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# THE PRICE OF POVERTY IN BIG TIME COLLEGE SPORT

The authors would like to thank the following people for their important contributions to this report:

Rob Henry, Purdue football  
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# " The Price of Poverty in Big Time College Sport"

## Table of Contents

Executive Summary.....	3
Introduction & Background .....	6
The Spin Move: The “Student-Athlete” and “Amateurism” .....	6
The “Student-Athlete” .....	7
“Amateurism” .....	10
Purpose of the Study.....	14
Method.....	14
Analysis.....	15
Findings.....	16
Discussion.....	18
Priceless Poverty .....	18
The NCAA’s Black Market.....	20
The Need for Federal Intervention.....	23
Recommendations.....	26
References.....	28

## Executive Summary

Since the mid-1950s, the NCAA has promoted a mythology that college athletes on “full” scholarship receive a “free ride” in terms of their college educations. As has repeatedly come to light, athletes in the revenue-producing sports of football and men’s college basketball are less likely to receive their diplomas than any other group of athletes while also bearing the burden of financing a college sport enterprise that has resulted in highly lucrative compensation packages for high profile coaches, athletics administrators, conference commissioners, and football bowl executives.

During the summer of 2011, there has been lively debate and discussion regarding the question of whether college athletes should be paid or compensated more fairly for the work they do resulting in the generation of billions of dollars in revenue for stakeholders in the college sport corporate complex. For anyone following the economics and business practices of the industry during the past six decades, this moment has been coming for a long time. The suppression of wages of an unnamed labor force artfully referred to as “student-athletes”, a term the NCAA admittedly created to deflect attention away from the fact that awarding a scholarship for athletic prowess constituted a pay for play system, has been in operation since the adoption of the four year athletic scholarship award in the 1950s (Byers, 1997; McCormick & McCormick, 2006; Sack & Staurowsky, 1998; Staurowsky & Sack, 2005). This report is particularly timely because of the string of recent controversies that have raised serious questions about the moral underpinnings of the college sport enterprise and its practices (Farrey & Gubar, 2011; Robinson, 2011).

In an attempt to explore the implications of this mythology and provide perspective about the impact this has on the lives of big-time college football and men’s basketball players, this study documents the shortfall that exists between what a “full” scholarship covers and what the full cost of attending college is compared to the federal poverty guideline, an estimation of players’ fair market value, and offers perspective on the disproportional levels of compensation to which college sport officials have access compared to the limits imposed on revenue-generating athletes who serve as the talent and inspire the financial investment in the product of college sport.

This study, a collaborative effort between the National College Players Association and Drexel University Sport Management Program, reveals that National Collegiate Athletic Association (NCAA) rules force players to pay for thousands in educational-related expenses while working in a culture that underestimates their contributions to a multi-billion dollar industry. The range of out-of-pocket expenses for a “full” scholarship student-athlete in the Football Bowl Subdivision (FBS) is \$952/year to \$6,127/year depending on the college. Further, the study estimates the fair market value of big time football and men’s basketball players to be in the hundreds of thousands of dollars annually while the NCAA restricts the value of the full scholarship to a level of compensation that is at or below the poverty level for the vast majority of athletes. This report offers an examination of the paradox of “amateur” revenue-producing college athletes who are paid to play, the power of propaganda associated with the NCAA’s self-serving concept of amateurism, the predicament of athletic scholarships being viewed as ample compensation, the scandals related to the big earnings for athletics officials and poverty wages for revenue-producing athletes, college presidents’ inability to initiate reform, and the call for federal intervention.

## Major Findings

1. College athletes on full scholarship do not receive a “free ride”. For the 2009-2010 academic year, the average annual scholarship shortfall (out of pocket expenses) for Football Bowl Series (FBS) "full" scholarship athletes was \$3,222.
2. The compensation FBS athletes who are on “full scholarship” receive for living expenses (room and board, other expenses) situates the vast majority at or below the poverty level.
3. The percentage of FBS schools whose "full" athletic scholarships leave their players in poverty is 85% for those athletes who live on campus; 86% for athletes who live off campus.
3. The average FBS "full" scholarship athlete earns less than the federal poverty line by \$1874 on campus and \$1794 off campus.
4. If allowed access to the fair market like the pros, the average FBS football and basketball player would be worth approximately \$121,048 and \$265,027 respectively (not counting individual commercial endorsement deals).
5. Football players with the top 10 highest estimated fair market values are worth between \$345k-\$514k in 2009-10. The top spot was held by University of Texas football players. While 100% of these players received scholarships that left them living below the federal poverty line and with an average scholarship shortfall of \$2841 in 2010-11, their coaches were paid an average of over \$3.5 million each in 2010 excluding bonuses. (See Table 1.)
6. Basketball players with the top 10 highest estimated fair market values are worth between \$620k-\$1 million in 2009-10. The top spot was held by Duke basketball players. While 80% of these players received scholarships that left them living below the federal poverty and with an average scholarship shortfall of \$3098 in 2010-11, their coaches were paid an average of over \$2.5 million in 2010 excluding bonuses. (See Table 2.)
7. The poorest football and basketball players (generated combined FB and BB revenues of \$30 million or more in 2009-10, yet live in the poorest bottom 1/3 of all of the players in the study live between \$3,000-\$5,000 below the poverty line (see Table 3) in the report for further details.
8. Despite record revenues, salaries, and capital expenditures and prohibitions on countless sources of income for athletes, the NCAA explicitly allows tax payers to fund food stamps and welfare benefits for college athletes.
9. FBS schools could provide more equitable financial terms for their revenue-producing athletes without eliminating any non-revenue generating sports or reducing scholarships from athletes from non-revenue generating sports. The second attachment (2 tables with data) points to lavish spending in by FBS schools in non-revenue sports. We've compared non-revenue sports expenditures between FBS schools and Football Championship Subdivision (FCS) schools because all of their non-revenue sports compete against each other in Division I. We focused on this to find out what it costs to run a competitive Division I non-revenue generating team which is demonstrated by the FCS numbers. The FBS non-revenue team expenses show that these schools spend far more than what's necessary to field these teams. BCS schools spend an average of about \$350,000 more on each non-revenue team when compared to FCS schools. FBS schools average 18 non-revenue generating teams per campus, which means they spend an average of about \$6.3 million/year more than FCS schools on non-revenue generating sports.

## Recommendations

Congress should act immediately to deregulate the NCAA with the provisions detailed below:

**#1.** Support legislation that will allow universities to fully fund their athletes' educational opportunities with scholarships that fully cover the full cost of attendance. The average \$3222 increase per player would be enough to free many from poverty and reduce their vulnerability to breaking NCAA rules to make ends meet. This can be funded with the new TV revenue streams that are surging throughout NCAA sports.

A \$3222 scholarship increase would cost approximately \$32.8 million for 85 scholarship players from each of the 120 FBS football teams, and \$14.2 million to do the same for 13 scholarship players on each of the 338 Division I basketball teams that offer scholarships. The total would be about \$47 million annually. Should Title IX compliance require that provisions be made for female athletes to receive a similar benefit, that amount can be doubled for a total of \$94 million annually.

To put this in perspective relative to the new revenues that are available throughout NCAA sports, the new Pac-12 TV contract alone will bring in \$150 million in new revenues each year. The year-old NCAA TV contract with CBS will average about \$270 million in new revenues above and beyond its previous TV deal with CBS. These new revenues could fund coverage of the scholarship shortfall gap.

**#2.** Lift restrictions on all college athletes' commercial opportunities by adopting the Olympic amateur model. The Olympics' international definition of amateurism permits amateur athlete access to the commercial free market. They are free to secure endorsement deals, get paid for signing autographs, etc. The NCAA's version of amateurism is impractical and is an unjust financial arrangement imposed upon college athletes. The NCAA's attempt to eliminate the commercial free market creates a black market in which universities, coaches, agents, financial advisors, runners, and players will continuously violate the rules. Alternatively, if the Olympics model were allowed, virtually all of the high profile violations over the last year would not have been deemed violations. Selling a championship ring and even accepting a free television would not have been "scandalous", much less an NCAA violation.

**#3.** Promote the adoption of legislation that will allow revenue-producing athletes to receive a portion of new revenues that can be placed in an educational lockbox, a trust fund to be accessed to assist in or upon the completion of their college degree. Many athletes in these sports need educational assistance beyond the duration of their eligibility in order to make up for the significant time demands associated with their sport. About 45% and 52% of football and basketball players DO NOT graduate, while their athletic programs receive 100% of revenues produced by these athletes regardless of their programs' graduation rates.

**#4.** Colleges should be free to provide multiple year scholarships in all sports if they so choose. The NCAA's one-year cap on the duration of a scholarship undermines its purported educational mission, and puts in jeopardy the educational opportunities for every college athlete. High school recruits deserve to know which colleges are willing to prioritize their education so that they can make an informed decision.

**#5.** To the extent that Title IX requires universities to provide female athletes with accommodations similar to those stated in the reforms mentioned above, athletic programs should use new TV revenues to do so.

**#6.** Although this study focuses primarily on financial aspects of reform, Congress should examine all aspects of college sports in order to implement comprehensive reform that college presidents admittedly are unable to bring forth.

## Introduction & Background

A study conducted by the National College Players Association and the Drexel University Sport Management Program reveals that National Collegiate Athletic Association (NCAA) rules force players to pay for thousands in educational-related expenses while working in a culture that unfairly underestimates their contributions to a multi-billion dollar industry. This report is particularly timely because of the string of recent controversies that have raised serious questions about the moral underpinnings of the college sport enterprise and its practices (Farrey & Gubar, 2011; Robinson, 2011). The range of out-of-pocket expenses for a "full" scholarship student-athlete in the Football Bowl Subdivision (FBS) is \$952/year to \$6,127/year depending on the college. Further, the study estimates the fair market value of big time football and basketball players to be in the hundreds of thousands of dollars annually while the NCAA restricts the value of the full scholarship to a level of compensation that is at or below the poverty level for the vast majority of athletes. To follow is an examination of the paradox of "amateur" revenue-producing college athletes who are paid to play, the power of propaganda associated with the NCAA's self-serving concept of amateurism, the predicament of athletic scholarships being viewed as ample compensation, and the scandals related to the big earnings for athletics officials and poverty wages for revenue-producing athletes.

