the promotion of the games.

On page 28 a table is presented (Exhibit C) which shows the athletic income, the number of students enrolled, and the income rated per student at the universities studied. The income rated per student is very interesting. Since the actual amount spent by any individual student will be about the same, whatever institution he may attend, it is safe to assume that the lowest average income rated per student is a figure that represents a reasonably close estimate of the amount that the students pay. Those institutions that have an income per student that is larger than the lowest figures receive the additional income from the general public. The money spent by the public in attending games is expended for diversion or amusement. It is not wise for an educational institution to enter the field of professional entertainers, but if a legitimate activity of such an institution appeals to the public to such an extent that money can be earned from it there can be no objection to the acceptance of such money by the institution, provided the earning of money is kept in its proper place as a subordinate object to be attained.

University A with an income of \$250,000 from its athletic teams is located in a very large city which is also easily accessible from several other large cities. There is never

Exhibit C

The following tables show the athletic income and number of students enrolled in the thirty institutions answering the question concerning income and funds.

I. Having more than \$100,000.00 annual income

	Income	Enrollment	Income rated per student
A	\$250,000.00	6073	\$41.16
B	250,000.00	3930	63.63
C	140,000.00	2011	69.64
D	160,000.00	10000	16.00
E	200,000.00	10193	19.60
F	185,000.00	3103	59.60
G	170,000.00	10000	17.00
H	125,000.00	5477	22.80
I	140,000.00	10000	14.00
J	120,000.00	9974	12.00
K	100,000.00	14586	6.85
Total	\$1,840,000.00	85787	Average \$31.12

II. Income less than \$100,000.00 and more than \$40,000.00

L	\$40,000.00	6000	\$ 6.67
M	85,000.00	3500	24.30
N	60,000.00	1787	34.13
O	50,000.00	4000	12.50
P	40,000.00	4974	8.00
Q	55,000.00	515	106.70
R	40,000.00	1445	27.24
S	40,000.00	3614	11.00
T	40,000.00	4765	8.51
Total	\$450,500.00	32247	Average \$29.56

III. Income less than \$40,000.00

1	\$11,000.00	550	\$20.00
2	15,000.00	1000	15.00
3	25,000.00	2174	11.40
4	30,000.00	3900	7.60
5	21,000.00	3200	6.60
6	5,000.00	450	11.11
7	6,500.00	515	11.66
8	8,000.00	1000	8.00
9	18,000.00	528	34.10
10	25,000.00	1408	17.86
Total	\$164,000.00	15151	Average \$14.33

any difficulty in disposing of all the available seats to games, whatever the price of admission. The great problem confronting the management of the athletic department is to give students first chance at reasonable prices and to make sure that speculators do not corner large blocks of tickets and sell them at fabulously advanced prices. If this university cared to commercialize her athletics it would be entirely possible for the athletic income to be swelled to an annual figure of \$1,000,000 or more. The \$250,000 earned by this athletic department is not a large sum compared with the income enjoyed by this institution from endowment and gifts of property. Graduates say that no student needs to spend more than ten dollars during the school year for admission to all home contests. Such being the case, it is improbable that the athletic department is exercising any effort in the direction of commercial enterprise.

The same facts apply to University F with its athletic income of \$185,000. It too is located in a large city, across the continent from the first institution. Either of these universities could build up an athletic income of tremendous size. Former students and graduates must make reservations for seats months in advance of certain contests. The most difficult problem which confronts the authorities is the distribution of available seats in a just and fair manner. It would not be very difficult for the director of athletics by advancing the price of admission to so reduce the demand for seats that the task of accommodating the crowd would be greatly simplified. After a certain sized stand has been constructed it is a very difficult feat of engineering to make a further increase in seating capacity. After seats have been placed a certain distance from the field of play, any additional seats that may be placed farther away are of no value because of the distance. Finally a point is reached where it is not possible to

create a larger supply of seats. When this limit is attained the only elasticity that remains is in the demand which could easily be controlled by changing prices. Such a policy would certainly produce a vast income.

On the other hand, University K whose enrollment is larger than either of the other two and whose teams are famous from coast to coast for their prowess and sportmanship, enjoys a total athletic income of only \$100,000 per year. The student body is so large that it is difficult to supply even the students with tickets to games without trying to take care of friends and alumni of the university. The cost of operating this university for one year is well above the million dollar mark, yet there is an athletic income which represents the expenditure of only \$6.85 per student. This does not denote a policy aimed at securing an excessive athletic income.

In the next group, which includes institutions having an annual athletic income of more than \$40,000 and less than \$100,000, we find one outstanding instance of a great athletic income at a comparatively small university. University Q has only 515 students and reports an athletic income of \$55,000 per year, or more than \$100 for each student. This would be a tremendous burden, indeed, if the students were called upon to bear it. But once again we find circumstances that make the problem one of cutting down the earnings rather than augmenting them. This university is for men only. Due to its age and the great number of its graduates who have become successful, its degrees have great prestige. An entrance waiting list is maintained and only the better candidates are accepted for entrance. Many persons desire to attend its contests, and the location is such that a large number of them are able to do so.

The figures in Exhibit C show that the number of students attending a university has little bearing on the athletic income that may

be earned. One institution having an enrollment of 515 students has an annual athletic income of only \$6,500, while another having the same number of students is able to earn \$55,000. The second institution earns approximately eight and a half times as much by her athletic activities as the first. The reasons for this difference are: first, the location; second, the difference in the calibre of the two teams; third, the difference in the reputations of the opponents met by each. The first reason, that of the location, is probably the chief reason for the other two. The convenience of the location and the ease with which students may travel back and forth between home and university cause students possessing athletic ability to attend University Q for the same reason that large crowds attend the games--it is convenient. The large attendance at games and the ensuing ability to pay heavy expenses make it possible to induce the most famous teams to come for games. The location of an institution may be considered as one of the most potent factors in determining whether or not it will be easy or difficult to earn, or secure, a large athletic income.

