

1-22-2007 Coaches' Compensation

1 (File: 20070122mwm coaches compensation)

2 JOSH CENTOR: Welcome to "Mondays With Myles". A hot
3 button issue right now is whether coaches at the collegiate
4 level should be paid salaries of upwards of \$4 or \$5 million a
5 year.

6 Dr. Brand, your thoughts?

7 DR. MYLES BRAND: First of all, Josh, it's not
8 salaries, it's compensation -- and that's a very important
9 division. It sounds subtle, but it's not. The universities
10 are paying about 25 percent to these large numbers you hear.
11 The rest of the money is coming from apparel contracts,
12 speaking engagements, summer camps, TV shows. This is outside
13 earned income.

14 Now, take a million dollar coach, you know, \$250,000
15 as a salary to the coach from the school is not inexpensive.
16 It's higher than almost every faculty member gets at that
17 institution. But the outside earned income is large. So
18 million dollar salaries put coaches in rarefied air.

19 There are about \$50 or \$60,000 coaches and we've seen
20 three or four dozen at that level, and so that makes sense.
21 But what we've seen in recent weeks is a jump in escalation
22 from that. And in fact, one coach received a \$4 million
23 salary.

24 That really requires us to ask some hard questions.
25 For example, suppose that return on investment is such that

1 for the school it makes sense? That somehow having a coach of
2 this level brings in additional donations. I'm not sure it
3 brings in additional people to the stadium. They probably
4 have the stadium filled already. I'm not sure it brings in
5 new TV contracts, because those are already done through the
6 conference office.

7 But let's assume, for the sake of argument at least,
8 that the donations increase and that this person is bringing
9 in more money than the school is paying them in salary, And
10 the rest of the money comes from outside sources that have
11 nothing to do with the institution. So the return on
12 investment is high for the institution. I'm not sure that's
13 true. But again, for the sake of argument, assume that.

14 I'm still not sure that that's right. We have to ask
15 the question of what's proper within the context of higher
16 education? At what point do we say we've gone too far? And I
17 think that we need to have a serious dialogue about this.

18 Now, we've reached the point at which the market
19 between the NFL and college head football coaches has
20 collapsed. It's a single market -- people moving back and
21 forth without any detrimental compensation differences. Is
22 that appropriate or not?

23 So I think we have some hard questions to ask.

24 JOSH CENTOR: A football coach just makes
25 significantly more money than all of these people who are

1 invested in the academic futures of the thousands of students
2 that pass by. And I understand the investment thing, but it
3 just doesn't seem to sit well with me.

4 DR. MYLES BRAND: Well, you know, first you have to
5 ask yourself, who is making these decisions? There is a
6 mistake out there that thinks that the national office, the
7 NCAA is making these decisions. Well, the NCAA can't make
8 these decisions.

9 About 12 or 15 years ago the NCAA tried to cap the
10 fourth basketball coaches salary and wound up in a Supreme
11 Court case, lost on antitrust grounds, and was fortunate to be
12 able to settle the case for \$55 million. That's one trial
13 learning.

14 JOSH CENTOR: Yeah.

15 DR. MYLES BRAND: I mean, we just don't have the legal
16 authority to set salaries or compensation packages for anyone
17 on campuses. So you have to ask the questions of the
18 campuses. Those are where the salaries are set. And you have
19 to ask the question at what point does it become proper for a
20 president and a board of directors -- a board of regents or
21 trustees for a university to say we want this coach so badly
22 that we're willing to step out in this way and attract them?
23 And we can't stop it, but I think we, as a community, need to
24 ask those questions.

25 JOSH CENTOR: Yeah. Well, I'm fervently in favor of

1 amateurism and student athletes not being paid. I don't even
2 think it should be a question.

3 But I have to ask the question, when a football coach
4 is making \$4 million and seemingly everybody is getting rich
5 on college football and major, you know, men's basketball
6 programs, and our students are getting their scholarships.

7 Can you reaffirm my belief in the amateurism here? And why
8 aren't our student athletes getting a bigger piece of the pie?

9 DR. MYLES BRAND: Well, first of all, it's like saying
10 cars are too expensive. A Rolls-Royce costs a quarter million
11 dollars. How can I possibly afford a car? Well, the fact is
12 Chevrolets don't cost a quarter million dollars.

13 Yes, there are a handful of coaches -- in this case,
14 there's just one who is making this salary. So we can't
15 generalize to think that all coaches are being overpaid.
16 Actually, coaching in college, as well as in high school, is
17 an underpaid profession.

18 JOSH CENTOR: Absolutely.

19 DR. MYLES BRAND: So -- and they work hard, they're
20 good at it, they're committed to their -- to the young people
21 that they coach. But, by and large, it's not a well-paying
22 profession. Except for that tiny tip of the iceberg. So
23 let's be careful about generalizing from that.

24 It does look like in those cases that there's some
25 impropriety. And that's what you're questioning, and I think

1 we need to ask those questions.

2 I don't think it's related at all to whether we pay
3 student athletes. That's a wholly different issue. We don't
4 pay student athletes because they are students. And we don't
5 pay English majors and we don't pay journalist majors and we
6 don't pay those who participate in athletics. We just don't
7 pay students. They're not employees. They're there to get an
8 education.

9 Some of them have avocations and some of them have
10 prevocational opportunities that they're looking forward to
11 position themselves for a professional career. Very few of
12 them could make that. If it weren't for their exposure and
13 training in college, they wouldn't even have that chance.
14 That's a wholly different story.

15 But with respect to the coaches, I think when we're
16 getting to the same market as the NFL, we've got some hard
17 questions to ask.

18 JOSH CENTOR: Basically, the last question, the thing
19 that bothered me during the football offseason is that we've
20 got teams that have qualified -- and you have 32 Bowl games --
21 teams that have qualified for the postseason, and you have
22 coaches leaving before their teams play the postseason games
23 because the hiring process -- your hiring offseason, if you
24 will, starts when the postseason is played. So we had coaches
25 going to new teams, watching their new teams from the stands,

1 while their old teams had interim coaches.

2 And I couldn't help but feeling that this wasn't fair
3 to the student athletes.

4 What is your take on that? I know it's a little bit
5 away from the salaries, but I wanted to get your take.

6 DR. MYLES BRAND: Yeah. It is a little unfair to the
7 student athletes. Some schools -- remember, the schools do
8 the hiring, as I explained a moment ago. Some schools want to
9 get a jump on the hiring process. They're moving towards it
10 earlier and earlier. Once they decide they don't want the
11 coach, it's very awkward to have that coach still coaching at
12 the school. And it is unfair to the players, I think, as they
13 move forward, in order to have an advantage in the hiring
14 process, they don't want to wait too late. Because if you
15 wait too late, what happens is that they lose out on the
16 recruiting for the next class.

17 And so schools are -- and ADs are trying to move
18 quickly enough so that they can have people in place to do the
19 recruiting for the next year and not lose a whole year. But
20 someone you've been working with for four years or five years,
21 as a student athlete, leaves before the big game, that's
22 unsettling.

23 But I think it may be even better than having a coach
24 who is no longer working for the school or at least has no
25 long term prospects for the school, coaching. That strikes me

1 as a pretty awkward situation.

2 JOSH CENTOR: Well, it's definitely a touch situation.

3 And we'll keep our eyes on that, as well as the escalating

4 salaries. Thank you so much for being so candid.

5 DR. MYLES BRAND: Good to be with you, Josh.

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