

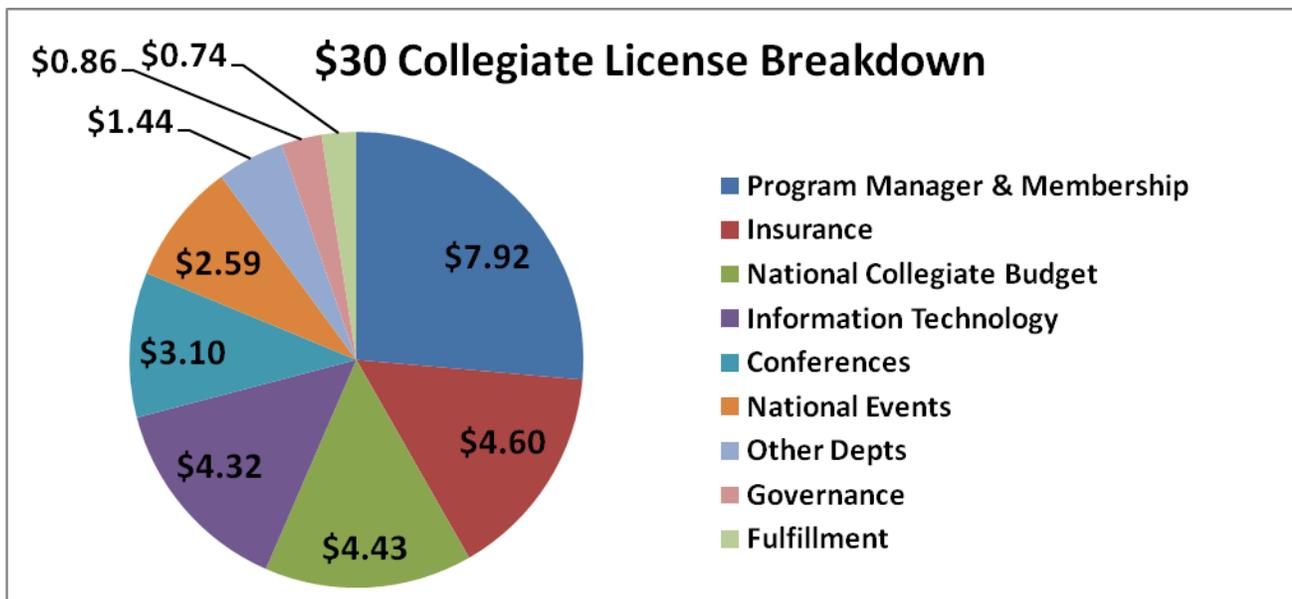


Where Does My \$30 Go?

Every year you pay USA Cycling \$30 for a collegiate cycling license (\$60 if you purchase a Road or Mountain Bike license, as well), your club pays a \$50 renewal fee, and you pay to promote a race through USA Cycling, as well. So where does this money go? What do we do with it? First and foremost, every USA Cycling staff member is issued a company Porsche and a Learjet on his or her first day.

Obviously this isn't the case, but there are always running assumptions that USA Cycling is a for-profit company, when in fact, it is a 501(c)(3) not-for-profit organization, and it is an extremely efficient one, at that. As a matter of fact in 2008, 89% of USA Cycling's spending went directly to programs, 7% was on administration, 3% on fundraising, and 1% on governance; well under the non-profit marker of 25% on administrative costs. To be as transparent as possible, we have broken down exactly where your license money goes in the world of collegiate cycling. You can find a similar breakdown of other USA Cycling financials on the last page of our [2008 Annual Report](#) (the 2009 Report will be released soon).

Collegiate Cycling Expenses



The chart above illustrates exactly what your \$30 collegiate license is spent on (for example, about \$4.60 from each license sold goes toward insurance).

