A Call for Adequate Compensation for NCAA Student-Athletes

If I told you that there are nearly half a million people in the United States who represent their respective organizations, work over 40 hours a week to perfect their craft and yet are not allowed to earn money with the help of the very craft that got them there, what would you have to say? Yes, I am talking about the very student–athletes in our country that represent their respective universities as well as the National Collegiate Athletic Association but are still prohibited from earning money outside of what their college provides them with in terms of athletic aid. Not only do these student athletes give their time and effort to their schools, but their names and their identities too. For their entire duration as a student athlete and beyond, they are associated with their specific schools and if the schools can market and promote themselves through their athletes’ performance, why are the athletes prohibited from doing so for themselves? College athletes must be allowed to use their name, image and likeness in an attempt to earn money if they so please.

I. Current Rules and Regulations

Student-athletes are governed by a non-profit, member-led organization, the National Collegiate Athletic Association (NCAA here on after). The NCAA serves as the governing body for intercollegiate athletics, so it makes rules that both the athletes as well as the schools are expected to follow. One such rule is the one in question: the one regarding an athlete’s name, image and likeness (NIL here on after). ¹ The current rules suggest that before enrolling into a

¹ J. Coleman. *Amateurism.*
NCAA governed institution, an athlete may use his/her name, image, or likeness to promote a product or service, so long as he/she is not compensated for it, other than the expenses of participating in said activities. Post-enrolment into an NCAA governed institution, an athlete may not use his/her name, image or likeness to promote or endorse a product/service, even if he/she is not paid to do so. This restriction also extends to an athlete creating his/her own business, irrespective of whether the business is related to athletics or not. In other words, if a student-athlete wishes to give lessons/start coaching over the summer, he/she cannot earn money in return. If he/she wishes to start a YouTube channel that showcases to the world the commitment required to be a NCAA student-athlete or the daily routine of an NCAA athlete, he/she cannot earn money through it. Furthermore, if he/she decides to open a start-up, one that has nothing to do with athletics, he/she is still not permitted to earn money through it simply because of his/her status as a student-athlete. The only compensation athletes are entitled to is an athletic scholarship that is based solely on merit and even that may not exceed the total cost of tuition for attending their school.

The underlying rule that tethers a student-athlete from earning money is the one of amateurism. In its most literal definition, amateurism stands for, the practicing of an activity, especially a sport, on an unpaid rather than professional level. However, the NCAA’s model of its amateurism principle extends further. This model has a wide range of restraints, but the underlying principle is based on the fact that athletes are allowed benefits only related to education—tuition, books, room and board—and no benefits for anything else. Athletes may not

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2 Coleman. Amateurism.
3 Roger M. Groves. A Solution for the Pay for Play Dilemma of College Athletics: A Novel Compensation Structure Tethered to Amateurism and Education. 2017
4 Amateurism Definition and Meaning: Collins English Dictionary.
use their platform as student-athletes to promote and or advertise a product or service. They may not receive funds or money from a third party to offset training expenses. They may not accept prize money on the basis of their performance. They may not hire a professional sports agent or an agency. The NCAA also has age limits that prevent athletes from joining the professional ranks right out of high school, making the NCAA the only opportunity for athletes seeking a career in professional sports. 5 The fundamental reasoning for all these rules is that the NCAA still believes that the primary reason for athletes to attend college is education. Hence, they even publicly reiterate that “athletes are scholars first and athletes second, thus the term student-athletes.”

II. Background

For decades, student-athletes have challenged the NCAA’s rules. Some argue that one should be allowed to hire agents, whereas some argue that one should be permitted to receive compensation from advertisements, while some also argue in favor of entering a professional draft without the threat of ineligibility hanging over their head if the draft were to not go in favor of the athlete. Not only are athletes arguing for monetary compensation but also for coverage for full cost of attendance and for other elements such as increased funding for food. Athletes have often had practices as early as six am and most dining halls do not even open that early. Between getting ready for class, finishing practice, and getting all the homework done, their food timings are often chaotic. Over and above that, some sports require you to monitor your weight with great accuracy every single day. If something as small but vital as food cannot be sorted out

5 Coleman. *Amateurism.*
6 Ibid.
between the schools and NCAA, do we really expect them to solve the dispute involving one’s NIL?

