

Commentary

Thomas G. Palaima REGULAR CONTRIBUTOR

For UT donors, it might pay to look past sports

Imagine you had \$13.1 million dollars to give to the University of Texas at Austin over the next 15 years and you had two goals: to do some good and to promote your business. What would you do with it?

That is what I asked when I heard that the University Federal Credit Union (UFCU) was giving UT athletics an initial gift of \$1.5 million dollars and \$11.6 million dollars more over 15 years to renovate the 30-year-old Disch-Falk baseball field. The regent-approved plan includes luxurious club seating (see details at www.texasports.com/Disch/photos.html) and "possible" suites, so that wealthy sports donors can view games in patrician style. UFCU gets naming rights to what



will be known from now on as UFCU Disch-Falk Field.

I felt better and worse about things after talking for an hour with Tony Budet, president and CEO of UFCU, where my family has much of our savings. Better because Budet is forthright and intelligent. He explained the long deliberations that he had with UFCU's board of directors and UT's sports impresarios. The plan, however, was kept strictly secret until the UT Board of Regents had approved it.

The public announcement that followed was misleading. The \$1.5 million dollar gift to UT athletics is not really a gift. What is it?

UFCU now pays a yearly \$450,000 marketing fee to put its name on the Royal Memorial Stadium Jumbotron and for other sports-related advertising. Increase that \$450,000 by a \$300,000 naming-right fee. Combine the first two years of the new \$750,000 fee. Then announce a \$1.5-million-dollar "initial gift." It is clear that Enron-style public relations and accounting gimmickry live on in the UT athletics department.

Still, a \$750,000 a year "gift" to UT athletics by a credit union whose members include hard-working UT employees and students might raise a few eyebrows. The press release therefore puts things in perspective. How? It claims that UFCU's "existing commitments to the needs of faculty, staff and students of UT and the UT Medical Branch in Galveston exceed \$5 million annually." However, no "gift" of this size appears in the annual UFCU financial statement. That's because the \$5 million represents mainly the cost of operating UFCU branches near UT-Austin and in Galveston.

The biggest true gifts in the UFCU budget are praiseworthy: a one-time \$150,000 gift to the UT Child Care Center and a three-year, \$50,000 fee for signs at the PCL Library. But the score

after two innings is still UT athletics \$1.5 million, UT \$250,000. And there are 13 more innings.

Is this a good deal for UFCU? That's hard even for Budet to say. He admits that there is no way to assess the benefits that accrue to UFCU and its members from the staggering amount to be paid for naming rights and signs. However, a recent study by economist Michael A. Leeds of Temple University supports what Chris Isidor of CNNMoney calls the "stadium sponsorship curse." Out of 44 naming right deals — remember Enron Field in Houston? — only one showed a statistically significant positive return to the sponsoring company.

Budet thinks it is important to associate UFCU in the minds of its 100,000 members with the spirit of UT-Austin. UT athletics offered a plan and visibility. Contributions to the academic side of UT-Austin tend to get swallowed up. He is right.

UT's stadiums and sports complexes have become the university's public face. UT athletics wheels and deals on its own, while the real university has to balance the interests and needs of its many programs and keep them in line with its overall educational and ethical mission. It is quicker and easier to sign on the sports dotted line.

There are no luxury suites in the many more economical ideas that UFCU might have considered — if UFCU or UT officials had held open discussions before the regents approved the Disch-Falk plan. But here are two examples:

■ \$75,000 per year could provide the legislatively mandated mentoring for all seniors in the innovative UTeach program in the College of Liberal Arts. This would mean more star teachers such as Rebecca Hernandez, a single mother who now teaches Spanish at Bowie High School in Austin. Each one of these graduates could be designated a UFCU-UTeach teacher as they touch the lives of potential future Longhorns. Seventy-five teachers per year over 15 years. Multiply that by the students each UFCU-UTeach teacher would teach every year throughout their careers. Those are impressive and real numbers.

■ How about \$100,000 per year for the financially strapped UT Austin Speech and Hearing Center? It now serves 4,500 clients per year. It would like to serve many needy children and adults. Austin and the state of Texas also need more language pathologists and audiologists. Think of the positive press UFCU would get by word of mouth.

UT-Austin boasts many worthwhile programs that would generate visible goodwill for donor institutions such as UFCU. We need to think openly outside the stadium sky box.

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