

## **The Case for Financial Compensation for Collegiate Athletes' Time and Energy**

For a non-profit organization the National Collegiate Athletics Administration (NCAA) does very well. According to a March 2014 article, the NCAA had \$627 Million in assets, with a \$61 million surplus (Berkowitz). The NCAA uses that surplus to fund buildings for itself, and to give to staff, but how else could they use that small fortune? Paying student-athletes. Many athletes in the National Football League (NFL) are for giving student athletes some sort of payment for their services to the NCAA and to their respective schools. Richard Sherman, 2010 Stanford graduate and current Seattle Seahawks star weighed in on the touchy subject in an interview before Super Bowl XLIX. He outlines in this interview a day in the life of a student athlete:

When you're a student-athlete you don't have that kind of time. You wake up in the morning, you have weights at this time, then after weights you go to class and after class maybe try to grab you a quick bite to eat, then after you get your quick bite to eat you go straight to meetings and after meetings you got practice and after practice you got to try to get all the work done you had throughout the day that you got from your lectures and from your focus groups. And those aren't the things people focus on when talking about student-athletes. (Strachan)

He later explains the common misconception about athletes that they always have money. Sherman notes how he had about -\$40 in his account for quite some time, and people just assume he has money because he was on scholarship.

Sherman's teammate, Michael Bennett shares the same beliefs that athletes should be paid some sort of money for generating revenue for their schools. Bennett is a 2009 graduate of Texas A&M University, and has been with the Seattle Seahawks for two years and he states that his alma mater made somewhere in the area of \$50 million in just jersey sales. "They'll sell numbers of guys that don't have names on the back of the jerseys, but we all

know who No. 2 is for College Station, and that'll be Johnny Manziel. He makes so much for the university, but he doesn't see any of the money" (Strachan).

The NCAA, as well as every American who watches collegiate sports, has an opinion on the topic of college athletes receiving payment for playing their respective sports. Many people believe paying athletes would taint the sport. I, as well as many others, believe that not giving student athletes any form of payment for the revenue they bring into the schools and NCAA is what taints the sport. Student athletes' rigorous daily schedules, as explained by Richard Sherman, as well as the massive profit made by the schools and the NCAA, calls for financial compensation. Athletes should be allowed to sign endorsement deals with sponsors, collect some prize money for post-season success, and be allowed to collect income generated by their likeness.

According to a 2013 study, every school except 20 in the NCAA has lost money due to athletics. Schools in the "Power 5" conferences (SEC, Big 10, ACC, Big 12, Pac-12) averaged a \$2.3 million loss, while the "Group of 5" conferences (C-USA, MAC, WAC, MWC, Sun Belt) averaged a \$17.6 million loss. The 20 schools in the positives are all FBS schools, so along with the rest of the FBS schools, FCS, D-II, and D-III schools are losing money (Herndon). The proposal of paying student athletes is not geared towards the schools to pay back these athletes. It is outlandish to think that a school that is losing money should be required to pay out even more money to help pay for student-athletes.

College Athletes are not allowed to sign endorsement deals with sponsorships under the current NCAA format. The punishment for endorsing a product varies based on the severity of the offense, as deemed by an NCAA committee. One way to pay student athletes is to allow such deals to take place. There are so many opportunities for athletes to endorse a product, ranging from big names like Nike to Subaru. According to Wikinvest.com, Nike's profit for the 2014 fiscal year was about \$13.86 billion. If Nike were to give out all of their profits to every single student athlete from D-I FBS schools to D-III schools, each athlete, regardless of school affiliation and sport, would receive around \$33,000; these numbers are based off of the statistic of NCAA athletic involvement on Statisticbrain.com (NCAA). Narrow those numbers to just Nike-based schools and the number increases to hundreds of

thousands of dollars. These companies make such a profit off of all athletics that they can afford to give student-athletes a small cut of their profits.

Professional athletes are allowed to sign endorsement deals, so when the talk of paying student athletes by means of sponsorship comes up, the general public think the athletes are being paid to play. This idea is false because the athletes would be paid to wear a certain clothing, or drink a certain beverage, rather than being paid to play football, basketball, etc. To pay a student to play their sports is to take away their scholarship and use that money as their income.