There are two forms of compensations at issue here when we talk about NCAA student-athletes and there is a dire need to clarify both forms. The first one in question is a pay-for-performance, also known as the athletic scholarship.\(^7\) Any student-athlete who receives a scholarship is fundamentally and legally regarded as receiving compensation in exchange for his/her services of playing a sport for a particular school. Though this scholarship is a type of compensation that is received for playing the sport, athletes should also be entitled to compensation from another source.

Colleges make money off of merchandise, video games, endorsements, advertisers, and sponsors. This revenue is not from playing the sport but from marketing it. This leads to the second type of compensation that athletes should be entitled to since it is through their NIL that the school can generate revenue in the first place. “Over 80% of the total revenue received by the NCAA each year comes from television media rights agreements, which take advantage of the names, images, and likeness of those who play the game as student-athletes. Yet there are NCAA rules in place that prohibit scholarship athletes from receiving as much as a dime from their own name – ever.”\(^8\) Although I am not pushing the idea that schools themselves pay their athletes, I do want to argue that if schools can market themselves on the basis of their athletes’ performance and all that comes with it, shouldn’t the athletes be allowed to do the same?

III. The Business of College Athletics

Now that we’ve established that the need for student-athletes to be allowed to earn money exists, we must now evaluate why this need exists. The NCAA is a multi-billion-dollar enterprise and by far the highest-grossing sports related organization in the world, surpassing giants like the NFL, NBA, NHL and more.\(^9\) They have created a highly commercialized environment in which almost every member shares the riches; coaches, administrators, executives, etc. The only member that is missing is the student-athletes, the very member whose talents and skills are the bedrock of this multi-billion-dollar enterprise.

Jordan Spieth is a twenty-seven-year-old professional golfer from Dallas, Texas. In 2011, he attended the University of Texas and played collegiate golf for the Longhorns. He was a member of the 2011 Walker Cup team (biennial event between the top twelve American amateur golfers V. the top twelve Great Britain & Ireland’s amateur golfers), won three NCAA Division I events, led the Longhorns in scoring average, was part of a National Championship winning team, was named All-Big-12, Big-12 freshman of the year and Big-12 Player of the year.\(^10\) Long story short, he was a well decorated amateur golfer. Midway through his first semester of sophomore year, he decided to turn pro and drop out of college. At that point, Spieth was a “hot property” for equipment companies and endorsement opportunities given his recent successes. Before even playing his first professional event, he was the face of Under Armour and BioSteel. Just over a year later, he signed a new deal with Under Armour; a 10-year contract worth a reported $200 million.\(^11\)


\(^11\) Ibid.
net worth went from $0 (according to NCAA, since he could not market his NIL) to $200 million. Seems a little hard to believe.

Another example is former Duke men’s basketball star, Jahlil Okafor. “During the 2014-15 season, Duke University’s men’s basketball team brought in $27,000243. Of that, Duke’s star player at the time – Jahlil Okafor’s identity, celebrity, and star status were worth $2,605,405, nearly ten percent of their total revenue for the season.”12 One single player was responsible for 10% of the money brought in by an entire program. This includes but is not limited to, merchandise deals, broadcasting rights, stadium seats, ticketing rights, etc. Okafor’s identity had immense value to the Duke men’s basketball program and the school. However, under the current NCAA rules and regulations, he would be entitled to receive roughly $30,000 in scholarship money. That essentially means that he was allowed to receive 1% of his entire worth. The risk these athletes are under, day in and day out when measured against the reward they receive is extremely unfair. Their college years could very well be their prime years and prohibiting them from benefiting from their own skills is not only amoral but also fundamentally unethical.