### The Spin Move: The "Student-Athlete" and "Amateurism"

*The colleges are already paying their athletes. The colleges, acting through the NCAA in the name of "amateurism", installed their own pay system called the athletics grant-in-aid or athletics scholarship...we crafted the term 'student-athlete'... We told college publicists to speak of "college teams," not football or basketball "clubs", a word common to the pros.*

- Former NCAA President Walter Byers recounts how the NCAA implemented its own pay-for-play system while selling it as "amateurism" (Byers 1997)

Summer time and the living is not so easy in big-time college sport circles at the moment as the heat rises on questions of whether college athletes should be paid or compensated more fairly for the work they do resulting in the generation of billions of dollars in revenue for stakeholders in the college sport corporate complex. For anyone following the economics and business practices of the industry during the past six decades, this moment has been coming for a long time. The suppression of wages of an unnamed labor force artfully referred to as "student-athletes", a term the NCAA admittedly created to deflect attention away from the fact that awarding a scholarship for athletic prowess constituted a pay for play system, has been in operation since the adoption of the four year athletic scholarship award in the 1950s (Byers, 1997; McCormick & McCormick, 2006; Sack & Staurowsky, 1998; Staurowsky & Sack, 2005).

In that same year, the NCAA reorganized into a federated structure leading to the creation of Divisions I, II, and III and the crafting of separate philosophy statements for each division. To understand this is important because it provides insight into the strategic decisions made by college sport administrators and higher education officials in growing the commercial college sport enterprise, built almost exclusively as it is on the ability of football and basketball (primarily men's basketball) to generate income. This is not accidental but intentional as evidenced in the expectation, as stated in the Division I philosophy statement and absent in the other two, that schools in that division " Sponsor(s) at the highest feasible level of intercollegiate competition one or both of the traditional spectator oriented, income-producing sports of football and basketball" (NCAA Academic and Membership Affairs Staff, 2010, p. 338).

## The “Student-Athlete”

Over the years, the NCAA has done much to undermine its own idea of the student-athlete, including when it changed the four-year athletic scholarship award to a one-year renewable scholarship in 1973 (Sack & Staurowsky, 1998; Smith, 2011). The average sports fan, and even scholarship athletes themselves often fail to realize that the one-year scholarship is subject to renewal at the discretion of coaches, an arrangement that effectively renders athletes silent or substantially voiceless when it comes to their own welfare by exerting pressure on them to remain compliant if they wish to achieve their goals of either remaining in college or developing their athletic talent in pursuit of professional careers.

Contrary to the assertion by the NCAA that “student-athletes” are to be “considered an integral part of the student body”, football and basketball players in the nation’s elite programs shoulder a burden that no other students share. They perform in lucrative media spectacles organized and brokered by their institutions through layers of associational relationships (NCAA, conferences) that employ regulations that govern nearly every aspect of their lives. In turn, while scholarship athletes in the so-called “equity” sports of football and men’s basketball are generally required to be academically eligible in order to play at their respective institutions, their financial fate is dictated by their performance on the field and their value as athletic commodities. If a revenue-producing athlete does not perform as well as expected athletically or is permanently injured, his coach can choose not to renew the scholarship without consideration for the athlete’s academic performance or future.

As a case in point, Durrell Chamorro was a highly sought after kicker from California who received scholarship offers from Arizona State, Oregon State, and the University of Washington. According to Chamorro, he eventually signed a national letter of intent with Colorado State with an understanding that he would retain his scholarship for four or five years if he maintained a minimum grade point average of 2.0 and abided by the rules. After a redshirt season and a season as a backup kicker, despite achieving a 3.5 grade point average, Chamorro was informed by Coach Sonny Lubick that he had lost his scholarship. The year before Chamorro lost his scholarship, Coach Lubick reportedly told him, “You’ve got to get better. You have one more year” (Whiteside, 2011). Meanwhile, Colorado State and all other NCAA institutions are free to renew scholarships of players that are academically ineligible, which highlights the fact that the athletic scholarship hinges primarily on athletic performance rather than academic performance.

Interviews with athletes who competed on NCAA Division I football and men’s basketball teams provide further evidence that there is an understanding among athletes that they have to produce on the field in order to remain in college programs (Beamon, 2008). As Calvin, one of the interviewed athletes explained, “...they tell you, you a student first and an athlete next, but really you an athlete first and a student second. There is more emphasis on making your practices and meetings. They hit you with the go to class and all that stuff, but they don’t care. As long as they get them four years out of you they could care less if you get a degree or not...I think they have to (care about athletes getting degrees) cuz they job depends somewhat on it, but personally, I don’t think they care” (p. 356).

It is common knowledge that athletes must attend mandatory athletic obligations such as workouts, practices and games if they are to keep their scholarships. It is also mandatory for many players to *miss* classes because of games and/or athletics-related travel. Meanwhile, a player who chooses to miss a practice or game to attend a class would immediately put his scholarship in jeopardy.

Even an institution known for having found a way to balance academics and athletics, Duke University, offers testament to the struggle that exists for revenue-producing athletes. In a 2008 strategic report for athletics entitled *Unrivaled Ambition*, the pressures associated with athletes competing in highly

commercialized sport were identified as threats to the University's ability to maintain a connection to academics. The report notes:

We no longer determine at what time we will play our games, because they are scheduled by TV executives. This is particularly troubling for basketball, which may be required to play weeknight games away from home at 9:00pm. The potential impact on academic work is obvious, as students are required to board a flight at 2:00a.m., arriving back at their dorms at 4:00 or 5:00 a.m., and then are expected to go to class, study, and otherwise act as if it were a normal school-day. In return for large television contracts, we have surrendered control over a function that can profoundly influence the experience of our students. Similarly, the revenue from advertisers and corporate sponsors has become a very important supplement to long established revenue streams but that means that each year our amateur student-athletes take the field with a corporate logo displayed on their uniform beside "Duke" (Duke University, 2008, p. 11).

In addition to the direct link between athletes' talents and commercial revenue, the Duke report connects the dots between the harmful effects that time demands required for athletics have on players' academic work. In June of 2011, Penn State assistant football coach Jay Paterno touched on college athletes' time demands when he wrote a guest column in the *NCAA News*. He was responding to recent proposals that revenue-producing college athletes should receive additional compensation to cover the gap between what a full scholarship covers and the cost of attendance, a gap that averages approximately \$15,000 over the course of an athlete's career. Arguing against these proposals, Paterno pointed out that in his estimation, athletes on full scholarship were required to participate in their sport no more than 604 hours in a given year. His calculations were based on NCAA limits on the amount of time athletes can devote to their sport which are set at 20 hours per week with a guaranteed day off for 21 weeks in-season (420 hours) and no more than 8 hours per week during 23 weeks out-of-season (184 hours) with an additional eight weeks off. Paterno attempted to calculate athletes' hourly rate, which we will address later.

Even for a well-intentioned college sport insider like Paterno, the fallacies that serve as the foundation for his position become all too clear upon closer examination. While the NCAA "4 and 20 rule" restricts, in theory, the work day of a college athlete to 4 hours per day and no more than 20 hours per week, athletes themselves report time demands far in excess of what the rule requires. According to data gathered by the NCAA for the 2009-2010 academic year in the Growth, Opportunities, Aspirations, and Learning of Students in College (GOALS) Study, FBS athletes reported spending 43.3 per week on athletic activities in season; FCS athletes reported spending 41.6 hours per week on athletic activities in-season; and Division I men's basketball players reported spending 39.2 hours per week on athletic activities in-season. The breakdown in the average number of hours these athletes reported being engaged in both athletic and academic activities amounted to 81.3 for those in FBS programs, 79.8 for those in FCS, and 76.5 for those Division I men's basketball programs (NCAA GOALS & SCORES, 2011).

When examining the time demands of college athletes, it is important to look at a couple of different factors. First, the fine print to be found in the *NCAA Manual* reveals that demands on player time and attention is not as clear cut as the rules would suggest at first glance. For example, the 4 and 20 rule (Bylaw 17.1.6.1), otherwise known as Daily and Weekly Hour Limitations, states the following, "A student-athlete's participation in countable athletic activities...shall be limited to a maximum of four hours per day and 20 hours per week" (p. 241). Further, as indicated in Bylaw 17.1.6.4. Required Day Off – Playing Season, "During the playing season, all countable athletically related activities...shall be prohibited during one calendar day per week..." (p. 241).

As it turns out, one hour is not always one hour under an exception in Bylaw 17.1.6.3.2, which reads, "All competition and any associated athletically related activities in the day of competition shall count as three



hours regardless of the actual duration of these activities” (p. 243). What this means is that while the time demands of game days would routinely violate the rule that an athlete cannot engage in athletically related activities for more than four hours a day, this stipulation collapses those excess hours into a manageable number so as to offer the appearance of compliance to the 4 and 20 rule. And in the case of pre-season practices, the daily and weekly hour restrictions are not in effect. For football players in major programs, “They must participate in three arduous full-contact practices every two days” (McCormick & McCormick, 2006, p. 103).

Further, the concept of a “day off” is equally hazy. On one hand, according to Bylaw 17.1.6.4, athletes are to be afforded one calendar day off a week when they are in season. On the other, due to the definition of “travel day” (Bylaw 17.1.6.4.1), “A travel day related to athletics participation may be considered as a day off, provided no countable athletically related activities...occur during that day.” As a consequence, while an athlete may not be competing on a designated travel day, their time is not their own but subject to the demands of the program.

