Compensation for College Athletes
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Full Text:
Most college athletic programs lose money. However, some college sports, specifically men's football and basketball, generate hundreds of millions of dollars every year for schools, coaches, television networks, apparel companies, and the National Collegiate Athletic Association (NCAA). The athletes who play these sports are bound by NCAA rules not to receive any of that money. Players are designated as *student-athletes*, as opposed to employees, by the NCAA, which means they must meet academic standards established by the association. The designation also prevents players from receiving the same protections as an employee, such as overtime pay and worker's compensation. In lieu of salaries, student-athletes are compensated through scholarships, the opportunity to learn in prestigious institutions of higher learning, and special privileges on campus.

The NCAA sets limits on the scholarships that schools can award to athletes in different sports. To receive a full scholarship that covers tuition, room, and board at a Division I school, a student-athlete must play one of six sports: men's basketball or football or women's basketball, gymnastics, tennis, or volleyball. NCAA rules dictate that student-athletes in these sports receive either a full scholarship or none at all. Student-athletes in other sports, referred to as equivalency sports, compete for a limited amount of money that is allocated through partial scholarships. Full scholarships for equivalency sports are rare. Student-athletes competing in Division II can receive partial scholarships while those competing in Division III do not receive athletic scholarships. In total, Division I and II schools provide more than $2.9 billion in scholarships annually to over 150,000 athletes who qualify.

To maintain NCAA eligibility, student-athletes must adhere to NCAA policies and academic standards. The NCAA reports that student-athletes have high graduation rates of over 70 percent in Division I, II, and III colleges and universities. Despite these high graduation rates, however, many student-athletes complete their degrees without acquiring the skills needed to succeed in the workforce. Criticisms have been leveled at college athletic programs for misreporting academic performance and enrolling athletes in fraudulent courses that do not require attendance or extensive coursework, also referred to as "paper classes." Critics contend that college athletes are not receiving a quality education, which is supposed to serve as compensation for their contributions to the school's athletic program, and that providing them with a subpar education lowers the value of every student's degree. Proponents of payment for college athletes argue that the current system encourages dishonesty, exploitation, and corruption, for which students face the greatest risk of punishment while standing to gain less than university administrators, coaches, recruiters, or the corporate interests that seek to profit from college sports.

Revenue Growth in College Sports

The NCAA was founded in 1906 in response to concerns over deaths and serious injuries in college football. Since that time, the organization has assumed many of the administrative responsibilities related to collegiate sports and made a commitment to preserving the amateur status of student-athletes. The issue of compensating athletes did not gain relevance until college sports became profitable, which began in the 1920s when games began to be broadcast over the radio. A 1929 investigation by the Carnegie Foundation found that nearly two-thirds of the colleges it surveyed had recruited and paid athletes. As an indication of how pervasive the practice had become, freshmen football players from the University of Pittsburgh went on strike in 1939 to protest against older students receiving higher pay. Continued scandals inspired the NCAA to introduce its first code of ethics, referred to as the Sanity Code, in 1948, which only allowed for athletic scholarships for students who demonstrated financial need. Unable to enforce the provisions of the Sanity Code, the NCAA rescinded the code in 1951 and created the Committee on Infractions, which demonstrated its authority in enforcing NCAA rules that same year in its investigations into gambling and grade counterfeiting.

In 1952 the NCAA entered into its first contract to license the rights to televise college football games. This generated unprecedented income for the NCAA, allowing the organization to fund its enforcement efforts. Televised college football received an additional boost in 1961 when Congress passed the Sports Broadcasting Act (SBA), which allowed the National Football League (NFL) to license the television rights of its games to national and regional broadcasters without fear of prosecution for violating antitrust legislation. The SBA also forbade the NFL from broadcasting games on days traditionally used for high school and college sports, specifically Friday and Saturday. As a result, the NCAA faced no competition from the NFL for its Friday night and Saturday audience.

The protection from antitrust lawsuits afforded to the NFL by the SBA did not extend to the NCAA. The organization profited heavily from televised college football. Several colleges took notice, forming the College Football Association in 1977 to further their interest in negotiating the television rights of their own teams' games. The Boards of Regents at the University of Oklahoma and the University of Georgia took the issue to the US Supreme Court in 1984. The court found that the NCAA held a monopoly on the broadcast of college football—in violation of antitrust law—and that colleges should be allowed control of their teams' television rights. The court's decision cut into the NCAA's revenue stream, but the organization continued to profit from the licensing rights to the NCAA Division I Men's Basketball Tournament, more commonly referred to as March Madness. The NCAA reported earning $797.9 million from television and marketing rights during the 2015–2016 fiscal year, which accounted for more than two-thirds of the organization's annual revenue.