Another way to give students financial compensation is to allow them to collect some of the winnings from post-season success. For football, D-I FBS teams who make a post-season bowl or Playoff game, receive prize money. The lowest recorded amount from the 2014-2015 bowl season was \$325,000 for the Idaho Potato Bowl between the Air Force Academy and Western Michigan University. Meanwhile, for The Ohio State University and The University of Oregon, they got \$22 million for their participation in the inaugural College Football Playoff Championship Game. Schools should be able to designate 10% of their winnings to pay students for their efforts, considering the students miss finals for the earlier games, and miss the beginning of the spring semester for the later games. This was evident this past season with the Florida State University Seminole football team. "The NCAA claims that college football players are supposed to be students first, and athletes second...College football's own 'Road to the Rose Bowl' requires the 'student-athletes' on Florida State University's football team miss the first day (if not days) of Spring classes in order to maximize revenues for the college athletics industry" (Edelman). 10% of FSU's winnings would be \$1.8 million; divide that up by the number of athletes, trainers, and Graduate Assistants on the team, and each person would receive about \$13,235. At least with this money, the students could pay back their parents for coming to the game, due to the fact the NCAA neglected to help families travel to CFP semi-final or title games.

The annual March Madness tournament for basketball is no different. "[The students are] the ones who are doing the bulk of the work, and they're not really being compensated," says a collegiate athletics economist Randy Grant in an article in *International Business Times*

(Davis). Student athletes who participate in the tournament miss at least one week of classes for their games, and miss upwards of a month if they are lucky enough to make a deep run into the Final Four or National Championship. The NCAA exploits the athletes by collecting on TV deals. "CBS/Turner will wind up paying the NCAA \$10.8 billion for the rights to the tournament from 2011 through 2024." Since 2005, advertising has generated \$7.5 billion for March Madness and the NCAA, according to Kantar Media. Only the NFL playoffs generated more money off of advertising in 2014 with around \$1.3 million (Rainssman). All of this profit and the NCAA is unable to give a small percentage to the athletes who cannot afford to eat, or have no time to. Shabazz Napier, former University of Connecticut basketball player and current Miami Heat member explains, "We do have hungry nights that we don't have enough money to get food in...but I still gotta play up to my capabilities" (R. Sherman).

Imagine if somebody were to paint a beautiful portrait of President Barack Obama. He is aware that the painting has been created, but the only problem is this particular painting has made the artist millions. This painting is about as flawless as a painting can be, and the President would like a small portion of the earnings for being the muse for this piece. The artist agrees, but a third party decides that the President is not allowed to collect on the earnings of this painting because it would be paying him for being President. If something is made in a person's likeness or appearance, they should be allowed to collect some sort of compensation for being the inspiration for a successful piece of history.

EA Sports was in this exact spot when they made the "NCAA Football" games, which ultimately ended with "NCAA Football '14." For 20 years, there has been a college football video game for die hard fans to kill time with between seasons. EA Sports was willing to pay student athletes for the use of their numbers, dimensions, and skill set for their games, but the NCAA ruled that paying the athletes for the games would be taking away their amateur status. Paying an athlete because they play the game is taking away the amateur status, not paying the athlete because a video game wants to make the Ohio State quarterback look just like the real life Braxton Miller. The famous Supreme Court case *O'Bannon v. NCAA* (2014) argues this. The initial ruling on August 8, 2014 favored

O'Bannon and required the NCAA to pay former and current athletes who appeared in the games. The NCAA has appealed the decision and the trial is ongoing.

What about selling memorabilia that the student athlete earned in their time at the school? Also not allowed by the NCAA. In 2010, 5 student athletes at The Ohio State University sold various memorabilia in exchange for money and tattoos. These players were suspended for the first 5 games of the next season, and the Coach, Jim Tressel, resigned. The NCAA ruled that exchanging things that these players had worked hard to earn was illegal. The items included the gold pants trinket the players get after beating rival Michigan, Big 10 Championship rings, as well as jerseys. In 2013, Texas A&M quarterback Johnny Manziel received payment for his autograph. Apparently, this is a violation of NCAA rules, but if one were to look hard enough, it is really not illegal. The NCAA defines amateurism as not receiving direct payment from the institution. Manziel, along with Georgia graduate A.J. Green, sold personal items and signatures to private parties, not by their respective institutions. President Obama has weighed in on this subject by saying he is frustrated how the coaches and NCAA get paid millions of dollars, while the students get banished for getting a tattoo or free use of a car (McGuire). If the President of the United States is getting frustrated at the NCAA, maybe something needs to be done.

