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Philanthropy in Sports

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PHILANTHROPY IN SPORTS
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What is "NIL"?

Why does a Philanthropy and Tax Seminar even care about it? Should it?

These questions lead to a robust discussion.

Today, college athletics is a huge business.
Experts peg the annual revenue of the enterprise to be more than $ 18,000,000,000.00 dollars.

The enterprise has great value in addition to the dollars involved. Such results from increased exposure in all forms of media, increased applications for admission to schools with winning programs, increased test scores by applicants, increased interest from out-of-state applicants (with correspondingly higher tuition fees), added attendance at events, and larger donations.

The highest grossing programs have huge annual budgets, and the highest paid coaches routinely earn salaries in the millions of dollars.

However, this enterprise historically has not paid the talent and labor comprising the teams in competition.

The players did not earn money for the long hours, hard physical labor, travel, and risk of injury or death. One could say it was built and sustained by free labor.

The NCAA was founded in 1906. Over decades, rules on eligibility, recruiting, playing, and championship competition became more and more complicated and restrictive.

Principal sources of income to the colleges came from ticket sales and related income, such as concessions.

Benefits for players were restricted, but after the early 1950s students could receive scholarships, with room, board, tuition and books furnished by the school of choice.

The initial key change in the landscape was the case of NCAA vs. Board of Regents of University of Oklahoma, 468 U. S. 85 (1984). This case dealt with television rights to college football games, which were controlled by the NCAA and limited the number of appearances of teams in each season. The United States Supreme Court found that the NCAA violated the Sherman Act. Liability arose from the NCAA limiting the number of live televised football games, and by prohibiting conferences and schools from entering into broadcast agreements with competing networks to televise more games. In the years following, athletic conferences and schools have successfully generated billions of dollars in revenue from broadcast rights.

The ensuing increase in sponsors, donations from alumni and other supporters, and media rights income led to ever increasing budgets at the largest and most successful athletic departments.

Through those years, the players were not receiving benefit of the growth in revenue. Salaries for coaches and others kept increasing, facilities became more and more elaborate,

Title search: Philanthropy in Sports

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