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**A How-To Guide and What-To-Know About NIL
Payments for Student Athletes**

by

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**An Honors Thesis in partial fulfillment of the requirements for the degree Bachelor of
Science in Business Administration in Accounting**

Sam M. Walton College of Business

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INTRODUCTION, EXACT RULES, AND NEW LEGISLATION

Due to a probable change in legislation that will allow college athletes to receive third party compensation for their name, image, and likeness, Paige Bueckers, UConn's star basketball player, is projected to make \$600,000 as a college athlete (see Appendix B) (Planos, *FiveThirtyEight*). While she's projected to be the single highest earner, other college athletes can possibly earn hundreds of thousands of dollars like her. This thesis is an evaluation of a variety of aspects of the new Name, Image, and Likeness (NIL) legislation (also known as the Right to Publicity); a how-to guide and what-to-know with insight from people involved. Inside, there is interviews from student athletes and those that work closely around them and information everyone affected by this new legislation should know.

NCAA Bylaw 12.1.4 states what is impermissible to an individual once they are enrolled full-time as a college athlete. "Following initial full-time collegiate enrollment, an individual's participation in the following activities or receipt of the following benefits will jeopardize the individual's amateur status and eligibility for intercollegiate participation in a particular sport". The Bylaw then lists activities a-r as impermissible activities (see Appendix A). A couple of the rules stand out as the most important and most well-known. For example, NCAA Bylaw 12.1.4 (a) states that the "use of athletics skills for pay in any form in that sport" is impermissible. When people think about these rules, this is usually what comes to mind. The student athlete is not allowed to use the sport they are currently playing at an NCAA school to get paid in any way. Another one that stands out is NCAA Bylaw 12.1.4 (c) which states the "receipt of any direct or indirect salary, gratuity, or comparable compensation for participation in athletics" is impermissible (*NCAA Legislation Database*). This essentially means that student athletes aren't allowed to receive any sort of payment from anything that came about due to their participation in an NCAA school athletic program. For example, Hunter Woodhall, a Paralympian and University of Arkansas men's track star, is well-known for his athletic career. However, he is also well-known for his social media presence and clothing company Giant Hoodies. With the above mentioned rule in mind, Woodhall is allowed to receive payment for anything related to Giant Hoodies, but he isn't allowed to receive any compensation on social media that has to do with him being an NCAA athlete.

In October 2019, InsideHigherEd.com reported that the NCAA voted unanimously "to direct the association's three divisions to "modernize" their rules and allow athletes to enter into contracts with corporations and other parties to receive compensation for their personal brand or celebrity." Though the NCAA overwhelmingly wants change, the association is clear that they don't want this change to affect the collegiate model. They absolutely do not want students to be paid by their schools. As of now, the "modernization" is directed only towards the opportunity for athletes to be paid by third parties. "According to the NCAA, bylaws must enforce that schools treat athletes similarly to students who are not athletes with limited exceptions, prioritize academics and prohibit schools from directly paying college athletes for use of their name, image, and likeness. While athletes can enter into contracts for merchandise and endorsements, they cannot be paid for participation or performance of their collegiate sport, the guidelines say." The NCAA also wants to make sure "divisions will need to be transparent about rule changes and uphold diversity and gender equality, and there must be a distinction made between college-level and professional payment opportunities" (Anderson, *Inside Higher Ed*).

In the InsideHigherEd.com article, the author writes “The guidelines also state that bylaws should “protect the recruiting environment” from being corrupted by third parties -- players cannot be coerced into attending or transferring institutions for a sponsorship. This is intended to address concern among college athletics leaders and personnel who believe allowing athletes to benefit from their name, image, and likeness would welcome into collegiate athletics nefarious agents or company representatives who could take advantage of players” (Anderson, *Inside Higher Ed*). This is a major concern in college athletics due to the disadvantages that it could bring to certain schools. Corruption was already an issue in the NCAA. For example, Southern Methodist University was caught having boosters pay football players and they received “the death penalty” which barred the team from competing. The bylaw change could make it easier to persuade players to attend a certain school with promises of better payment opportunities.

The decision to finally vote for third party payments to collegiate athletes for their NIL “came after months of accelerating pressure on the NCAA from state and federal legislators. More than a dozen states and two U.S. congressmen began to discuss bills this year to overrule the association’s governance -- the NCAA currently bars athletes from competition if they are found to be benefiting from their name, image or likeness.” Senators from multiple U.S. states have introduced state and federal bills advocating for college athletes (Anderson, *Inside Higher Ed*).

California was one of the first states that introduced new legislation regarding name, image, and likeness payments for college athletes. According to James Moore CPA and Consultants, “California believes it has a compromise in the Fair Pay to Play Act. This new law allows student-athletes to make money off of their name, image, and likeness. It does not, however, require schools to give athletes a cut of the revenues generated by sports programs” (Davis, *James Moore*).

A new federal bill was introduced February 4th, 2021 that pushes for unrestricted NIL endorsements for NCAA athletes, according to ESPN.com:

The bill, co-authored by Sen. Chris Murphy (D-Connecticut) and Rep. Lori Trahan (D-Massachusetts), is the latest in a series of proposed national laws that aim to help college athletes make money and reform a multi-billion-dollar college sports industry that several members of Congress believe is fundamentally unfair. This proposal is the only option to date that doesn’t provide any means for Congress, the NCAA or any other governing body to regulate what products athletes can endorse.