And while regulations specify that athletes out-of-season are to participate no more than eight hours per week in athletic activities, in point of fact, that requirement does not take into account the “voluntary” workouts athletes engage in. Notably, the NCAA GOALS Study does not venture to ask athletes about their engagement in “voluntary” workouts and how much time they may be spending, a practice that even within the *NCAA Manual* is put in quotation marks. As evidenced in coaches’ comments following allegations that the University of Michigan had placed pressure on athletes to work out beyond the required eight hour limit in the off-season, the rules may say one thing but the expectation is different. As Nebraska head football coach Bo Pelini commented in the aftermath of the Michigan investigation,

“If you want to play football, if you want to be prepared for a season, the NCAA limits the amount of time the players can be with the coaches, you are limited in some other aspects...If you want to be prepared as a football player, you have to spend some time, you have to be in shape when you get into camp. That's all voluntary stuff, but at the end of the day, as a player you'd better take it upon yourself to put the time in or you are not going to be prepared for what is a 12-game season. That's been created by the rules” (as quoted in Harris, 2009).

The assertion on the part of the NCAA that the athletic pursuits of revenue-generating football and men’s basketball players on scholarship are “avocational”, meaning that they are done for recreational purposes and free of pressure to participate is as contradictory as the notion that “voluntary” workouts are really “voluntary”. As interviews with big-time college basketball players demonstrate, the players do not believe they have a choice. As one player described it, “It is ‘understood’ that an athlete will practice on his own and lift weights, and that his failure to do so may result in him being ‘replaced’” (McCormick & McCormick, 2006, p. 108).

One might ask why there are so many loopholes in the 4 and 20 rule and why not calculate “voluntary” workouts when accounting for the time athletes spend on their sport? Given the fact that, through numerous public statements by coaches and athletes in its own study, the NCAA is fully aware that the number of hours athletes are expected to devote to their athletic activities is well above that of the official maximum, why does it continue to limit the number of hours engaged in athletic work per week to 20? An argument can be made that the 4 and 20 rule is in place primarily to give the appearance that athletes are to be students first, an impression the NCAA desperately needs the public to believe if it is to continue to maximize profits.

The NCAA assertion that “student-athletes” will not be paid because they are students first and athletes second (NCAA Staff, n.d.) does not withstand a basic test of logic. It is well known that athletes with lower presenting academic credentials are given preferential treatment in the admission process (Knobler,

2008; Lederman, 2008). It is also well known that there is an inverse relationship between the degree to which athletes graduate and their sports, with revenue producing male athletes in major programs annually graduating at lower levels than other college athlete groups and the general student body overall (Lapchick, Adams, & Jackson, 2011; Severns, 2010; Southall, 2010; The Bootleg Staff, 2010; Wieberg, 2010).

The implications of this are summarized by Maggie Severns (2010) who wrote, “Giving a kid a football scholarship is only worthwhile if he leaves college with a meaningful degree. Otherwise, the college is exploiting him for commercial profit and leaving him dangerously unprepared for the workforce”.

### “Amateurism”

*An athlete is not exploited when he is fairly compensated in a business transaction outside of the institution. To the contrary, one could more persuasively argue that an athlete is exploited when he is expressly disallowed from realizing his value while his reputation and skill are being used to realize a profit for others.*

- Jay Bilas (2010), former Duke and pro basketball player, current ESPN and CBS sports analyst

According to the NCAA, its version of amateurism is all that is needed to prevent the commercial exploitation of college athletes. The protectionist rationale for its concept of amateurism that has served as the foundation for the NCAA’s position on issues related to revenue-generating player compensation is imbedded in the notion that the NCAA is attempting to, in their words, “maintain a clear line of demarcation between collegiate athletics and professional sports” so as to prevent the undue exploitation of college athletes (NCAA Amateur and Membership Staff, 2010, p. 1). Note the linguistic nuance, as if simply labeling “collegiate athletics” as being distinctive from “professional sports” would be a sufficient barricade to the commercial interests that now include, in modest estimation, a 14 year, \$10.8 billion contract to broadcast NCAA Division I men’s college basketball annually with CBS and Turner Sports (Schlabach, 2011); a 15-year \$2.25 billion deal between the Southeast Conference (SEC) and ESPN estimated in value at \$2.25 billion (Smith & Ourand, 2008), the \$2.8 billion expected to be generated over the next 25 years by the Big Ten Network (Ourand & Smith, 2008), and the newly inked Pac 12 TV deal that will generate \$3 billion over the next 12 years (Ubben, 2011). Individual campus deals, such as the Longhorn Network developed between the University of Texas and ESPN, has a projected income profile of \$300 million over the span of next 20 years (Haurwitz, 2011).

Sport historians, such as Penn State’s Ron Smith in his recent book *Pay for Play*, have argued for years that the line of demarcation between college and professional sport is mythic despite NCAA protestations to the contrary. If not the billions of dollars in commercial revenues that the NCAA and colleges generate off of athletes’ talents, certainly the business partnerships that NCAA Division I athletic programs and the NCAA itself form with organizations such as IMG College, considered to be the leading collegiate multimedia, marketing, and brand management company representing more than 200 collegiate properties, would affirm Smith’s perspective.

As sports properties go, college sport competes extremely well with the pros. Attendance at college sport events far surpasses that of the professional leagues, with an excess of 100 million people attending at least one college sport event in 2008. For the 2010 season, the 120 teams in the Football Bowl Subdivision (FBS) drew 34,663,732 in aggregate home attendance, averaging nearly 46,000 per home contest (Johnson, 2011). According to Turner Sports, CBS Sports, and the NCAA, March Madness on Demand in 2011 realized a 47% increase in total visits across multiple platforms for the men’s Division I basketball tournament (Seidman, 2011).

Top college sport events, meaning conference football and basketball championship games, compete favorably with professional leagues for Nielsen ratings. At a national level, college football broadcasts draw an aggregated viewing audience of over 615 million. And, in 2009, the NCAA men's basketball tournament yielded an audience of nearly 137 million television viewers. According to *Nielsen Year in Sports 2010 Report* (Master, 2011), the BCS National Championship and the NCAA Men's Basketball Championship ranked among the top three sporting events for viewers with income levels above \$100,000. The other events in the top 10 included Super Bowl XLIV, Kentucky Derby, U.S. Open Men's Final, The Masters, Stanley Cup, NBA Finals, World Series, and the World Cup.

In promoting its services to college sport departments, IMG College touts its 50/50 partnership with Legends Hospitality Management, a company owned by the Dallas Cowboys, the New York Yankees, and Goldman Sachs for its capacity to provide premium seat sales, suite and ticket sales, concession operations and merchandising. In turn, athletics departments are now turning to organizations such as the Aspire Group to aggressively sell tickets in ways previously not done for the college game (Berkowitz, 2011). This hardly seems to constitute a definitive line between college athletics and professional sports.

With the current economic climate, the NCAA has had a tough time convincing the public to accept that college athletes are simply amateurs. At times, even NCAA leaders have become confused as to the rationale for its version of amateurism. Below is an excerpt from an interview that took place between former NCAA President Myles Brand and *Sports Illustrated* columnist Michael Rosenberg (2011):

"They can't be paid."  
"Why?"  
"Because they're amateurs."  
"What makes them amateurs?"  
"Well, they can't be paid."  
"Why not?"  
"Because they're amateurs."  
"Who decided they are amateurs?"  
"We did."  
"Why?"  
"Because we don't pay them."

At the core of every position taken by the NCAA regarding athlete compensation is its principle of amateurism as outlined in the *2010-2011 NCAA Division I Manual*. Despite the central role that amateurism plays as a foundational principle on which the college sport enterprise is built, the manual itself is silent on the question of what an amateur is. Instead, the Principle of Amateurism states the following:

"Student-athletes shall be amateurs in an intercollegiate sport, and their participation should be motivated primarily by education and by the physical, mental and social benefits to be derived. Student participation in intercollegiate athletics is an avocation, and student-athletes should be protected from exploitation by professional and commercial enterprises" (p.4).

If read as a separate statement, the NCAA's characterization appears to be benevolent, casting athletes in roles as potential victims to a corporate structure that might take advantage of them. As Staurowsky (2004) notes, according to this definition,

"Corporate America is where the exploitative practices of professionalism and commercialism take root. Corporate America is where people are paid a real wage for performing serious work, not where student-athletes receive scholarships for playing inconsequential games. Corporate

America is where people with real jobs, vocations as it were, devote their time, not where college athletes with avocational preferences wile away their youth. Corporate America is where professional sport is housed, not where sport that teaches life's lessons is fostered. Corporate America is where profit motives, not educational motives, have primacy. In summary, Corporate America is no place for amateurs...Or so it seems" (p. 147).

However, what if the NCAA is itself part of Corporate America rather than the educational association it purports to be, simply protected by the veil of amateurism (McCormick & McCormick, 2008; Staurowsky, 2004)? If the principle of amateurism is important to the beating heart of the NCAA, then why no definition of amateur? As McCormick and McCormick (2010) point out, as the NCAA persists in, and insists on, weaving a cloak of legal fictions designed to perpetuate the myth that the scholarship system is not a pay for play system, the spectre of college presidents being too fearful to question the lie evokes the image of the Emperor parading in his skivvies before the masses while being conned into thinking that he is wearing a new suit of clothes. The weavers get rich, the masses are not served, and the rulers look both foolish and corrupt.

