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The Impact of NIL on College Athletes: Financial Opportunities and Challenges

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The Impact of NIL on College Athletes: Financial Opportunities and Challenges

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Introduction

The National Collegiate Athletic Association is a member-led organization dedicated to the well-being and lifelong success of college athletes. The NCAA provides opportunities for over 500,000 college athletes across three divisions to compete in 24 sports (NCAA.org). The term NIL has become a familiarized term around the NCAA for the last few years. In July 2021, the NCAA officially suspended the rules prohibiting athletes from benefiting from their name, image, and likeness (NIL). This historic shift has transformed the landscape of college athletics authorizing student-athletes to monetize their personal brands. Since the rule was lifted, athletes at this stage of their athletic career having the rules uplifted from NIL would be different from the most popular athletes at the time the NIL rule was applied. The term NIL stands for name, image, and likeness, and gives college athletes the right to control and gain profit from their name.

Over time, athletes clashed with the NCAA because the business and colleges were profiting from their names whether it is for ticket sales, merchandise sales, and other financials. The history of the NCAA with set rules and regulation on the word “amateurism” and the organization’s definition on the word is one of the main reasons why athletes participating in the NCAA haven’t been paid these past years. This paper explores the financial implications of NIL in college athletics, highlighting its benefits, challenges, and the potential disparities among athletes based on gender, sport, and school affiliation. My thesis is I am in support of compensating athletes because they are the driving force of the NCAA organization with intercollegiate competition.

NIL

Since its inception in 1906, the National Collegiate Athletic Association (NCAA), has long prohibited student athletes from earning anything beyond what academic and athletic scholarships could provide (Johnson, 2023). Students couldn't have any income coming to them from jobs or getting monetary and nonmonetary compensation. If students were caught breaking these rules it equated to losing playing eligibility and school sanctions. Following ongoing legal challenges and criticism of NCAA policies, the Supreme Court ruled in *NCAA v. Alston* (2021) that restrictions on NIL compensation violated antitrust laws. Defeated, the NCAA adopted temporary rule changes, essentially allowing for NIL activity among student athletes and instructing schools to set their own policies regarding the matter (Johnson, 2023).

Today we see the primetime sports such as football and basketball generate the bulk of the revenue for the NCAA which makes the athletes playing those sports some of the NIL top earners. This paper will compare the disparities between the athletes earnings based on the university the athlete attends and sports the male or female athlete plays. It will also validate how NIL comes into play on covering athletes' social dynamics and the ethical considerations on attending universities giving them NIL compensations.

Literature Review

While researching for this paper I found that there are many articles on NIL with college athletes in the past and present. Over the years numerous athletes and even fans of NCAA sports advocated to give the students a chance to earn an income from the university. I found one article that was quite interesting regarding getting NIL compensation for athletes through the years written by Luke Stephenson who graduated from the University of Georgia in 2020. In 2023, he

was a J.D. candidate at the University of Alabama School of Law when he wrote this article on how things changed for athletes regarding NIL including court cases, the positive and negative psychological effects, and even stories of athletes restricted from making an income due to the NCAA rules and regulations.

Stephenson writes “In 2017, Donald De La Haye was a kicker for the University of Central Florida. He also happened to have a YouTube channel that highlighted his life as a college athlete, that led to financial success as he monetized his videos and began to make significant earnings” (Stephenson, 2022, p. 276).

At a NCAA hearing he was given an option to either delete his channel or return the money he made, His decision was to choose his YouTube channel over continuing his football and educational career. He has gone on to gain 6 million followers on YouTube. Stephenson’s discussion of Donald De La Haye’s case illustrates the strict enforcement of NCAA regulations.

Before 2021, the NCAA strictly prohibited athletes from receiving compensation outside of scholarships. The bylaws placed in 1906 when the NCAA addressed the organization’s importance of amateurism. The introduction of NIL policies has fundamentally reshaped the financial landscape of college athletics, with projected market growth expected to reach \$3–5 billion within five years (Romboy, 2023), as stated in a thesis written by Jamison White. White was a senior at the University of New Hampshire, and he explored how financially NIL agreements affect student-athletes’ well-being and team perceptions. His results revealed that students at UNH who are engaged in an NIL deal did not experience more stress, but instead motivation. “The study also found neither a positive nor negative change in the perception of athletes who have been engaging in an NIL deal. These findings have important implications for

student-athletes. Athletes can now successfully enter into an NIL deal without the fear of additional stress or changed perceptions” (White, p. 3).