The new bill also specifically prohibits the NCAA or conferences from doing anything that would prevent athletes from organizing under collective representation to sell their licensing rights as a group. This type of group licensing is typically needed to bargain for media rights, jersey sales and items like video games, such as the college football video game that EA Sports announced its plan to revive earlier this week. (Murphy, *ESPN*)

In late 2020, U.S. Senators Cory Booker (D-NJ), Richard Blumenthal (D-CT), Kirsten Gillibrand (D-NY), and Brian Schatz (D-HI) introduced the College Athletes Bill of Rights. According to booker.senate.gov, this “groundbreaking legislation will change the landscape of

college sports and protect and expand the rights of college athletes. The College Athletes Bill of Rights will guarantee fair and equitable compensation, enforceable health and safety standards, and improved educational opportunities for all college athletes.” Senator Booker, who played tight end for the Stanford University football team, says he “[knows] firsthand that college sports can open doors of opportunity that most young people never knew existed—but the unfortunate reality is that the NCAA is also exploiting college athletes for financial gain.” Booker then goes on to state “under its current operation, the NCAA is preventing college athletes from earning any meaningful compensation and failing to keep the athletes under its charge healthy and safe, and that needs to change” (Booker, *Cory Booker*).

“While a national NIL bill seems many months away and the NCAA’s own legislation is delayed, the states are taking matters into their own hands”, writes SI.com. “At least a half-dozen states—Mississippi, Iowa, New York, Maryland, Alabama and New Mexico—are inching toward passing bills relatively soon. The Magnolia State, in fact, is on pace to adopt NIL legislation by the end of the month, poised to join six other states that have previously passed NIL laws: California, Florida, Colorado, Nebraska, New Jersey and Michigan” (Dellenger, *Sports Illustrated*). While this is a huge step forward, there is still much more that will happen with NIL legislation in the years to come.

After doing all this research, I was shocked to learn that this new legislation hasn’t hit the federal level yet. When I first chose this topic, I had read a little bit about it and thought that the changes had already been made. Huge changes are being made and there are more to come. New legislation is being introduced every week. It’s clear that there is a large group of people who think the NCAA needs to allow NIL payments for college athletes.

TAX

According to James Moore CPAs and Consultants,

Under current tax law, individuals receiving income from any arrangement involving use of their name, image or likeness must report that compensation as income on their personal federal tax returns. This includes not only cash but also the fair market value of items or services received. For example, an athlete given use of a car for one year from a local dealership for appearing in their commercials must report the value of that usage as income.

As with any other taxpayer, a return must be filed if the athlete makes at least \$400 of self-employment earnings in the tax year. The standard deduction (\$12,200 in 2019) also applies, so athletes earning less than that amount will not owe federal income tax. However, self-employment tax is still on the table— an additional 15.3% tax on top of the income tax. This applies even if the athlete doesn’t owe federal income tax.

Because the IRS looks at net income from these activities, athletes could take some deductions. This is limited to costs directly related to the income-generating work, such as travel expenses, supplies purchased, vehicle mileage, etc. (Expenditures covered by the student-athlete’s school would not qualify for deduction) (Davis, *James Moore*).

Grayce Spangler, a University of Arkansas women's basketball player, gets paid a stipend every month through her scholarship to pay for rent, groceries, utilities, etc. This payment has never been taxed before. Spangler did say that she had a teammate from Africa who got her stipend taxed (Spangler, Personal Interview). During my interview with Professor JaLynn Thomas, a tax professor at the University of Arkansas, Thomas said that the paying of athletes will most likely be under royalty income or self-employment income. Royalty is intangible income similar to investment income which isn't considered salary. It is tied to what the athletes do. The royalty on athletes, however, will be taxed differently than a usual royalty. According to Professor Thomas, the student athletes' earnings will most likely be considered self-employment income. Social media posts and personal appearances would be treated as a separate business and that would be self-employment (Thomas, Personal Interview).

When filing your taxes, if you're employed, you pay 7.65% withholdings, and your employer pays 7.65% withholdings. However, if you're self-employed you have to pay both which is 15.3% withholding. This is called self-employment tax. Professor Thomas estimates that the athletes getting paid will fall into the 12% - 22% tax bracket which takes 37% (including the self-employment tax) of their money right off the top. Self-employment tax plus the regular tax rate is the tax rate they must pay. Additionally, when someone is self-employed, they are required to send a payment to the government every 3 months as well as file their own tax returns. Professor Thomas said the athletes should acquire CPAs, attorneys, etc. to help them with all of this and believes the schools these athletes attend will help teach them and get them in touch with the necessary people (Thomas, Personal Interview).

At the end of every year, the student athletes will receive a 1099 statement from the company they marketed for. A 1099 statement reports earnings from self-employment income. This will aid the athletes when filing their taxes and for example, if they are filling out a Schedule C form for a personal appearance, they have the exact amount paid, who paid them, etc. from the 1099 statement (Thomas, Personal Interview).