Advocating for College Athlete Compensation

Proponents of providing compensation for college athletes contend that these young players devote more than forty hours a week to practice, risk their safety and health, and generate significant revenue for their schools, the NCAA, and others. These advocates maintain that student-athletes perform a job and should thus receive the same benefits and protections as any other university employee, including compensation. Though many athletic programs and scholarships provide health care services, student-athletes are not afforded worker's compensation protection if they are injured. An incident at Texas Christian University in 1974 left football player Kent Waldrep paralyzed from the neck down. Waldrep filed a worker's compensation claim in 1991, but the court ruled that he was not an employee of TCU, despite being recruited and receiving a scholarship. In 2005 incidents of student-athlete injury spurred the NCAA to begin requiring all student-athletes to possess some form of medical insurance to be eligible to play. Financial challenges suffered by seriously injured student-athletes also led to the creation of the College Football Assistance Fund in 2010. Elite student-athletes may be eligible to apply to the Exceptional Student-Athlete Disability Insurance Program to protect themselves against the loss of potential earnings if they suffer a career-ending injury while in school.

Another argument in favor of compensating student-athletes notes that coaches, college administrators, and others earn high-paying salaries from their work in college sports. The money is generated from television rights, merchandising, endorsements, and other revenue streams. Top coaches at Division I schools can earn seven-figure salaries. University of Michigan football coach Jim Harbaugh, for example, received a salary of $9 million in 2016 while the student-athletes he coached were not compensated. Many student-athletes are recruited from low-income communities and face economic challenges that scholarships cannot address. Players have complained about being unable to travel home to see their families or to afford enough food to eat while coaches earn million-dollar salaries. Student-athletes in Division I and Division II who receive partial scholarships as merit awards must renew them each year. If they are unable to play their sport, they can lose their scholarships, jeopardizing their ability to complete their degree. In 2015 the NCAA and its member schools approved a rule allowing "cost-of-attendance" stipends, between $2,500 and $5,000 annually, to help student-athletes cover basic expenses. Each school determines the amount of these stipends based on individual students' needs rather than athletic ability.

Challenges to NCAA Policies and Practices

College athletic programs are eager to retain quality players. As a result, interested parties, including recruiters, have attempted to compensate student-athletes in ways that are difficult to trace. Recruiters may use travel expenses, cars, concert tickets, and other non-cash gifts as ways of enticing a recruit or retaining a star. Student-athletes have been equally creative in finding ways to capitalize on their stardom. Football players from Ohio State, for example, lost their eligibility to play in 2010 and were placed on probation when the NCAA discovered they had traded signed jerseys, championship rings, and other memorabilia for tattoos. That same year, the NCAA suspended University of Georgia wide receiver A. J. Green for four games and ordered him to pay $1,000 to charity for selling a signed jersey. Critics of the decision noted that the school made significant profits selling twenty-two different types of replicas of Green's jerseys.

The NCAA's policies on compensating student-athletes have inspired several lawsuits. In 2009 former UCLA basketball player Ed O'Bannon successfully brought a suit against the NCAA, the Collegiate Licensing Company, and the video game company Electronic Arts (EA) Sports for using his likeness and the likenesses of other players in several series of basketball and football video games. In 2014 the National Labor Relations Board (NLRB) recognized the right of football players at Northwestern University to form a union. Though the NLRB does not decide collective bargaining at public universities, proponents of compensating student-athletes celebrated the decision as a sign of progress.

Exploitation and corruption in college sports have attracted the attention of law enforcement. In 2017 the Federal Bureau of Investigation (FBI) revealed an ongoing investigation into corruption involving college sports and apparel companies. Among other ethical violations, investigators accused athletic program staff members of accepting bribes to pressure high school students into working with financial advisors who, in turn, offered bribes to students and their families to attend colleges and universities sponsored by different apparel companies. Initial charges were brought against four assistant coaches (Auburn University's Chuck Person, Oklahoma State University's Lamont Evans, University of Arizona's Emanuel Richardson, and University of Southern California's Tony Bland) as well as employees from several companies, including Adidas, Princeton Capital, and Thompson Bespoke Clothing. Critics of the NCAA's amateurism model responded to the incident by suggesting that colleges and universities could prevent such scandals by paying student-athletes, allowing the processes of recruitment, sponsorship, and compensation to be fully transparent.

Opponents of offering salaries to student-athletes argue that the education they receive should be considered adequate compensation. Poor academic performance among star athletes, however, suggests that these students are not receiving the full benefits of a college education. Mary Willingham, an academic advisor at the University of North Carolina–Chapel Hill, received national attention, including death threats, when she reported to CNN in 2014 that 60 percent of student-athletes at the school read below an eighth-grade reading level. Educators contend that permitting student-athletes to perform below the academic standards of the university so that they can keep NCAA eligibility diminishes the value of any degree from the school.

The issue of compensating student-athletes poses several logistical problems. Title IX of the Education Amendments Act of 1972, for example, requires that all schools that receive federal funding provide equal or comparable programs for male and female students. This legislation would require that any compensation afforded to the student-athletes would have to be provided equally to male and female student-athletes. Thus, both male and female athletes would have to be compensated even though the primary revenue-generating college sports programs are men's football and basketball. College athletic programs have argued that competitive compensation is necessary to retain quality football and basketball players, but opponents argue that the funds could be better used to improve academic facilities and provide scholarships to deserving students who do not play sports.

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