Financial Disparities

With money flourishing in the college sports landscape, it also can cause some disparities whether it's gender related or the athletic conference you compete in. For example, the funding of a major Division 1 program such as the University of Georgia will be much greater than the funding of the smaller Division 1 programs or less commercially appealing sports such as gymnastics or swimming. “ The financial advantages associated with NIL deals are not only influenced by individual differences but also tend to favor institutions located in larger markets that benefit from enhanced media visibility and wealthier alumni networks,” stated an article written by Hale Martin, an editor and chief for the Canyon Hills Chronicles at Canyon Hills High School. Also, from a gender standpoint, data from *Opendorse*, a prominent NIL platform, indicates that more than 60% of all NIL agreements are obtained by male athletes (Martin). This means that female college athletes compete for the remaining 40% of NIL agreements, often facing greater challenges in securing lucrative deals.

Table 1.

Percent of NIL earnings in 2022 and 2023 by gender

Percent of NIL earnings by gender

Male Female

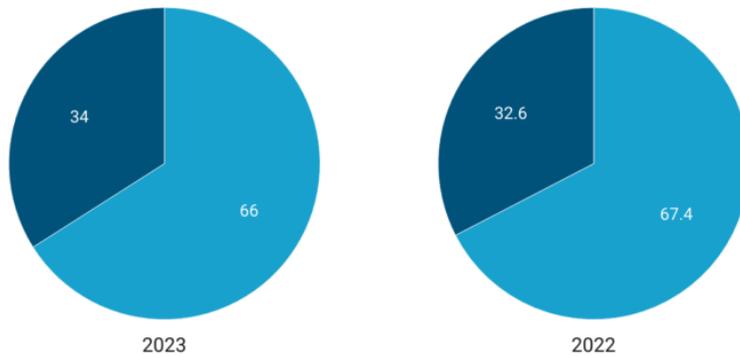


Chart: Lily Brody • Source: Opendorse • Created with Datawrapper

Note. Data from Opendorse that illustrates the percentage of NIL earnings by gender.

Source: Opendorse (male 2022, 2023; female 2022, 2023)

Table 2.

NIL predicted income for male and female athletes from 2021-2023 seasons

NIL Income Male v. Female Athletes Value (prediction)	2021-2022 Athletic Season	2022-2023 Athletic Season
Male Athletes	Sheduer Sanders: 6 million Arch Manning: 5 million	Bronny James: 5.9 million Caleb Williams: 3.2 million
Female Athletes	Paige Bueckers: 1 million Livvy Dunne: 3.4 million	Caitlin Clark: 3.1 million Sunni Lee: 1.5 million Flau'jae Johnson: 1.5 million

Note. Data from On3 that illustrates the comparison of male and female college athletes predicted NIL income.

Source: On3 (NIL valuations male, female)

In order to obtain these deals from their name, image, likeness (NIL) as an athlete they have to know how to properly manage their image off the field or court. In the new era where social media is so vital, you still have to present yourself on these sites as likable and great to work with if deals are offered to you. In a dissertation by Alyssa Adamson, she studies how student athletes and their mentors manage their personal branding. The definition for personal branding given by Alyssa in her dissertation states that “Personal branding represents one’s identity built over time based on certain accomplishments and one’s reputation” (Adamson, p. 18).

My purpose for writing this research paper is to investigate the impacts NIL have on college athletes whether it is financial and discriminatory. This paper will explain some of the athletes' experiences before the rules and regulations changed for the student-athletes and why the way the rules were before 2021.

History of Collegiate Athletics

The Beginning of College Sports (1700s-1800s)

On college campuses during the 1700s and late 1800s, athletic activities did not exist. It were highly regulated with faculty holding their university to high academic standards requiring the students to commit themselves to their studies fully. “Lewis noted that colleges adopted this rigid environment out of the belief that higher education should be about “intellectual development and moral improvement” (Czekanski & Siegrist, pg.4, 2024). Faculty viewed almost all extracurricular activities as distractions from learning, and games and sports were unwanted by faculty at these universities during these years.

Students would eventually act out against the faculty and the university, leading to vandalism across campus. “Riot and disorder were frequent, and each school year was marked by cases of personal assault upon members of the faculty, overturning of stoves and breaking of windows and doors” (Lewis, pg.223, 2013). To battle the campus chaos and provide students with healthy outlets for their energy, gymnasiums were built at universities at Boston, New York, Philadelphia, and Baltimore providing organized physical training to students. “Support for the establishment of physical education also came from editors of *The American Journal of Education*. But despite the efforts of educators and community leaders to interest students in formalized exercise, the gymnasium movement came to an end during the 1830s” (Lewis, p.223, 2013).