In an article from InsideHigherEd.com, Senator Richard Burr, a Republican from North Carolina, states "if the NCAA allows college athletes to be paid through sponsorships, he [will] introduce a bill that subjects athletes' scholarships to income taxes. He said the legislation would apply to athletes who decide to participate in third-party compensation." Representative Mark Walker tweeted out a response to Senator Burr posting "If scholarships are income, that makes them employees, not student-athletes. This isn't about income. It's about basic rights that every other American has to their own name. #StudentAthleteEquity" (Anderson, *Inside Higher Ed*).

MARKETING/BUILDING THEIR BRAND/AGENTS

Social media will take on the biggest role in building an athlete's brand. It is the fastest way to become well-known by the largest number of people. Consumers are on social media at all hours of the day. Chase Claypool, a rookie wide receiver for the Pittsburgh Steelers, joined TikTok in October of 2020 and has already amassed a following of 1.4 million people. Due to this, Chase has becoming extremely popular among sports fans and non-sports fans alike. This has brought him brand deals with companies like Snickers and Jordan Brand. It's true that he would've been a semi well-known figure just due to being an NFL athlete, but now he's known all-around the world and is beloved by fans of all sports teams, not just his.

The power of social media is real. Once an athlete can market themselves on social media, they will skyrocket in popularity. Plus, social media is a time to showcase individuality and basically show-off. If the athlete wants people to know they volunteer at charity events a lot, then they can post about it all the time. Ezekiel Elliott, running back for the Dallas Cowboys, always posts when he is doing events with the Salvation Army or hosting football camps for kids. Due to this, he is seen as a charitable person.

Another example of social media being powerful is shown through the Auburn basketball team. More specifically, the bench players. The Auburn basketball team bench has a TikTok with a following of over 97,000 and they've collaborated with the NBA on TNT show, Charles Barkley, and Madison Prewett from *The Bachelor*. With these new changes, it's likely that only a small percentage of the student athletes from every school will have the opportunity to receive payments for NIL. However, the Auburn Bench TikTok has made the bench players so popular that they will most likely be given those opportunities as well.

Will this legislation lead the way to brand deals like shoes and sports drinks for college athletes? As soon as Zion Williamson became eligible to make money, he signed a shoe deal with Jordan Brand. Clutchpoints.com wrote in an article, "in 2019 before ever playing a single [NBA] game, Zion inked a deal reportedly worth \$75 million dollars through 7 years, to be a member of the Jumpman family" (Salao, *ClutchPoints*). Is there a possibility that a star college player could get a similar deal while still being a student athlete?

Student athletes are required to sign a bunch of papers (i.e., contracts, etc.). In an interview, Grayce Spangler talked about the HIT (Hogs In Transition) course that all student athletes take that is required by the athletic department. In this course, the athletes are taken through their contract and specifically told what they can and cannot do (Spangler, Personal Interview). It's a huge perk that the University of Arkansas has this course because I can't imagine how tough it is to understand a contract you signed when you're 18 years old. The hope is that all athletic programs have this kind of course or something similar in place. If not, I can see student athletes signing away certain things that they don't know about. Does this lead the way for the possibility of allowing agents to make sure the athletes are being represented well? Callie Conway, the Director of On-Campus Recruiting for the Arkansas Razorbacks football team, believes there will be some sort of representation provided to the athletes, whether it's through the school or an outside company (Conway, Personal Interview).

Social media is such a huge part of the world now that anyone can market themselves as long as they have an account and a strategy. Some student athletes will figure out how to build their brand on their own, but there will definitely be a need for someone to help those who don't. My hope is that the schools will provide these experts for their student athletes.

BEING SMART WITH THEIR MONEY

Knowing how to handle an influx of money will be difficult for some athletes. The hope is that each institution will provide the necessary people to help collegiate athletes. However, if this is not the case, here are some financial tips for college athletes once they earn their money. From interviews with legends like Shaquille O'Neal, these athletes can learn how to use their money with long-term ideas in mind instead of short-term.

According to Business Insider, star NFL tight end Rob Gronkowski retired with his entire NFL career earnings (\$54 million). Gronkowski told Business Insider that he only lived off endorsement earnings. “He followed a simple rule: keep it simple by saving surplus money”. Gronkowski saved every penny he made from the NFL and only spent his surplus income from commercials, endorsements, brand deals, etc. This allowed him to retire comfortably and not spend his career earnings unwisely (Hoffower, *Business Insider*).

In an interview with Business Insider, NBA Hall of Famer and legend Shaquille O’Neal details the time when he spent a million dollars in one day. He bought 3 cars, diamond rings, TVs, and more. The next day, his bank manager called him and said that professional athletes get a lot of money but once their career is over, they are left with nothing because they blow it all and I don’t want you to be one of those guys. That day, Shaq hired a money manager and has since become smarter with his money (Flanagan, *Business Insider*). In an interview with CNBC, one of Shaq’s financial tips is to save 75% of what you earn and spend 25% as you please. Throughout the whole interview, Shaq harps on saving. “Save, save, save” is his advice for managing money (White, *CNBC*).