A few statements of income at several universities are shown on the following pages. They illustrate the wide variations that exist in the amount of income that may be derived from the various sports at different places.

Comparing these reports, we find that it is very difficult to study athletics in general terms. No two institutions are in the same circumstances; no two have the same demands for specific sports. The students of one college demand certain games, while the students of another demand entirely different games. If each university engages in as many games and as varied a program as the resources permit, if all money received is accounted for in a businesslike manner, if all disbursements are made wisely under proper authority, if all its income is within reasonable bounds, that institution is probably using its athletics for legitimate educational purposes.

Exhibit D (See Exhibit G)

University of H, revenue account for the year  
ending August 31, 1922.

Fees, student, \$1.00 per quarter less refunds		\$6,748.37
Fees, gymnasium, \$5.00 per man student per quarter less refunds		28,494.06
Gate Receipts:		
Baseball	\$	2,651.31
Basketball		3,979.86
Boxing		326.48
Football		127,572.10
Soccer		34.00
Swimming		134.99
Tennis		191.00
Track		<u>8,910.61</u>
Total Gate Receipts		143,780.35
Concessions		370.61
Miscellaneous		561.76
Programs		3,117.40
Sheep, net gain		976.84
Store, net gain		<u>644.15</u>
	Total Receipts	\$184,423.54

This report is a very good one, clear and to the point. It indicates the sources of all money received during the period. Football is shown as the game that pays best at the gate. This is necessary because the income from the other games is not large enough to pay the expenses of coaching and equipment for the games.

Exhibit E (See Exhibit H)

College Athletic Committee  
1921-1922

Receipts

Baseball	\$1,403.51
Basketball	1,952.12
Circus	303.60
Cots	30.00
Football	3,921.60
Gymnasium	54.35
High School Basketball Tournament	2,979.61
Interscholastic Track	482.60
Miscellaneous	8.05
Privilege Fees	7,852.00
Telephone	5.30
Track	1,227.08
Appropriation by College for Debt	<u>1,000.00</u>
Total Income	\$21,219.88

This is the income report of a small college, situated in a small city. The item "Privilege Fees" refers to the money paid by students for activity tickets. Sometimes several activities are grouped together and tickets are sold to students that entitle them to witness the attractions of all the activities. Certain portions of the money derived from the sale of such tickets are delivered to the treasurer of each of the activities. This has evidently been done in this case. This item indicates that more than a third of the income enjoyed by the athletic department of this institution is derived from the students. This explains the small size of the income. The variety of the items shows that the College is not able to make much of a commercial enterprise out of athletics.

Exhibit F (See Exhibit K)

Teachers College Income  
1921-1922

Fees, Student:		
First Quarter	\$ 369.00	
Second "	491.00	
Third "	518.00	
Summer Session	<u>1,116.00</u>	
Total fees for year	<u>2,494.00</u>	\$2,494.00
Football		1,456.00
Basketball		674.25
H.S. Basketball Tournament		505.75
H.S. Track Meet		335.70
Deficit for year		<u>435.78</u>
Total Income		\$5,901.48

This College has an annual income of more than \$150,000. It is very evident that the total athletic income is not excessive at this institution. In fact the athletic income is very meager. The teams that represent this College are moderately successful, but the limited sum of money that is available is a handicap to the athletic management.

Sums of Money Involved

At intervals during the past few years, there has been a great hue and cry raised anent the vast sums of money involved in the promotion of intercollegiate games. Mill says that any commodity is worth just about what it will bring. This means that people will pay for the goods that they desire. They pay for the satisfaction that they receive, and refuse to pay anything for goods that fail to satisfy. Beneficial or harmful results from consumption of goods seem to have slight weight in determining whether or not people desire a commodity. The sale is easily made if the demand is strong. The students demand athletics, they demand competitive athletics. Of course, some students are not interested in games, but enough of them demand athletics to make it mandatory for the administrative officers of educational institutions to promote the games. The sum of money that constitutes a "tremendous sum" to spend on athletics is not a definite amount of money. One person thinks that such and such a sum is proper and any increase becomes a "tremendous sum". At the same institution another person, fully as honest and intelligent thinks that five times the sum is not "tremendous".

## Chapter VI

### Athletic Expenditures

The answers to our questionnaire seem to indicate a particular aversion for the questions concerning expenditures. Accordingly it has been necessary to use much material that has been obtained by personal observation in actual experience. There is no attempt to give many detailed figures or exact analyses of statistics. References to sums of money in this chapter must, because of meager reports, be mainly personal estimates.

There are two prime reasons for this reluctance to divulge actual figures. The first is the habit which directors have formed of keeping the affairs of the department to themselves, or within the knowledge of the proper authorities. It is perhaps no harm that matters of routine be kept secure but it would be much better for all concerned if persons who are interested were able to secure the principal facts. The second reason for this seeming secrecy is that the figures are not available in definite form. The accounts are not kept in such a manner that detailed figures are readily available. Much of the unfavorable comment made on the subject of athletics could be eliminated if more publicity were given to matters pertaining to finance and organization. This aversion for revealing to the public facts concerning financial matters is very detrimental not only to athletics but to the institution itself. The impression is created that there are facts and circumstances which require hiding, although personal interviews with managers and directors indicate that there is no reason at all for hiding the facts. It is needless to say that there have been cases where dishonesty has been discovered in the management of inter-collegiate athletics, but the same is true of nearly every church and every branch of business. Care should be taken to see that

such practices are eliminated and such offenders as are found punished.

