

Daniel Gardella
Professor Deschenes & Professor Stiltner
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Financial Justice: College Athletes Should be Compensated

Introduction

Over the years, college athletics has progressed from a business centered around amateurism to a multi-million dollar industry year after year, with some of the top college programs bringing in hundreds of millions of dollars. All of the profit comes from the product on the field. One should not lose site of the human factor. In college, this “product” is students—amateurs who are recruited by colleges and universities to play the sport that they love. However, as college programs continue to make millions in profit, college athletes do not see any money from the program that they help, and so it is not clear if their humanity is being fully respected.

For example, last season, Duke University basketball star Zion Williamson entered Duke as one of the most well-known players coming out of high school. His picture would be found on sports magazines and his jersey would be sold without his name on the back of it. Although he was a popular figure, he would not receive any money from the program, which would allow him to keep his “amateur” status as a student-athlete. Is this arrangement fair to Williamson and other student-athletes? This issue of whether college athletes should be paid has been an ongoing one. Although many issues and options are discussed, two main sides can be identified. One side holds that athletes should be paid in some form others (whether direct pay and/or letting them profit from their image), while the other side holds that full-tuition scholarships are payment enough and anything more would jeopardize the amateur nurture of college sports. This former side of this debate has been gaining traction. In early September 2019, the state of California

passed a law that would allow college athletes that attend colleges and universities within the state to profit off of their image and likeness. More states likely to follow California's lead.

Critics of change maintain that, while student-athletes do not receive compensation for the money that they help bring in, they receive payment in the form of a scholarship to the university, which can relieve families of paying large sums of money for their child to attend college. Yet, only the biggest of athletic programs are able to supply full scholarships and significant financial help. Ultimately, a majority of college athletes still have to face financial issues while being a part of an organization that makes millions of dollars year after year.

The debate over whether college athletes should be paid relies upon arguments and research from several disciplines. The economic angle considers the literal numbers discussed when talking about profit from a university or compensation to an athlete. The psychology approach weights the strain put on student-athletes to perform from an athletic and academic stand point, Finally, the ethical consideration is whether it is right for college athletics to deprive students of worthy compensation as they use them for personal profit. Because of the insufficient financial help an average student-athlete receives, the amount of pressure put on them both in the classroom and on the playing field, and the basic matter of fairness, it is high time for new policies and laws allowing college athletes to be compensated beyond the scholarship aid provided by their universities.

The Economic Dimensions

There is no doubt that college athletics in current day society has become as popular as any professional sport in the United States. The NCAA has grown into a multi-billion dollar industry, which keeps pace with some professional teams within the country, such as the National Football League (NFL), National Basketball Association (NBA), and the National

Hockey League (NHL) (Gerrie 111). According to *USA Today*, programs such as Ohio State University, the University of Texas, and Texas A&M University each profited more than \$200 million from their athletic programs in 2018. While that money earned by college programs is spread across their many athletic teams, some of the teams profit from lucrative television deals among other benefits that come with sustained success. With the increased use of television and streaming services, more and more teams can benefit from exposure, while provides more opportunities to profit from television deals.

Wayne Cox explains how the rise of sports television led to a lot of money being made. When games were first shown on television in 1969, the viewership was not large, but it continued to grow as the years went on. According to *Forbes*, the 2017 NCAA basketball tournament brought in millions of dollars between television, endorsements, and gambling. Beginning in 2011, Turner Television Network agreed to a 14-year, \$10.8 billion deal with the NCAA to earn the broadcasting rights to the NCAA Tournament, which brings in around an average of 16.5 million viewers. Along with the overall viewership, “college championships draw some of the largest television audiences of all U.S. sporting events. What’s far less clear, however, is whether participating in college athletics is beneficial for the athletes themselves beyond those rare few who go on to earn a living playing professionally” (Zimmerman 1). Among all the profit, the athletes who are remember for their performances on television fail to earn any money from the multi-billion dollar operation that occurs over just one month.

While universities such as Ohio State University, Texas A&M University, and the University of Texas are some of the college programs that are among the upper echelon when it comes to athletic sports. However, most schools barely make a fraction of what the top programs make. For lower-end programs—those at smaller universities, small colleges, and teams that do

not play in NCAA's Division I—there are no multi-million dollar television deals or lucrative endorsement deals for their athletes. This is where the beginning of the imbalance of college athletes begins. Relating these pieces of information back to the question of whether college athletes should be compensated outside of scholarships, there are other factors that lead the NCAA to keeping the amateur status among college athletics.