Grayce Spangler, a member of the Arkansas women’s basketball team, has a full ride scholarship at the University of Arkansas. Through this scholarship, she has her tuition paid in full and gets paid a *little extra on the side for room and board*. Every month she receives a check. Student athletes who live on campus are given \$4,000 a year to pay for food, etc. Student athletes who live off campus are given \$11,000 a year to pay for rent, utilities, groceries, etc. Since they are busy with their sport, they are unable to hold jobs to pay for necessities like this, so this is how they pay for it. Spangler said that some student athletes send some of the money they receive to their families to help out at home. Freshman year, it was hard for Spangler to budget the \$4,000 she received because she had never had her own money before. She was given \$400 a month and would spend it all almost immediately. Luckily, the women’s basketball program has a person on staff who is there solely to help make sure athletes are budgeting correctly (Spangler, Personal Interview).

A CNBC article discussing a famous wealth manager of superstar athletes states a professional athlete “[needs] an enthusiastic, supportive and trustworthy individual to guide them when it comes to their personal finances, especially as most are overwhelmed with the sport and don’t have time to properly manage their money” (Booth, *CNBC*).

According to Joe McLean, wealth manager of superstars in the NBA, NFL, PGA, MLB and NASCAR, when it comes to professional athletes, “the commonality is that with great abundance comes less discipline.”

McLean is the founder of financial services firm Intersect Capital, which specializes in servicing the unique financial planning needs of business owners, entrepreneurs, athletes, and entertainers.

A three-bucket strategy:

To become financially secure, McLean requires that all his athletes fill three buckets. “There’s a safety and security bucket, which is an entire season’s worth of cash to support your fixed costs.” If a player owns a home, this strategy includes a plan to pay it off before the end of the [contract]. Finally, “life

insurance or things you have to do to take care of yourself goes in that safety and security bucket,” he said.

Once the athlete has filled that, McLean then moves on to the growth bucket. “This teaches people that cash is not king but cash flow is king. How are you going to create income that will come to you when all of these checks stop coming? That may be teaching about diversification and what dividend-paying stocks are, what type of income-producing real estate you can be in, what are tax-free bonds. We start filling that bucket to produce income that they can live off later.

The last bucket, he said, is the dream bucket. “That’s typically the second or third car that they shouldn’t buy but they can, the second home, or if they want to go out and be an entrepreneur and learn about other businesses.” (Booth, *CNBC*)

Another resource for athletes could be found from current MBA programs. According to *Financial Times*, there are MBA programs for professional athletes to improve their business acumen and broaden their understanding of the business world. In a sense learning how to handle money and go into business after playing their sport. In the article, New Orleans Saints linebacker Demario Davis spoke about his experience with one of these programs. He “learns alongside non-NFL students” and “studies during the offseason.” Davis “thinks [it’s] important to have a broad understanding of business to make the most of the opportunities available to players. “You are your brand, you are your business,” he says”. Programs like “Harvard Business School’s semester-long Crossover Into Business program for professional athletes follows a 2017 pilot, which paired 10 National Basketball Association players and recent retirees, who wanted to improve their business acumen, with MBA student mentors. Tuck School of Business at Dartmouth College in [Hanover] will host 35 sportspeople in April for the third session of its two-week Next Step: Transition to Business general management certificate program for elite athletes and military veterans” (Youde, *Financial Times*). These programs are being provided for professional athletes to transition to business. Why can’t there be a program for college athletes on improving their business acumen?

ATHLETE APPROVAL

In an article from *Bleacher Report*, star NFL running back Adrian Peterson said he believes college athletes should be paid. Peterson spoke to Bob Goessling of *ESPN.com*:

They're trying to make basketball players go two years in college. Wow. I wonder why? Think about it -- just imagine if LeBron James had been in college for two years. How much money would that college have made off LeBron James? They would have made so much money off LeBron James. It's about the freedom to do as you want and make your own decisions.

Nobody wants to live in the dorms for four years. You see the guys who are older, and they have responsibilities. I feel like, as much money as universities make, some of that should come down to the players, as well. (Polacek, *ESPN*)

According to The Washington Post, LeBron James is a huge advocate for college athletes getting paid for their NIL. If LeBron would've gone to college, he would've attended Ohio State University. In the article, he says this:

“That No. 23 jersey would have gotten sold all over the place without my name on the back, but everybody would have known the likeness,” James told reporters at Lakers practice Monday as he imagined a pit stop in Columbus. “My body would have been on the 2004 NCAA basketball video game. And the Schottenstein Center would have been sold out every single night if I was there. Me and my mom, we didn't have anything. We wouldn't have been able to benefit at all from it. The university would have been able to capitalize on everything.” (Golliver, *The Washington Post*)

Many former college athletes advocate for NIL payment opportunities for collegiate athletes. In 2016, current and former college athletes received money for the first time due to their likeness being profited on. This money came from a settlement in the case of O'Bannon v. NCAA (Solomon, *CBS Sports*). In July 2009, former “UCLA basketball star Ed O'Bannon and thousands of former Division I men's basketball and football players alleged that the NCAA, its members, and its commercial partners violated federal antitrust law by unlawfully foreclosing former players from receiving any compensation related to the use of their names, images, and likenesses in television broadcasts, rebroadcasts, and videogames” (United States District Court, Northern District of California, *O'Bannon v. NCAA, Hausfeld*). Many athletes were sent checks once the lawsuit was settled and paid for the first time for their likeness being used without their permission. In an article from CBS Sports, the NCAA chief legal officer Donald Remy said in 2014 “in no event do we consider this settlement pay for athletics performance” (Solomon, *CBS Sports*). The EA Sports NCAA game was cancelled due to this lawsuit but as of recent date, it is being revived. This could be due to the new NIL legislation being voted on.

