

A pennant flag with a white body and blue border, featuring the "NCAA" logo in white on a blue circular background. The pennant is attached to a white stick and is set against a blurred background of a crowd in a stadium.

# Trends in Division III Athletics Finances

November 2021

# Data

- ▶ The data used here were collected from the NCAA Membership Financial Reporting System for fiscal years 2004-05 through 2019-20.
- ▶ Significant changes were made to the process beginning with the data collection in 2004-05 (for example, definitional changes, agreed-upon procedures, etc.), so previous data are not comparable.
- ▶ In Division III, 191 schools provided data to the NCAA Membership Financial Reporting System.

# Generated Revenue Sources

- ▶ Ticket sales.
- ▶ NCAA and conference distributions.
- ▶ Contributions from alumni and others.
- ▶ Other:
  - Guarantees and options.
  - Third-party support.
  - Concessions.
  - Broadcast rights.
  - Royalties/advertising/sponsorship.
  - Sports camps.
  - Endowment/investment income.

# Allocated Revenue Sources

- ▶ Allocated support:
  - Student activity fees.
  - Direct government support.
  - Direct institutional support.
  - Indirect institutional support.



# Summary Data for Division III (by Football Sponsorship)

# Median (and Range) 2020 Revenues and Expenses for Division III Schools by Football Sponsorship

	Division III With Men's Football			Division III Without Men's Football		
	Median	Minimum	Maximum	Median	Minimum	Maximum
Generated Revenues	\$348,152	\$10,285	\$2,361,325	\$116,113	\$-	\$1,603,881
Total Revenues	\$4,350,003	\$696,392	\$18,935,870	\$2,346,425	\$15,500	\$12,116,773
Total Expenses	\$4,376,053	\$1,335,234	\$18,935,870	\$2,368,784	\$478,338	\$11,519,123
Net Generated Revenue	\$(3,927,764)	\$(17,113,834)	\$(1,244,198)	\$(2,167,074)	\$(10,460,981)	\$(468,858)

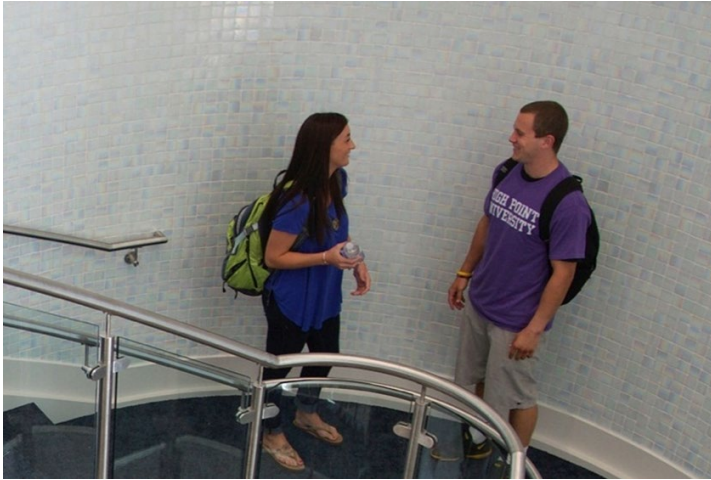
# Summary of 2020 Data for Division III Schools With Men's Football

- ▶ Large disparities were seen in both revenues and expenses across Division III schools with men's football. Expenses ranged from approximately \$1.3 million to \$18.9 million, and total revenues ranged from \$696,000 to \$18.9 million. The median expenses for this group of schools was approximately \$4.4 million.
- ▶ Generated revenues ranged from \$0 to \$2.4 million. The median generated revenue was approximately \$348,000.
- ▶ Generated revenues did not exceed expenses for any school in 2020.
- ▶ The median negative net generated revenue was approximately \$3.9 million. This could be construed as the cost to the school of running a Division III athletics program with football.