The fictions themselves are not hard to find. The first full time executive director of the NCAA, Walter Byers, wrote in his memoir that the term "student-athlete" was a tool of propaganda, designed to deflect attention away from the pay for play system created by the adoption of the athletic scholarship (otherwise known as "grant-in-aid") in the 1950s. Given his background in media, this is no small admission from the officer in charge of the Association at the time the term was created. A former sportswriter, Byers understood the power of shaping a message and communicating it to the masses (Staurowsky & Sack, 2005). It was also under his watch that the burgeoning field of sports information took hold. Through memoranda, sports information directors were instructed to replace terms such as "players" and "athletes" with the term "student-athlete" until it was effectively embedded in the language and culture of college sport. As Byers (1997) admitted, "We told college publicists to speak of "college teams", not football or basketball "clubs", a word common to the pros" (p. 69).

Notably, the NCAA actually never takes an outright position against either professionalism or pay. Rather, in by-law 12.02.3, a "professional athlete" is "one who receives any kind of payment, directly or indirectly, for athletics participation **except** [emphasis added] as permitted by *the governing legislation of the Association.*" Similarly, "pay" is defined in bylaw 12.02.2, as "receipt of funds, awards or benefits *not permitted* by the governing legislation of the Association for participation in athletics" (p. 61). In effect, the NCAA is not opposed to paying athletes. It is opposed to paying athletes under terms and conditions that it cannot control (Staurowsky, 2004).

It is this lack of opposition to pay under controlled circumstances that has resulted in the creation of what the NCAA calls "student-athlete welfare" funds, or what might be thought of as the "Student-Athlete Welfare State" (Staurowsky). In the aftermath of the first NCAA billion dollar television deal in the late 1980s, pools of dollars were carved out of the NCAA budget to afford athletes limited benefits. According to the *2009-2010 NCAA Membership Report*, financial benefits available to athletes at the Division I level are distributed through the Special Assistance Fund (SAF) and the Student-Athlete Opportunity Fund (SAOF). Eligibility for these funds varies by stated purpose, but these funds further demonstrate the NCAA's willingness to pay its players so long as it controls the details.

The SAF was established to offer financial support to those athletes who are eligible for the Federal Pell Grant or have demonstrated financial need and would not otherwise be able to afford basic necessities such as clothing, classroom supplies, funding to go home for family emergencies or medical care not covered by other programs. The more general SAOF is used at the discretion of conference offices and universities may provide "direct benefits" to athletes. However, many basic necessities such as meals cannot be paid for by this fund. Also, colleges can choose how to use the funds, and there is no mandate

that these funds be used to provide direct benefits to athletes. Further, who benefits from the funds remains a mystery.

The NCAA settled a 2006 class action lawsuit led by Jason White and several former revenue-producing Division I football and men's basketball players, which alleged that the NCAA had created an improper cap on athletic scholarships that denied athletes full cost of attendance. As part of the settlement, the NCAA combined its Academic Enhancement Fund and the SAF into the SAOF while offering no public accountability to determine how many current or former athletes may have accessed the funds. While limited efforts are made to inform athletes that these funds exist, there are many revenue-producing athletes on full scholarship who either are unaware that they are eligible for these benefits or simply don't know that they are available. The few athletes who are aware of the fund must go hat in hand to petition for the benefit they had, in theory, already earned. In addition, the university is under no obligation to use the funds in ways that might best serve athletes in need. For instance, some universities use the funds for expenses such as purchasing equipment to expand their computer labs, which arguably helps the athletic program produce more impressive recruiting presentations rather than directly assisting an athlete in need of basic necessities.

This exchange among a group of athletes from a website called letsrun.com (2008) demonstrates the frustration among athletes trying to access these funds for purposes of acquiring basic necessities. One athlete has just been awarded \$500 from the SAF but he laments in his message that the funding is restricted only to clothing purchases at a particular store. He writes that he doesn't need clothing but other items, like shampoo. In an exercise in how to survive the system, other athletes chime in, offering advice on how to work the problem. One poster writes, "buy the clothes, take them back, use the cash to get useful stuff". The athlete with the problem writes back, noting that the NCAA compliance officer wants receipts right after the purchase is made." The poster again offers a suggestion, "That's not a problem. Buy them, then ask for a gift receipt. Give the normal receipt to the compliance rep. Take the clothes back with the gift receipt. Easy enough."

This candid online conversation offers insight into how athletes experience the system and the logical twists and turns they employ in order to make it work in some reasonable sense for them. Keep in mind that this athlete does not have money to buy shampoo, an athlete who is surrounded by coaches who receive bonuses for winning games.

Despite shortcomings in some of its pay-for-play operations, the NCAA has clearly allowed and initiated payment mechanisms for its athletes in addition to the grant-in-aid payment. While the NCAA argues that the denial of pay for athletic talent under conditions they are unwilling to sanction is required in order to maintain the amateur ideal central to the existence of college, even within the NCAA, definitions of amateurism vary from one division to the other (Pierce, Kaburakis, & Fielding, 2010).

Because definitions of amateurism around the world vary and sometimes conflict with those established by the NCAA, member institutions in the 1990s were having a difficult time certifying the eligibility of athletes coming from countries outside of the United States. What followed was an amateurism deregulation movement within the NCAA. Interestingly, Divisions II and III voted to liberalize amateurism standards, thus allowing international athletes who may have received pay and/or competed professionally in their home countries to redeem their amateur standing. While opening the door for athletes to participate in professional drafts and accept prize money, Division I summarily rejected proposals that would have granted eligibility to athletes who had previously signed professional contracts and accepted compensation for competing as a professional.

Currently, an athlete who was drafted by a professional team, competed professionally, and received pay can become eligible under the amateurism rules in Division II but not in Division I. According to Pierce

et al., “Division I rejected legislation that would have permitted former professionals from competing in order to avoid negative public relations and legal consequences that may have resulted in the acceptance of those proposals” (p. 315). Rather than dealing with the issue outright, Division I officials opted instead for a backdoor approach to international athlete eligibility, relying on the mechanism of athlete reinstatement to confer amateur standing.

Importantly, former NCAA President Walter Byers offers insights as to why the definition of amateurism varies within the NCAA itself. He states, “Amateurism is not a moral issue; it is an economic camouflage for monopoly practice” (p. 376). This admission likely explains why Divisions II & III are much more willing to operate with a less regulated definition of amateurism. There is very little revenue generated in these divisions to be “monopolized” compared to Division I. In contrast, if amateurism is used as a tool to monopolize the ample revenues generated in Division I, then the Division I membership must fight any deregulation of its definition of amateurism.

### **Purpose of the Study**

The overarching purpose of this study is to provide perspective regarding the compensation levels for those most directly involved in the production of revenue-producing college sport spectacle, namely the athletes and the coaches. These specific questions guided our inquiry:

- What is the value of a “full” athletic scholarship compared to cost of attendance?
- How does the value of a “full” athletic scholarship compare to head coach compensation for football and men’s basketball?
- How does the value of a “full” athletic scholarship compare to established federal poverty guidelines?
- How would the value of revenue-producing college football and men’s basketball players be affected if revenue-sharing formulas used in labor negotiations for NFL and NBA were applied?

### **Method**

A data file for each school designated as an NCAA FBS institution was created in an excel file with categories of expenses for “room and board”, and “other” expenses along with information regarding coach salaries and revenues produced by each team. Four separate analyses were conducted using this information.

Data for this report was drawn from several public sources. The United States Department of Education National Center for Education Statistics (NCES) College Navigator was used to locate information for the 2010-2011 academic year regarding room and board expenses included in a “full” athletic scholarship as well as “other” expenses, which cannot be covered by a full athletic scholarship per NCAA rules. Salary databases compiled by *USA Today* were used to gather information about FBS head football coach and head men’s basketball coaches whose teams competed in the NCAA men’s basketball tournament in 2010. The statistic used in the evaluating revenue-producing college athlete compensation in the form of a “full” scholarship in relationship to federal poverty guidelines was drawn from 2011 standards as developed by the U.S. Department of Health and Human Services. The revenue sharing percentages to determine fair market value are based on the minimum percentage of revenue guaranteed to NFL players (46.5%) in recently signed NFL collective bargaining agreement, and publicly available reports of the NBA owners’ goal of providing a 50-50 revenue sharing agreement in the next NBA collective bargaining agreement.

### **Analysis#1. Scholarship Shortfall Calculation**

By NCAA definition, a “full grant-in-aid”, otherwise known as a “full” athletic scholarship, “consists of tuition and fees, room and board, and required course-related books” (Bylaw 15.02.5, p. 195). The estimated scholarship shortfall represents the sum of expenses included in the cost of attendance (COA) that cannot be covered by a full grant in aid scholarship per NCAA bylaw 15.02.2., which reads as follows:

Cost of Attendance. The “cost of attendance” is an amount calculated by an institutional financial aid office, using federal regulations, that includes the total cost of tuition and fees, room and board, books and supplies, transportation, and other expenses related to attendance at the institution. (Adopted: 1/11/94) (p. 194)

There is gap between how the full grant in aid is calculated and the overall cost of attendance, as calculated by the institution and reported in the "other" category.

### **Analysis#2. Team Scholarship Shortfalls Compared To Coach Compensation**

Team scholarship shortfalls for football and basketball are calculated by multiplying the scholarship shortfall at each school and multiplying the shortfall by the maximum number of scholarships that the NCAA allows for each team. The NCAA allows no more than 13 and 85 scholarships in men’s basketball and football, respectively.

### **Analysis#3. Scholarship Compensation Compared To U.S. Federal Poverty Guidelines**

According to the U.S. Department of Health and Human Services, the guideline for a single individual earning \$10,890 or less is an indicator of living at or below the poverty line. The value of each athletic scholarship’s room and board component was compared to the poverty guideline for a single individual. Despite the tuition, fees, and books provisions in a “full” athletic scholarship, these parts of the scholarship are not included since they do not affect a college athlete’s ability to pay for basic necessities such as food, shelter, utilities, etc.

