The Impact of the Current Economic Situation on Canadian Interuniversity Sport (CIS) Athletic Programs

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Introduction

The recent developments of the stock market and mortgage lending crises have left few people unscathed. It has been a time of financial constraint for both individual citizens and businesses around the world. The sporting world, and more specifically the athletic administration of colleges and universities in North America, has not been immune to the challenges (Pickle, 2009).

The purpose of this research was to examine how the current economic downturn is impacting intercollegiate athletics programs in the Canadian Interuniversity Sport (CIS), the national governing body for university sport in Canada. Based on previous research (Brand, Lapchick, Tublitz, Barker, & White, 2007; King, 2009), it was hypothesized that many possible strategies for cost containment could be pursued, and thus extrapolated to other schools across the country. Some of these measures include decreasing sport-specific budgets; the elimination of existing sport offerings on a campus; personnel changes or revisions to compensation packages to full and part-time staff; cuts to team travel allocations, road trip per diems, hotel standards; reduction of campus athlete services; and reduction of non-conference competitions.

Research of this nature is valuable because it is expected that difficult decisions in the delivery of competitive sport offerings will be a part of the Canadian post-secondary sports administration landscape in the near future, and Athletic Directors will be the individuals charged with creating the framework for implementing these very sensitive and cost-saving initiatives.

Method

Telephone interviews were conducted with eight current Canadian Interuniversity Sport (CIS) Athletic Directors, as well as the Chief Executive Officer of the CIS. Two Athletic Directors from each sport conference in the CIS (Canada West, Ontario, Quebec, and Atlantic) were selected based on school enrolments greater or less than 15,000 students. Three main research questions, as well as twelve supplemental questions, guided the interviews. The questions were designed to better understand the participant’s interpretation of the current economic circumstances and how they directly impacted his/her university’s varsity sport delivery. The primary research questions were:

1. Has the economic recession over the past year affected your IA program? If so, how?
2. What are you doing to address the situation?
3. How is your IA program funded? Has the recent economic recession had any effect on how you are funded now or will it have any effect in the future?

Results

During the period of time that the interviews were conducted, the research uncovered that at the majority of schools, the economy had not impacted the Athletic Department operations nearly as much as the administrators originally anticipated; however, all schools were still very concerned about the economic outlook for their programs a year or even two years into the future. There were a minority of schools that had already faced difficult cuts to their operations, specifically, cuts to sports or sport budgets; these schools were working to be as creative as possible on the fundraising side of the ledger to prevent further cuts.
The majority of Athletic Directors reported that they believed their university's overall administration was in a more trying position than their respective Athletic Department, and that they were concerned that these deficiencies would flow down to some of the departments that could be perceived as non-essential. The most significant challenge faced by all of the schools was in their scholarship/bursary endowments; all interviewees indicated that there were significant losses in this regard, and subsequently, if the Athletic Department was fortunate enough to have some Athletic endowments, then there was a similar decrease in their value.

Results also showed a slightly greater economic impact on those larger schools with more comprehensive program offerings and operational infrastructure. These schools seemed to also be incorporating more comprehensive preventative measures, and appeared to convey a greater concern for the future relative to possible cuts to sport-offerings.

Generally, all schools reported that they are being cautious, reviewing expenditures, and are very aware of the sensitivities associated with the economy. They are also expecting heightened communication with the university administration regarding the probable operational deficits, and how these will impact budget preparation for the following varsity season. Athletic Directors are finding themselves in a status-quo mode--not hiring additional staff, minimizing non-conference travel, limiting scholarship contributions, freezing per diem amounts, and maintaining but not enhancing student services.

The main strategy to combat the current financial crunch is for programs to become more financially self-sufficient by applying additional resources to sponsorship and marketing initiatives, that is, by taking some spending risks now with the expectation of yielding much more money in the near future. Interestingly, results showed that some of the smaller schools were paying critical attention to the pursuit of serious sponsorship dollars for the first time.

Discussion and Implications

Administrators of intercollegiate athletic programs across Canada have been put on notice by their respective President's offices to start planning for cuts. The complexity of those cuts is still to be determined, but it appears that the immediate future seems to be very unstable when considering budgets and sport offerings. The economic circumstances have put Canadian universities in a cycle of "right-sizing", or in other words, the beginning stages of the impending decade will bring about fiscal restraint and potentially some very difficult decisions.

There are those schools that are already dealing with the political backlash associated with cutting programs and services, and they provide the model for others to undoubtedly follow. It seems that all across the country, Intercollegiate Athletics programs are already operating on "shoe-string" budgets, and this economic recession has accentuated the need for schools to trim budgets and control spending. With very little maneuverability, many Athletic Directors are troubled by what the next step might have to be.

References

