Institutional Reported Cost

EADA Cost

<table>
<thead>
<tr>
<th>Total Exp.</th>
<th>$25,398,088</th>
<th>$37,649,051</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men’s Teams</td>
<td>$12,920,690</td>
<td>$23,290,527</td>
</tr>
<tr>
<td>Women’s Teams</td>
<td>$12,477,398</td>
<td>$14,358,524</td>
</tr>
</tbody>
</table>

Comparison of institutional reported costs and ABC cost as the percentage of total cost

<table>
<thead>
<tr>
<th>Team</th>
<th>Institutional Reported Cost</th>
<th>ABC Cost</th>
<th>ABC - % of Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men’s Basketball</td>
<td>46%</td>
<td>51%</td>
<td>5%</td>
</tr>
<tr>
<td>Men’s Track &amp; Field</td>
<td>38%</td>
<td>43%</td>
<td>5%</td>
</tr>
<tr>
<td>Men’s Tennis</td>
<td>43%</td>
<td>47%</td>
<td>4%</td>
</tr>
</tbody>
</table>

The impact on athletics has resulted in discontinuation of sport programs (e.g., football, a men’s basketball team), hiring freezes, reduction to future team travel and competition schedules, and facility construction stoppages. The stress on athletics budgets has resulted in renegotiation of contracts and retaining services, often being difficult decisions about what ability to support programs and services while still working funds. Many men’s and women’s teams experience intercollegiate athletic administrative cost-cutting efforts, often as a prelude to understanding the costs of disbursing to each sport. To help address the situation, ABC can aid in understanding the cost of each sport in their program offerings.

ABC reduces unallocated costs and provides a more accurate picture of the cost of each sport. This can be used to reform by:

- Understanding the impact on athletics budgets.
- Identifying cost-cutting initiatives, often without an accurate understanding of the costs attributable to each sport.
- Reassigning unallocated costs to specific sports.

Establishing increased transparency in financial reporting after accurately transferring unallocated costs to EADA and institutional reports.

EADA and institutional reports do not address requests from reform groups to understand the full cost of each sport in their program offerings.

If all institutions adopted a uniform accounting method, such as ABC, the result would be a set of more accurate, consistent, and transparent financial reporting data. From a gender equity perspective, ABC for this institution shows more equity by gender and a more favorable position for the institution related to Title IX compliance.

Applying Activity-Based Costing to Intercollegiate Athletics

ABC was used at Ohio University to determine the cost of each sport and the entire athletics department. The study was conducted by Heather Lawrence, Liz Wanless, and Ann Gabriel. Ohio University is located in Athens, Ohio.

Jane Flahive

Introduction

Women’s Sports

Men’s Sports

Other expenses not included in athlete salary

Employment


taiding

Women’s Track & Field

Men’s Tennis

Basketball

Swimming & Diving

Soccer

Gymnastics

Golf

Field Hockey

Volleyball

Women’s Teams

Men’s Teams

Table: Total Sport Specific Expenses

<table>
<thead>
<tr>
<th>Team</th>
<th>Total Expenses</th>
<th>ABC Cost</th>
<th>Institutional Reported Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men’s Basketball</td>
<td>$12,920,690</td>
<td>$6,959,821</td>
<td>$6,959,821</td>
</tr>
<tr>
<td>Men’s Track &amp; Field</td>
<td>$12,477,398</td>
<td>$6,612,880</td>
<td>$9,964,047</td>
</tr>
<tr>
<td>Men’s Tennis</td>
<td>$12,589,137</td>
<td>$7,724,703</td>
<td>$9,899,706</td>
</tr>
<tr>
<td>Women’s Track &amp; Field</td>
<td>$12,477,398</td>
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Comparison of men’s teams and women’s teams for percentage of total expenses:

- Men’s Basketball: 26%
- Men’s Track & Field: 26%
- Men’s Tennis: 26%
- Women’s Track & Field: 36%
- Women’s Tennis: 36%

Additional Findings

- Women’s sports and programs are often understaffed and under-resourced compared to men’s sports. This lack of support can lead to fewer opportunities for athletes, fewer resources for training, and less attention to detail.
- Women’s teams often have different cost drivers compared to men’s teams. For example, recruiting costs may be higher for women’s teams due to different market conditions.

Using Cost Drivers to Assign Expenses to Specific Sports

Cost Drivers:

- Number of Employees
- Number of Games
- Number of Student Athletes

Expense assigned to specific sport:

- Band
- Equipment
- Recruiting
- Officials
- Transportation
- Event Operations
- Contract Guarantees
- Travel

Expenses unassigned to specific sport, but borne by specific sport:

- General Administration
- Academic Advising
- Strength & Conditioning
- Media Relations
- Promotions
- Marking
- Equipment
- Athletics Training
- Support Services

FINDINGS

Using Cost Drivers to Assign Expenses to Specific Sports

Using ABC: 32%

Not using ABC: 24%

FINDINGS

Applying Activity-Based Costing to Intercollegiate Athletics

Ohio University

Applying Activity-Based Costing

THE INNOVATION - ACTIVITY BASED COSTING

Showing how accurately attributing cost provides insight for gender equity considerations

#1: Other expenses not included in athlete salary

#2: Women’s Track & Field

#3: Women’s Tennis

#4: Women’s Basketball

Ohio University Reassigning unallocated costs and provides a more accurate picture of the cost of each sport. This can be used to reform by:

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