A decade later, in the 1840s, students began participating in “ball games” such as baseball, football, cricket, and other games. These games were initially played between the students at the same university who also took the time to organize and promote these activities. The development of individual institutional sport clubs ended when Yale created a boat club in 1843. The early clubs still did not engage in intercollegiate competitions but rather were founded and run by students to promote a sport and provide a social outlet for students within the university. This began to change in 1852, when the first intercollegiate athletic competition was held between Harvard and Yale in the sport of rowing (Czekanski & Siegrist, pg.4, 2024). The next few years intercollegiate athletics became prominent, the first intercollegiate baseball match being in 1859, the first football game in 1869, and the first track and field competition in 1876.

Late 1800s-1900s

The control of the students on athletics was short-lived as university faculty came to worry about the effect athletics was having on the student population. Many argued athletics was not becoming of a gentleman, reinforced unethical behavior, and was harmful to the ideals of higher education (Osborne et al., 2020; Smith, 2011). Additionally, faculty claimed sports were distracting students from their education. Issues continued to rise causing universities to take a serious look at intercollegiate athletics, specifically football: “William H.P. Faunce, the President of Brown University noted, “Football must be reformed (and)... new rules should be made punishing not only the individual, but the whole team for brutality... Less emphasis should be placed on avoirdupois, and more on intelligence, alertness and skill.” (New-York Tribune, 1905, p. 7, col. 3., para. 9). “From 1900 to 1905, over 45 football players died due to injuries sustained on the field; a tragic death toll for a ball sport in this era. In the 1905 season alone, 18 players died and over 100 sustained serious life-altering injuries” (Horne, p.10, 2021)

Colleges across the country convened the meeting led by United States President Theodore Roosevelt, to discuss what needed to be changed for sports. Some of the universities in attendance were Harvard, Yale, and Princeton. On December 28, 1905, 62 colleges/universities agreed to establish the Intercollegiate Athletic Association of the United States (IAAUS) to not only reform football but “intercollegiate athletics as a whole” (Carter, 2005, p. 218). The Intercollegiate Athletic Association Article VIII in their constitution and bylaws declared,

The Colleges and Universities enrolled in this Association severally agree to take control of student athletic sports, as far as may be necessary to maintain in them a high standard of personal honor, eligibility, and fair play, and to remedy whatever abuses may exist.

The constitution went on to address the issues behind amateurism and eligibility. The first person ever to recommend collegiate athletes to be paid for their athletic services to the university they attend was Captain Palmer Pierce of West Point. Captain Palmer Pierce of West Point spoke to the need to address the issue in 1905, stating a desire to reform “our supposedly amateur college athletics” in which “college players (are) not really amateurs, and (receive) various covert forms of payment... for their athletic services” (Carter, 2005, p. 218). To counter this statement, Article VI of the IAAUS constitution declared that member schools agreed to enact and enforce rules and regulations to prevent violations of amateurism. This banned stakeholders or any organizations involved within the university from supporting an athlete financially while attending school.

In conclusion, the new constitution and bylaws implemented by the IAAUS to change the rules to football reduces violence and injuries improved the public image of intercollegiate athletics. This even allowed the colleges and universities to maintain the respect of college sports and continue to make revenue off spectators. The IAAUS was able to grow its membership and expand its influence over college sport in subsequent years leading to the organization changing its name in 1910 to the National Collegiate Athletic Association (NCAA) (Carter, 2005).

1900s-Present day

The NCAA chose to divide its member institutions into Division I, II, and III in 1973. “The top revenue producers were funneled into Division I, where athletes could receive full athletic scholarships that covered tuition and housing. Division II athletes could receive partial athletic scholarships, and Division III athletes could not receive scholarships based on athletic merit” (Yost, 2010). Ultimately, NCAA member institutions differentiate themselves across

divisions based on funding of athletic programs, scholarships for student-athletes, and fan interest.

The Division I membership includes approximately 250 colleges and universities with more than 170,000 student athletes. Many athletes receive full or partial athletics scholarships covering their tuition, room, and board. “Within the Division I level, there are three subdivisions for football purposes. Football Bowl Subdivision (FBS) schools—what is typically thought of as “big-time” Division I—are eligible to participate in football bowl games. Football Championship Subdivision (FCS) schools participate in an end-of-season 24-team playoff. The third division is made up of Division I schools that do not sponsor football” (Shulman & Bowen, p. 9, 2012). This division has larger department operating budgets than their Division II and Division III counterparts, because of increased fan interest and television rights contracts with multiple networks. Payouts for television broadcasting contracts for football and men’s basketball can exceed \$25 million annually for some schools (Benedict & Keteyian, 2013).