### **Analysis#4. College Athlete Market Value**

At present, there is no formula to determine the fair market value of a revenue-producing college athlete in the sports of football and men’s basketball. In an attempt to experiment with such a model, we theorized that the revenue-sharing models that exist in the National Football League (NFL) and the National Basketball Association (NBA), which have been arrived at through a collective bargaining process and with the aid of player representation, would provide a starting point on an estimation of what the value of revenue-producing college athletes to their programs. In 2011, the NFL reached an agreement with players that they would share at least 46.5% of the revenue generated by the league. NBA owners, while currently in negotiations with players, have publicly stated their goal of establishing a 50% revenue-sharing standard. Those standards were applied to the revenue reported by colleges’ and universities’ football and basketball revenues to better gauge the value of the college players that participate in these sports.

## Findings

1. Average annual scholarship shortfall (out of pocket expenses) for FBS "full" scholarship athletes: \$3222
2. Percentage of FBS schools whose "full" athletic scholarships leave their players in poverty: 85% on campus, 86% off campus.
3. Average FBS "full" scholarship athlete earns less than the federal poverty line by \$1874 on campus and \$1794 off campus.
4. If allowed access to the fair market like the pros, the average FBS football and basketball player would be worth approximately \$121,048 and \$265,027 respectively (not counting individual commercial endorsement deals).
5. Football players with the top 10 highest estimated fair market values are worth between \$345k-\$514k in 2009-10. The top spot was held by University of Texas football players. While 100% of these players received scholarships that left them living below the federal poverty line and with an average scholarship shortfall of \$2841 in 2010-11, their coaches were paid an average of over \$3.5 million each in 2010 excluding bonuses.

Table 1. Rank	School	Fair Market Value Football Player 45% Revenue Split	In Poverty? (On-Campus)	Scholarship Shortfall (On-Campus 2010-2011)	Team Scholarship Shortfall (On-Campus 2010-2011)	FB Coach Annual Pay
1	Texas	\$513,922	-\$778	-\$3,624	-\$308,040	\$5,161,500
2	Alabama	\$393,251	-\$684	-\$2,475	-\$210,375	\$5,997,349
3	Georgia	\$387,528	-\$2,430	-\$1,510	-\$128,350	\$2,937,740
4	Penn State	\$384,082	-\$1,836	-\$3,924	-\$333,540	\$1,109,977
5	LSU	\$376,485	-\$2,680	-\$2,870	-\$243,950	\$3,905,000
6	Florida	\$375,916	-\$2,250	-\$3,190	-\$271,150	\$4,010,000
7	Auburn	\$361,949	-\$1,260	-\$2,510	-\$213,350	\$2,103,500
8	Notre Dame	\$351,010	-\$20	-\$1,500	-\$127,500	N/A
9	Ohio State	\$348,750	-\$726	-\$4,716	-\$400,860	\$3,888,389
10	Michigan	\$345,683	-\$1,698	-\$2,090	-\$177,650	\$2,525,280

6. Basketball players with the top 10 highest estimated fair market values are worth between \$620k-\$1 million in 2009-10. The top spot was held by Duke basketball players. While 80% of players received scholarships that left them living below the federal poverty and with an average scholarship shortfall of \$3098 in 2010-11, their coaches were paid an average of over \$2.5 million in 2010 excluding bonuses.

Table 2. Rank	School	Fair Market Value Men's Bball Player 50% Revenue Split	In Poverty? (On-Campus)	Scholarship Shortfall (On-Campus 2010-2011)	Team Scholarship Shortfall (Off-Campus 2010-2011)	BB Coach Annual Pay
1	Duke	\$1,025,656	\$732	-\$1,995	-\$25,935	\$4,095,909
2	Louisville	\$995,769	-\$4,288	-\$4,410	-\$57,330	\$4,073,093
3	North Carolina	\$790,430	-\$1,584	-\$3,306	-\$42,978	\$1,563,938
4	Arizona	\$741,732	-\$1,867	-\$4,120	-\$53,560	\$2,300,000
5	Syracuse	\$704,210	\$1,960	-\$1,500	-\$19,500	\$1,155,088
6	Wisconsin	\$679,474	-\$3,455	-\$3,740	-\$48,620	\$1,639,500
7	Kentucky	\$645,432	-\$1,450	-\$2,226	-\$28,938	N/A
8	Indiana	\$637,314	-\$2,972	-\$3,232	-\$42,016	N/A
9	Ohio State	\$622,720	-\$726	-\$4,716	-\$61,308	\$2,662,000
10	Michigan State	\$620,699	-\$3,070	-\$1,738	-\$22,594	\$3,083,300



7. The poorest football and basketball players from the richest teams (generated combined FB & BB revenues of \$30 million or more in 2009-10, yet live in the poorest bottom 1/3 of all of the players in the study – on-campus and/or off-campus) are from the schools in Table 3 below. These players live between \$3000-\$5000 below the poverty line:

Table 3.

School	In Poverty? (On Campus)	In Poverty? (Off Campus)	2009-10 FB & BB Combined Revenues
Florida	-\$2,250	-\$2,250	\$78,899,886
Tennessee	-\$3,090	N/A	\$69,895,525
South Carolina	-\$3,126	N/A	\$67,456,953
Oklahoma	-\$3,064	N/A	\$66,922,135
Arkansas	-\$2,848	-\$2,848	\$64,040,074
Michigan State	-\$3,070	-\$3,070	\$60,600,826
Wisconsin	-\$3,455	-\$2,400	\$56,329,282
Nebraska	-\$3,230	-\$3,122	\$55,950,436
Iowa	-\$2,559	-\$2,559	\$54,651,304
Texas A&M	-\$2,882	-\$2,882	\$50,768,753
Minnesota	-\$3,314	-\$3,314	\$46,056,004
Oklahoma State	-\$2,890	N/A	\$44,872,804
West Virginia	-\$3,022	-\$3,573	\$42,774,266
Louisville	-\$4,288	-\$4,288	\$41,427,279
Virginia Tech	-\$3,890	-\$3,890	\$40,408,163
Indiana	-\$2,972	N/A	\$38,353,343
Arizona State	-\$1,184	-\$2,274	\$38,178,657
Clemson	-\$3,856	N/A	\$38,049,194
Kansas	-\$3,820	-\$3,820	\$34,001,678
North Carolina State	-\$2,736	-\$2,736	\$32,372,895
Texas Tech	-\$2,924	-\$8,344	\$31,293,930
<b>Average</b>	<b>-\$3,070</b>	<b>-\$4,967</b>	

8. Despite record revenues, salaries, and capital expenditures as well as prohibitions on countless sources of income for athletes, the NCAA explicitly allows tax payers to fund food stamps and welfare benefits for college athletes.(NCAA Bylaws 15.2.2.5 & 15.2.5.1).

9. FBS schools could provide more equitable financial terms for their revenue-producing athletes without eliminating any non-revenue generating sports or reducing scholarships from athletes from non-revenue generating sports. The second attachment (2 tables with data) points to lavish spending in by FBS schools in non-revenue sports. We've compared non-revenue sports expenditures between FBS schools and Football Championship Subdivision (FCS) schools because all of their non-revenue sports compete against each other in Division I. We focused on this to find out what it costs to run a competitive Division I non-revenue generating team which is demonstrated by the FCS numbers. The FBS non-revenue team expenses show that these schools spend far more than what's necessary to field these teams. BCS schools spend an average of about \$350,000 more on each non-revenue team when compared to FCS schools. FBS schools average 18 non-revenue generating teams per campus, which means they spend an average of about \$6.3 million/year more than FCS schools on non-revenue generating sports. Schools often question where they would find the money to increase athletic scholarships. But to put this in perspective, if those excess expenditures were evenly divided among 85 scholarship football players and 13 scholarship basketball players, each player would receive about \$64,000 without reducing any non-revenue generating players' scholarships or their teams.

## Discussion

### Priceless Poverty

*The NCAA's stance on paying players – or not paying them – seems unfair to me, with the preposterous amounts of money being made by the schools, television, coaches, and the like. And the players?(p. 203)*

– Tim Tebow (2011), former Florida football player, Hiesman trophy winner, current NFL player

The NCAA's definition of amateurism has proven to be priceless to obscenely paid coaches, athletics administrators, and colleges but has inflicted poverty on college athletes. The primary beneficiaries of revenue-producing athletes' talents are head football and men's basketball coaches, athletics directors, commissioners in the major conferences, and bowl directors. Earnings for these groups illustrate the conditions of the market for college sport.

Head men's basketball coaches whose teams competed during March Madness in 2010 earned, on average, approximately \$1.4 million with average head football coach compensation in major programs amounting to \$1.3 million (Berkowitz, Upton, & Levin, December 26, 2010; Staff, March 30, 2011). The top paid 60 FBS football coaches averaged more than \$2 million in total compensation with Alabama's Nick Saban and Texas' Mack Brown earning approximately \$6 million and \$5.1 million, respectively. The top 25 highest paid basketball coaches whose team played in the 2011 NCAA tournament averaged about \$2.4 million with Louisville's Rick Pitino earning \$7.5 million in total compensation.

The connection between coach earnings and the compensation of revenue-producing athletes was not lost on University of South Carolina football coach Steve Spurrier (Neuharth, June 9, 2011) who developed a proposal to provide a stipend to players on a per game basis that garnered support from Alabama's Nick Saban, Florida's Will Muschamp, LSU's Les Miles, Mississippi's Houston Nutt, Mississippi State's Dan Mullen and Tennessee's Derek Dooley. In explaining the rationale for the proposal, Spurrier said, "A bunch of us coaches felt so strongly about it that we would be willing to pay it – 70 guys, 300 bucks a game," Spurrier said. "That's only \$21,000 a game. I doubt it will get passed, but as coaches in the SEC, we make all the money – as do universities, television – and we need to get more to our players" (Long, June 1, 2011). Spurrier went on to say that "People don't realize that most football players come from underprivileged homes. My plan was meant to show that I believe our players deserve more expense money to be more like the average college student."

