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Universities should admit that athletes aren't amateurs (essay)

Submitted by John V. Lombardi on October 31, 2014 - 3:00am

While most of the challenges to the theory of amateurism in college athletics come from reformers who detest the whole enterprise and would like to see it radically transformed or eliminated, the defenders of intercollegiate sports do themselves no favors by pretending that they do not pay the athletes. In fact, we in America's colleges and universities not only pay them, we compete for their services in a marketplace where the price paid per athlete varies dramatically from institution to institution.

We disguise this price competition by pretending that various things are true. We pretend that a scholarship that produces the same net cost of attendance to a student-athlete at all competitive institutions is the same thing as providing equal value for equal work. The work may be equal, defined by the rules of games that are reasonably uniform, but the pay we provide to the athlete is not at all equal.

This is because the product we give the student-athlete, let us say a four-year college education, has very different prices at the various schools. A Stanford degree costs approximately \$60,000 x 4, or \$240,000, while an Ohio State University degree costs approximately \$22,000 x 4 or \$88,000 (in-state) or \$38,000 x 4 or \$152,000 (out of state).

Thus a full-scholarship athlete from the state of Ohio being recruited by Stanford is being offered compensation worth \$240,000 while Ohio State is only offering that same person \$88,000. Even an out-of-state student being recruited by both institutions will only get an offer of compensation worth \$152,000 at Ohio State, well below Stanford's offer of \$240,000.

Additionally, universities bid for the services of student-athletes by offering a host of non-monetized but nonetheless valuable benefits. These include publicity, exposure on television, endless specialized training, and a wide range of other benefits that if purchased outside the university would have significant market value. Here, the recruited athlete receives these payments as in-kind compensation that builds value for future professional opportunities.

These non-monetized benefits also vary by institution. If the institution is part of a group that gets superior television coverage, the value of the benefit is much greater to the student-athlete than a similar benefit from an institution without superior television coverage.

The academic benefits are also of considerable value since only a fraction of these paid athletes will find professional sports careers. The elaborate academic advising centers, for those who use them, provide a benefit that if purchased in the outside market place for tutors and other support professionals would be a significant cost. The scale and effectiveness of these academic centers also varies significantly by institution, representing yet another variable compensation item offered to student-athletes.

Why then, when college athletics is under attack as if operating a standardized monopoly cartel that controls and standardizes competition for athletic talent and manages its affairs in constraint of trade, do the NCAA, the conferences, and the institutions not respond with the facts? These facts prove that a competitive marketplace for athletes exists, and that colleges and universities compete in this marketplace by paying much different compensation to student-athletes to recruit their services for individual institutions.

If professional football and basketball allowed players to compete right out of high school, the competition would, of course, be different, because the most marketable athletes would go pro immediately. This, however, would not reduce the competition among universities for the remaining college-level talent.

We may imagine that we can preserve the notion that athletes play for the home school because of loyalty and commitment to the institution, but the fact that we recruit talented athletes from across the nation and the world, and that student-athletes make the best deal they can for the highest value package of benefits a university provides, makes it clear that this is an open market for student-athlete talent.

It is possible we do not pay them enough, it is possible we should have different rules about how we pay them, but it is not really possible to pretend we do not pay them different amounts by school.

Some may think that recognizing the widely varying pay provided to athletes at different institutions detracts from their status as students. This, too, is not the case, since we pay different amounts to many categories of students to achieve various institutional objectives without anyone imagining that the full scholarship academic superstar is less of a student than the full-pay middle-class student without financial aid. These two students are equally students, but differentially paid by the university to attend and in one way or another enhance the institution's programs.

The resistance to external payments to student-athletes can also come from failing to distinguish different kinds of pay and the effect these might have on the integrity of the college sports programs. Right now, under the current system, the NCAA and the institutions regard athletically related income as a major violation of the rules (as the recent controversies over Johnny Manziel and [the University of Georgia's Todd Gurley](#) ⁽¹⁾ exemplify). This restriction will likely fade away in the face of legal challenges and already has been weakened by the settlement of the video game lawsuit. Ideally, in the future, it should only be a problem for student-athletes to earn money from leveraging their college athletic celebrity status in advertising or sports promotion (as coaches do) if there is a conflict of interest or a conflict of commitment.

The conflict of interest would occur, for example, if a student-athlete is paid by an apparel manufacturer for appearances when a different and competing apparel manufacturer has a university contract. In that case we have a conflict of interest, and the university can forbid the arrangement.

The conflict of commitment would occur if an athlete, during the season, participates in a television production that conflicts in time and place with the practices, games, and class attendance required of student-athletes. This conflict of commitment would prompt the university to forbid that deal too.

While this may seem complicated, in fact, most universities have already dealt with all these issues in their contracts with coaches. This is not just about football or basketball, and applies to other sports where there's a market for professional talent. Coaches cannot accept endorsement contracts, television appearances, or other commitments without permission of the university, which reviews proposals to ensure that there is no conflict of commitment or interest.

Take for example, a coach in a non-revenue sport, say tennis. This superstar coach is recruited by a private for-profit tennis club to provide coaching advice and training before and during a major pre-Olympic national tennis tournament. The coach wants to do this, and would be well paid, but the university, after reviewing the activities required by this opportunity, denies the request to participate. The outside activity would take too much of the coach's time during the college tennis season, thereby creating a conflict of commitment.

While it is fine to imagine that in some magical and imaginary time college athletics was an amateur activity carried out for the fun of the game and the glory to alma mater, that time probably never existed, and in any case no longer exists. We buy student-athletes in a highly competitive marketplace and pay widely differentiated compensation to these athletes depending on their value to us.

Sometimes the best defense against attacks is a clear understanding of the financial structure of a marketplace. Then we can fight about something real, rather than shadow-box about imaginary amateurs.

John V. Lombardi is former president of Louisiana State University and the University of Massachusetts at Amherst. He is the author of How Universities Work ([Johns Hopkins University Press](#), [2] 2013).

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