The Division II membership incorporates more than 110,000 Division II student-athletes across approximately 300 Division II member institutions. For their athletic programs, Division II follows the partial-scholarship model for its student athletes. For example, at the Division II level, each football team receives the equivalent of 36 full scholarships that they divide up among a squad size that may be near 100 student-athletes. In comparison, at the NCAA Division I FBS level, a football team receives 85 full scholarships that may not be divided up; an FBS student-athlete either receives a full athletic scholarship or receives no athletic scholarship at all (NCAA, 2014b). This financial operating model helps them operate without large payouts from television contracts and ticket sales.

NCAA Division III level includes 450-member institutions with more than 180,000 student athletes who currently participate in Division III athletics. The primary distinction between Division III student athletes and their Division I and Division II counterparts is that they are not allowed to receive athletic scholarships (Shulman & Bowen, p. 10, 2012). These fundamental ideas are conveyed in the Division III Philosophy Statement (NCAA, 2014c):

[Division III institutions] shall not award financial aid to any student on the basis of athletics leadership, ability, participation or performance. (para. 4)

[Division III institutions] assure that athletics participants are not treated differently from other members of the student body. (para. 9)

In conclusion, the NCAA has become a prominent organization showcasing talented student-athletes. Since its establishment, this organization has showcased some of the superstars now in professional sports. Some believe this organization should implement compensation to student athletes, because it also provides exposure to the university.

Case Studies

O'Bannon V. NCAA Court Case

The first major court case considering athletes' images to make money off of their name, image, and likeness was O'Bannon V. NCAA. The lead plaintiff, Ed O'Bannon, was a former collegiate athlete who played on UCLA's national championship team in 1995. The lawsuit was

filed when he discovered his image was unauthorized and used in the college basketball video game. The current and former college football and basketball players argued that receiving a share of the revenues from the sale of their NIL violates the Sherman Act. The Sherman Antitrust Act is a federal law that prohibits monopolies, cartels, and trusts. It applies to the NCAA because it can restrict trade and commerce among states, which is illegal under the Sherman Act (Lodge, p.782). In an article by Meghan Price she states, “, the O’Bannon plaintiffs sought other revenue generated through the use of their NIL, such as in television licensing contracts and archival footage played on commercials, advertisements, and re-broadcasts.”

This court case caused many disputes between the student athletes and the NCAA. On August 8, 2014, District Judge Claudia Wilken ruled, in an unprecedented opinion, that Division I basketball and FBS schools may pay student-athletes a share of the revenue made from licensing student-athletes’ NIL (Price, p.179): “Judge Wilken enjoined the NCAA from prohibiting student-athlete compensation. However, Judge Wilken determined that the NCAA did not have to pay student-athletes, and the NCAA could also cap the amount at five thousand dollars,”. This decision by Judge Wilken made an immediate impact long term on the NCAA even particularly on FBS and Division 1 schools.

NIL Misconduct on Former USC Running Back, Reggie Bush

Reggie Bush is a former standout running back who played for the University of Southern California from 2003 through 2005. During his three-year tenure at USC, he became one of the most heralded athletes in college football history. He earned consensus All-America honors and Pac-10 Player of the Year accolades twice (2004, 2005). In 2005, Bush was honored with the Doak Walker Award and the Walter Camp Award and was named Player of the Year by the Associated Press and Sporting News. He led the nation with an average of 222.3 all-purpose

yards per game in 2005 and finished fourth in the NCAA with an average of 133.8 rushing yards per game. Concluding his career, he won the highest award in college sports, the Heisman Trophy.

A scandal involving Bush and his family overshadowed his magnificent college career. The NCAA determined that Bush and his family received improper benefits while he was a student-athlete (Ricco). As a result, Bush had to relinquish his Heisman trophy after an NCAA investigation found he received benefits of several thousand dollars and a vehicle months after he had been drafted in 2006 by the New Orleans. In his response Bush states, "While this decision is heartbreaking, I find solace in knowing that the award was made possible by the support and love of so many". "Those are gifts that can never be taken away" (Goldman). This decision by the NCAA labeled Reggie Bush as a so-called "cheater".

Since the NCAA stance changed for athletes profiting from their name, image, and likeness, there has been a growing drive to restore Bush's legacy. He was returned his Heisman trophy in 2023 but he thinks more should be done by the NCAA. In 2024, Bush decided to file a lawsuit against the National Collegiate Athletic Association (NCAA), USC, and the Pacific-12 (Pac-12) Conference. He claims these organizations profited from his name, image, and likeness (NIL) without ever compensating him. Despite changes in NCAA rules allowing current athletes to benefit from NIL deals, Bush alleges that the NCAA, USC, and Pac-12 have delayed any effort to address the exploitation that began during his college career and continues to this day (Ricco). For example, the defendants allegedly benefited from merchandising, including jersey sales, and through licensing deals with video game companies like Electronic Arts. Bush argues that these profits, tied directly to his name, image, and likeness, were earned at his expense and should be repaid.