Most of the money that is made from college programs goes back into the university for coaching salaries, team expenses, tuition and expenses for players, administrative expenses, and facilities (Suggs 21). While the top teams make more than a hundred million dollars in a school year, they must pay a premium in order to keep high quality coaches, renovate facilities, along with paying scholarships that they provide their players. For some smaller college athletic programs, a portion of the money made from their more popular sports help fund the remaining teams at the university. Ultimately, college programs use all, if not more of the money that they made during the year into constant improvement. In other words, regardless of the size of the school, athletes are bringing economic value to the institution. At the big universities, the athletes are helping fund the massive expenses of the programs. The athletes that represent their respective universities are a key factor in attracting donors and boosters, which provide money. Even at the small schools, the athletics are part of the PR brand of the school and encourage alumni to donate to the programs. So, athletes at all levels help their universities; in essence, they work for them, so they deserve something.

Yet one thing that remains constant is the lack of support that college athletes received in terms of compensation. Prior NCAA bylaws stated that, “a student loses amateur status and thus shall not be eligible for intercollegiate competition in a particular sport if the individual . . . accepts a promise of pay” (Gerrie 111). Since the inception of college athletics, those

participating were not permitted to receive any form of compensation outside of earning scholarships through the university. Adding onto the rule, the NCAA clarifies that they only aid athletes in terms of tuition, some health insurance, room and board, and in some case, fees and books (Bertolas 2). Even for the schools with more finances, it is spent on coaches and facilities rather than supporting the product that the schools put on the field or court.

The Real Story of Scholarships

From the outside, people can see when student-athletes “commit” or sign their national letter of intent to play athletics at a particular school. What is not seen is the financial juggling that some players have to do in order to make attending college affordable. A very small percentage of Division I and Division II athletes receive athletic scholarships that cover almost the entirety of their expenses. In fact, “no more than two percent of high school athletes receive scholarship money to play intercollegiate sports. So-call ‘full-ride’ scholarships are especially rare, and are only granted to students in six out of the twenty-four sports sponsored by the NCAA” (Bertolas 2). According to a study done in 2018, there are more than 460,000 student-athletes nation-wide (Gerrie 117). Only around 53% of them receive financial aid for college athletics. Those who do receive some form of financial aid only earn an average of \$10,000-14,000 annually, which is minimal compared to the steep prices of college tuition along with meals and room and board (Gerrie 117).

The six sports that can offer full scholarships are football, men’s basketball, women’s basketball, women’s gymnastics, tennis, and volleyball. As for the other sports in any college’s athletic program, there is essentially a pool of scholarship money that gets distributed across the rest of the athletes. While none of these scholarship cover the entirety of college fees, they do help the students who receive them. However, this arrangement places athletes, who are responsible

for helping their university bring in revenue, in the same group as typical students who earn financial aid for other reasons.

The only difference between the two groups is the additional strain that is placed on student-athletes while they are in season. For some schools, full scholarships are typically offered to athletes who play the sports that support a large portion of the overall profit for the entire year. A university sports program must do what it can to make money in these six sports in order to provide for the other sports teams at the university. Furthermore, a large percentage of the players who are on the six sports teams listed above are not offered full scholarships. Thus, it is fair to say that universities are making business decisions as to whom they offer full scholarships—not academic decisions. Since universities need keep in mind which players will bring the most revenue, their mindset supports the argument that recruitment should be treated as a commercial consideration that is fair to *both* sides. As one legal analyst comments, “it is important to clarify that while many rules promote amateurism, rules specifically relating to scholarships are fundamentally still an economic relationship of providing labor in exchange for compensation. It is therefore legally accurate to view the student-athlete’s receipt of a scholarship as ‘compensation’ in a ‘commercial transaction’ for antitrust purposes” (Groves 105).

For those who do not have their expenses covered completely, there are plenty of expenses that need to be paid for, such as room and board, food, and more. In 2014, University of Connecticut guard Shabazz Napier was interviewed and said, “At the end of the day, student athletes get utilized for what they do so well. We are definitely blessed to get scholarships to our universities. At the end of the day, that does not cover everything. Sometimes, money is needed. Sometimes there are hungry nights where I am unable to eat. But I still have to play to my

capability” (cite). Although student-athletes represent their universities with their actions on and off the playing ground, the example of Napier suggests that they are not always fully appreciated for the value they bring to the university. There are instances where players absolutely need the financial coverage of a full scholarship just to afford to go to school and receive an education. When their needs are not met, there is added pressure and strain on the athlete to find a way to make money for their family to be stable, which can result in not completing college out of necessity to live. This situation is seen the most in football and men’s basketball, in which some top players go pro before finishing their degree. In football there is a requirement that student-athletes remain in school for three years before being eligible to declare for the NFL draft or play professional, and the NBA is about to institute a similar rule. Either way, the lack of full support harms students: they have to stay amateur at least three years before having the opportunity to earn money, but if they leave at that point (or earlier for current basketball players), they miss out on the financial value of having a college degree.