# Summary of 2020 Data for Division III Schools Without Men's Football

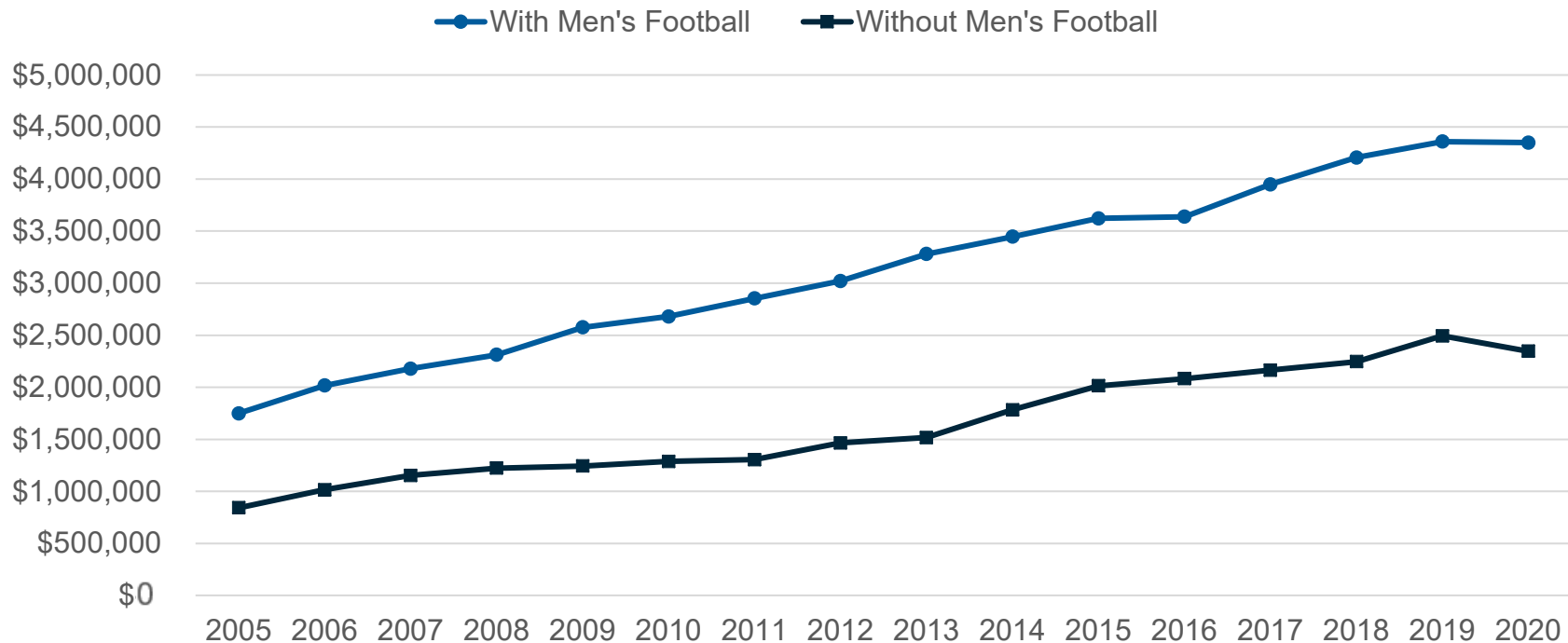
- ▶ Large disparities were seen in both revenues and expenses across Division III schools without men's football. Expenses ranged from approximately \$478,000 to \$11.5 million, and revenues ranged from \$15,500 to \$12.1 million. The median expenses for this group of schools was \$2.4 million.
- ▶ Generated revenues ranged from \$0 to \$1.6 million. The median generated revenue was approximately \$116,000.
- ▶ Generated revenues did not exceed expenses for any school in 2020.
- ▶ The median negative net generated revenue for Division III schools without men's football is approximately \$2.2 million. This could be construed as the cost to the school of running a Division III athletics program without football.





