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## Opinion: College athlete revenue laws could backfire

**Sheldon H. Jacobson**

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Recently, an interim NCAA policy concerning the names, images and likeness (NIL) of student athletes has been made law in numerous states. Until now, the NCAA has banned student-athletes from earning revenue based on their athletic talent until they complete their education and officially turn professional. These NIL laws permit athletes to get a head start on translating their skills into personal revenue streams.

Student-athletes with the talent to pursue professional opportunities, like those participating in football, basketball, baseball, ice hockey and golf are certain to benefit. This is welcome and long overdue.

And at first glance, NIL laws sound fair and reasonable. With NIL laws passed in over 25 states, including Michigan, this represents the first step to compensate student-athletes for their high profile role on campus, while seeking to avoid the pay-for-play model frowned upon by the NCAA.

States that pass NIL laws with early effective dates give intercollegiate programs at universities in these states a recruiting edge in the short term. The University of Michigan and Michigan State University released their own NIL policies, giving current and future student-athletes guidance on what to expect and how to comply with the state NIL law which will be effective Dec. 31, 2022.

As a sports analytics researcher, it is clear NIL laws will certainly impact what happens off the playing field. The question is: Will it also impact what occurs on it?

As with any new concept, unintended consequences may introduce speedbumps for NIL laws and create new problems more daunting than what NIL laws hoped to solve.

Aside from the idea of student revenue, NIL laws are about money and who gets it. Funds given directly to student-athletes may inadvertently pirate funds that athletic departments now

attract. Such funds support a wide array of sports, particularly nonrevenue sports.

If organizations and companies sponsor student-athletes directly, will athletic department budgets be negatively impacted? It is not clear if NIL laws will grow the athletic revenue pie or merely reallocate it.

Several states, including Michigan, have made sports gambling legal, including college sports. The opportunity exists to use NIL revenue to influence student-athletes directly. Although this is unlikely for the majority of student-athletes, outside forces might easily influence college-age students. Just one such incident could derail NIL laws moving forward.

NIL laws permit student athletes to hire a professional services provider (effectively an agent) to negotiate NIL contracts, with the stipulation that such agents not work with them on planning their professional careers. Such a fine line is far too easy to cross to expect that professional services providers do not have ulterior motives.

Enforcing such a barrier in these relationships will be impossible given that a student-athlete who has worked with a professional services provider to negotiate their NIL contracts will also be inclined to keep the same person for their professional contracts.

Furthermore, star athletes are most likely to attract the most lucrative NIL contracts and revenue opportunities, while role players may not attract any such opportunities. The impact of such schisms could impact team play and morale. Star athletes may attempt to overcome such imbalances by sharing some of their NIL revenue with teammates through clothing purchases, meals and other sundries. But will this spillover fall within the letter of NIL laws, or create problems for eligibility as trickle-down NIL revenue reaches the far edges of every sports team?

Should NIL policies be constrained by Title IX? Will male athletes attract a disproportionate amount of revenue compared to female athletes? How will race factor into revenue distribution? Data collected to answer sensitive questions like these will provide dimensions to evaluate the impact of NIL policies. This will also provide a basis to evaluate their effectiveness across the spectrum of student-athletes.

This raises some questions: How much NIL revenue for a given student-athlete is reasonable? No one has proposed the concept of revenue caps, either by individual athlete or by sport. Will a small number of elite athletes gain the lion's share of the NIL revenue, or will the revenue be spread across a large pool of athletes? Will a NIL revenue arms race between power conference programs ensue for blue chip recruits, with financial promises attached to recruitment efforts, something that the NCAA has worked to prohibit?

The first year of NIL contracts will be a learning process. One thing certain is that the current list of rules governing NIL contracts will need to be adjusted to ensure that they fulfil their intended purpose, namely, providing revenue for student-athletes while avoiding direct pay-for-play compensation. On the surface, NIL policies seem like a good idea, but they may create new problems worse than the problem that NIL was intended to solve.

*Sheldon H. Jacobson is a professor of computer science at the University of Illinois at Urbana-Champaign. His specialty is data science and assessing risk, with application in public policy and sports analytics.*