

NIL Revolution

There's a revolution happening in today's multi billion dollar college sports industry Over 100 years ago the NC A was created to regulate and control college Their core principle was that college athletes should be classified as unpaid amateurs barring those who compete in it from profiting off their pain Fast forward to 2021 And college athletes are still not getting paid to play But for the first time in history they can make money off their name image and likeness and they're using social media to build their personal brands and businesses off the courts and outside of the lines with some of today's top athletes garnering million dollar endorsement deals with the new rules even the playing field or destroy college sports And will the NCAA ever pay athletes a share of its billions in revenue in this film We'll talk to some of today's top athletes agents schools lawmakers and leaders in tech to take you through the story of nil how it started where it is now and where it could be heading in the future is an acronym for name name name image name image likeness College athletes are now able to leverage their brands and who they are In order to make money it allows them to really start building their brand away from the sport that they play at a younger age Today's student athletes are earning at the high level seven figures through endorsements and they can all so go after third parties who use their name image likeness without their permission and intellectual property That's a term of art that most college students may never have heard until I came about name image likeness or for short will go down for me as a sports industry professional as well as a fan One of the most significant things that's ever happened in the history of college sports Our first stop on this journey was to Fort Lauderdale Florida to speak with Darren Heitner legal advisor to some of today's top earning nil athletes He explained how the NC A came under increased pressure to change the rules on nil from changes in state laws giving students the right to payment to landmark Supreme court rulings Having a unanimous decision in favor of Austin in 2021 against the NC A is vitally important for where we are today with name image and likeness It basically called the NCAA A cartel that it was in collusion in order to prevent athletes from a certain type of benefit that being academic related benefits And justice Kavanaugh went a step further in his concurring opinion to say that maybe all restrictions should be shot down And ultimately the NC on June 30 th 2021 finally changed its regulations on this subject implemented what it's called an interim policy And that's why as of today

you see college athletes around the country finally enjoying these rights So why would the NCAA forbid its athletes from earning money in the first place for that answer Let's start from the beginning on November 6th 1869 Rutgers and Princeton played what is known as the first college football game ever But by the early 1900s football had gotten so dangerous that there were public outcries to ban the sport completely And players not even enrolled in school often filled out the rosters So in 1905 US President Theodore Roosevelt called together colleges from across the country in a last ditch effort to clean up the sport And in 1910 this group became known as the NCAA The newly established NCWS mission was to regulate the rules protect young athletes and establish amateurism as a foundation for all of college sports But it wasn't until a quarter of a century later in 1936 the athletes were allowed to receive academic scholarships to help offset the cost of attendance Athletic ability should receive consideration in determining student values and an assignment of scholarships law and opportunities for remunerating work Thus with the Southeastern Conference's forthright action college football becomes openly subsidized The NCAA classifies itself as a nonprofit organization but it generates revenues in excess of \$14 billion annually A number that has more than tripled over the last 20 years and rivals professional sports around the world But despite all the marketing and TV deals ticket sales and merchandise sales college athletes still aren't paid a share of the revenue This has been a source of much controversy over the years In fact over 80 years ago in 1936 MIT Professor George Owens brought up this exact issue if it is necessary for a boy to undergo extreme risks of limb And yes life why not reimburse him in a substantial and regular business manner Why shouldn't the players share in the pockets of the game Their reasoning for not paying athletes directly amateurism We need to safeguard the non employment status of student athletes to maintain the core principles of collegiate athletics The colleges don't want anything to change because the largely white men who are making the million dollar salaries who are putting the product on the field That's a civil rights issue That's an economic rights issue and it needs to change I'm not saying the coaches I mean the other administrators don't do a good job of doing their job but uh we're the ones out there playing And so uh yeah I mean I don't feel like we should receive a lot of them but some of it we should receive there should be a point where the NC A should compensate athletes at a certain level Um for ticket sales jersey sales anything directly related to the the name on the back of the Jer Jersey or um the team because the fans the fans come to watch the