The average value of a student athlete at a top 25 ranked school is $487,617.13 Today’s student-athlete spends roughly 43.3 hours per week on athletics, and 37.3 hours on academics; this equals to performing two jobs.14 They have reduced summer / winter breaks and any ‘optional’ activity is essentially mandatory if they wish to retain their spot on the roster. Most athletes spend just as much time on their sport in their off-season as they do in-season. In

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12 Ibid.
14 Ibid.
exchange for this commitment, student-athletes are given what virtually equates to a ‘gift-voucher’, i.e. scholarship. From roughly 500,000 athletes that are under the NCAA umbrella, only half receive some level of scholarship and the average NCAA athletic scholarship falls between $10,000 and $15,000 per year.\textsuperscript{15} Due to these limits, a lot of student athletes find themselves trying to dodge the rules, each time leading to a new example of what student-athletes cannot do with their NIL.

Jeremy Bloom was a receiver and kick returner for the Colorado University Buffaloes. He was also part of the U.S Ski Team for the 2006 Winter Olympics. However, after accepting money associated with being part of an Olympic team, the NCAA deemed him permanently ineligible.\textsuperscript{16} If an Olympic skier is part of your school and your athletics program, isn’t that something to be proud of? Stripping him off his eligibility because he accepted money for being recognized as 1\% of the 1\% at a global scale seems extremely unreasonable to say the least.

Another example is in the case of Aaron Adair, a highly valued baseball recruit who was not allowed to play in the NCAA because he received compensation when he used his NIL to promote an inspirational book, one he co-authored about surviving childhood cancer.\textsuperscript{17} I ask you again, if you were in contact with a recruit who had battled childhood cancer and then established himself as a top recruit in the nation, wouldn’t you want to have him on your roster and in your school? How many 18-year-olds have battled cancer, co-authored a book, and been good enough to be recognized a top baseball recruit in the nation? To say that NCAA has unjust rules would be an understatement. They have such outlandish rules that almost strangle the

\textsuperscript{15} Ibid.
\textsuperscript{16} Ibid.
\textsuperscript{17} Wes Gerrie. \textit{More than Just the Game: How Colleges and the NCAA Are Violating Their Student-Athletes}. 2018.
student-athlete, squeezing as much revenue as possible out of him/her and giving them pennies on the dollar in exchange for it.

In 2009, Ed O’Bannon sued EA Sports for misappropriation of his likeness because he had discovered that an EA Sports college basketball video game had included his likeness as part of a UCLA team. Over time, the lawsuit expanded, involving both, past and present NCAA athletes, and adding the NCAA as a defendant. EA Sports eventually settled their disputes with the athletes depicted in its video games but the rest of the lawsuit that focused on the NCAA, continued. In essence, the O’Bannon plaintiffs pursued an order against the amateurism rules against them in the current use of athletes’ likeness in TV broadcasts and the NCAA restrictions on the ability of athletes to receive endorsements. The final ruling held that “the restriction on athletes receiving remuneration for the use of their likenesses violated the Sherman Act, which prohibits antitrust violations.” However, the remedy for this violation was providing the athlete the cost of attendance, which did not change a thing. The court also ruled that the athletes did not have a right to receive endorsements.

Another case that proved to be a landmark case in this debate was Jenkins v. NCAA in 2014. Clemson football player Martin Jenkins along with other former players filed an antitrust lawsuit against the NCAA and other Power 5 conferences to challenge the confines on athletes receiving compensation for their participation. Although O’Bannon focused primarily on cost of attendance, Jenkins’ focus was on the entire amateurism model. This case opened up another door that led to an implicit concept of whether student-athletes are better categorized as

21 Ibid.
employee-athletes. The eventual determination of this concept could change the future of intercollegiate athletics.

IV. Student-Athletes or Employees?

The employee-athlete narrative seeks to prove that the primary reason that athletes come to campus is athletics. They perform all duties they are assigned to as a full-time job and in the meantime, also generate revenue for the university. Under this model, the employee-employer arrangement works as follows: “the university hires the athlete pursuant to a term contract of up to four years (minimum of one year, depending on the school). Under the terms of the agreement, athletes work for the university by training for and participating in athletic competitions. In exchange, the universities provide compensation in the form of tuition, room, board, books, and the cost of attendance. Universities also provide academic tutors, first-class training facilities, trainers, nutritionists, and other support staff. While employees do attend classes and work towards a degree, such efforts are secondary to their primary purpose on campus—the athletic opportunity (not academic opportunity), and the majority of their time on campus is spent following the schedule mandated by their coaches and the athletic department.”