According to tax records for the year 2009, four of the six commissioners in the major football player conferences earn more than \$1 million per year with the Big 10's Jim Delaney receiving about \$1.7 million. (Associated Press, June 20, 2011). During the 2008-09 school year, SEC Commissioner Mike Slive was given a \$1 million bonus (Associated Press, June 21, 2011; Veazey, 2010). BCS Bowl game directors for the top four bowl games averaged approximately \$468,000 for organizing only one game in 2008 (Bowl Directors Pay, 2011). The mid-range salary for executive directors of events that comprise the college bowl system was \$300,000 (Gregory, December 30, 2010). Athletic directors are also paid handsomely averaging \$481,159 in the ACC, \$500,743 in the Big Ten and \$543,049 in the Big 12 in 2009-10 (Tysiac, 2010).

NCAA Presidents have little to complain about in terms of their compensation. NCAA President Mark Emmert refused to publicly state his NCAA salary, but public records show that Myles Brand, the previous NCAA President, earned \$1.7 million prior to Emmert's arrival. When asked by Frontline's Lowell Bergman (2011) if he saw any contradiction between the six and seven figure salaries for coaches and athletic administrators compared to what college athletes receive, Emmert stated, "No, I don't find that contradictory at all."

While there are no limits to what coaches and administrators can make, the NCAA's definition of amateurism caps "full" athletic scholarships below the cost of attendance, or the price tag that each school reports to the U.S. Department of Education. The athletic scholarship is the compensation that athletes receive for their contributions to the college, and every full athletic scholarship in the nation leaves them with out-of-pocket educational related expenses. Using the cost of attendance figures that colleges report to the Department of Education each year, our study found that the average scholarship shortfall for a full scholarship athlete at a FBS school was \$3222 in 2010-11. These same colleges are free to give full *academic* scholarships that fully cover the cost of attendance while their "full" *athletic* scholarships must fall short of the cost of attendance due to the NCAA's definition of amateurism. College athletes have been promised by their colleges and coaches that their educational pursuits will be fully supported with a "full" scholarship, but despite record revenues, they have never fully funded this promise. This leaves most players and their families unprepared for the financial demands that they must address.

The inequities in this system can be gauged from several vantage points. In our report, we found that when head coaches salaries are compared with the scholarship shortfall of entire football teams based on 85 scholarships (using in-state tuition calculations only), the gap is striking. While team shortfalls in 2010-2011 ranged from \$80,920 to over \$520,795, some coaches bonuses alone were greater than those shortfalls. University of Florida head football coach Urban Meyer could have financed the total scholarship shortfall for his entire team, \$271,150, with only *half* of his \$575,000 maximum bonus that year, leaving his \$4 million salary completely intact. Similarly, University of Oklahoma head coach Bob Stoops' contract provided for a maximum bonus of \$819,500 while his football team's total scholarship shortfall was \$338,980. Among the colleges with the top 10 football revenues, the sum of team scholarship shortfalls was approximately \$2.5 million while the maximum bonuses these head football coaches could earn was \$5.4 million. Although some argue that the financial state of college athletics does not have the resources to remedy the scholarship shortfall problem, dollars allocated to the incentives built into coach contracts to win conference games, achieve a certain winning percentage, be selected for a non-BCS or BCS bowl, be named coach of the year by a conference or national association, or to simply stay at an institution, incentives that hinge on the performance of athletes who generate the money to pay those incentives, would certainly be a budget area to be examined.

Not only does the NCAA-mandated scholarship shortfall leave players with thousands of dollars in out of pocket expenses, it leaves most living below the federal poverty line. Our study compared the 2010-11 room and board portion of each school's full athletic scholarship to the 2011 federal poverty line and found that the average scholarship left 85% of on campus athletes and 86% of off-campus athletes below the federal poverty line. On campus athletes lived at about \$1874 below the poverty line while players living off-campus lived at \$1794 below the poverty line.

Many are aware that college athletes are much more valuable than what they receive in the form of a full scholarship, but our study also estimates the fair market value for big time college football and basketball players receive. As previously stated, Coach Jay Paterno used his flawed estimation of athletes' time demands in an attempt to calculate the market value of a full scholarship player. He mistakenly suggested that a scholarship athlete at Penn State earned \$56.25 per hour if they came from the state of Pennsylvania and \$83.25 per hour for out of state athletes who are charged higher rates of tuition. To better gauge the fair market value for a college football and basketball player, we applied the revenue sharing provisions in the NFL and NBA collective bargaining agreements (CBA) to the football and basketball revenues reported by FBS schools. The current NFL CBA guarantees players at least 46.5% of total revenues. At the time of this writing, the NBA does not have a current CBA, so we applied a 50% revenue split for college basketball revenues, which is the percentage that the NBA owners publicly stated as their desired goal in a new CBA.

After applying the revenue-sharing percentages, we found that during the 2009-10 school year, the average FBS football and basketball player's fair market value was \$121,048 and \$265,027, respectively. In 2009-10, the University of Texas fielded football players with the highest fair market value at \$513,922 per player while Duke basketball players were each worth \$1,025,656, the highest value in college basketball. Florida football and basketball players were the poorest athletes among the richest colleges. While generating combined revenues of about \$79 million for their universities, their scholarships left them living at \$2,250 *below* the federal poverty line.

### **The NCAA's Black Market**

*As long as you have a prohibition you're going to have bootleggers.*  
- Josh Luchs, former NCAA rule-violating sports agent turned NCAA reformer

With the countless scandals that have occurred over the last year, this may be the most appropriate time to point out that the NCAA's version of amateurism is not only at the root of the problem, it is impossible to uphold. Through the NCAA, college presidents mandate impoverished conditions for young, valuable players and throw money around to all other college sports stakeholders when those players perform well, a formula that drives the powerful black market that thrives at so many universities nationwide. To be sure, *Inside Higher Education* reported that 53 of 120 FBS schools were caught violating NCAA rules between 2001-10 (Lederman, 2011). To see such rampant disregard for the rules makes one wonder how many violations take place without the NCAA taking notice?

Despite the NCAA's predictable punitive actions on athletic programs and individuals, violations have consistently occurred from the inception of the NCAA sports. Player advocate and author of *Money Players* Marc Isenberg pointed out what should be clear to everyone, "In reality, the NCAA does not have an agent problem, it has an amateur problem" (Isenberg, 2011). Rules that prohibit valuable players from accepting benefits above and beyond their scholarships set athletic programs and their players up for failure.

Many programs take measures to inform their players about NCAA rules, but players have been both knowingly and unknowing violating NCAA rules for years. Some succumb to financial pressures, others feel that it's not a big deal because they are part of a system that generates so much money for everyone else, and there are even those who break NCAA rules without knowing it.

For example, former University of Southern California receiver, R. Jay Soward confirmed to *Sports Illustrated* last fall that he had accepted benefits from former sports agent Josh Luchs because his scholarship didn't provide enough money for rent or food. In explaining his perspective, he said "I would do it again. I have four sons, and if somebody offered my son money in college and it meant he didn't have to be hungry, I would tell him to take it."

Former NBA star and current basketball analyst Charles Barkley agrees in principle with Soward. In September of 2010, Barkely admitted to breaking NCAA rules while playing for Auburn,

"I got money from agents when I was in college and I went in the '80s. A bunch of players -- most of the players I know -- borrowed money from agents. The colleges don't give us anything. If they give us a pair of sneakers, they get in trouble. Why can't an agent lend me some money and I'll pay him back when I graduate? "These agents are well, well known. They've been giving college kids money for 30 years," Barkley said. "And I've got no problem with it. I want to visit my family, I want to go see a movie. How in the world can they call it amateur if they pay \$11 million to broadcast the NCAA Tournament?" (Segrest, 2010).

Former UCLA and NFL football player Donnie Edwards was suspended for unknowingly breaking NCAA rules when he placed in his refrigerator about \$150 in groceries that were left anonymously on his doorstep on two separate occasions. "One of the occasions was shortly after I did a radio interview and talked about how hard it is for student-athletes to buy enough food under the current scholarship system..." (Springer, 1995).

Other former scholarship athletes have shared similar stories. As interviews conducted by researcher Krystal Beamon (2008) demonstrate, the scholarship shortfall is a legitimate concern for athletes. As one former athlete commented, "I'm not gone to say we should get paid, but our monthly income that they give the students is definitely not enough to live" (p. 359).

In addition to players who have broken NCAA rules, players that have not broken NCAA rules have voiced frustration with the financial disparity and hypocrisy. Tim Tebow (2011), arguably the most iconic football player to ever play in NCAA sports, voiced his opinion on this topic in his recently published book *Through My Eyes*. Tebow reflects on his coach's million dollar bonus at a time when he pulled the weeds in his mom's chicken coup as a Christmas present for her because that was all he could afford. In his book, he questions the morality of the NCAA rules that impose this double-standard.

Tebow is known for his strong personal and moral convictions, which is what likely helped him refrain from accepting extra benefits and violating NCAA rules. But many can question what the average, high profile, cash-strapped 19-year-old college athlete would do if offered benefits that the NCAA prohibits. Tebow was frustrated enough with NCAA rules that he criticized its rules in his book. Many other players choose to go a step further.

The NCAA creates an environment that too often make college athletes easy targets for coaches, agents, advisors, and runners that have significant potential financial rewards associated with securing talented players. Former sports agent Josh Luchs, who admitted to routinely violating NCAA rules, has recently embarked on an effort to minimize widespread NCAA rules violations. He pointed out in a California Senate hearing that, in terms of NCAA violations, "As long as you have a prohibition you're going to have bootleggers" (Klein, 2011). Luchs went on to testify about the degree to which NCAA rules can be violated, detailing how coaches, trainers, teammates, and family members are all potential runners for sports agents and advisors.