In 2016, SI.com issued a story about how the Northwestern University football team almost unionized. Ramogi Huma, a former UCLA linebacker and founder/president of the National College Players Association (NCPA), and Kain Colter, Northwestern's starting quarterback (at the time), had a plan to unionize the Northwestern football team. The pair's biggest concern when detailing why they were unionizing was issues with long-term healthcare for athletes. In a press conference, Colter stated “the current model resembles a dictatorship, where the NCAA places these rules and regulations on these students without their input or without their negotiation” (Nocera and Strauss, *Sports Illustrated*).

Grayce Spangler welcomes this new legislation. She thinks that it will be a great triumph for athletes who have earned the ability to profit off of their name, image, and/or likeness (Spangler, Personal Interview). Callie Conway believes that this will help out student athletes a lot. When asked if any coaches or athletic staff oppose the new legislation, she responded “if they do, they will never admit it.” This change is a long time coming and it will only benefit players, so for any coaches to be upset about it would be wrong (Conway, Personal Interview).

Many athletes from all different sports support the changes that are happening in the NCAA. Through my research, I read and heard from coaches, players, recruiters, etc. and every one of them agree that college athletes should be able to profit off of their NIL.

ETHICAL IMPLICATIONS

There will be student athletes that aren't paid. This legislation will allow for the athletes to get paid if their name, image, and/or likeness is used for profit. Not every athlete will have their NIL used for profit, therefore they won't receive any payments. This is fair because the athletes that are paid earned their money. Universities like the University of Arkansas will most likely have more student athletes earning money from NIL than schools such as UCLA or Pittsburgh because the Razorbacks are all the state of Arkansas has when it comes to sports. States like California or Pennsylvania have many professional sports teams that will more than likely take up a lot of the advertising gigs. This will result in colleges like the University of Arkansas most likely having a recruiting advantage over schools like UCLA. Another thought is there will definitely be programs where no athletes will get paid at all. Small colleges in big cities will probably go unseen by the masses so a company won't want to make any sort of brand deal or pay them for advertisements. Could this new recruiting advantage (i.e., better payment opportunities at certain schools) lead to more corruption in the NCAA? As previously mentioned, schools like Southern Methodist University have been given "the death penalty" for paying players. There is a major possibility that these colleges will be able to use this new legislation to pay players "legally".

Is it ethical for coaches, athletic directors, schools, etc. to make money off of the players while the players earn nothing? After Johnny Manziel won the Heisman Trophy in 2012, Texas A&M University, where he was the quarterback, announced a record donation total of \$740 million dollars in 2013. That was \$300 million dollars more than the previous year's donation total. According to NFL.com, The Chancellor of Texas A&M, John Sharp, credited Manziel for the new influx of donations, saying "[when] you have a young man like our quarterback who has been a media magnet and you have the success you have, I do think that euphoria does spill over into success in fundraising" (Goodbread, *NFL*). This shows that an important reason A&M was given more money was due to Manziel. Yet, he wasn't given a single dime.

For example, the Duke men's basketball program is one of the most famous and highly watched teams in the country. In the 2019 season, Zion Williamson was the face of the team. Only 18 at the time, he was posted on every Duke social media account, his face was on banners that hung all over campus, and ESPN used his highlights to draw in viewers. Duke's jersey sales more than doubled the year Williamson was on the team and tickets for Duke road games went up 200% (Dodson, *Forbes*). Since he was an NCAA athlete at the time, he got zero compensation from any of this.

In 2019, James Wiseman, a freshman basketball player from the University of Memphis, was punished by the NCAA because his family accepted \$11,500 from Penny Hardaway, former University of Memphis star player, to help Wiseman move to Memphis in 2017. Hardaway, at the time, wasn't a staff member at the University of Memphis and wasn't paying Wiseman for recruiting purposes but the NCAA deemed Hardaway a university booster due to his \$1 million donation to the university in 2008. Wiseman was ordered to pay back the \$11,500 and suspended 12 games. However, he couldn't pay that back because he was a normal college student who didn't have any money even though he was the face of the University of Memphis basketball team. The NCAA rules are too strict and make it hard for their athletes to thrive given the demands of the program. The full scholarship doesn't pay for everything in terms of food, living, and other costs. Some people argue that student athletes are getting paid in education but for

sports like basketball and football, these players aren't 100% focused on their education. In 2006, the NBA made a new rule that states that players must be one year removed from high school before they can enter the draft, so a lot of players go to college (Wojnarowski, *ESPN*). This is the most popular option because it gives players a year of games, practice, and notability. This is another rule that stops exceptional players from getting paid when they should. They instead go to school for free and make no money when they could be signing multi-million dollar brand deals and contracts.