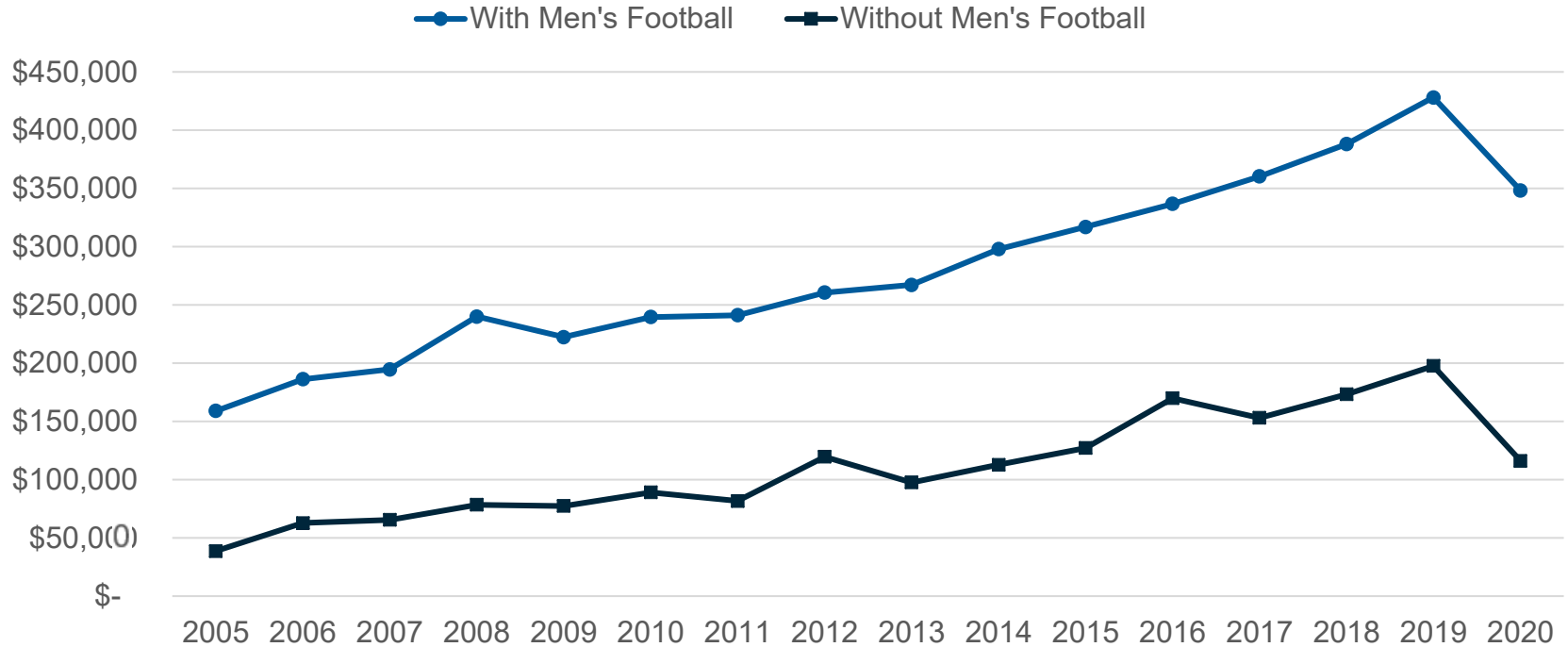
# Revenue and Expense Trends from 2005 to 2020 (by Football Sponsorship)