The strain of a system that has been suppressing the fair market value of its athletes for far too long is becoming ever more apparent as the commercial interests and the line of demarcation between college athletics and professional sports ever more indistinguishable and porous. The embarrassments of the supposed scandals in premier athletic powerhouse programs of late have proven to be liberal fodder for the sport tabloids. The retirement of Ohio's native son, Jim Tressel, head football coach at that state's flagship institution following revelations that members of the championship Buckeye team including quarterback Terrell Pryor had traded on their celebrity for benefits from a local merchant in Columbus in June of 2011 captured headlines nationwide. Not to be outdone, the University of Miami was exposed when former booster Nevin Shapiro admitted to violating NCAA rules by providing extra benefits to Miami players from 2002-2010. In addition, Shapiro implicated university coaches and leaders in this scandal, offering an interesting punctuation mark to a year that witnessed one Heisman Trophy winner (Reggie Bush) making the unprecedented move of giving his award back because he accepted benefits not sanctioned by the NCAA and the media pursuit of a Heisman Trophy candidate (Cam Newton, Auburn) believed to have had his athletic talents brokered to the highest bidder by his father (Weiss, 2011).

The NCAA's response to violations is usually to punish entire programs despite the fact that the majority of players and athletic staff from these programs typically do not commit any violations. For example, former USC running back and Heisman trophy winner received extra benefits estimated at \$200,000 from

a prospective agent that had no ties to USC. In response, the NCAA took away 30 scholarships and banned the USC football team from post-season play and the inaugural PAC 12 championship game. In response, USC athletic director Pat Haden stated, “I feel badly for our seniors who had two years of [postseason bowl bans], even though they had nothing to do with what went on...” (Rubenroit, 2011). The NCAA imposed these penalties after Bush had already departed to the NFL.

At times, the NCAA seems to launch investigations more akin to fruitless witch-hunts, which themselves can initiate NCAA rules violations and punishments. For example, the NCAA launched an investigation due to \$312 in clothes that the NCAA suspected was given to a Georgia Tech football player in violation of its extra benefits rule for amateur athletes. Though the NCAA found no evidence of a violation, it punished Georgia Tech because the athletic director informed its coach and some of their players that an investigation was underway, which the NCAA does not allow. In response, the NCAA stripped the football team of its 2009 ACC Championship and put the program on probation. Former Georgia Tech player Sean Bedford who played on the 2009 responded to the punishments in an open letter to the NCAA,

While I realize that all violations merit some kind of punishment, I have a hard time grasping the notion that one of the proudest moments in my life (and the lives of every other individual that was a part of the team and program in 2009) is apparently worth \$312 in your eyes. If that truly is the case, I'd be happy to provide you with that same amount of money (cash or check, your choice) in exchange for the reinstatement of the title my teammates and I earned through our blood, sweat and tears (Crawford, 2011).

In mid-August, allegations surfaced that 72 current and former members of the University of Miami football team had received improper benefits in the form of cash, cars, and gifts from Nevin Shapiro, a booster serving time in federal prison for his involvement in a \$630 million Ponzi scheme (Robinson, 2011). Ten coaches no longer working at the University were also implicated along with one men's basketball player. It was further revealed that Shapiro was co-owner of a sports agency for nearly the entire time that he was a Hurricane booster.

For the various rules violations committed at the University of Miami, NCAA President Mark Emmert is currently contemplating giving the University of Miami the “Death Penalty”, a punitive action whereby a school is not allowed to compete in a sport for at least a year. While many University of Miami players have been implicated in NCAA rules violations, precedents will likely reveal that the majority of players from that program committed no violations at all. Yet, the NCAA's enforcement mechanism gives little consideration to the innocent players.

Southern Methodist University (SMU) was the only school to ever receive the Death Penalty which, by all accounts, transformed their football program from a national powerhouse to a mediocre program at best. Former SMU player Mike Romo spoke of the multiple knee surgeries he suffered during the years immediate following the NCAA's actions, “I have a couple, the effect of having a thinned-out team from the death penalty.” He went on to question the NCAA's method of enforcing its rules, “Let me ask you this: If you could rob a bank and they arrest the next guy who walks in, who wouldn't do that? We were the next guy who walked in the bank” (Floyd-Engle, 2011).

The NCAA issues penalties in an attempt to impose justice to enforce its unjust system and to prevent actions that are unpreventable. In effect, while the market in one way or another offers examples that athletes are economically undervalued, they are punished, held up for ridicule, and accused of wrongdoing for engaging in modest explorations of what their real value is worth. Innocent athletes suffering NCAA punishments are collateral damage. Meanwhile, the NCAA remains free to exploit its

athletes for every commercial dollar that it can while simultaneously pretending to protect them from such exploitation.

As controversies involving revenue-producing athletes have become more frequent, the calls for some kind of “reform” echo across the landscape. In the spring of 2011, James Delaney, Commissioner of the Big Ten Conference, floated the idea that it was time to begin to consider addressing the financial gap between what a full athletic scholarship covers compared to expenses associated with the cost of attending an institution. Because NCAA regulations limit the athletic scholarship to tuition, room, board, and fees, the shortfall amounts to approximately \$12,000 to \$20,000 in expenses that athletes believed to be receiving a “free ride” pay for attending their academic institutions over the span for four years (a gap that translates into \$3,000 to \$5,000 on average each year).

This topic was included in the much anticipated NCAA Division I Presidential Retreat in August of 2011. While mapping out a course for the future, NCAA President Mark Emmert stated, “It’s time for creative solutions to the significant issues facing intercollegiate athletics. In order to protect student-athlete success, the collegiate model, amateurism and competitive equity, there must be substantive change to the enterprise.” One of the “creative” solutions may be closing the scholarship shortfall, an action that the National College Players Association has pressured the NCAA to do for over 10 years. The NCAA has kicked around this idea before but has passed on this and other reforms. This leaves an important question, “Can the NCAA reform itself?”

### **The NCAA and Colleges Presidents Admit Inability to Reform; The Need for Federal Intervention**

*In sum, presidents would like serious change but don’t see themselves as the force for the changes needed, nor have they identified an alternative force they believe could be effective.* – The Knight Commission’s 2009 Report

While higher education officials and athletics administrators have worked to keep a lid on Pandora’s Box, the past twelve months in college sport have been record breaking in terms of an ever lengthening list of cases that raise questions about the integrity of the system and the ability of those running college sport to control it.

In the immediate aftermath of the Miami scandal, some argued that President Donna Shalala should lose her job for failure to provide the necessary oversight to avert a problem of this magnitude. According to Board of Trustees chair Leonard Abess, Shalala will ride out this storm and lead the university through the process of its own internal investigation and inevitable NCAA infractions review. While her position seems secure, at least as of this writing, whether she or any college president can exert the type of leadership necessary to ensure that such an incident will not happen on his or her watch is very much open for consideration. Is it realistic to expect Shalala, or any other college president, to prevent a booster from giving a player a \$100 handshake ten miles from campus?

In October of 2009, the Knight Commission on Intercollegiate Athletics released a report based on interviews with 95 of 119 FBS presidents seeking their thoughts and perspectives on college sport reform, the probability of creating a more sustainable financial model for college athletics, and how they saw their role in reform efforts (Art & Science Group). As reported by the Knight Commission,

While the quantitative research revealed strong presidential support for studies of policy changes regarding a number of concerns, such as the number of coaches and athletic contests, the qualitative research revealed a sense of powerlessness to effect the kind of change that is needed at the

conference and national levels to contain the athletics arms race and address critical issues regarding sustainability, such as rapidly escalating coaches' salaries. The quantitative research also shows that a high percentage of presidents who believe that sustainability is problematic for their own institution or for their conference or the FBS as a whole believe that sweeping change is necessary across the FBS (p. 7).

The problems with college sports oversight on individual campuses seem to have manifested in the broader regulatory systems within the NCAA. The contradictions that the entire college sport regulatory system have encountered of late have become so great that the work of the NCAA's Committee on Athletic Certification (CAC), the central purpose of which is "...to validate the fundamental integrity of member institutions' athletics programs through a verified and evaluated institutional self-study" (NCAA Staff, 2010, p. 371), was abruptly put on hold by the NCAA Board of Directors in April of 2011. In calling for a moratorium on program certification, the Board justified its action on the basis of cost-saving and reducing the administrative burden associated with the self-study process. The Board charged the CAC with devising a new program review that has the capability of establishing benchmark data on academics, student-athlete experience, financial and diversity/inclusion.

What the Board failed to comment about may illuminate the import of the decision to cease the certification process mid-stream when schools were already going through the cycle. While the Board offered some plausible explanations on the value of revising the program review process, it did not explain the sudden necessity to do so nor the fact that they narrowed the standards of review, leaving off the standards that address "institutional control, presidential authority and shared responsibilities" and "commitment to rules compliance" (NCAA Board of Directors, 2011). This is a significant omission in light of the timing of the decision. In the months immediately preceding the Board's decision, allegations of NCAA amateur code violations surfaced at schools that had all been certified by the NCAA and had been touted as winning while being in compliance with NCAA rules, specifically the University of Connecticut, University of Southern California, the Ohio State University, George Institute of Technology, and the University of Oregon. For a process that purportedly cost \$300,000 per institution to execute and required an average of 400 hours of employee time to complete, a more powerful justification for pulling the plug on the certification process may have been the questions to be raised about a process that found routine rule violators to have sufficient presidential control and commitment to rules compliance when that was clearly not the case. In effect, the very checks and balances system put in place to ensure program integrity has been found to be fundamentally ineffective and/or corrupt.