Since these employee-athletes have more than a full-time job, and once you include academic responsibilities, this narrative pleads for more adequate compensation for the use of the athletes’ NIL. Additionally, proponents of this model also advocate for the opportunity for athletes to be able to choose their employer based on compensation of services as opposed to the

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22 Ibid.  
23 Ibid.  
24 Ibid.  
current model where they are faced with the same package with the exception of minor differences in cost of attendance.\textsuperscript{26} At the core of this model is the belief that student-athletes give a lot of their time, effort and identity to the school and are not well compensated in return, given the fact that all other parties involved get to share the revenue pie.

V. The Implicit Cost of No Compensation

On February 20, 2019, Zion Williamson, a Duke men’s basketball star and prospective first round NBA draft pick, injured himself on national television in a game against University of North Carolina.\textsuperscript{27} The injury was primarily caused by his Nike sneakers ripping, causing his ankle to collapse, leading to a sudden imbalance. On a superficial level, this is simply another college basketball injury, which happens all the time given the arduous physical toll on the body. However, once you dig deeper, you realize how dangerous it was and how career-threatening it could’ve been.

All colleges have some sort of deals with apparel and sneaker companies. The bigger the college, the bigger the deal. For a school like Duke and a program like their men’s basketball one, their deal with Nike had to involve a sizeable payment. With a deal like that, there are also certain obligations for the players. Such as, but most definitely not limited to, they must wear Nike sneakers and/or apparel during all games and practices. Now, Zion Williamson was one of the best players in all of college basketball at the time. Some even said he was a top five NBA draft pick. Now, once you make such a prominent player wear a shoe, it better be foolproof! The effect he can have on the success of that shoe is enormous. The Nike stock the following day after his in-game injury, took a dive, resulting in the company losing over a billion dollars.

\textsuperscript{26} Ibid.
\textsuperscript{27} David E. Haithcock, and Frank E. Stephenson. \textit{Did Zion Williamson Give Nike’s Stock a Flat Tire?} 2020.
Although no statistically significant evidence was found that pointed towards him being the primary cause for the stock dip, the timing of it does raise a few eyebrows.\(^{28}\)

Although Zion’s injury was not career-ending; he missed two additional games and was back in two weeks, the effect of his shoe ripping during a game could’ve ended his professional basketball aspirations right there. He eventually did end up being a top five draft pick, first pick to be precise, the following year and signed a contract with the New Orleans Pelicans for $44.2 million spread over four years.\(^{29}\) For an athlete whose value is over $10 million per year to a professional basketball team, his value for the Duke men’s basketball program ought to be at the very least more than their cost of attendance. If his injury were in fact to be career-threatening, he would’ve been denied the opportunity to truly capitalize on his talents and would’ve been forced to go down a different career path. Another fact worth noting is that NBA regulations do not allow high school athletes to enter into a draft, making NCAA the only route for them to pursue their dream. So not only was Zion forced to play collegiately, he was given faulty gear that may have resulted in a loss of $44 million and counting! The solution to all of this clear; NCAA athletes must be allowed to benefit from their NIL. For someone like Zion, his short but valuable time at Duke could very well have been his last exposure to competitive basketball. Prohibiting him from profiting off of his own talent and monetizing his image while the school itself makes millions off of his name is immoral.

**VI. Amateurs V. Professionals**

An important aspect of the student-athlete NIL debate is mixed structure between amateurs and professionals. In a workplace, when the boss faces new incentives, employees feel

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\(^{28}\) Haithcock and Stephenson. *Did Zion Williamson Give Nike's Stock a Flat Tire?* 2020.

