



## INSIGHTS

### Part II: The Pandemic Has Forced An Honest Conversation About Finances In Higher Education

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For colleges and universities, including their athletics departments, there will be no return to normal or “new normal” ahead.

The [pandemic has reframed the discussion](#) of what is both appropriate and reasonable for institutions in the years ahead, Dr. Gordon Gee, president of West Virginia University said recently during a webinar presentation hosted by Ernst & Young and Barnes & Thornburg, “I think the notion of normal is dead,” Dr. Gee said. “I think the notion of new normal is dead. What is going to be required is a fundamental re-thinking of all the servicing you were doing.”

Complacency and business as usual are really not an option for institutions.

Athletics will certainly provide a vehicle to aid in recovery from the issues caused by COVID-19, but it has its own share of issues to address. Prior to the pandemic, warning signs existed that college athletics was on an unsustainable financial trajectory.

While market-driven, the rising costs of coaches’ salaries and facility renovations were outpacing projected revenues. The market remains very different for various schools and conferences. Determining their value system will be a decision for university leaders in the days ahead.

Simple budget cuts are not a long-term answer. A thoughtful review, grounded in solid financial projections, will take the emotion out of difficult but necessary decisions at colleges and universities across the country.

There is no option for schools but to look realistically at what lies ahead and set a new course for the institution and its athletic department.

## RELATED PRACTICE AREAS

COVID-19 Resources

## RELATED INDUSTRIES

Colleges and Universities

University and Professional Athletics

Critical thinking will determine whether institutions will thrive, or simply survive.

To obtain more information, please contact the Barnes & Thornburg attorney with whom you work, or Steve Pederson, Sports Management Advisor, at 202-831-6712 or [spederson@btlaw.com](mailto:spederson@btlaw.com).

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