With the exception of those universities which have very large incomes, the largest single item among the expenses of an athletic department is usually that of salaries. When the income is less than \$40,000 per annum it is fairly safe to estimate that from one-fourth to one-half of the money received will have to be used to pay the salaries of the athletic director and coaches. The reason that salaries in the department of athletics are usually high is that the supply of capable men is extremely limited.

The question of high salaries paid to coaches is a very delicate one at most educational institutions. In determining the salaries of coaches the law of supply and demand works to perfection. The successful coach finds a ready market for his ability and the competition among bidders for his services is unusually keen. There are a few coaches who are able to name the salary they want and encounter no difficulty in finding a university willing to pay it. On the other hand there are numerous men of less outstanding ability in the coaching profession who have difficulty in securing a position at any salary.

The next important object of expense is for the personal equipment necessary for various sports. This is an item that varies widely. It is impossible to determine what portion of the resources should be utilized for equipment, because standardization of personal equipment is a practical impossibility. Ordinarily the question is not what is desirable, but what is essential. The line between necessity and luxury can be determined only by the financial condition of the department. Soldiers played football in fatigue clothes during the war. Equipment there was a small item of expense because impossible to secure

at any price. They played baseball with only one ball, one bat, and a catcher's mit. If the ball were lost, or the bat broken, the game was over until they could be replaced. After all, the actual necessities in all walks of life are largely determined by available resources.

Local conditions, then, are the factors that determine what is a reasonable amount to spend for equipping the various teams. Available money, climatic conditions, and numerous less important features of local environment determine for each committee what allotment of funds to make for various lines of equipment.

Among the smaller colleges the salary fund usually is larger than the equipment fund; but as the income increases the percentage that can be used in securing better equipment also increases. These two items always comprise the major portion of the expenditures.

Football has been the most profitable of all college sports in spite of the fact that the expenses are at least 60% of the total expenses for equipment in the case of the average university, if indeed there be such a thing as an average university.

Exhibit G presents the expenses for the institution whose income is shown in Exhibit D. A comparison of the two exhibits shows that football was the only sport carried on at a profit. Track almost paid for itself, but all the other activities were supported with money earned in football. If the football earnings had been less all the other activities would have decreased. The tennis courts could not have been improved and extended; such ample facilities for swimming could not have been provided; in fact, all physical education would have been handicapped. Although the expenses of the truly competitive or major sports were less than a third of the total income, all the profit from such games was spent in providing equipment and supervision for other athletic activities and for physical education in general. How then can it be said that there is any improper commercial spirit here?

Exhibit G (See Exhibit D)

University of \_\_\_\_\_ Expenditures  
Fiscal year 1921-1922

Accounting	\$1,568.70
Athletic Fields, Repairs, Maintenance, and Improvements	5,257.78
Awards (Sweaters, etc.)	1,642.40
Baseball competition	4,200.75
Baseball supplies	1,041.79
Basketball competition	4,118.56
Basketball supplies	295.40
Bathing supplies (Laundry, etc.)	2,765.17
Boxing competition	972.13
Boxing supplies	320.38
Contingency fund	561.69
Farm (Old Account)	118.70
Farm, Special Account (closing balance)	922.13
Fencing supplies	46.85
Football Competition	14,533.70
Football supplies	5,162.91
Gymnastic Apparatus	231.77
Gymnasium Office Supplies	769.38
Gymnasium Supplies	2,530.55
Improvements: Tennis Courts	3,422.73
In Gymnasium	<u>348.66</u>
	3,771.39
Insurance, Accident	249.48
Insurance, Fire	677.87
Intermural	459.96
Janitor supplies	199.47
Labor, Gymnasium (Student Labor)	4,837.80
Manager's General Expense	2,472.77
Medical Supplies and Service	2,351.28
Minor Sports	185.10
Opera Loss	2,324.92
Polo	500.00
Publicity	980.03
Rifle Club	22.65
Rugby Competition	1,031.89
Rugby Supplies	124.71
Salaries	38,523.39
Soccer competition	442.41

Exhibit G (continued)

Soccer supplies	524.31
Special Appropriations	601.25
Stadium, Upkeep of Grounds	1,864.45
Swimming Competition	1,191.01
Swimming, Pool Supplies	1,020.91
Telephone and Telegraph	350.64
Tennis Competition	696.84
Tennis Supplies	180.40
Traveling Staff	320.52
Track Competition	9,248.02
Track Supplies	684.79
Treasurer's Office, Supplies	250.02
Basketball Pavilion, Annual Payment	<u>7,500.00</u>
Total Current Expenditures	\$130,655.02
Payment on Cost of Stadium	<u>55,000.00</u>
Total Expenditures	\$185,655.02
Less Receipts	<u>184,423.54</u>
Operating Loss Charged against Surplus	\$ 1,231.48

Exhibit H (See Exhibit E)

----- Athletic Committee  
1921-1922

Payments

Advertising	\$ 41.40
Baseball	1,550.14
Basketball	2,772.18
Circus	136.07
Cots	150.70
Football	5,752.52
Gymnasium	176.80
H.S. Basketball Tournament	2,970.81
Hockey (Girls)	2.10
Interest	950.60
Interscholastic Track	676.71
Laird Field	667.67
Laundry	158.16
Miscellaneous	131.45
Office	354.38
Swimming	58.81
Telephone	161.58
Tennis	7.85
Track	3,370.70
Debt Paid	<u>1,129.15</u>
Total Expenditures	\$21,219.88

Exhibit K (see Exhibit F)

College

Expenditures

Football	\$2,439.65
Basketball	1,155.67
High School Basketball Tournament	586.26
Track	248.03
High School Track Meet	538.71
Trainers' Supplies	185.16
Doctor's Fees	370.00
Indoor Baseball	30.50
Gymnasium Supplies	122.00
Sweaters	<u>225.50</u>
Total	\$5,901.48

Exhibits H and K illustrate the reduction of activity that must take place in order to permit a reduction of expenditures. In Exhibit K only the major college sports have been engaged in. The lack of available funds was the reason for the absence of other activities. The only way to curtail expenses was to curtail the activity. This is always true under efficient management.