players um and the fans buy the jerseys of their favorite players your name your image and your light isn't as big as someone else is you're not the superstar on the team maybe it's harder for you to get deals So within that the NCAA could possibly pay you with that But I feel like you would have to equal out to where everyone's happy with the fees and it's not one being paid more than the other I think we should look at the big time college sports in particular football and basketball just like we look at pro sports there should be revenue sharing a portion of money should be kept by the owners who in this case or the colleges And then a portion of the money should be guaranteed to go to the students If student athletes are classified as employees of their university their college or university It does it is as Senator Schotz pointed out it does change very fundamentally the nature of that relationship It moves student athletes out from underneath the guise of educational law for example to employment law It changes everything about what college sports really is and why we have created college sports 120 some years ago the college sports industry got away with this for so long because they convinced people that these were student athletes and the scholarship was their form of payment that scholarship is worth peanuts compared to the money that the coaches and these assistant coaches and the athletic directors are getting according to ESPN and the US census head coaches are among the highest paid public employees in almost every state in the country Top football coaches like Nick Saban in Alabama make upwards of \$10 million a year Although college athletes still are not paid a share of the revenue 2021 saw a major shift in the college athletic financial ecosystem to see just how some of today's athletes are taking full advantage of the new NIL rules I traveled to the University of Tennessee to document Grant King student athlete and entrepreneur for a day in the life My name is Grant Fur I am the founder and CEO of Metro Straw based out of Atlanta I'm also the founder of G TF Enterprises and the president of NIU at on three sports I also double as a wide receiver on the University of Tennessee football team wearing number zero You know my day in the life looks different than even a lot of my fellow student athletes that I share a field with my mornings start very early I usually get up around 5 30 We usually roll to the football facility around seven in the morning go through breakfast meetings treatment get out on the practice field come back and usually aren't leaving the football facility until lunch is done around noon or so And then my afternoon is usually filled with meeting with my on three team So going and creating all of our content strategy plans for the week And then at night catching up on emails phone

calls studying when I can and get to bed at a decent hour before I go do it again The next day the new rules have allowed grant to start his own nil business GTF enterprises an independent nil company in which he's helped his own teammates secure nil deals It's a very busy schedule and it's really hard for myself to get a job or to do other activities outside of my sport So that's where the nil deal situations have come in It's been an opportunity for me to focus more on myself and my brand But on top of that I'm getting paid for posts on Instagram and Twitter as well So my teammate explained to me that the cookie deal was to where I would take I would do a video on Friday before each game I'm here to let you know again that moonshine mountain cookies will be giving away two free cookies if I get an interception tomorrow and tomorrow is the day of the game when he got that interception They saw an 8000% increase in Twitter growth and they saw a 200% increase and revenue in the stores over the previous Saturday just with new traffic coming in to get these cookies and the cookies were free So people were coming in there and buying all sorts of other products while also taking advantage of these free cookies That's at its core what is all about you're helping the athlete but you're also able to change the lives of these local business owners and making them feel part of being something a lot bigger than themselves which is the University of Tennessee and watching Elante play on Saturdays a number of colleges have employed tech companies to help them and their athletes navigate this new nil territory So I traveled to Louisville University to talk with Blake Lawrence the co founder and CEO of open doors as well which is great But we've been fortunate to partner with Louisville And now more than 50 schools across the country are turning to open doors as their education solution Athletes download open door and create a profile and list out the types of endorsements or services they're willing to do and get paid for They receive an alert to their phone Any time an opportunity comes their way they can review the deal hit accept and open door does assist It reminds them of where to be what to say what to do We handle everything from the contract to the completion of that contract and even tax preparation Today's athletes are using social media to build audiences that are enviable by celebrities their follower account and their bank account are forever linked According to open door the vast majority of n revenue has come from posting on social media apps We asked Dave Santi head of sports partnerships at Instagram just how big of a role does social media play in the nil ecosystem There are a variety of ways in which student athletes can make money by leveraging a platform like Instagram whether