The Value of a College Education

Regardless of any other actions, colleges should impress upon student-athletes the value of a college education, starting before they even enter college. While athletics is something that is focused on, graduating with a degree carries more weight, both mentally and financially, than a college student would understand at that age. While most student-athletes who leave school early to pursue professional opportunities succeed, some do not pan out, leaving them with neither a job nor a degree. According Stephen Rose, “The soaring price of college had forced many students to take on what seemed like very high levels of debt, an especially heavy burden for those who had dropped out and thus had debt without the skills and credentials that would enable them to repay it” (Rose 25). That being said, there are alternative options other than

simply graduating in four years. In some instances, it is possible for college athletes to continue to work towards their degree while pursuing professional opportunities, only to finish at a later time. In terms of the financial value, “most people want to obtain a baccalaureate degree because of the added earnings associated with the degree. A commonly cited figure is that they earn \$1 million more than those with just a high school diploma during their careers” (Rose 27). Rose says there are two likely reasons for this differential: “1) Those with bachelor’s degrees are more likely to be in high-paying managerial and professional jobs, and 2) within in each occupation, those with four-year degrees earn more than those without them” (Rose 27).

Furthermore, for almost all major sports, the percentage of players who play in college who successfully go on to play professionally is very small. Therefore, given that most college athletes are not going to get a payday for their hard work later on, and given that some of them have to risk their college education to play professionally prematurely in order to help their families, having compensation in college will alleviate these problems and hopefully solve them.

Stress in School and Sports

There can at times be a strain financially for some students who come from families are struggle to afford a college education. That alone can be a major concern among athletes who are still considered amateurs and cannot do much to help their family other than either waiting until they complete their degree, or play professionally to earn money. At most colleges and universities, regular students are able to work for the university as a “work-study,” and can get paid for working just a few hours a week. As for student-athletes, that luxury is one that is taken away from them because in upon committing to their respective university, citing that the amateur status must be kept in check.

A college athlete on average spends up to almost 80 hours per week working either with their academics or with responsibilities to their athletic teams (Gerrie 116). Having responsibilities for that much time on a weekly basis is bound to create stress. An average person who works a nine-to-five job average only 40 hours of responsibilities a week. It is difficult to figure out why a 18-21 year old student has to have the burden of nearly twice as much responsibility as someone who is in the working world and not get paid for their services. On top of being exploited for nothing be able to get paid for “working” for the university and the pressure that comes with it, there are also consequences for failing to manage all of their responsibilities. In the academic field, if a student struggles with their academics, they can become ineligible to compete in their respective sports, which in a way creates even more strain on an athlete.

Based on these different elements of strain, it can impact a student-athlete’s mental health. Over recent years, there has been more effort put into making sure the mental health of student-athletes is stable and if it is not, find a way to help. As reported by the American College Health Association in 2017, “approximately 40% of the general college undergraduate population reported experiencing depressive symptoms to the point where it ‘was hard to function’” (Ryan 69). Furthermore, a survey taken by the NCAA asked athletes from different college sports if they ever felt they had so many responsibilities piling up that they could not overcome them. On average, 29% of Division I baseball players, 35% of Division I basketball players, and 35% of Division I football players answered yes to that question. For three of the top-grossing college sports in the country, there is added pressure to perform on top of the other responsibilities that a college student endures. Add in the worry regarding finances, and college can be a living hell for some student-athletes.