These statements illustrate the many and varied items of expense that a university is called upon to meet in the promotion of athletics. Yet these specific figures are not important because the next season may develop conditions that require a very different division of the resources. In Exhibit G football is the only activity listed that shows a surplus of income over expense. If the athletic department had been unable to earn that money in football the athletic director would have been faced with one of two alternatives, to lessen the scope of activity, or call upon the university for funds. Either alternative would have been a real and serious misfortune for the students. Instead of reducing athletic activity every university should increase the facilities for more and more activities. Most institutions are so situated in matters of finance that university funds are not available for athletics unless the academic or scholastic facilities be curtailed. No one would advocate such a step. That side of the university needs all the funds that it can possibly secure. We should insist, then, that more rather than less money be earned from athletics.

## Chapter VII

### Permanent Equipment

Athletic games require a tremendous amount of space and permanent equipment. A stadium cannot be built on less than five acres of land.\* Land near a college or university usually sells for relatively high prices, making the land an expensive item, ranging from a few hundred dollars to thousands of dollars. After the land is purchased, it must be graded and drained before it is suitable for use as an athletic field. The grading cost varies widely according to the topography of the land and the character of the soil.

Expenses are not ended when the land has been bought and graded, for seats must be erected for the spectators and the teams provided with locker rooms and shower baths. The cost of constructing even a small temporary stadium ranges from \$2,000 to \$4,000. A gymnasium is even more expensive, the cost of this type of equipment ranging from a comparatively small sum up to hundreds of thousands of dollars.

Yale and Harvard have the Yale Bowl and Harvard Stadium, each of which cost a tremendous sum. Ohio State University has a new stadium, which cost more than one million dollars. The University of Illinois is raising the money to erect a memorial stadium at an estimated cost of two million dollars. Iowa State College has a gymnasium and athletic field that cost more than \$500,000 and which could not be duplicated

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\* A baseball field covers about an acre and a half of land; two acres are needed for a gridiron; a quarter mile track cannot be built on much less than three acres for although seats and accommodations for spectators vary a great deal, they must be outside the track in all cases.

for twice that amount now. Kansas University is building a stadium that will cost nearly half a million dollars. Cornell University has a gymnasium and field worth \$200,000 or more.

There are four sources of money with which these great structures have been erected:

1. By gift from a single individual
2. By state appropriation
3. By a campaign for funds
4. By the creation of a sinking fund

By far the simplest method of providing the money to supply this equipment is by securing a gift from a single individual. Mr. Patton gave the beautiful gymnasium to Northwestern University. Mr. Haskins gave the stadium to Drake University. Nearly every university has buildings and equipment of various kinds that have been given by some friend. This desire of the individual to erect a monument or make a special benefaction is the most common source of funds for special equipment.

State legislatures have been known to vote money for the erection of permanent athletic buildings and playgrounds, but since this is not a very common occurrence, little need be said concerning this method of securing equipment. When the appropriations are made, construction is easy; but until the appropriations are made not much reliance can be placed upon this source of equipment.

Since the World War the desire of many people to erect monuments to the memory of the heroes of the war has given rise to numerous campaigns for Memorial Stadium funds. These campaigns have been very vigorous and have met with noticeable success in most cases. This tendency to carry on campaigns is a feature of modern university operation that should be utilized with great caution. After a campaign for this and a campaign for that, the word "campaign" soon has a most unpleasant sound in

the ears of the friends of the university. A campaign, whether military, strategic, or financial, must be carried on with enthusiasm and vigor. The enthusiasm and vigorous activity of the campaign create a vigorous enthusiasm in the hearts of all who come in contact with the campaign. This enthusiastic feeling is often more beneficial to the university than the real object of the campaign. There is, however, a danger of over-stimulation in these campaigns which may result in reaction which will more than offset the gains.

A method of financing the erection of permanent equipment that is not so common but none the less practical and businesslike is the sinking fund method. Bonds, sold to any persons who may be induced to buy them, are paid for by using a part of the athletic income for the creation of a sinking fund with which to retire them as they fall due. This is the most systematic and rational method of raising the money. The one serious drawback to this plan is that the athletic department must be on a very solid financial foundation before it is practical. However, when surplus earnings tend to accumulate this is an excellent way in which to use them.

There are very few universities that now have sufficient permanent equipment to meet the demand for athletic facilities. Nevertheless, the time will soon come when many of them can no longer expand the athletic plant in a profitable way. These institutions are the very ones that are so located that large sums of money are earned by the promotion of contests. These conditions, a complete plant and a large income, give rise to the question as to what disposal should be made of the surplus earnings. Although such a question is not of great importance at the present time, it will confront the management of quite a number of institutions within a very few years.

## Chapter VIII

### Surpluses and Deficits

Surpluses and deficits are opposite phases of an accounting system and may be treated in the same chapter.