\(^{29}\) Terry Collins. *Here’s How Much Zion Williamson and Other Top Draft Picks Could Make In the NBA.* 2019.
the same incentive adjustment as well.\textsuperscript{30} Hence, such downstream demands can have a direct impact on the employees’ behavior, even when the incentives are not directly placed on them. Now, although NCAA student-athletes are not currently categorized as employees of the school, they face the same downstream demand as employees in a workplace.\textsuperscript{31} Their coach (boss in a formal workplace) is an employee of the school who faces new incentives. Since the athletes respond to the incentives put forth by the coach, they in turn are in the same boat as an employee in a formal workplace. College coaches are hired and fired based on their performance. Given that these coaches set the day-to-day rules for their athletes, even though the NCAA calls them “student-athletes” they are in fact professional athletes that are amateur in title only.\textsuperscript{32}

An elite college football player that will be drafted into the NFL provides an average of $1.3 million per season to his team. Over the course of their career, they can bring up to $3 million towards the program.\textsuperscript{33} The revenues produced by these athletes are high and hence the expectations and pressure to perform are in turn just as high. There is a direct link between athletic success and financial success in an athletic department.\textsuperscript{34} So, the more revenue a team brings in, the more it is expected out of them to perform and bring in even more. This translates into pressure onto the coach to win, which then translates into pressure onto his players.\textsuperscript{35} The better the team performs, the more money generated through ticket sales, more TV coverage, more championships, hence leading to a bigger future budget. Although on-field success is not

\textsuperscript{31} Rotthoff and Sanbower. \textit{Professional ‘Amateurs’ in the NCAA: The Impact of Downstream Demand}. 2016
\textsuperscript{32} Ibid.
\textsuperscript{33} Ibid.
\textsuperscript{34} Ibid.
\textsuperscript{35} Rotthoff and Sanbower. \textit{Professional ‘Amateurs’ in the NCAA: The Impact of Downstream Demand}. 2016
the only thing that enables a coach to retain his job, it does go a long way in aiding the cause. Every year athletic expenditures are rising and since the university cannot explicitly pay their athletes (yet), there is also a rise in fringe benefits for athletes. These could include but are not limited to, better coaches, better training facilities, increased access to academic support, private accommodations to games, frequent training trips, etc. These implicit benefits are the universities’ way of ‘compensating’ their athletes. Given that some of these athletes are worth millions to the school, the simple facilitation of a hot tub after practice doesn’t really seem like it is an adequate compensation.

VII.  Fair Pay to Play Act

In the midst of the chaotic situation between student-athletes and NCAA, a new law in California was signed into effect that would allow college athletes in that state to sign endorsement deals and hire agents.36 The Fair Pay to Play Act signed by California Governor Gavin Newsom, is scheduled to go into effect in 2023 but may face challenges from the NCAA before that. Though the law does not mandate that the schools pay the athletes, it allows athletes to promote services/products/companies and cash in on their reward.37 The most crucial part of the law is that it only applies to NCAA institutions in California. Would the NCAA ban powerhouses like UCLA, USC, and Stanford from competition? Or is this an attempt by the California Governor to strongarm the NCAA into amending their amateurism rules for the entire nation? Regardless, the law has garnered a lot of support from people who believe that NCAA, schools, coaches, networks, all make too much money off of college sports for its players to be denied the same opportunity. Legislators in Florida and Illinois have already proposed similar

bills while in New York, a state senator has proposed a bill that would require colleges to pay 15% of the revenue earned through ticket sales to its student-athletes. Some of the other states have also signaled their support towards such a bill, even if they haven’t proposed one yet.

Although the NCAA hasn’t formally come out with a statement regarding the issue, it is to be rightfully assumed that the California law could be the first step toward allowing student-athletes to get paid.