# Division III Median Total Revenues With and Without Football (2005-2020)



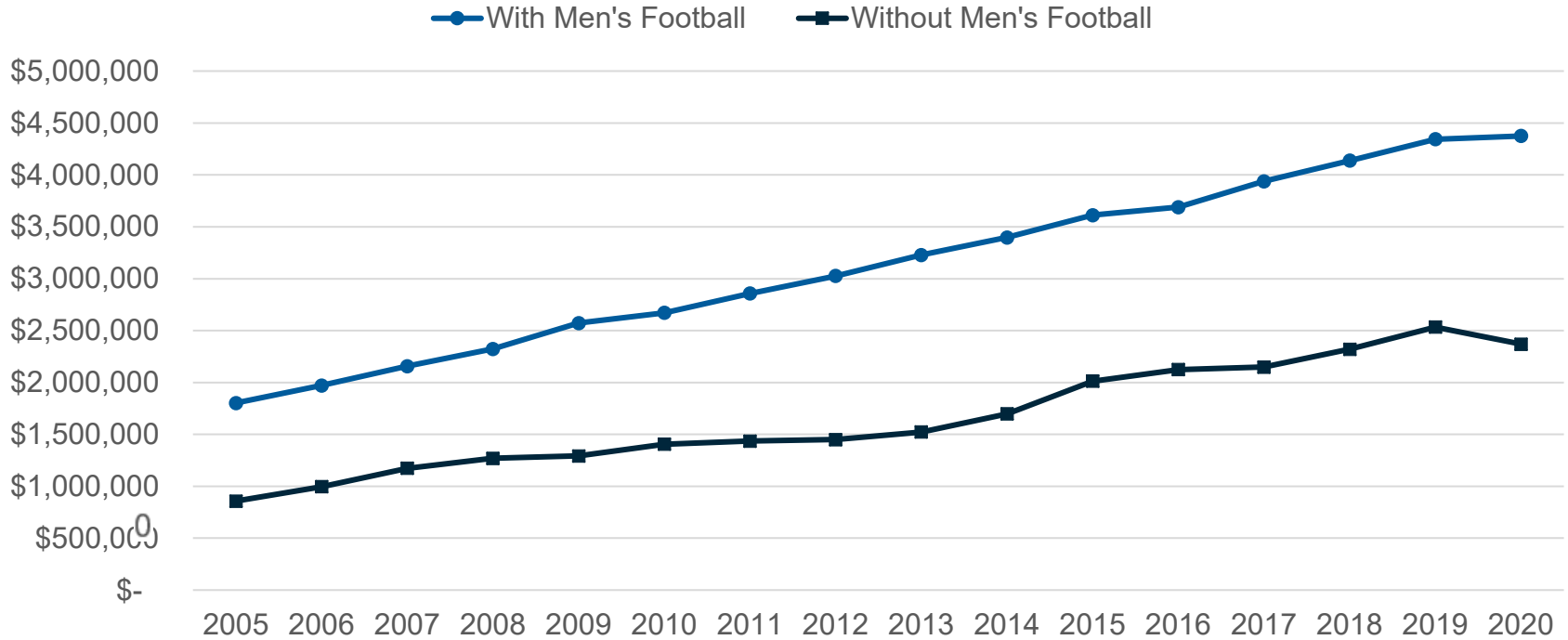
Percentage increase from 2005 to 2020:  
With Men's Football = 148.8%  
Without Men's Football = 178.5%

# Division III Median Generated Revenues With and Without Football (2005-2020)



Percentage increase from 2005 to 2020:  
With Men's Football = 119.0%  
Without Men's Football = 200.5%