Okay, but what do these dollar amounts really mean? First of all, they're estimates, meant only to give you an idea of generally where your money goes. Second, because Collegiate licenses are discounted, these amounts do not reflect the full cost of the program. Take Fulfillment, for example. About \$0.74 of your \$30 pays for postage and printing, but the actual cost is closer to \$1.15. So for every \$1.00 you spend, USA Cycling kicks in an extra \$0.55 to help out. So all in all, though a Collegiate License is \$30, the actual cost of the program is at least \$46.91 per person.



So let's go through these one by one. Below is a list of each expense, followed by the amount you put in, followed by the estimated true cost per licensee.

Program Manager & Membership (About \$7.92 per license / True Cost: \$12.38 per rider)

This largest chunk also represents your chief interactions with USA Cycling, especially for Team Presidents and Event Promoters. The Membership Department at USA Cycling consists of 14 people: 5 Regional Coordinators, 5 Membership Services Representatives, the Results & Rankings Program Manager, the Local Association and Affinity Partnership Programs Manager, the High School & Collegiate Cycling Program Manager, and the Vice President of Membership Services.

A lot of riders' interactions with Collegiate Cycling will be with the Collegiate Manager, Jeffrey Hansen: at National Championships, over the phone, or via e-mail. Managing Collegiate Cycling is his primary responsibility. When you permit a race or renew your club, however, you interact with the 5 Membership Service Representatives almost exclusively. In fact, a somewhat disproportionate amount of their time is spent with collegiate promoters, since most are learning the process for the first time, and there's a fair amount of hand-holding that needs to happen (just a few years ago, it was my hand that was being held by these hard working individuals). Given that imbalance, this is a conservative estimate.

Insurance (About \$4.60 per license / True Cost: \$7.20 per rider)

One of the largest (and mostly unseen) services USA Cycling provides its members is insurance. While it isn't everyday medical insurance (\$4.60 per year for health insurance would be awful nice!) USA Cycling helps its members in cases that would otherwise be financially catastrophic. These are medical or, more often, liability costs that could easily run upwards of \$1 Million. For details on what is covered, look [here](#). Remember, you can't even pour a cup of coffee these days without a lawsuit, so you can imagine how dangerous riding a bike at 30+ mph in a pack of 100 other people is from a legal perspective. USA Cycling CFO Todd Sowl extensively renegotiates every year to get USAC members the lowest rates possible.

National Collegiate Budget (About \$4.43 per license / True Cost: \$6.93 per rider)

This money pays for collegiate initiatives, all aimed at growing and improving the program. Membership campaigns, the Collegiate Manager's travel to conference events and National Championships, and the annual Fall Summit for Conference Directors make up the vast majority of this.

Information Technology (About \$4.32 per license / True Cost: \$6.75 per rider)

For most people, this is the face of USA Cycling: the internet. Bill Griffin, IT Director at USA Cycling, and his staff of five tireless programmers, analysts, and administrators program the website from the ground up, keep our internal and external servers afloat, and constantly improve the system to allow for greater ease of use for both USAC staff and its members.

Collegiate Conferences (About \$3.10 per license / True Cost: \$4.84 per rider)



USA Cycling Collegiate: Breaking Down the Collegiate License

The USA Cycling Collegiate Conference Directors are the volunteers that coordinate each conference and its season and quite simply, they make collegiate cycling function on the ground. This allocation goes to their travel budget, as well as some conference supplies and other necessities.

USA Cycling Collegiate National Championships (About \$2.59 per license / True Cost: \$4.05 per rider)

National Championships are expensive for collegiate riders, but they're also expensive to host. As pricey as National Championship races may seem, sometimes the entry fees still don't cover the enormous cost of putting on such an event (see the story in October's Collegiate Monthly Update [here](#)). This money goes toward making up the difference.

Other Departments (About \$1.44 per license / True Cost: \$2.25 per rider)

This is one of the most conservative estimates we've made here, but it is impossible to accurately gauge. These are the contributions of the other departments in USA Cycling, including the Executives, Accounting, National Events, and Communications.