#### Deficits

Deficits are more dangerous than surpluses. Any deficit in the athletic treasury is a menace to the institution which is called upon to meet it. It is the cause for immediate alarm and usually drives the athletic department to adopt a commercial policy, with a view to earning money rather than supplementing the educational function of the university. As soon as the educational phases of athletics are lost sight of, the practical value of the athletic department is impaired. It is possible to make the participation in athletics a part of the education given to students; but it is not possible to do this if athletics must be carried on under the continual handicap of financial worry.

No definite policy of allowing for deficits is maintained by any of the institutions studied. While it is probable that there have been few deficits in the last several years, it is entirely possible that any one of the large universities will be called upon to meet a deficit in the future. It seems that it is more prudent to formulate a plan to meet such a situation before the deficit appears, rather than to wait until the possibility becomes a reality.

The plan usually followed really embraces three separate plans. As soon as it is apparent that a deficit is probable, a campaign is made through the alumni association for financial aid. If sufficient money is raised the debts are paid, and everything runs along more or less smoothly until the department is faced with

another deficit. The next deficit is the signal for another campaign for funds.

But these campaigns do not always end in success. Other means of solving the problem must be found if the alumni do not respond to the appeal. Often it is possible to carry the deficit over to the next year as a debt. If this is done, an effort is made to reduce the expenses of the department to such an extent that the debt may be paid off from earnings. Since it is nearly impossible to reduce expenses without reducing the activity that is engaged in, it is apparent that such a policy is injurious. If poor management has been the cause of the deficit it is often possible to change the methods of the department in such a manner that earnings are increased and unnecessary losses are prevented. If this is the case the deficit will be wiped out in a short period of time.

Finally, when all other means have failed to solve the riddle, the university must pay the debt out of the general treasury. Under the departmental type of organization, this means of meeting deficits is not so detrimental but under the separate incorporation type of organization, this means of wiping out athletic deficits is often very injurious to the academic side of the university. This is a very good reason why the departmental type of organization should be adopted. If earnings are in excess of expenses the university can take the money; then, if expenses exceed earnings, the university has been made able to meet the situation.

At those universities which have been fortunate enough, or wise enough, to retain the same director of athletics for many years the probability of deficits appearing has been greatly reduced. The director has learned to plan for the future on the basis of past experience, and is able to predict the income so accurately that he can regulate his budget according to quite definite facts. At such

institutions the plan of keeping expenses within the expected income invariably is followed. Unless the income is extremely large, this is sufficient limitation to place upon the operation of the athletic department.

### Surpluses

A very few institutions have a surplus athletic fund. Excess earnings in the years in which the income is large are carried to the surplus account, and in the years that earnings are not sufficient to pay operating expenses the temporary deficit is taken care of by the surplus account. This is very satisfactory if the earnings are not too much in excess of expenses; but if the surplus tends to accumulate, some policy for its disposal must be adopted.

The disposal of surpluses depends largely upon the type of organization. The separately incorporated associations keep the surplus money and utilize it for the extension of the athletic plant. At most institutions there is plenty of need for added accommodations. More lockers are needed, tennis courts are too few, golf courses are rare indeed at colleges, handball courts are not adequate, and other equipment may require repairs, until there is such a need for money to acquire the needed permanent equipment that large sums of money can be spent to good advantage. Yes, the money not only can be spent advantageously, but should be available to supply the demand for these facilities. It has been very easy to see the need for more and better permanent equipment up to the present time; but the time is near when many institutions will be so well equipped that further extensions of the plant will not be wise. When the limit of profitable expansion has been reached the separately incorporated associations will be confronted with a real problem in connection with surplus earnings. But since such a condition is little more than a possibility at present, it is just

as well, perhaps, to leave the crossing of that bridge until we come to it. Like many such "bridges" it may never appear.

The departmental organization has already provided for the disposal of surplus earnings before they have been earned. All the money is turned over to the university treasury and is immediately available for whatever use the institution may have for it. This is a very logical plan. The university is often able to utilize the money to better advantage than the athletic department. This is true no matter how wealthy the university may be. If it happens that the university is not very wealthy and the athletic department is able to earn a large income, it is especially wise to have a form of organization which puts the control of funds in the hands of the institution.

#### Wisdom of Accumulating a Surplus

It frequently happens that the committee has a tendency to use money for many purposes that would not be considered necessary if a large amount were not available. Money is often spent for no apparent reason except that it is there to be spent. Hence the oft repeated remark, "Athletic money is easy money". This is bad for athletics and bad for the university as a whole. Salaries in the department of athletics are often increased far beyond the sum warranted by the ability of the recipients. This is due to the fact that there is plenty of money in the treasury. Other members of the faculty soon become jealous and friction is created which has a very detrimental effect on the entire university. The morale and esprit de corps of the university faculty is torn to shreds. Students are very susceptible to such a condition and always reflect the restless spirit thus created. This is a condition that a careful committee will always avoid. When the athletics of an institution fail to promote internal harmony, and

harmony between the institution and the community in which it is located, one of the most beneficial uses of athletics has been lost. Some well informed persons believe that this creation of a feeling of harmony is one of the most important constructive functions of athletics. Great care must be exercised by the management to make sure that its actions do not defeat this object.

The disposal of surplus earnings will soon be a much more serious problem than it now is, although even at present it is beginning to be a matter of vital concern.

## Chapter IX

### Accounting

A common defect in the management of athletic departments is to be found in their accounting systems or rather in the lack of any system. The first essential of businesslike administration is an adequate accounting system, otherwise the director or boards have no exact knowledge as to the sources of funds, or what has become of the money that has been spent. They cannot know which part of this department has been efficiently conducted, nor will they know what little unnecessary expenditures have made inroads into the departmental funds.