There are many ideas as to how college athletes could be paid. In a capitalist society like the United States, payment is required for work. David Ridpath is the associate professor of sports administration at Ohio University, and he believes the solution is to cut coach salaries. "There's enough money. It could be done. If you could keep coaches' salaries at \$1 million, there would be enough left over to probably pay athletes \$50,000 a year," he illustrates (Lariviere). Paying athletes could also keep students in school to finish their degree. A solution that I have thought up is to give students their scholarship in cash. If the student decides to leave before earning their diploma, they are to pay back the institutions the amount of the scholarships in full when they receive a professional contract. Those who stay and earn a degree would be allowed to keep the money they earned. This money would officially be a scholarship, thus not needing to pay taxes on this income.

The Power 5 conferences have already taken their own steps towards paying athletes. According an ESPN.com article, "Full Cost of Attendance Passes 79-1," the conferences passed a nearly unanimous vote to give athletes a stipend to account for the cost of living. The decision is thought to be the beginning of a major change in college sports, and the Group of 5 schools are to follow, if they choose. The stance of paying athletes has support from many coaches as well. Steve Spurrier, a Florida graduate and University of South Carolina football coach, strongly believes in paying athletes. He proposes the idea every year at the SEC meeting. Spurrier is quoted, "we as coaches believe they're entitled to a little more than room, books, board and tuition...Coaches would be willing to pay it if they were to approve it to where our guys could get approximately get three-, four-thousand bucks a year" (Aschoff). Paying athletes is not a moral issue, it is a greed issue. The NCAA makes billions off of the blood, sweat, and tears of collegiate athletes in every school and every sport, though they give none of the revenue back to the working students. In Jon Oliver's HBO series, *Last Week Tonight* he responds to the NCAA saying that athletes cannot receive even a fraction of the profit because it changes what college sports is all about with, "if college sports is all about exploiting people, then yes, paying athletes would change the entire notion of what college sports are all about." When the NCAA is making billions of dollars, the athletes actually working for that money deserve to receive some of the profit.

## Works Cited

- Aschoff, Edward. "Steve Spurrier Wants Players Paid." *ESPN*. ESPN Internet Ventures, n.d. Web. 18 Apr. 2015.
- Berkowitz, Steve. "NCAA Has Net Assets of \$627 Million, Say Records." *USA Today*. Gannett, 20 Mar. 2014. Web. 9 Apr. 2015.
- "College Bowl Game Payouts." *Statistic Brain RSS*. N.p., n.d. Web. 18 Apr. 2015.
- Davis, Owen. "March Madness 2015: Getting To The NCAA Finals Costs A Lot, But The Rewards For Most Are Slim." *International Business Times*. N.p., 18 Mar. 2015. Web. 9 Apr. 2015.
- Edelman, Marc. "Florida State Football Players Miss The First Day Of Class For College Football's BCS National Championship Game." *Forbes*. Forbes Magazine, n.d. Web. 18 Apr. 2015.
- Herndon, Mike |. "NCAA Study Finds All but 20 FBS Schools Lose Money on Athletics." N.p., n.d. Web. 9 Apr. 2015.
- Lariviere, David. "Reducing Coaches' Salaries Would Enable College Athletes To Be Paid, Professor Says." *Forbes*. Forbes Magazine, n.d. Web. 18 Apr. 2015.
- McGuire, Kevin. "Obama Says NCAA Enforcement "unfair," Not on Board for Paying Student-athletes." *CollegeFootballTalk*. N.p., n.d. Web. 9 Apr. 2015.
- "NCAA College Athletics Statistics." *Statistic Brain RSS*. N.p., n.d. Web. 9 Apr. 2015.
- "Nike (NKE)." *Gross Profit for*. N.p., n.d. Web. 9 Apr. 2015.
- Oliver, Jon. *Last Week Tonight*. HBO. New York City, New York, 15 Mar. 2015. Television.
- Raissman, Bob. "Raissman: Paying Everyone but Players during March Madness." *NY Daily News*. N.p., n.d. Web. 18 Apr. 2015.
- Sherman, Mitch. "Full Cost of Attendance Passes 79-1." *ESPN*. ESPN Internet Ventures, n.d. Web. 18 Apr. 2015.
- Sherman, Rodger. "Shabazz Napier: 'There's Hungry Nights Where I'm Not Able to Eat'" *SBNation.com*. N.p., 07 Apr. 2014. Web. 18 Apr. 2015.

Strachan, Maxwell. "Richard Sherman And Michael Bennett Eviscerated The Argument Against Paying NCAA Athletes Yesterday." *The Huffington Post*. TheHuffingtonPost.com, n.d. Web. 9 Apr. 2015