Similarly, according to an SI.com article, in 1995 All-American UCLA linebacker Donnie Edwards "told a local radio station that he didn't have enough money to buy food." A few days later, there was a bag of groceries left by an agent on Edwards' doorstep worth about \$150. The NCAA found out and Edwards was suspended for one game. "The suspension had a profound impact on [Ramogi] Humana: UCLA could sell Edwards's jersey in the campus bookstore for \$50, but he couldn't afford dinner?" (Nocera and Strauss, *Sports Illustrated*). Is that ethical?

I say no. It isn't ethical for schools, faculty, and coaches to profit off players while the students doing the hard work are not allowed to share in the profits. It's not fair for student athletes to have long days and jam-packed schedules along with schoolwork and then be unable to pay for their dinner. The changes that are happening are only beneficial to the players.

POSSIBLE CONFLICT AMONG PLAYERS

During my meeting with Callie Conway, she informed me that there wouldn't be any more jealousy than there already is. Jealousy is already a thing on every team. With the football team in particular, players get interviewed and put in the spotlight quite frequently and there are always players who believe they should be in that position. For example, Hudson Clark, a redshirt freshman who plays cornerback for the team, had 3 interceptions in the Razorbacks win against Ole Miss. Due to this, he received loads of attention and publicity the week after the game. This attention is the same as the attention the players will receive with brand deals and such. In Callie's eyes, it's no different (Conway, Personal Interview).

Grayce Spangler would agree with Callie. Before the NIL laws have been put in place, there already is jealousy among the women's basketball team. Chelsea Dungee, the star of the team, is a projected top 5 pick in this year's WNBA draft. She is targeted way more often than the rest of her teammates when it comes to tv close ups, highlight reels, etc. Spangler said it sometimes gives her teammates a negative attitude because they think they deserve some of that attention just as much as Dungee does (Spangler, Personal Interview).

The evidence gathered from interviews suggests that yes, there is a possibility of conflict among players if they are paid for their NIL. However, it won't be much different from the conflict already among these players. Jealousy stemming from playing time and media attention is already happening on college sports teams. NIL payment opportunities could bring out more jealousy, but it won't change how the team acts with their players due to the familiarity of team jealousy.

WILL SCHOOL STILL COME FIRST?

One issue I keep seeing pop in articles is that once athletes are paid, they won't focus on school as much anymore. Critics say that these athletes will essentially become "professionals" once paid and won't worry about doing well in school. This could be combatted by having a GPA requirement to play or making class attendance mandatory.

In an article in the Chicago Tribune, the author argues against NCAA's stance that paying student athletes will disrupt their education:

There's no connection between cash in a player's hands - or a W-2 form in their mailbox — and their ability to open a textbook or show up to class. But that hasn't stopped the NCAA from making this case in the court of public opinion and, more recently, in federal court.

The NCAA is telling Wilken that paying players would have "staggering and destructive implications" for college sports — and for the educations of campus athletes. "Maintaining amateurism," the organization says on its website, "is crucial to preserving an academic environment in which acquiring a quality education is the first priority."

How so? According to the NCAA, paid players would study less and play sports more. As its former vice president Oliver Luck once explained, paychecks and the "opportunity to do an autograph signing, or an endorsement" would "distract" campus athletes from "what's really important, which is the educational component."

Moreover, the NCAA asserts that permitting pay would make athletes less integrated into their campus communities. If an "athlete was being paid and it changed significantly their lifestyle," NCAA President Mark Emmert testified in a previous federal antitrust case, "they probably would not be living in a residence hall. They probably would not be eating in the cafeteria, they probably would not be as — as active a member or participant in the life of a campus." (Hruby, *Chicago Tribune*)

Callie Conway believes this will be a positive change for the athlete's education. There has always been eligibility rules, but the eligibility rules will move over to "if you don't have the grades, you aren't allowed to make the post." She told me that the department is talking about doing something like "if you have a certain GPA, you will get incentives" (Conway, Personal Interview).

Grayce Spangler believes that attendance won't be an issue when it comes to student athletes. Every freshman athlete has to be checked into every single one of their classes. The class checkers, usually athletic department staff, have every athletes' schedule and makes sure they attend every class. After freshman year, most athletes don't have class checkers unless you have a low GPA in which case you are still assigned one. Another way athletes will be able to keep up with their studies is the team academic advisor. A perk of being a student athlete is that you get to pick your classes before every other student. This allows the athletes to get the best classes that work with their schedule (Spangler, Personal Interview). If promoting on social

media or anything like that becomes a big part of the athlete's life, then I'm sure the academic advisor will help them plan out their class schedule to best suit their activities.