Thus, calling a halt to the process before outside investigators probed too deeply into this problem probably seemed to be the only prudent thing to do, allowing time for those who might be implicated at their respective institutions to quietly move on perhaps and gain some distance from whatever scandal may be brewing on their own campus. Evidence of NCAA members' hesitation of looking too deeply into this problem came to light during a recent California Senate hearing held at the Los Angeles Coliseum on May 12, 2011. David Roberts, USC's vice president of athletic compliance admitted that universities are hesitant to go after unscrupulous agents because it may open Pandora's Box and reveal many other violations within their programs (Klein, 2011).

While college presidents have admitted their inability to bring forth comprehensive reform, one may inquire about the ability of the NCAA and/or conference commissioners to solve the problems plaguing college sports. Unfortunately, both groups are controlled by college presidents who lack both the strength and direction to do so. Every NCAA rule that exists was installed by the collective will of the college presidents, and every conference commissioner is hired through a collective action of the universities that are led by college presidents.



In all college sports matters, the buck stops with college presidents. Current NCAA President Mark Emmert highlighted this fact when responding to a US Department of Justice Inquiry related to the antitrust implications of the BCS system. Emmert (2011) stated that change “would not heppen unless the leaders of the institutions with teams in the Football Bowl Subdivision want to make such a change.” College presidents have clearly failed in their roles as stewards of NCAA sports and the protectors of college athletes.

With this key revelation, the only other entity powerful enough to bring forth comprehensive reform is the federal government. Former NCAA President Walter Byers acknowledges this in his book published almost 15 years before the Knight Commission’s report,

The presidential reform movement took hold in the mid-1980s and squandered an opportunity to transform the industry. Significant change will not come from that source...I believe the record now clearly shows the major hope for reform lies outside the collegiate structure. What the colleges will not do voluntarily should be done for them...Congress should enact and the president should sign a comprehensive College Athletes' Bill of Rights.... the federal government should require deregulation of a monopoly business operated by not-for-profit institutions contracting together to achieve maximum financial returns. The Justice Department has chosen not to act. The Congress should (Byers, 1997).

At the time Byers wrote this, the US Department of Justice (DOJ) chose not to address the numerous antitrust violations that many have accused the NCAA of committing. Today, the DOJ has made inquiries about potential antitrust violations associated with the BCS post-season arrangement that prevents a playoff in big time college football, and is currently investigating the NCAA for antitrust implications associated with its one-year cap on athletic scholarships. These are important steps for the DOJ but, to date, it has not addressed some of the most glaring examples of NCAA monopoly practices that are addressed in this study. It has a clear role to play in reforming NCAA sports, but it has not yet accepted the full responsibility of bringing justice for college athletes.

While the DOJ should clearly become heavily involved in addressing NCAA antitrust violations, the United States Congress is a vehicle that can bring forth comprehensive reform. It has jurisdiction over both higher education and interstate commerce and can implement uniform legislation nationwide. States cannot implement reforms such as multiple year scholarships and athletic grant-in-aid scholarships that equal the cost of attendance without risking the exclusion of their athletic programs from NCAA competition. The NCAA threatened pro-reform states such as California and Nebraska of the loss of NCAA membership and revenue that would accompany the implementation of these types of changes (Ryan, 2003; Nebraska legislature..., 2003). Ultimately, the NCAA’s monopoly power renders state governments impotent in their quest for reform. In addition, college athletes lack the leverage to negotiate directly with the NCAA since the NCAA strategically used its “amateurism” and “student-athlete” propoganda to prevent them from acquiring the employee rights that would allow them to organize and negotiate. Without an act of Congress and support from the DOJ, universities, athletic programs, coaches, and players will continue to spiral embarrassingly into the abyss that has been on full display over the past 12 months and beyond. College athletes will also continue to drift as a group of Americans harmed by the NCAA’s unAmerican, monopolistic arrangements.

## Recommendations

The US Department of Justice should aggressively and whole-heartedly pursue antitrust suits against the NCAA to prevent further harm to college athletes, and Congress should act immediately to deregulate the NCAA with the provisions detailed below:

**#1.** Support legislation that will allow universities to fully fund their athletes' educational opportunities with scholarships that fully cover the full cost of attendance. The average \$3222 increase per player would be enough to free many from poverty and reduce their vulnerability to breaking NCAA rules to make ends meet. This can be funded with the new TV revenue streams that are surging throughout NCAA sports.

A \$3222 scholarship increase would cost approximately \$32.8 million for 85 scholarship players from each of the 120 FBS football teams, and \$14.2 million to do the same for 13 scholarship players on each of the 338 Division I basketball teams that offer scholarships. The total would be about \$47 million annually. Should Title IX compliance require that provisions be made for female athletes to receive a similar benefit, that amount can be doubled for a total of \$94 million annually. To put this in perspective relative to the new revenues that are available throughout NCAA sports, the new Pac-12 TV contract alone will bring in \$150 million in new revenues each year. The year-old NCAA TV contract with CBS will average about \$270 million in new revenues above and beyond its previous TV deal with CBS. New revenues could be distributed so that schools would not have to come directly out of pocket for the increase.

**#2.** Lift restrictions on all college athletes' commercial opportunities by allowing the Olympic amateur model. The Olympics' international definition of amateurism permits amateur athletes access to the commercial free market. They are free to secure endorsement deals, get paid for signing autographs, etc. The NCAA's version of amateurism is impractical and is an unjust financial arrangement imposed upon college athletes. Former Duke and pro basketball player and highly regarded ESPN and CBS analyst, Jay Bilas has been a strong advocate for such reforms.

The NCAA's attempt to eliminate the commercial free market creates a black market in which universities, coaches, agents, financial advisors, runners, and players will continuously violate the rules. Alternatively, if the Olympics model were allowed, virtually all of the high profile violations over the last year would not have been deemed violations. Selling a championship ring and even accepting a free television would not have been "scandalous" much less an NCAA violation.

In addition, since the NCAA and its member institutions have abandoned the idea that "student-athletes should be protected from exploitation by professional and commercial enterprises" and are actually using players to maximize their own commercial coffers; college athletes should be allowed to pursue their own commercial endeavors.

Some may point to competitive equity as a reason not to adopt the Olympic model. What if boosters would arrange attractive endorsement opportunities for recruits or some schools would have a recruiting advantage because they reside in geographic locations with better endorsement opportunities than other schools? Perhaps the current commissioner of the Southeastern Conference, Mike Slive, has the best counter argument:

It's time to push the reset button on the regulatory rules on recruiting in order to move away from the idea that recruiting rules are designed to create a level playing field," Slive said. "There are significant differences between institutions in resources, climate, tradition, history, stadiums and fan interest and many other things that make the idea of a level playing field an illusion (Associated Press, 2011).

Former NCAA Walter Byers (1997) concurs,

Despite its reliance on the competitive-equity defense when it comes to controlling players, the NCAA does not prohibit the colleges' open bidding for winning coaches... The NCAA level-playing field rules do not apply here... All of this is legal under NCAA rules, although it tilts the playing field and gives the rich and consistent college winner a continuing advantage. When there is the possibility that the money will go to the student-athlete, however, the NCAA becomes adamant: There shall be uniform compensation for the players in the form of one-year contracts. No outside money! (377-387).

Andy Schwarz, economist and frequent contributor to ESPN, backs up Slive and Byers with numbers. While agreeing that competitive equity does not exist under the current rules, Schwarz states,

"Today there are haves and have-nots. Haves recruit great players and consistently win. Have-nots get the leftovers and occasionally luck into hidden gems who gel as seniors and win. Over the last 10 years, more than 99 percent of the top 100 high school prospects chose BCS AQs...The results on the field and court reflect this disparity in recruiting: Since 1985, 91 percent of all top 20 and top 25 football teams and 92 percent of all Final Four basketball teams have come from the six "have" conferences."

In addition, there are plenty of free agents in the professional sports world who consider whether or not one team affords better endorsement opportunities compared to others, and those leagues arguably have similar or more competitive equity than the NCAA, as Schwarz reveals with the numbers above. The bottom line is that the Olympic model is a practical, ethical model that will not significantly alter current levels of competitive equity or the lack thereof in NCAA sports. Finally, portions of athletes' commercial income could be put away in an educational lockbox as described in recommendation #3 below.

#3. Promote the adoption of legislation that will allow revenue-producing athletes to receive a portion of new revenues that can be placed in an educational lockbox, a trust fund to be accessed to assist in or upon the completion of their college degree. Many athletes in these sports need educational assistance beyond the duration of their eligibility in order to make up for the significant time demands associated with their sport. About 45% and 52% of football and basketball players DO NOT graduate, while their athletic programs receive 100% of revenues produced by these athletes regardless of their programs' graduation rates (NCAA Research Staff, 2010).

The NCAA has already set a precedent for such a measure when, as a condition of settling the White v. NCAA lawsuit, the NCAA established a \$10 million fund for continuing education assistance for football and basketball players. While some may question whether or not the educational lockbox would affect the current notion of amateurism, unlike the NCAA's one-year athletic scholarship arrangement that depends primarily on athletic performance, this fund would only be accessed for educational pursuits and achievement. In addition to increasing graduation rates, compliance with NCAA rules can be improved dramatically with fines imposed on these trust funds if and when violations occur.

#4. Colleges should be free to provide multiple year scholarships in all sports if they so choose. The NCAA's one-year cap on the duration of a scholarship undermines its purported educational mission, and puts in jeopardy the educational opportunities for every college athlete. High school recruits deserve to know which colleges are willing to prioritize their education so that they can make an informed decision.

#5. To the extent that Title IX requires universities to provide female athletes with accommodations similar to those stated in the reforms mentioned above, athletic programs should use new TV revenues to do so.

#6. Although this study focuses primarily on financial aspects of reform, Congress should examine all aspects of college sports in order to implement comprehensive reform that the college presidents admittedly are unable to bring forth.

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