it's in partnering with brands and leveraging our branded content tools to really amplify their content and grow their exposure and reach We've seen a number of college athletes that have invested in developing their own merchandise lines in leveraging commerce tools on Instagram such as Instagram Check out really the world is their oyster in terms of how they're able to bring their name image and likeness to life on social media Louisville star quarterback Mali Cunningham who has amassed over 20,000 followers on Instagram was able to sign a lucrative nil deal on that very first day of eligibility Uh Social media plays a big factor because that's where everybody is like that's what everybody does their work That's what the um the media comes and finds you looks at your page and a lot of those companies look at your Instagram before offering you a deal to see what type of guy you are And so uh social media plays a big part in it and um you gotta watch what you post and what you say and how you treat people on there And yeah it takes you a long way the larger their online audience the more opportunities they will have for endorsement deals autograph signings appearances social media posts they'll get paid more per post the more followers they have so an athlete with 10,000 followers on Instagram could earn anywhere from 200 to \$1000 for one social media post There are student athletes across the country that are getting paid upwards of \$50,000 for one Instagram post The highest earning student athletes in the 1st 100 days of nil are women's basketball players women's volleyball players women's gymnasts These are individuals that have built a large online audience like Hannah and Haley Caven at Fresno State or Haley Van Lie right here at Louisville Van Li is one that built her large audience because she's an incredible athlete and she's attracted a lot of followers because of that being a student athlete You know time is something of great value We don't have a lot of it and there's no time to have a job and we get cost of living paychecks But really honestly that covers about our food So we get to survive and some of my teammates even at the end of the month Right before we get paid again they're struggling We can't hold the job down We commit ourselves every day uh to this sport and we signed up for it and we love it and this is the sport we want to play But at the same time um we should have the freedom and the money to um live a nice life and not be struggling We have 6 a.m. waits We have practice for three hours and season is a whole day story It's even more intense Um I'm going all day I get home at nine o'clock I do homework for two hours and hopefully um get a a dinner in for 11 45 and I get back up in the morning and I do it again So um there's a lot of mental and physical stress that I don't

think people really understand unless you live it And so I think um the nil will it definitely benefit us um from a financial standpoint My next stop took me to Marina Del Rey in Los Angeles California to speak with Sabrina Iancu former women's basketball star at Oregon and the number one pick of the 2020 NBA draft She's also the chief athlete officer at Division Street Oregon's newest venture helping its athletes create and monetize their personal brands We talked about how today's college athletes can best choose deals and partnerships that maximize their earning potential I think being able to earn money from nil for college athletes is so important just because it teaches you a lot about business a lot about your brand and what you stand for And a lot of athletes now are not only seen as athletes but they're also influencers If you want to build your brand and partner with brands and having partnerships and deals I think it really has to be true and authentic to you And I think that's when it will be successful Sometimes a lot of these athletes you know might sign really long term deals and kind of sell themselves short because every year you're supposed to get better every season you want to get better And if you sign into a long term deal and you skyrocket and end up playing really well and exceed all expectations you're really locked into this deal that you signed your freshman year And so I definitely think athletes should have representation and have an agent people you know might not tell you the truth and you know might not portray who they really are And I think it's your job to really either have agents that know the business and you know who these people are or really trusting in the right people and asking the right questions to figure out what that is to hear more about the agent's role in nil We headed back to New York City to speak with Colleen Garity of Excel Sports Management one of the top grossing sports agencies in the US An agent's role in nil is really to serve as an advisor um and to guide the student athletes through this process we handle everything off the court from sales pitches to contract negotiations to compliance and making sure we're not jeopardizing their eligibility So they can really focus on the two most important things for them which is their sport and their classes I think it's also important that because agents have experience they know the space they're familiar with the brands and they know how to put a strategy together for a student athlete that's most authentic to them and can really help them down the road develop a brand that they're proud of Excel recruits athletes that are high character We want good people And so that's probably number one for us And then and then we look at the marketing potential so that could be followers engagement unique interests

