



# DII Dollars and Sense

**In today's competition for enrollment, money matters. When it comes to operating a high-quality athletics program, DII makes sense for your dollar.**

- ▶ Division II's partial scholarship model for financial aid helps keep athletics budgets more in line with the institution's bottom line. It costs Division II schools less than half as much to sponsor a competitive athletics program as it does in Division I (see chart below).
- ▶ The median expense for Division II athletics departments with football is roughly \$6.5 million, while that figure is about \$17 million for Division I Football Championship Subdivision programs and about \$71 million for programs in the Division I Football Bowl Subdivision.
- ▶ Even when applying generated revenues against total expenses, the median institutional subsidy to balance the athletics budget in Division I is more than \$14 million (FBS) and \$12 million (FCS). The subsidy in Division II is about \$5.5 million for schools with football and \$4.5 million for schools without.

**Division II schools have hundreds of student-athletes, very few of which are on a full ride. Only a small percentage of them have even half a scholarship. We bring in so many kids who are need-based and have the federal financial aid, and that's what helps fund the university.**

**Brenda Cates**  
Faculty Athletics  
Representative  
University of Mount Olive

## MEDIAN NET OPERATING RESULTS

	DIVISION I			DIVISION II		DIVISION III	
	Football Bowl Subdivision	Football Championship Subdivision	DI Schools Without Football	Schools With Football	Schools Without Football	Schools With Football	Schools Without Football
Generated Revenues	\$52,845,000	\$4,492,000	\$2,842,000	\$770,000	\$397,000	\$335,000	\$165,000
Total Expenses	\$71,689,000	\$17,290,000	\$15,956,000	\$6,609,000	\$4,975,000	\$3,689,000	\$2,057,000
Net Generated Revenue	-\$14,407,000	-\$12,550,000	-\$12,595,000	-\$5,611,000	-\$4,657,000	-\$3,213,000	-\$1,835,000

# The Bottom Line on Reclassification

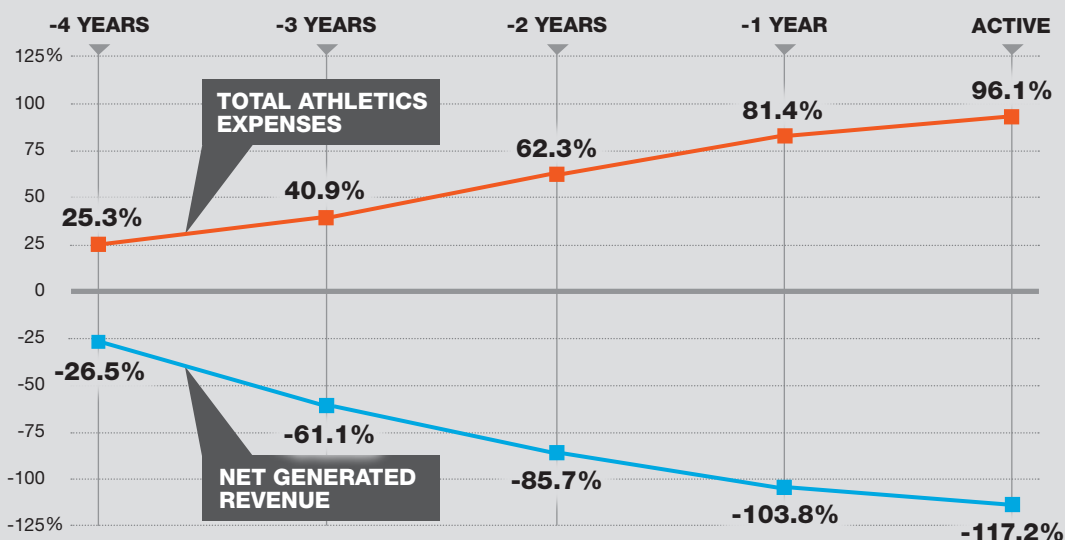
A recent study showed that schools moving from Division II to Division I experience an average real increase in athletics spending of \$3.7 million annually. Only \$500,000, on average, was offset by new revenue from sources such as ticket sales, media contracts, agreements, donors, NCAA distribution and sponsorships. That means a reclassifying school must generate \$3.2 million each year from other sources of funding (for example, increased student fees, state government support, transfer of funds from other campus departments).

## Question

*Do trustees or others ever ask, “Why aren’t we Division I?”*  
*If so, the cost of reclassification – and the uncertain return on investment – could help assuage their concerns.*

## AN EXPENSIVE PROPOSITION

Data from 19 institutions that began their reclassification from Division II to Division I in 2004-05 or later show significant increases in expenses and debt to the institution. On average, the schools’ athletics expenses increased by 96.1 percent in the five years before they achieved active DI status. In addition, the net cost of athletics to the institution (revenue generated by athletics minus expenses) dropped by nearly 120 percent for these reclassifying schools.



## Question

*Have you calculated the value of athletics at your institution? If various constituents – either on campus, in the community or from external parties – question your athletics budget, be able to demonstrate how your program adds value to the institution by bringing in additional students, and in turn, boosting the academic and ethnic composition of your student body.*

For more information and resources, visit the “Tools to tell the DII story” link on the Division II homepage at [ncaa.org](http://ncaa.org).