In an interview with ABC News, Bush states why he filed the lawsuit against these organizations. "I'm still accountable to my teammates, to go and get these records reinstated because they took it from us for no reason, and nobody else is out here fighting for it other than me. And I'm blessed – you know, to have a beautiful healthy family, to have opportunities in front of us. Blessed to be able to continue to fight for what's right, fight for the truth, tell the truth, educate the world on the truth, get my trophy back." Bush wasn't the only athlete to challenge the NCAA before the rule change in 2021 on the compensation of college athletes.

Terrell Pryor NIL Scandal

Terrell Pryor is a former quarterback of the Ohio State University Buckeyes football team from the year 2008 to 2010. During his time at the university he had an impressive career throwing over 6,000 passing yards and 50 passing touchdowns. In his last year of playing he ended up leading the Buckeyes to the Big 10 Conference Championship and winning the Rose Bowl's most valuable player. Pryor's career with the Buckeyes is one of the best quarterback careers in their university history but it has been overshadowed by his actions off the field.

Pryor was involved in a scandal with the NCAA called the "Tattoogate" scandal. The scandal involved trading memorabilia and autographs for tattoos and cash. When the Buckeyes were preparing to play the Arkansas Razorbacks in the Sugar Bowl on Jan. 4, 2011, the NCAA suspended Pryor and four teammates for accepting improper benefits such as getting "free" tattoos by signing autographs at a tattoo parlor. Pryor also sold his 2008 Big Ten championship ring and his other memorabilia, including a gold pants trinket commemorating the Buckeyes defeat of the Michigan Wolverines (McCann, 2025). Even six months later, the school was under threat by the NCAA which made them vacate the twelve wins from the 2010 season and their Sugar Bowl championship. Pryor tried to avoid the consequences for the upcoming season at

Ohio State by entering the NFL Draft. Ultimately, before even entering the league, the NFL enforced a NCAA penalty costing Pryor his first five games of his career.

In October 2024, Pryor filed a lawsuit against Ohio State University, the NCAA, and the Big Ten Conference. “The lawsuit, filed in federal court in the Southern District of Ohio and obtained by The Dispatch, alleges they violated antitrust laws in restricting Pryor and other players from earning money from the use of their name, image and likeness” (Columbus Dispatch). Currently, Pryor is using social media to restore the Buckeyes’ accomplishments that were taken away by the NCAA. On his X account he states, “The time has come [NCAA and Ohio State] that we should get our wins back, records back and legacy of [Tressel] back.” Pryor explained that while the NCAA reinstating achievements “could never undo what we and our families endured for breaking rules that shouldn’t have existed in the first place,” it would nonetheless constitute a “huge step in the right direction.”

These two cases highlight how former athletes' struggles against the NCAA to be compensated for their hard work and dedication to their university football programs. These players faced backlash in their professional football careers over past situations in their college football career. Both players mentioned are prime examples of why the continuous fight of these athletes led to the rule of compensating athletes in 2021. Since July 1, 2021, the total projected NIL market has exploded from \$917 million in 2021-22 (Opendorse). Money has flourished the landscape of college athletics Division I college athletics have taken advantage of this opportunity, the other divisions such as Division II and III can figure out ways to incorporate compensating athletes at their levels.

Ways Division II and III Athletes Can Compromise On NIL

Eligibility and Opportunities

The world of collegiate sports has distinguished an important shift by bringing new opportunities with name, image, and likeness to not only Division I athletes but to Division II and III athletes. The common question for athletes in these divisions is can we as Division II and III athletes capitalize on getting NIL deals? The answer to this question is yes. With the right approach, these deals can be as impactful as those secured by Division I athletes by effectively leveraging their NIL rights for maximum benefits by, understanding the landscape of NIL, building a strong personal brand, and engaging actively with possible sponsors.

NIL eligibility means the ability to engage in activities such as securing endorsements, forming social media partnerships, and making personal appearances (AthleteNarrative). This insertion allows both Division II and III to capitalize on personal brands similar in scope to those in the Division I programs. Since the rule change in 2021, each division has the legality to explore local business or social media collaboration avenues fully.