The modern athletic department is a big enterprise. Much money is received at the gates at every important contest. The expenses of each contest are much heavier than one unfamiliar with athletics would suppose. It is very important that a budget of a practical character be employed. Records of the financial success or failure must be kept each year as a guide to plans for the following years.

There are no very difficult problems connected with the keeping of athletic accounts. The books do not need to be very elaborate, but it is often the case that directors do not even realize the necessity of keeping the records in proper statistical accounting form. Accounting is the science of establishing and preserving financial records in proper balanced form. The managers of nearly all successful business enterprises realize the importance of having such records, and expend a large amount of money to keep them available and up to date. Most athletic directors in the past have failed to realize the value of such records, and have not kept them. As a result of this lack of

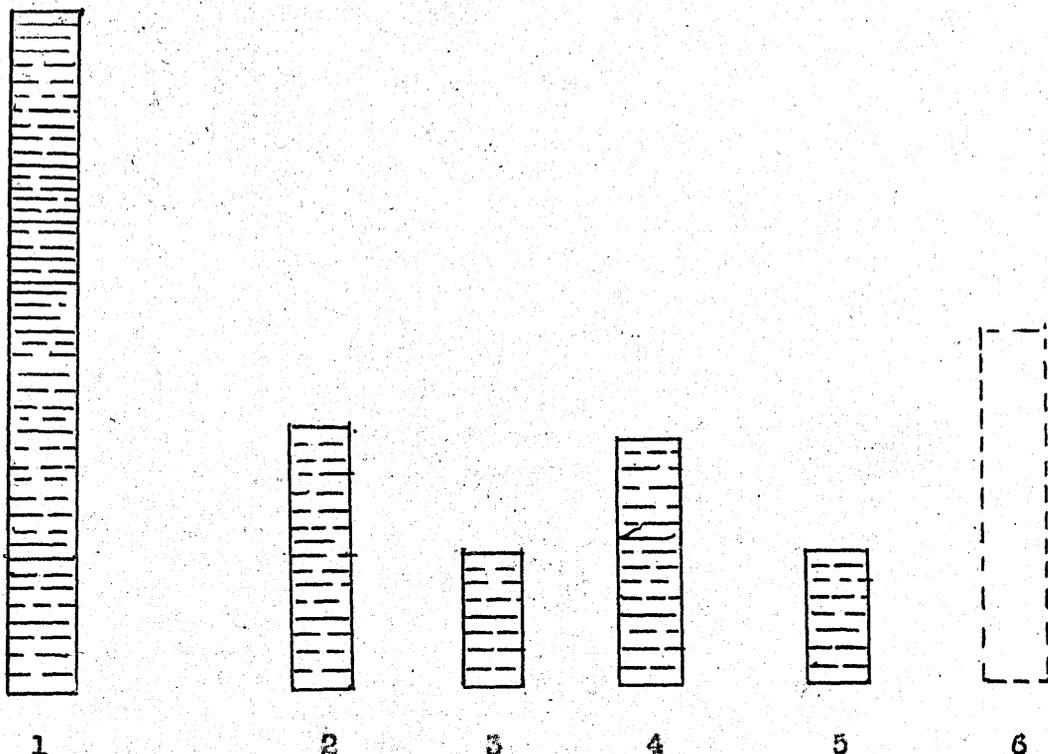
financial data it is often very difficult for a director to make a clear and concise report of the affairs of his department. If it is apparent that he is unable to make such a report of the past he is not in a position to plan a budget for the future with intelligence.

### A Budget Is Essential

The budget is essential in order that the director may make the most efficient use of his resources. It is true that because many items are of an indefinite nature it is difficult to predict the amount that it will be necessary to expend. Allowance for this uncertainty must, of course, be made by establishing emergency funds of some sort. For example, injuries to players are causes for expense which it is impossible to forecast. Now and then a team may play through an entire season with few injuries while in the next season it may be unfortunate to have many and frequent casualties. Few injuries are of a serious nature, but often the slight injuries become serious if they are neglected. The athletic department should always pay the bills for medical attention to players and should insist that every injured athlete accept competent medical attention. These are the items of greatest uncertainty, yet year after year the expenses of this nature will strike an average that can be determined, provided the accounts for the past are available for reference.

It is possible to forecast the amount of money that will be at the disposal of the athletic department. If the accounts have been kept properly the forecast may be made quite accurately. The money that will be available may be represented as a stack of dollars placed one upon another. (Exhibit M) The budget is the division that is made of this stack of dollars, setting aside small stacks which will be used for certain purposes. Due to uncertainty and possible error in predicting the size of the

Exhibit M



The stacks represent stacks of dollars.

Let number 1 represent the total income that it is expected to <sup>be</sup> earn. Then there will be enough money to build stacks 2, 3, 4, and 5. If the income proves to be exactly the amount expected, there will be no money with which to build stack 6. But, if there is more money than was expected, more is available than is necessary to build stacks 2, 3, 4, and 5, this may be used to build another stack, which is shown in outline form, because it is not certain how much, if any, money will be available for this purpose. If the actual income is less than was expected, there will not be sufficient money to complete all the regular funds represented by stacks 2, 3, 4, and 5. These regular appropriations, or at least some of them, must then be reduced to such a point that the money that is actually earned is sufficient to build the stacks or, in other words, the appropriations must be so reduced that the money that actually comes into the treasury is sufficient to provide the funds for each purpose.

original stack, which represents the athletic treasury, it is necessary to set aside some money or another stack as a reserve. The large stack of dollars may be divided into any number of smaller stacks, but the combined height of the smaller divisions cannot exceed that of the original stack.

Thus, the budget enables the director to use money for work early in the year without keeping expenses too low, and at the same time he is safe in the knowledge that enough money will be in hand to carry the program through the year.