ARKANSAS ATHLETIC DEPARTMENT (SPECIFICALLY)

I met with Callie Conway and spoke to her about the impending NCAA legislation. Conway told me that the University of Arkansas has created a new Administrative AD position to be the head of all things related to NIL. According to WholeHogSports.com, Hunter Yuracheck, the University of Arkansas Athletic Director, and the University's athletic department has advertised for a new senior athletics director role that will "serve as a facilitator for athletes in their personal branding." "The position will be called a senior associate athletic director for athlete brand development and inclusive excellence" (Murphy, *WholeHogSports*). According to Callie Conway, this new position will entail things like setting up informative classes for the athletes (for example: how to network yourself on and off social media). She also said that the athletes will need some sort of representation whether provided by the university or through an outside company. Conway mentioned that the NCAA could also pass legislation that has to do with the athletes being able to hire agents (Conway, Personal Interview).

Callie Conway said that she believes social media will be the biggest part in all of this. Most athletes will get deals to do brand-sponsored Instagram or TikTok posts rather than commercials. She told me she thinks it will help out the female athletes a lot because they are better at social media management compared to the male athletes (Conway, Personal Interview).

A lot of athletes won't be affected by this legislation. Doug Case, the men's track coach at the University of Arkansas, told me that he only knows of one athlete in particular who will be affected by this: Hunter Woodhall. Woodhall is a Paralympian and track athlete at the University of Arkansas as well as a strong social media personality. He's well-known for his TikTok and YouTube channel. With the NCAA's rules before this new legislation, it made it difficult for Woodhall to post anything related to Arkansas track without making sure it doesn't break any rules (Case, Personal Interview).

Grayce Spangler has been approached by different brands and companies to post paid ads on social media and to promote their products. With the current laws, Spangler isn't allowed to accept these offers due to her contract with the school. She won a half-court shot raffle at a high school basketball game and couldn't collect the prize money of \$150 because she was "using her sport to make money" (Spangler, Personal Interview).

I'll be interested to see how the University of Arkansas handles these changes and how involved the new administrative athletic director in charge of NIL is with the whole process. The University has many marketable athletes from Woodhall to Moses Moody, a Razorback basketball player and projected top-10 NBA draft pick. The university will have a lot of work cut out for them, but it seems like all of their moves so far have been headed in the right direction.

OPINION

One reason cable giants like ESPN still pay for the rights to broadcast college games is the players. College athletes are some of the hardest working people in this country. College is hard enough but adding travel, practices, and games to the already rigorous course load is sometimes too much to handle. I believe that athletes should be compensated but not as many would think. Personally, I think college athletes should be allowed to financially benefit if their NIL is used for profit either from a company, their school, or the NCAA. I don't think college athletes should be paid a direct salary by the school. The schools have an approach to provide benefits based on expected contributions and skill-level in the form of scholarships, dorm options, coverage of meal plans, etc.

If schools paid athletes a regular salary, it would create a few problems that would be very difficult to solve. First, some schools have more money to spend than others so some athletes might choose schools based on payment alone instead of the program itself. Second, colleges get most of their athletic revenue from football and basketball. Does this mean they should pay the football and basketball players more than the soccer and volleyball players? It's a tough question to answer and one many colleges would have to resolve. Third, if colleges paid every single athlete a lot of schools would accumulate debt because of how many players they would have to pay. These are valid arguments considering programs are dependent on the revenue they get from athletics and this new expense would mean a huge additional expense to the budget. My position is that college athletes should be compensated if they are personally being used to promote university athletics for profit. In conclusion, I don't think student athletes should be paid directly from their schools as a sort of salary or income. Now, if the student's NIL is used for profit such as a banner hanging around school that is meant to bring in people to buy tickets then I think the school should pay them for their NIL being used. If they are asked to promote a product on social media or make an appearance at an event then they should be allowed to receive compensation from that company. Every student is allowed to get paid for their NIL being used except if that student is an athlete. It's interesting that students who work the hardest are deprived a right that ordinary students possess.

APPENDIX

(A)

- (a) **Use of Athletics Skill for Pay.** Use of athletics skills for pay in any form in that sport.
- (b) **Acceptance of a Promise of Pay.** Acceptance of a promise of pay even if such pay is to be received following completion of intercollegiate athletics participation.
- (c) **Receipt of a Salary, Gratuity or Compensation.** Receipt of any direct or indirect salary, gratuity or comparable compensation for participation in athletics.
- (d) **Receipt of Any Division or Split of Surplus.** Receipt of any division or split of surplus (e.g., bonuses, game receipts).
- (e) **Contract to Play Professional Athletics.** Signing a contract or commitment of any kind to play professional athletics, regardless of its legal enforceability or any consideration received.
- (f) **Receipt of Funds From a Professional Team.** Receipt, directly or indirectly, of a salary, reimbursement of expenses or any other form of financial assistance from a professional sports

organization based on athletics skill or participation, except as permitted by NCAA rules and regulations.

(g) **Competition on a Professional Team.** Competition on any professional athletics team (per Bylaw [12.02.6](#)), even if no pay or remuneration for expenses was received.

(h) **Agreement With or Benefits From an Agent.** Entrance into an agreement with or receipt of benefits from an agent.

(i) **Educational Expenses.**

(1) Receipt of educational expenses not permitted by the governing legislation of this Association (see Bylaw [15](#) regarding permissible financial aid to enrolled student-athletes).

