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Chris Smith, Forbes Staff
reporter on the business of sports.
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College Football's Most Valuable Teams

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College football fans have to wait until January 9 for the BCS Championship Game to decide this season's college football champion, but no game is needed to determine this year's money winner: the University of Texas Longhorns have once again topped our ranking of College Football's Most Valuable Teams, with a value of \$129 million.

Texas' total value is driven largely by a football profit of \$71 million last season, up from \$65 million in 2009. Texas football generated \$96 million in revenue, \$36 million of which came from ticket sales. Another \$30



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Chris Smith
Forbes Staff
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I report on the business of sports for Forbes' SportsMoney group. I had the pleasure of

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sponsorship deals, with [Coca-Cola](#), [Nike](#) and [PepsiCo](#)'s Gatorade giving a combined \$2 million last year.

But Texas football's revenue streams are only part of the reason why it sits at number one on our list. Unlike our [NFL Team Valuations](#), which estimates each team's enterprise value in an arms-length transaction, our college football ranking evaluates the financial impact each team has on four distinct areas. The two areas most important to our study are a team's academic value, or the revenue directed towards university programs and spending (including football scholarships), and its athletic value, which is the football revenue used to support other athletic programs. The remaining two areas are weighted less heavily in our scoring system. They consist of the distribution of bowl game revenue amongst conference teams and the economic impact of visiting fans for each team's home games.

[In Pictures: College Football's Most Valuable Teams](#)

[Complete Coverage: The Business of College Football](#)

The University of Texas Athletic Department contributed over \$6 million to university programs last year, and each home football game generated nearly \$10 million in local spending. Both values were among the highest in college football and helped put Texas easily in first place, despite not making a bowl game last season.

The Longhorns' dominance in our ranking should continue in the future courtesy of the rich revenue stream generated by the Longhorn Network, which debuted in August. The University of Texas partnered to launch the cable channel with Disney-owned ESPN and IMG College, a division of sports and media company IMG Worldwide, in a landmark [20-year deal worth a total of \\$300 million](#). Revenue generated from the Longhorn Network, which is the first devoted exclusively to a single university's athletics, is not captured in this year's evaluations, but will no doubt help extend the Longhorns' lead on the competition in our future rankings.

For additional coverage of the business of college football, check out this segment from [Forbes SportsMoney on the YES Network](#):

Formula One racing, and the IPL cricket league. Studying sports business interests me as both a writer and a sports fan, and I've found that digging

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The Longhorn Network also helps illustrate the way in which television revenue is redefining the economics of college football. TV revenue constitutes a large and rapidly growing portion of each football program's annual income. The athletic conferences generally negotiate TV rights agreements with networks like [CBS](#), ESPN and FOX. All three have inked major deals in recent years, some worth hundreds of millions of dollars a year. ESPN annually pays \$60 million to the Big 12 and \$10 million to the Big Ten for first-tier TV rights. In 2008, CBS and the SEC agreed to a deal [worth approximately \\$825 million over 15 years](#), nearly double the annual rate of their previous agreement. The eight SEC football programs on our list have seen their football revenues jump by an average of nearly 20% since the conference agreed to terms with CBS.

In March, FOX and the Big 12 revealed a new [13-year cable deal worth a reported \\$90 million annually](#), or \$1.17 billion over the length of the agreement. Then in May, the Pac-12 agreed to terms with both ESPN and FOX to establish the richest media rights deal in college sports. The contract goes into effect next season and is worth [\\$225 million per annum for twelve years](#). This new conference revenue will greatly help Pac-12 athletics compete financially with other major college programs.

The 20 teams on our list had an average value of \$83 million, up from \$79 million in 2009 and \$68 million in 2007. TV rights agreements played a major role in this growth, helping drive the average team's football revenue from \$56 million to \$62 million over the past two seasons.

[In Pictures: College Football's Most Valuable Teams](#)

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mrinterested 6 months ago

The Longhorns, Fighting Irish, Nitany Lions, 'Fightin Tigahs', Wolverines are indeed respectable representatives of success in 2011. USC, UGA, UA, tOSU, UO(soon) are distinguished as well. Mizzouri + TCU are building new stadiums in an effort to strengthen their realms.

Called-out comment

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Chris Smith, Forbes Staff 6 months ago

Author

Don't forget Washington – they are renovating Husky Stadium and the Pac-12's new TV deal will really boost team revenue.

Called-out comment

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bibbibib 6 months ago

does this include bowl money?

Called-out comment

[Reply](#)



Chris Smith, Forbes Staff 6 months ago

Author

Yes, bowl money is included. We actually consider two aspects related to bowl payouts: how much money each team makes from bowls and how much money each team generates for the rest of its conference by playing in a bowl game.

Called-out comment

[Reply](#)



jjwhite 6 months ago

Hey Chris – was wondering where I could find the full list of colleges? Thanks man!

Called-out comment

[Reply](#)



Chris Smith, Forbes Staff 6 months ago

Author

Check out the table on www.forbes.com/college-football for our Top-20 ranking.