Accurate accounting methods, insisted upon and carried out consistently, are one of the best means for overcoming one of the evils that have been associated with athletics in the past. If every dollar is accounted for it is very difficult to use money for any but legitimate purposes. Although the athletic departments, in general, have greatly improved their methods of accounting for funds and reporting conditions to the proper authorities, much improvement is yet to be made in this regard. The source of every penny should be known and, more important, the use that is made of every penny should be known. The director should not only know the facts himself, he should be able to present the facts on short notice. If the director has the facts, and presents them to the committee, the committee is able to adopt an intelligent policy. But if the director has no facts or is unable to present a coherent report, the committee is unable to formulate any stable policy. Modern methods of accounting have been one of the chief means of developing modern "big business", and are absolutely essential to the correct management of an athletic department. In the absence of accurate accounts, it is impossible to form a policy, and utterly impossible to know exactly what is taking place in the department.

PART III

S U M M A R I Z A T I O N

and

C O N C L U S I O N

## Chapter X

### Summarization and Conclusion

Athletic relations of some kind are necessary. There are very few institutions of undergraduate rank that could abolish athletics at the present time, even if they so desired. Students demand athletics, parents demand athletics, the public demands athletics, and many educators demand athletics. Since there is such a strong demand for athletics the question of most importance is not whether athletics are desirable, but rather what athletics are desirable and what are the best methods to adopt to insure the best regulation and control. Regulation and control are more important than the specific branches of athletics that may be developed. Each branch of athletic sport has certain points to recommend it. Individual performance very naturally differs greatly. It makes no difference what the specific sport may be there are certain problems that are connected with the promotion of all. Money must be raised in sufficient quantity to pay the expenses. Some games are not money makers, but are very excellent games for the results obtained in physical and mental benefit to participants. Other games have a strong appeal to spectators as well as contestants and for this reason it is easy to secure good financial returns from these games. With these facts in mind any athletic director must arrange the athletic program in such a manner that enough money will be earned to pay the operating expenses of the department.

For the present the demand for increased facilities is far too great for the income of most institutions to meet. Earnings in excess of a sum required for operating expenses should be set aside for the purchase of land for golf courses and the erection of tennis courts. Handball courts and other indoor facilities are found to be inadequate at very many

institutions. Such games are perhaps more to be desired than the competitive games, football and basketball, But it is not possible to make these individual games pay much money to support themselves. To secure the best results these games require as much or more supervision and instruction than the games yielding a profit. A good rule for determining the degree of commercialism that it is wise to foster is this: such games as are found to interest the public in a way that makes it possible to earn money by engaging in these games, should be promoted to an extent that will make it possible to secure equipment for other games having less of an appeal to the paying public.

Other problems are numerous. How much time is it proper to allow a student to devote to games? This is a question that is difficult to answer. The students who are interested in athletics have a tendency to devote too large a part of their time to games, while other students fail to devote enough time to physical effort to keep their bodies in a state of health sufficient to get the best results from the mental training they hope to obtain by attending college. The object of education is to improve the students physically and mentally in such a way that they will be rendered more fit to live with pleasure to themselves and benefit to society. The duty of the athletic department is to stimulate the athletic activity and interest of the students when such stimulation is necessary and to curb the activity of other students who may be inclined to play too much.

Problems of discipline, the tendency toward proselyting and professionalism, gambling, and other evils that are sometimes found in connection with intercollegiate athletics are not easily solved by general rules. Each institution must solve these problems in the light of local conditions. Often problems of this nature demand individual solutions, according to the

facts in each particular case. Plain old fashioned honesty on the part of athletic authorities would solve some of the problems. Honesty on the part of other persons would solve some more problems. Without a spirit of true sportsmanship and honesty any athletic department will very naturally become corrupt and will work to the detriment of the university that fosters it.

The opinions of university authorities are often mere opinions. However, these opinions, as a rule, should carry great weight because they come from men who are in the best position to learn the true facts at their respective institutions. We asked the following questions in an effort to secure an expression of such opinions:

1. In your opinion is the time and money devoted to athletics profitably expended?
  - (a) To what extent from the point of individual development?
  - (b) To what extent from the point of harmonizing divergent school and community interests?
  - (c) To what extent as pure entertainment?
2. Are the great sums of money involved and the time expended justifiable?
3. Are competitive athletics assuming more than their proper place in academic life?

All the answers to these questions indicate a feeling that athletics are a valuable part of modern collegiate development. Many of those who answered were reluctant to make general statements, preferring to limit their opinion to the specific institution with which they were most familiar. Each answer is individual and quite different from the others. The best method for presenting the thoughts of these men seems to be by way of quotations from the men themselves.

Dean B----- says, "Athletics and physical training are considered to be integral parts of our educational system and the money invested in the enterprise is a good investment both for the institution and for our more than three thousand young men who use the plant."

The President of C---- College writes, "In reply to your supplementary questions, I wish to make the following statements:

"In my opinion the time and money devoted to athletics at C---- are wisely spent. For years the management of athletics and physical education has been entirely in the hands of the president and faculty and this work has been regarded as a regular part of our educational efforts."