In order to secure potential NIL deals it requires proactive effort and strategy from the athletes such as building a strong personal brand, engaging with local markets, utilizing their social media platforms, networking, and understanding the regulations. Their personal brand is the most powerful thing to have trying to pursue NIL deals. Athletes in divisions lower than Division I should focus on building a strong presence both online and within their communities. Both Division 2 and Division 3 colleges are generally very supportive of their student athletes maintaining a good personal brand for themselves to interact with local businesses to eventually get NIL deals. “Since D2 schools often have strong community ties, athletes can find valuable opportunities by partnering with local businesses or brands that align with their personal values and interests” stated in the blog by AthleteNarrative.

In 2023, college freshman Dieunerst Collin had a full circle moment to capitalize on an NIL opportunity. Collin is a football player at a Division II college named Lake Erie College in Painesville, Ohio. At nine years old he became famous for waiting in line at a Popeyes in Irvington giving a side-eye to the person recording him referring to him as Lil TerRio, a boy who was famous on the social media app Vine at the time. The stranger later posted a clip on Vine, the video-sharing app, where it went viral and became widely used as a GIF to express unease or bewilderment, along with captions such as “When your teacher catches you cheating on a test” (CNN).

To get his deal with Popeyes he used his social media accounts to help notify Popeyes that he wanted to contact them to achieve this deal: “On January 8, Collin posted a throwback of his viral photo on Twitter and Instagram and urged his followers to help him get Popeyes’ attention for an NIL deal. His fans rallied and tagged Popeyes in posts supporting Collin” (CNN). Within hours Popeyes sent him a private message and a company representative offered him an NIL deal. He was stunned that people from all over the country supported his effort. Collin stated, “A lot can happen with the power of the internet behind you,” Collin said. “I can’t believe I can say I’m officially sponsored by Popeyes. Thank you to everyone who helped spread the good word!”

At the Division III level, a football athlete named Jack Betts capitalized on the chance at gaining NIL opportunity. Betts is a wide receiver at Amherst College in Amherst, Massachusetts. In January 2022, Lifestyle Bands approached him, to see if he’d like to join their roster of NIL athletes. Soon this wide receiver cranked out dozens of emails a day to various companies (Amherst College). Sending those emails paid off and he gained over 40 plus NIL brand deals, with Omaha Steaks, Positivity Alkaline Water, Vintage Brand and Ekster. For Betts, it’s less

about the cash than the connections: “Because you never know, down the line, whether I do become an entrepreneur and I need some investors, I’ve got a heck of a network to tap” (Amherst College). Currently he has launched Make Your Own Legacy Academy in which he offers complimentary NIL help sessions to other players.

In summary, in order for Division II and III athletes to capitalize on getting NIL deals they have to utilize the communities built around the universities to achieve the deals they want. With the help of the athletic program directors of their universities, improved communication by centralizing information, using automation, and collaborating can make these deals possible for the athletes on campus.

Solutions

Laws and Policies

When the NCAA announced the new interim policy for NIL, there were limited details into what was allowed and not allowed to do with the respect of compensating athletes or helping them obtain compensation. From when the rule was uplifted in 2021 to now there has been more detailed guidance on the number of NIL-related issues. For example, an October 2022 advisory noted that schools weren’t allowed to “engage in negotiations on behalf of an NIL entity or a student-athlete to secure specific NIL opportunities” (Investopedia). But in April 2024, new guidance stated that “schools can identify NIL opportunities and facilitate deals between student-athletes and third parties.” Student-athletes are under no obligation to accept a school’s assistance. However, “member schools will be permitted to increase NIL-related support only for student-athletes who disclose their NIL arrangements,” stated in an article by Investopedia.

Even before the Supreme court ruling in 2021, some states have introduced their own laws extending NIL rights to college and even high school athletes. The first state to do so was

California in 2019. Because state laws differ from one another and from NCAA rules, the NCAA and other groups have called for a uniform federal law governing the practice. Many bills have been introduced in the U.S. House and Senate, but no federal law has passed to date including the difference between state and NCAA rules. Recently, North Carolina was one state to pass the law in October 2024 after a judge signed the order. Faizon Brandon's family filed a lawsuit against the State Board of Education and the Department of Public Instruction in August. "The lawsuit alleged the board overstepped its authority when it decided to ban high school NIL activities earlier this year, pointing to Senate Bill 452, which was passed in 2023 and directed the board to adopt rules allowing high school athletes to use their NIL" (HighSchoolOT). Faizon is one of the nation's top quarterbacks who plays at Grimsley High School. He is in the class of 2026 and is currently committed to the University of Tennessee to further his education. The lawsuit sought a preliminary injunction allowing NIL activities for North Carolina high school athletes.