Called-out comment

[Reply](#)



theaustonian11b 6 months ago

Texas literally stank this season..they kept switching quarterbacks mid quarter and every quarter. You can't win games with quarterback switches every other play. Duh. I'm shocked at the 129 million revenues...especially in this economy. Hope my condo sells since its located in downtown Austin!
<http://www.theaustonian11b.com>

Called-out comment

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Chris Smith, Forbes Staff 6 months ago

Author

The Longhorns' on-field play hasn't been superb the past two years. but it hasn't

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for other Big 12 teams, UT academic programs, and the Austin economy.

Called-out comment

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delowe 6 months ago

Sounds like an insider list. Except for USC (which is placed very low), all the teams are either from the Big 12, the SEC, or the Big 10.

Called-out comment

[Reply](#)



Chris Smith, Forbes Staff 6 months ago

Author

Don't forget Notre Dame, which is the second-most valuable team despite not being in any conference. But you still make a very good point. 15 of the top 20 teams are from the SEC and Big Ten (and Texas A&M is moving to the SEC next season). The biggest reason is the recent TV rights deals for those conferences, which really set them apart from the rest. That's why we expect the Pac-12's new TV deal will greatly increase the value of teams like USC and Washington next season.

Called-out comment

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Patrick Rische, Contributor 6 months ago

Chris,

Nice piece...and I'd like to add some thoughts about the Longhorn Network.

I've talked to friends that work in sports TV with a major network, and though Texas is making a fortune from TLN, the returns to ESPN may not be so great.

That's because, at least thus far, there are not many cable companies even willing to carry TLN because they feel it has such limited scope.

TLN may play great in TX, but the folks I've chatted with in sports TV think that ESPN overestimated how popular TLN would become.

Time will tell, but it's an interesting point. Notre Dame's deal with NBC works because, well, there's Catholics all over the country...and ND is historically the most decorated Catholic university in the country.

I'm sure there's Longhorn grads throughout the US as well, but the numbers just aren't the same...and the distribution of TLN to date reflect that.

P

Called-out comment

[Reply](#)



Chris Smith, Forbes Staff 6 months ago

Author

Patrick,

It's interesting to hear that ESPN may be having some serious trouble with TLN.

I'm interested in whether you think on-field performance has any impact on TLN's nation-wide popularity. Texas hasn't performed particularly well on the field since their 2009 run to the BCS Championship, but could a strong season help drive up demand for TLN?

Also, how do you think TLN's possible lack of popularity will affect future school-specific networks? I had read that Oklahoma was interested in a similar network deal, but I imagine that would be dead in the water if TLN doesn't take off.

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their schedule and record. The NCAA could make a bracket consisting of 32 teams. Each team playing each other on the way to the national championship. This would leave the chance for the underdog story, or teams like Boise that never lost, yet never had a chance for the National Championship. It happens, but how often does a #1 ranked team win the March Madness tournament. The main argument is the money surrounding bowl games, but Here's the catch. As the losers drop out, they go to a bowl game. Each bowl game would be sponsored just like the 35 bowl games are today. People watch bowl games today, but do they really know why the two teams are playing. This would allow one last game of the season for all of the players after a heart breaking loss, while leaving a way for the NCAA to make money from the bowl games. Infact, with both the tournament and the sponsored games, the NCAA could bring in even more revenue. This could potentially put college football on another level with more people watching, and more games to be played. I don't see why this wasn't done 20 years ago. Agree or Disagree?

Called-out comment

[Reply](#)



Chris Smith, Forbes Staff 3 months ago

Author

Thanks for the comment, Coleman, I think you raise some good points and that many people in the BCS are beginning to feel the same way (one example: http://espn.go.com/college-football/story/_/id/7457227/ncaa-president-mark-emmert-says-back-4-team-bcs-football-playoff). I wouldn't be surprised to see a 4-team playoff in the next few years, and I personally like the idea of an 8-team playoff where the first round games could be the Fiesta, Orange, Rose and Sugar bowls. I think the 32-team bracket you propose would be too large and take too long to play out, especially considering that a team would have to play four playoff games just to get to the championship.

You raise the money issue, and that's where I think the BCS and the teams stand to gain the most by adding a playoff system. Simply put, more games means more revenue. The one worry the BCS would have is that an "unexciting" team would get into the Championship Game. For instance, there was a lot of fanfare in the lead-up to last year's Alabama-LSU championship, and there may have been less excitement had Oklahoma State or Oregon replaced one of them. But with college football's immense popularity and massive fan base, I don't think there's much cause for concern about losing viewers. As you note, even more people may tune in if an underdog makes the cut.

Called-out comment

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Coleman Givens 3 months ago

Exactly. Is an unexciting team, really unexciting? when VCU made the final 4 last year I found it very exciting and my heart was for them to win. I feel the best teams win under pressure, and capitulated when it really matters. Teams with the most money typically make the BCS championship. Is this because they had the best players, best facilities, best coaches; very possibly. Regardless, the money issue makes me think that there are things that go on behind the lines with the people that make the rankings, and the schools playing in the games.

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