The Ethics of Recruitment

While college athletes cannot get compensated outside of the university, that will not stop certain college programs from attempting to bend the rules and illegally recruit players by offering large sums of money or other items of value to high school recruits and their families in exchange for getting the their commitment to play for that program. In 2017, DeAndre Ayton, who played for the University of Arizona and now plays in the NBA for the Phoenix Suns, was given around \$100,000 by the basketball program in exchange for his agreeing to play for Arizona. This illegal activity was kept under wraps originally but was discovered among an FBI probe that swept across college basketball and exposed programs such as the University of Arizona, the University of Louisville, Auburn University, and the University of Southern California, among others. In the extreme cases, players and their families were being paid six figures if the player committed to the school. These sorts of incidents are examples of universities taking advantage of players and families who struggle financially and sweeten the pot during recruitment to peak a player's interest in the direction of their program. By being given a large sum of money, not only will it allow the student to pursue an expensive college education, but it will also take care of any worries that arise with the rest of the family, such as housing, food, and other necessities.

Outside of the programs previously stated, most of the instances found by the FBI were much less significant, often involving a player and an agent or booster helping out financially for things such as food or extra spending money. Whether severe or not, the college sports business has become so lucrative that businessmen have begun to take advantage of 19 year old adults who are in need of support in order to get a leg up on the business side, which undermines what initially draws people to college athletics—its amateur ethos. As for the college programs that

were caught for their illegal actions, significant consequences were handed to them, such as fines, exclusion of their teams from postseason play, and loss of their ability to give scholarships. Some schools have received punishments referred to as “death penalties,” in which a number of consequences are bundled together that will set a program back in quality and ability to complete for many years to come. For example, the University of Louisville received the “death penalty” a few years ago. Along with loss of scholarships, their 2013 National Championship for basketball was vacated, as they had won that championship during the time that the illegal actions were happening. While this may appear as a warning sign for other programs not to do the same, such inducements are still occurring behind the scenes in college sports, because the temptation to get a leg up is too great.

New Legal Developments

While the issue of whether or not college athletes should be paid outside of their scholarships have been ongoing for decades, there have been developments within the 21st century that will take away the amateur status that comes with college athletics. In early September, the state of California passed a law allowing athletes attending colleges and universities to profit off of their image and likeness. The law, which will not take effect until 2023 (if it is not blocked in some way), received positive feedback from former college athletes and other popular professional athletes, including LeBron James. Since this law was passed by California, other states have begun to explore the possibility of following in the footsteps and allowing athletes attending schools within the state should profit based on their image and likeness. While there are many other things that would need to fall into place, the ball has begun to move toward eliminating the amateur status once and for all.

Along with states laws being passed, the 2014 court case of *O'Bannon v. NCAA* “put a chink in the armor that is the NCAA’s amateurism justification, and began to sway towards compensating players in these big-time sports” (Steele 512). Steele continues by explaining that the origin of the NCAA, which was in 1906, was built upon the idea that it was to provide a place in which amateur student-athletes can compete in their respective sports while progressing toward earning a college degree. Therefore, the rules that were made more than one hundred years ago are the ones that are still in place today, in which they view the athletes as students before professionals. However, in 2009, former University of California Los Angeles (UCLA) basketball player Ed O’Bannon, along with other former student-athletes brought a lawsuit against the NCAA, stating that they were not able to make a profit off of their image and likeness, but were still be exploited. When the video game licensed by the NCAA was released in 2009, there was a player who matched O’Bannon’s qualities, from height, to skin color, all the way to the accessories that he would wear while playing. However, since there was no way O’Bannon could make money from this, they did not include his name, thus leaving the player up to perception as to who the player may or may not look like. The lawsuit that O’Bannon brought on the NCAA and EA Sports, in a way, brought back the argument of allowing college athletes to profit off of their image and likeness.

Conclusion

College athletics has blossomed into a multi-billion dollar corporation that does not fully appreciate the student athletes who are a significant reason college programs make a profit. However, the argument for compensating college athletes is still in its early stages, regardless of the strides that have been made recently. The constant rise of college athletes from an organization that had a foundation of earning a degree to now a multi-billion dollar industry is no

longer a secret. For the amount of responsibility 19 to 21 year old adults have to have out on their plate, many athletes believe that they should be rewarded for their efforts of balancing many things while remaining eligible to play, which helps the schools earn money. While many former college athletes have expressed their stances on the situation, there are many aspects surrounding student-athletes that play a role in the decision by the NCAA that go unnoticed. Some of the biggest issues surrounding paying college athletes are the other finances, the misconception of scholarships, the strain and pressure on a student-athlete, and the morality that comes with recruiting. Through these different aspects that play a role in college athletics, it should be inevitable that college athletes should be compensated outside of scholarships due to the lack of financial help an average student-athlete receives, the amount of pressure put on them both in the classroom and on the playing field, and the overall morality of it, college athletes should be able to be compensated outside of their financial help that their college or university provides.

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