Quid Pro Quo

Currently the NCAA rules require that any NIL deal to be a quid pro quo arrangement. Quid pro quo is a Latin phrase meaning "something for something" and refers to an exchange or agreement where one thing is given or done in return for something else. As for the NCAA, this means that athletes must do something in return for the money they are paid. According to the NCAA, "Student-athlete NIL agreements should include the expected NIL deliverables by a student-athlete in exchange for the agreed upon compensation, and student-athletes must be compensated only for work actually performed." This requirement is put in place to prevent anyone from paying an athlete simply for playing their sport and disguising it as an NIL payment. "Pay for Play" as it's often called, has long been forbidden under NCAA rules.

Player Contracts

Player contracts might be one fix for the transfer portal and NIL. Contracts can be a way to set eligibility limits of individual players. A good model for the NCAA to take a look into using is the FIFA regulated transfer process. FIFA ensures that training rewards are effectively paid to clubs involved in the training and education of young players, and at the same time it upholds and protects the financial integrity of the international transfer system. With the FIFA Football Agent Regulations, FIFA inter alia increases ethical and professional standards within the agent industry, it protects the good functioning of the transfer system, and it introduces a number of regulatory changes to the benefit of football agents (InsideFIFA).

The figure below is the model that FIFA follows as international players transfer to different teams. There are six phases players have to go through to successfully be traded. The six phases are: negotiation and conclusion of relevant agreements, transfer instruction in TMS, ITC request, response to the ITC request, ITC receipt and registration of the player, and eligibility. First, the negotiation and conclusion of relevant agreements discusses the employment contract between the new club and the player, and the transfer agreement between the player's former and new club are concluded (if applicable).

Next is transfer instruction in TMS. TMS serves as the central hub for processing these transfers, but clubs correctly entering information and selecting the appropriate transfer instruction type is also pivotal for seamless transactions. If the club wants to transfer a player, the

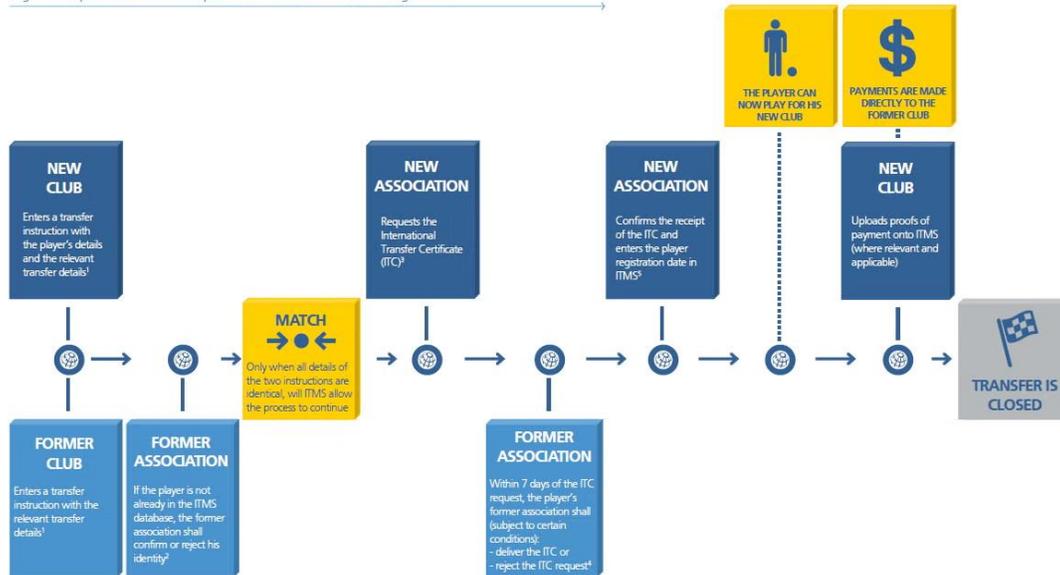
club(s) have to submit all data and mandatory documents in TMS. After that process the club has to go through an ITC request and respond to the request. The new association requests the player's ITC with due consideration to registration period rules. Within 7 days of the ITC request, the former association shall respond to the ITC request in accordance with art11 par. 3 of Annexe 3 RSTP. The article 11, paragraph 3 of Annexe 3 of the FIFA Regulations on the Status and Transfer of Players (RSTP) outlines that the former association must respond to an International Transfer Certificate (ITC) request within seven consecutive days, calculated from the day after the request was made (FIFA).