VIII. Current State of College Athletics

In 2016-17, the revenue for the NCAA for March Madness (the annual basketball National Championship conducted over the course of the month of March) exceeded $1 billion for the first time. Over three-quarters of that, ($761 million) came from broadcasting rights of the tournament. Clearly, the NCAA will go out of its way to protect the financial interests of its sponsors while the tournament’s main attraction: the players, go uncatered for. The biggest hypocrisy in all of this comes to light as you see the coaches enjoy a free market while the players are governed by a set of draconian rules. University of Connecticut for instance, just signed a six-year contract with head coach Danny Hurley for roughly $3 million a year. Over and above that, coaches are free to profit by giving speeches, promoting products, selling instructional videos or even having instructional clinics. These are the very things that the NCAA prohibits athletes from doing. The only reason any of the above-mentioned things will sell is because of the athletes! The UConn basketball coach teaching a teenager a free throw will only be marketable because it is visible to everyone that his current students/players are

38 Bubar and Binder. PAYDAY FOR COLLEGE ATHLETES? 2019.
39 Sean Gregory. The Maddest March Ever. 2018
40 Gregory. The Maddest March Ever. 2018
41 Ibid.
successful. The UConn basketball program can sell the jersey of their best player and make thousands, sometimes millions of dollars, but the player himself is barred from doing so.

As a result of such barbaric regulations, we often see under-the-table deals and bending of the rules. For instance, a scandal at University of Louisville led to the firing of Hall of Fame coach, Rick Pitino after he was accused of allegedly funneling $100,000 to the family of one of their recruits in exchange for his commitment to the school.\textsuperscript{42} Now, there is an underlying story underneath all of this that may be overlooked. The fact that the school or the head coach (allegedly) believed that the recruit is worth $100,000, it is all the more reason for the recruit to be permitted to reap the rewards of his own prowess. Even if the NCAA does not think sharing the $1 billion pie with the students is desirable, simply allowing them to use their NIL to promote themselves must be permitted. It is one of the most important life skills that is required in all professions: to market yourself adequately.

**IX. The Ethics Behind it**

Throughout this paper, I have highlighted the many reasons why the NCAA is wrong in prohibiting student-athletes from benefiting from their NIL and why the student-athletes should be allowed to do so. However, at the foundation of my very argument are ethics. It is ethically wrong to benefit from someone else’s NIL while they are forbidden from doing so for their own use. It is only fair to let student-athletes do what universities and the NCAA have been doing for years on behalf of them anyways. It is not unreasonable for these student-athletes to demand a realistic opportunity to make use of their NIL. Roughly all student-athletes are adults and therefore must be given full autonomy on when and how they can use their NIL and in fact, who can use their NIL as well. As Immanuel Kant said, “for rational beings all stand under the law

\textsuperscript{42} Gregory. \textit{The Maddest March Ever}. 2018
that every one of them ought to treat itself and others never merely as means, but always at the same time as (an) end in itself.\textsuperscript{43} Meaning thereby, although it is acceptable to use other people to help achieve your own goals, it is not acceptable to merely use them as a means to achieve your own goals. Rational human behavior calls for decency and respect for all others and that is simply what I am advocating for here. The NCAA is trying to raise the level of competition every year and the schools are trying to get better at their sports and generate more revenue. It is completely acceptable for the athletes to be a part of this commercialization so long as they are permitted to benefit off their NIL as well.

The only difference between a student-athlete and a regular student is the athlete portion. The former participates in intercollegiate athletics and the latter doesn’t. However, all the things related to NIL that a student-athlete cannot do, a regular student can. So, the startup that has nothing to do with athletics, if a regular student were to be behind it, he/she could profit directly from it. But, if a student-athlete was behind it, he/she cannot profit from it due to his/her status as a “student-athlete”. That is neither fair nor rational nor decent behavior nor is it even respectful. These rules are unethical in their foundation and it is imperative that the rules be amended, and the system be reformed.

X. Conclusion

To conclude, I would like to highlight that NCAA is a non-profit organization whose sole objective is the betterment of their student-athletes. All their rules and regulations related to and around amateurism go against their core principle. College sports in general generate a lot of revenue, which is only possible through the skills and talents of its athletes. The NCAA must put forth new or amended regulations that allow for student-athletes to be compensated effectively

for their services. It is high time that the NCAA actually prioritizes its athletes because without them, NCAA is as good as gone.

The good part about this matter is that during my research for it, NCAA has already come forward explaining that they are currently in the process of evaluating their present rules in an attempt to rectify the problem at hand. So, there is a possibility that by the time I submit this paper for review, the NCAA would’ve already come out with new guidelines.

Bibliography