or hobbies a student athlete might have that sets them apart from everyone else So there's a lot of things that go into marketability all factors which we consider when signing someone it's important to have an agent primarily because this is such a new space and the rules and the laws are always changing to make sure that someone is providing good advice and ensuring compliance Number one so student athletes don't lose their eligibility So how do athletes stay in compliance with all the rules The NSA and its minimalized restrictions has said there are three important things that must happen in all of these deals or must not happen Number one there must be some deliverables provided by the athlete to the third party in exchange for that compensation Number two money cannot be based on future performance Obviously brands that do deals with athletes are hoping that the athletes do well However there can't be bonuses or incentives in these contracts where an athlete gets more money based on having X number of yards or wide number of touchdowns or winning the Heisman trophy and third money can't be conditioned on an athlete attending a university or staying at a university Although the NCAA has released basic compliance rules Each of the 50 states in the US also have their own separate nil compliance rules I definitely think the compliance rules should be the same across the board If we see some regulation happen that I would be a proponent of it would be regulating the ability for schools to pool money together crowd source a lot of money and go and just try to buy athletes left and right So where are we today with federal regulation I asked the ft's Sarah Germano for the latest what I've heard from sources on the hill is that there are quibbles over what federal legislation might look like for college athlete compensation You have Democrats on the far left saying NL isn't enough we need to do more than that We need to have revenue sharing between the universities and the athletes There needs to be more strict concussion protocols put in place health and safety type of measures et cetera Whereas on the far right you're seeing people who want to provide safety mechanisms for the NCAA to try to give them some form of an antitrust exemption and shield them from litigation that may come out and that is actually currently pending based on their prior abuses An nil bill at the congressional level is critical to moving forward in part because we want to get this done and we want to do it and not be then immediately sued for having done the right thing In this case I think the NC A is one giant walking talking antitrust violation They have colluded the schools through the NC A to set the wages that every student athlete will make Right Right Now student athlete is only

going to get the scholarship from the school Nothing more That's the definition of collusion One of the reasons why I think we should pursue federal legislation is because this right right now could disappear any time that the NCAA feels like their money is being threatened by these endorsement deals The NC A is at a point right now to where its existence is on the line I think most fundamentally senator uh converting student athletes or having them change into an employee employer relationship uh fundamentally blows up college sports Uh The the notion of collegiate athletics is that these are not employees they're not hired professionals They are In fact students who are participating in sports voluntarily it's all illegal We would never allow this in any other industry but for some reason we've allowed it in the college sports industry It's time for that to come to an end I'm interested in federal action If it empowers athletes I'm not interested in federal action If all it does is give the power back to the NCAA because there's nothing the NCAA has done that convinces me that they are going to act responsibly if they're given even more power than they already have If Senator the policy only deals with direct name image and likeness and doesn't include a revenue sharing model then I think it can have a very positive impact on on women and Olympic sports because it could provide them with greater opportunities to gain access to media markets to be involved in any of a variety of nil activities If conversely it required a revenue sharing model that took resources away from uh from the dominant sports that produce revenue It could have a as as a number of us have said earlier it could have a very negative even cataclysmic impact on Olympic sports No less than seven pieces of legislation have been drafted between the end of 2019 and today and yet not a single one Of those bills has even reached the floor for debate The problem is this issue has now become so conflated on Capitol Hill that it's actually rather unlikely that anything gets done in the near future The one thing that's for certain is that the old rules of amateurism seem to be done for good Is there a possibility at some point in the future that there will be unionization Yes I wouldn't count it out of the equation Absolutely I think more likely than the union perhaps would be some sort of trade association where athletes around the country are able to do group licensing agreements and ultimately group licensing deals allowing things like a college football video game to return with athletes names images and likenesses So what happens now overarching federal regulation for nil may be some way off but with more college players making more and more money the old rules of amateurism are finished and public opinion is

shifting in favor of athletes being paid to play and not just through nil deals
The NC A A's reputation may have taken a hit but the game goes on