The final steps of the transfer process in their model is obtaining the ITC receipt and registration of the player and eligibility. Upon receipt of the ITC or following no response to the ITC request within 7 days or the authorization from the FIFA Football Tribunal in case of an ITC dispute, the new association enters the player registration in TMS and registers the player using its national registration system (NRS). Once all aforementioned steps have been duly accomplished, and subject to compliance with all applicable competition rules, the player is eligible to play for their new club.

Figure 1.

FIFA International Transfer Process

Fig. 6: Example of an international permanent transfer with a transfer agreement



Note. The process in steps how a football transfer works in FIFA

Source: Fifa's Global Transfer Market Report (2017)

Conclusion

In conclusion, the NCAA has had a drastic evolution from 1700s to the present. The NCAA has structured their organization around the definition of amateurism allowing the organization to profit from the athletes who are participating in athletic competition but now athletes have the opportunity to gain income for themselves based off of their name, image, and likeness. Athletes before the rule change have not been able to capitalize on this opportunity and brought a sustained legal fight against the NCAA to be compensated for income based off of their performance and accolades from their career.

Although many athletes have not been rewarded for their hard work and dedication to the universities in the NCAA, recently the NCAA has agreed to a settlement in a class-action lawsuit, which will see them pay approximately \$2.8 billion in backpay to former athletes who were unable to benefit from name, image, and likeness (NIL) deals during their careers. It is a monumental start to give back to the ones who paved the way for the NIL landscape to be where

it is now. NIL will continue to impact various universities and athletes across each division of the NCAA from now through the future.

I have stated some of the impactful things NIL has done for college athletes, but there could as well be many disadvantages. The transfer portal is the most common negative impact NIL has brought to college athletes. The portal allows student-athletes to place their name in an online database, permitting other schools to see that they are transferring and recruit them, resulting in a student-athlete switching schools. The addition of NIL has resulted in money becoming a great factor in student-athletes' decisions in the transfer portal, with athletes typically prioritizing money over a given university's success, or deciding where they want to play (Chai, p.4, 2024). With players exhibiting this mindset, the core value of competition of intercollegiate athletics might be lost.

As a former collegiate athlete, if someone was brought in to start above me, it would make me furious. All the hard work and dedication to the university program would go to waste causing conflict between the coach and players. This also makes teams less cohesive as a team and to win games. Some of these factors could have led up to why the Florida State University football team didn't end up as successful as they wanted in the 2024-2025 season.

To continue giving college athletes the opportunity to earn financial freedom with name image, and likeness can be done but is going to need a lot of work to keep fans or players of the NCAA happy. The NCAA will have to hold multiple meetings throughout the future and discuss NIL to make it better for the organization, universities, student athletes, and the fans.

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Appendix

Table 1.

Percent of NIL earnings in 2022 and 2023 by gender

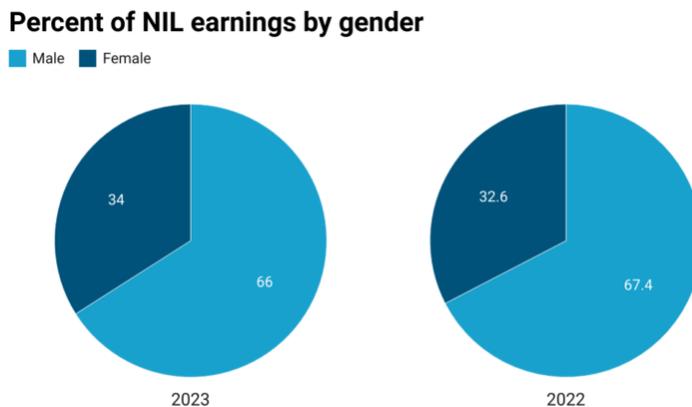


Chart: Lily Brody • Source: Opendorse • Created with Datawrapper

Note. Data from Opendorse that illustrates the percentage of NIL earnings by gender.

Source: Opendorse (male 2022, 2023; female 2022, 2023)

Table 2.

NIL predicted income for male and female athletes from 2021-2023 seasons

NIL Income Male v. Female Athletes Value (prediction)	2021-2022 Athletic Season	2022-2023 Athletic Season
Male Athletes	Sheduer Sanders: 6 million Arch Manning: 5 million	Bronny James: 5.9 million Caleb Williams: 3.2 million
Female Athletes	Paige Bueckers: 1 million Livvy Dunne: 3.4 million	Caitlin Clark: 3.1 million Sunni Lee: 1.5 million Flau'jae Johnson: 1.5 million

Note. Data from On3 that illustrates the comparison of male and female college athletes predicted NIL income.

Source: On3 (Nil valuations male, female)