Chancellor H----, in his annual report to the Trustees of ----University, made the following statements:

"The evils associated with athletics, at present somewhat prevalent among the Colleges and Universities of the country, are as few at ----- as at any of the institutions with which the Chancellor is familiar. There is probably less tendency here than at many other places to gamble on games. College students and colleges deserve to lose when they bet money on college sports, which should never be contaminated with the practices of the ring. One may well question the wisdom of contests between teams far separated. It is extremely doubtful whether any institution wins glory for itself in a victory over some other institution a thousand miles away. All such efforts put a premium on 'ringers', tend to lessen the purely academic nature of the sport, and increase many fold the money spent for the support of athletics. The general public and some educational administrators are convinced that under existing conditions too much money is involved and that that institutions everywhere ought to curtail

instead of expand the present cost of academic sports. To take groups of men away from their work for a considerable period of time and in addition to go to great expenses lead the conservative to doubt whether athletic contests should not be strictly limited to groups in the various districts of the country. Then, too, the expenditures in equipment and accessories for college athletics are recklessly extravagant. That physical training and athletics have their legitimate places is not doubted, but in the ambition to succeed, there is a lavish expenditure annually upon athletics that scarcely justifies itself in the general results obtained."

Mr. P---- thinks "there is more money and time spent than needs to be to obtain the best results."

Dr. McK---- says, "The only way that competitive athletics can be saved is by devoting the surplus to the physical education of the mass of students; otherwise, the University is engaged in an amusement enterprise that is scarcely justifiable."

The answers to these questions were naturally quite varied, and in most cases guarded. Many presidents do not care to express themselves in positive fashion. It is not surprising that many men desire to observe the functioning of athletic departments, and the behavior of the entire university a little longer before reaching definite conclusions. This is true because athletics have been a new sensation and experience to most of the students coming to our colleges and universities in the past. Probably the process of adapting themselves to the new thrill has caused many students to exaggerate the importance of this unfamiliar experience. One fails to understand how any young and healthy individual can witness a football game without experiencing a very noticeable thrill. However, athletics are

now so common in all high and preparatory schools that by the time the student has reached collegiate age and standing some of the newness of this thrilled feeling should have worn off and he should be better able to judge values. Just consideration and honor should be given to the institution of athletics and to its heroes, but at the same time he should not over-emphasize the importance of games or the stellar participants. When such a state of mind is reached there will no longer be any danger of athletics absorbing too much of the interest of the student body. All that is needed is a little patience to enable the youth of the country to grow up with the idea of athletics and to learn some of the ideals that are part of the spirit of competition. The real danger from over-emphasis is not at the universities, but in the "prep" schools. There the authorities have a problem calling for all the tact and judgement they can muster.

Chancellor H----, in his summary of the evils that tend to associate themselves with athletics, gives gambling on games as by far the worst of them. It is the principal cause for most of the others. The average citizen is a good sportsman, while the gambler has no slight vestige of sportsmanship in his make-up. Few men gamble for "the fun of it". Wagers are always laid with the hope of gain, so that there is a natural disappointment if the gain fails to materialize. What one gambler gains another gambler loses. Much has been done and still more is being done to wipe out this evil practice. Gambling on the result of games is a serpent that may sting college athletics to the death.

Long trips for the purpose of inter-sectional contests are not an evil, unless the trips are of too frequent occurrence. They bring the young men of different sections of the country into contact with each other, and help to broaden the views of all. This tends to give residents of various sections of the nation a feeling of

harmony with each other and develops a highly desirable spirit of unity throughout the nation. Since it is a good that easily becomes an evil through over-indulgence, it must be practiced sparingly.

The ambition to succeed is the heart of all competition. It is absolutely essential to success. Yet this ambition to succeed must be closely watched and strictly held in check, or there is danger that it will strangle the other more important phases of athletic competition. Success is always desirable, but stolen success, gained by unfair means, becomes an empty husk that robs the victory of its flavor. The best type of college athlete refuses to take an unfair advantage in order to win.

Expenditures made in the promotion of athletic contests call for much unfair comment, most of which is made by persons who have at best only the most superficial knowledge of what constitutes a reasonable expenditure.

What is the degree of elasticity that exists in the expenditures that it is necessary to make? How far is it possible to control the amount spent for each sport? It is probable that more elasticity exists in athletic finance than in any other department of the institution. This elasticity is more apparent than real, however. The athletic budget may be increased or decreased more easily than any other budget, but the effect on the activity that can be carried on under the changed conditions is direct and absolute. Little real elasticity is possible in the athletic budget, without affecting the activity that is possible.

There are persons who believe that an educational institution is able to establish a curriculum and coerce the students to follow that course of study. Nothing could be more fallacious. Students may be influenced to

some extent, but the demand of the students is the basis on which the course of study that will be offered must be selected. When the students are unable to pursue the course of study they desire, they go in search of a place that offers the opportunity for the kind of activity that they do desire. The demand of the students for athletic activity may be controlled to some extent. The degree of control that is possible helps to make a degree of elasticity in the amount of the budget.

Perhaps the most glaring weakness found in the operation of all athletic systems is the common lack of interest evidenced by the members of the committees. Too often the committees meet infrequently and then make only the motions of considering problems. Real consideration is entirely lacking. After a perfunctory review of events the actions of the director are approved and the committee retires with a complacent feeling of satisfaction over work well done. This converts a valuable instrument of regulation into a mere figure-head, which unscrupulous or inefficient directors are able to use as a protection against the consequences of their own rascality or folly. The best remedy for the petty evils that we find connected with athletics all over the country is the stimulation of the interest of the administrative officers of the various institutions.

In conclusion there are two facts that must be emphasized. First: Although it is very difficult to study athletics from any but a very prejudiced partisan viewpoint, it has been the aim of this work to present salient general facts pertaining to the problems that may arise at any institution.

Second: There are certain conditions in every institution that act as an athletic barometer. Does the machinery for athletic control exist? If it exists, does it function?

Is too great a portion of the university's resources devoted to athletics? If any institution is able to answer these questions truthfully and without embarrassment, that institution may be assured that her athletics is performing a legitimate educational function. If not, whose is the blame?