Governance (About \$0.86 per license / True Cost: \$1.35 per rider)

The Collegiate Board of Trustees has a small budget to travel to Colorado Springs every year for their annual meeting in conjunction with the Conference Director Summit. Also considered here are portions of the budgets allocated to other boards as they relate to Collegiate Cycling (USA Cycling Board of Directors, USCF Board, NORBA Board, etc.).

Fulfillment (About \$0.74 per license / True Cost: \$1.15 per rider)

This is printing, postage, and other related costs for the physical fulfillment of the licensing and permitting processes. This also includes things like rulebooks.

Where Does it All Come From and How Much is Spent?

So how much revenue does Collegiate Cycling bring in every year? That depends on how you calculate it. Think of it this way: Joe Bob attends the University of Something-or-Other. He races on the road outside of college and buys his \$60 USAC license, but is going to race for USO this year, as well, so gets the free collegiate add-on. Mary Jane is in the same boat, but buys a Collegiate License for \$30 and gets the \$30 add-on for her Mountain Bike license. Both Joe and Mary spent \$60, but how does one determine how much of that \$120 came from Collegiate Cycling? It could be argued that only Mary's \$30 counts (considered a Primary License), or that half of it counts (two \$30 licenses) or that none of it counts, since both Joe and Mary would have purchased USAC licenses anyway. So it gets hard to track.



USA Cycling Collegiate: Breaking Down the Collegiate License

1. If you consider ALL **4,442** collegiate licenses sold in 2009, and add in the **278** clubs that paid the \$50 club renewal fee, as well as the permitting fees for all **132** collegiate events, you still only get **\$154,000**, which is **74% of the total cost of collegiate cycling**.
2. If, however, you only count the **2,396** Primary Collegiate Licenses sold, along with the club and permit fees, you reach only **\$92,000**, **44%** of the cost.

That means that every year, **USA Cycling contributes an additional \$50,000 to \$150,000 to Collegiate Cycling**, in addition to the revenue from license fees. **No matter how you cut it, the cost of collegiate cycling is at least 36-126% greater than the revenue it generates.** This is all based on extremely conservative cost estimates, by the way.

It's important to keep in mind, as well, that normal USA Cycling Club fees are \$150 as compared with the discounted collegiate fee of \$50 (and free the first year), and a Collegiate USA Cycling license is discounted to \$30 from the \$60 for a regular USA Cycling license. **USA Cycling has tried to make Collegiate Cycling as affordable as possible, and has happily picked up a great deal of the tab in doing so.**

Collegiate Cycling: A Good Investment Anyway You Look at It

It is safe to say that no matter how much Collegiate Cycling costs, USA Cycling is committed to Collegiate Cycling and is willing to invest in it regardless of the expense. This is proven by the fact that every year, USA Cycling spends a great deal more on the collegiate program than it brings into the organization.

"We see collegiate cycling as a great investment in the sport of cycling," says USA Cycling CFO Todd Sowl. CEO Steve Johnson echoes this, saying, "Whether it's as a development pipeline, a means of exposure for the sport to the public sphere, or simply providing a valuable experience to college students with an interest in cycling, Collegiate Cycling is a great program for everyone involved."

What This All Means

From all this data we can draw a couple general conclusions. First, collegiate cyclists often 'worry' that their money is going to fund other programs, such as elite athlete development. As collegiate revenue isn't enough to fully fund its own programs, it's safe to say none of that money is going elsewhere. Finally, this emphasizes the imperative nature of Collegiate Cycling's growth. Until collegiate cycling hits a total of around 7,000 members, it will not be a break-even enterprise. Again, in the eyes of USA Cycling, that's perfectly fine, but it is still a goal to aim for in the future.

Feel free to contact Jeffrey Hansen, Collegiate Program Manager with any questions or comments you may have at jhansen@usacycling.org or 719-434-4215.