# Division III Median Total Expenses With and Without Football (2005-2020)

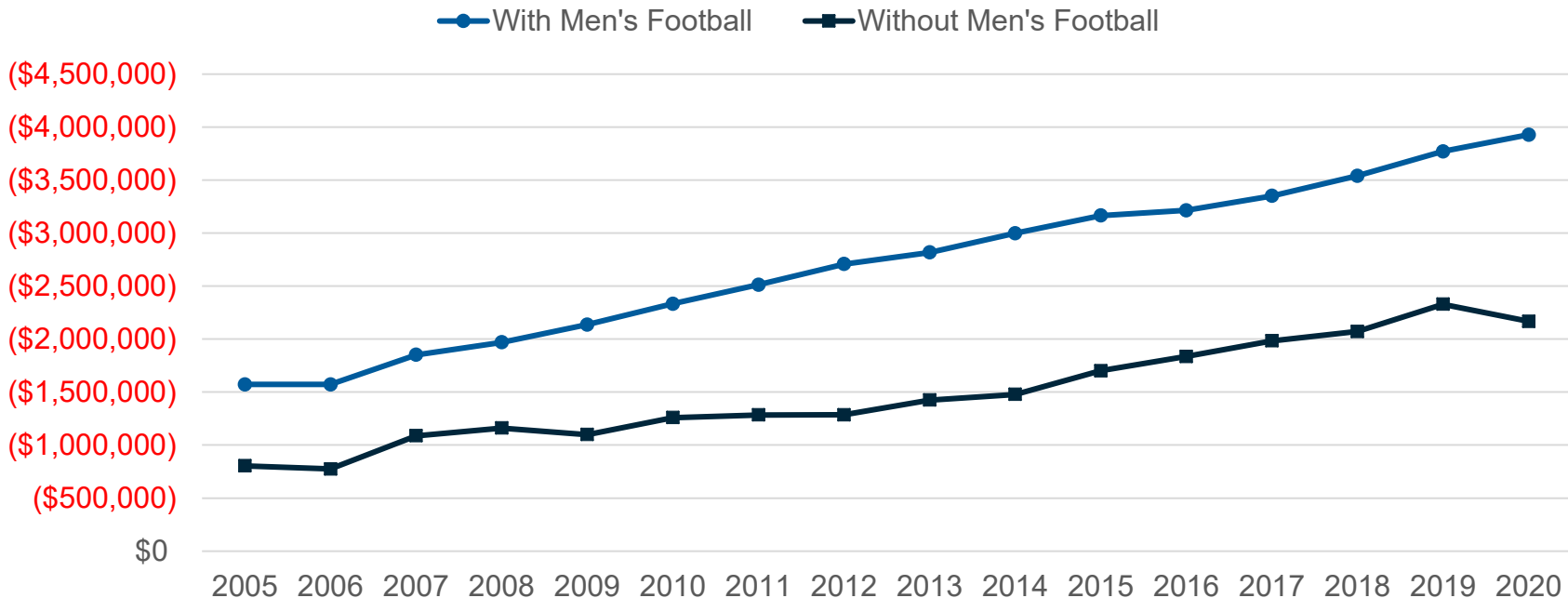


Percentage increase from 2005 to 2020:

With Men's Football = 142.8%

Without Men's Football = 176.2%

# Division III Net Operating Results Excluding Allocated Support With and Without Football (2005-2020)



Percentage increase from 2005 to 2020:  
With Men's Football = 149.9%  
Without Men's Football = 169.6%

# Summary of 2005-2020 Trends for Division III Schools With Men's Football

- ▶ Over the 16-year period, generated revenues grew by 119%. Total expenses grew by 142.8%.
- ▶ The overall negative net revenue (which might be construed as the “true” cost of running an athletics program) grew from approximately \$1.6 million in 2005 to over \$3.9 million in 2020. This represents a change of 139.8% over that 16-year period.

# Summary of 2005-2020 Trends for Division III Schools Without Men's Football

- ▶ Over the 16-year period, median generated revenues grew by 200.5%. Total expenses grew by 176.2%.
- ▶ The overall negative net revenue (which might be construed as the “true” cost of running an athletics program) grew from approximately \$775,000 in 2005 to approximately \$2.2 million in 2020. This represents a change of 169.6% over that 16-year period.



# Dashboard Indicators



# Summary of 2020 Division III Financial Dashboards

	Division III with men's football	Division III without men's football	Overall
Number of schools that reported financial data	122	69	191
Student-athletes as percentage of student body	26%	16%	23%
Athletics as percentage of institutional expenditures	5%	3%	5%
Spending increase gap	-2%	-1%	-2%
Athletic expense per student-athlete	\$9,066	\$9,171	\$9,067
Salaries, benefits and severances as percentage of total expenditures	53%	52%	53%
Coaches' compensation as percentage of total expenditures	35%	28%	34%
Administrative compensation as percentage of total expenditures	18%	23%	19%
Participation and game expenses as percentage of total expenditures	2%	3%	2%
Team travel expenses as percentage of total expenditures	10%	10%	10%
Facilities maintenance and admin. support as percentage of total expenditures	17%	14%	15%



# Research

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