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Do College Sports Enhance Future Earnings? Less Than Half of Former Athletes Earn More Than Non-Athletes, Study Finds

Do student athletes financially outperform their non-athlete counterparts after they graduate from college—or do the earnings of college athletes lag behind? According to a new study published in the *Journal of Human Resources*, both views are supported by data. Former athletes working in business, military or manual labor occupations fare better wage-wise than non-athletes in those occupations, the researchers found. However, former athletes who teach in high schools, and perhaps work as coaches, lag behind non-athletes.

“Although college jocks have a reputation of being poor students, we found that on average, former athletes were making more money than non-athletes six years after college. This may be because athletics enhance existing skills during college or because athletes learn skills on the field that they can apply in their careers,” says study co-author Daniel J. Henderson, Ph.D., assistant professor of economics at the State University of New York at Binghamton.

The study used data from the Cooperative Institutional Research Survey of college freshmen in the 1970–71 academic year, and included more than 4,200 males, of which 646 (16 percent) were athletes who had earned a varsity letter in any sport in college. The participants were then surveyed in 1980, six years after their expected college graduation. The follow-up questionnaire asked about individuals’ post-college earnings, occupational choices, graduate degrees attained and athletic participation in college.

Henderson and his co-authors found that a slightly higher percentage of athletes than non-athletes were in higher income brackets. Most athletes in business, the military and manual labor were better off wage-wise than non-athletes working in those fields, but not all athletes enjoyed a premium from sports participation.

The survey further showed that former college athletes were more likely than non-athletes to select high school teaching as an occupation, even though they earned 8 percent less than non-athletes who chose high school teaching careers. This may be because athletes choose to become high school teachers for reasons other than pay, the researchers suggest.

“In certain occupations, athletes did better wage-wise than non-athletes,” says Henderson. “However, we found that college athletes are more likely to become high school teachers, perhaps because athletics fosters
an affection for a school, and athletes want to return to their high schools to work or want to become coaches.”

The research also showed that a higher percentage of athletes than non-athletes had earned bachelor’s, master’s, or doctoral or professional degrees by six years after they were expected to complete college. In addition, compared with non-athletes, athletes were more likely to attend a private institution, to report themselves to be more driven than non-athletes, and to have a goal to be financially well-off.

In conclusion, Henderson and co-authors write that “... Financial benefits are not uniform to all individuals who play sports. On average athletes receive a modest return, and go into occupations where they do best. But this is not the case for all collegiate athletes. Almost 10 percent enter teaching, an occupation with an especially low wage for athletes. Further, a good 50 percent do no better than the college population at large.”

The study results can be found in the Summer 2006 issue of the Journal of Human Resources, published by the University of Wisconsin Press. The paper was co-authored by Henderson; Alexandre Olbrecht, Ph.D., assistant professor of economics at Ramapo College of New Jersey; and Solomon W. Polachek, Ph.D., distinguished professor of economics at the State University of New York at Binghamton.