



The Center for  
College  
Affordability &  
Productivity

**For More Information:**

Matthew Denhart

Tel: 740.590.3377

Email: [matthew.denhart@gmail.com](mailto:matthew.denhart@gmail.com)

**PRESS RELEASE**

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**New Research on Intercollegiate Athletics Funding:**

*Higher Education's Regressive Tax*

Washington, DC – A new white paper by The Center for College Affordability and Productivity (CCAP), *Intercollegiate Athletics Subsidies: a Regressive Tax*, reveals that funding for intercollegiate athletics (ICA) is often diverted from traditional academic purposes, in effect imposing a tax on students to subsidize sports. CCAP's analysis indicates that this tax is highly regressive and unequal in nature, with the relatively poor institutions and students bearing more of the cost burden for ICA than the rich. This inequality in sports subsidization occurs on two levels. First, ICA subsidy rates at institutions that are relatively poor in resources are significantly greater than they are at more affluent institutions. Second, the sports tax burdens lower income students attending college more than it does higher income students. One could say that the athletics arm race is a burden on the poor to finance entertainment that is largely consumed by the middle and upper classes.

Here are a few other highlights from the report:

- The ICA subsidy is highly unequal among athletic conferences, ranging from 3.6 percent of total athletic budgets in the Big-10 to 72.3 percent in the Mid-American Conference.
- There is a huge disparity in the annual per-student ICA tax among athletic conferences, ranging from \$67 in the Big-10 to \$1,177 in the Mountain West Conference.
- The four Football Bowl Subdivision (FBS) conferences with the most subsidized ICA budgets also have the four highest percentage of Pell Grant recipients, in addition to being the bottom four conferences in terms of institutional resources, as measured by average institutional expenses per student.

This regressive subsidization and taxation to fund sports occurs as college tuition continues to soar, making it increasingly difficult for student and taxpayers to foot the bill. Reform of our unsustainable ICA system is well overdue and is essential to help reign in rapid tuition inflation. Authors Matthew Denhart and Richard Vedder suggest that reform could occur at the state and/or conference level. A full copy of the paper is available for download [here](#).

*The Center for College Affordability and Productivity is an independent higher education think tank based in Washington, D.C.*

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