(2) Receipt of educational expenses provided to an individual by an outside sports team or organization that are based in any degree on the recipient's athletics ability [except for financial aid that is received from a team or organization that conducts a competitive sports program by an individual who is not a member of that team or organization (see Bylaw [15.2.2.3](#))], even if the funds are given to the institution to administer to the recipient.

(j) **Receipt of Cash Award for Participation.** Receipt of cash, or the equivalent thereof (e.g., trust fund), as an award for participation in competition at any time, even if such an award is permitted under the rules governing an amateur, noncollegiate event in which the individual is participating. An award or a cash prize that an individual could not receive under NCAA legislation may not be forwarded in the individual's name to a different individual or agency.

(k) **Expenses or Awards Not Permitted by Amateurism Rules Governing Events.** Receipt of expenses incurred or awards received by an individual that are prohibited by the rules governing an amateur, noncollegiate event in which the individual participates.

(l) **Expenses Above Actual and Necessary Expenses From Outside Amateur Sports Team or Organization.** Receipt of expenses from an outside amateur sports team or organization in excess of actual and necessary travel, room and board expenses, and apparel and equipment (for individual and team use only from teams or organizations not affiliated with member institutions, including local sports clubs as set forth in Bylaw [13.11.2.4](#)) for competition and practice held in preparation for such competition. Practice must be conducted in a continuous time period preceding the competition except for practice sessions conducted by a national team, which occasionally may be interrupted for specific periods of time before the competition.

(m) **Expenses From Nonpermissible Entities.** Receipt of any expenses, including actual and necessary expenses or any other form of compensation, to participate in athletics competition (while not representing an educational institution) from an agent, representative of an institution's athletics interests or professional sports organization. *(Revised: 1/21/17)*

(n) **Unspecified or Unitemized Expenses.** Payment to individual team members or individual competitors for unspecified or unitemized expenses beyond actual and necessary travel, room and board expenses for practice and competition.

(o) **Payment Based on Place Finish.** Any payment, including actual and necessary expenses, conditioned on the individual's or team's place finish or performance or given on an incentive

basis, or receipt of expenses in excess of the same reasonable amount for permissible expenses given to all individuals or team members involved in the competition.

(1) **Exception -- Prize Money Based on Place Finish -- Individual Sports.** In individual sports, a student-athlete may receive prize money based on place finish or performance in an open athletics event. The competition must occur outside the institution's declared playing season during the institution's official vacation period. In addition, such prize money shall not exceed the student-athlete's actual and necessary expenses and may be provided only by the sponsor of the event. Actual and necessary expenses shall not include the expenses or fees of anyone other than the student-athlete. (*Adopted: 1/21/17*)

(p) **Prize for Participation in Institutional Promotional Activity.** Receipt of a prize for participation (involving the use of athletics ability) in a member institution's promotional activity that is inconsistent with the provisions of Bylaw [12.5](#).

(q) **Pay for Competition Involving Use of Overall Athletics Skill.** Participation for pay in competition that involves the use of overall athletics skill (e.g., "superstars" competition). (See Bylaw [12.5.2.3.3](#) for exception related to promotional contests.).

(r) **Preferential Treatment, Benefits or Services.** Receipt of preferential treatment, benefits or services because of the individual's athletics reputation, skill or pay-back potential as a professional athlete, unless such treatment, benefits or services are specifically permitted under NCAA legislation.

SOURCE: NCAA

(B)

ATHLETE, SCHOOL	SPORT	TWITTER/INSTAGRAM		
		TOTAL FOLLOWERS	POST VALUE	POTENTIAL EARNINGS
Paige Bueckers, UConn	WBB	502,512	\$20,962	\$670,783
Trevor Lawrence, Clemson	CFB	578,027	11,371	454,855
Justin Fields, Ohio St.	CFB	525,058	12,721	407,087
Haley Cruse, Oregon	SOF	290,150	4,210	117,891
Anthony Edwards, Georgia	MBB	192,763	3,865	92,749
Obi Toppin, Dayton	MBB	70,102	1,589	50,832
Spencer Lee, Iowa	WRE	122,422	1,645	26,316
Dana Rettke, Wisconsin	VOL	25,475	438	12,251

ATHLETE, SCHOOL	SPORT	TWITTER/INSTAGRAM		
		TOTAL FOLLOWERS	POST VALUE	POTENTIAL EARNINGS
Austin Martin, Vanderbilt	CBB	32,264	519	10,372
Rhyne Howard, Kentucky	WBB	12,439	268	6,441
Kendyl Lindaman, Florida	SOF	9,719	164	3,282
Yossiana Pressley, Baylor	VOL	9,550	158	3,165
Patrick Glory, Princeton	WRE	12,560	211	2,533
Spencer Torkelson, ASU	CBB	8,501	155	2,478
Catarina Macario, Stanford	WSOC	11,341	117	2,332
David Egbo, Akron	MSOC	1,923	41	495
Giovanni MontesDeOca, UNC	MSOC	1,200	30	355
Mikayla Colohan, BYU	WSOC	2,629	22	267

Numbers of total followers on Twitter and Instagram are as of May 13, 2020.

SOURCE: OPENDORSE

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