**Concordia UNIVERSITY chicago**

**Masters Program**

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**Retaining Top Basketball Recruits in the NCAA**

The NCAA recently announced that collegiate athletes will be compensated for their name, image, and likeness (Braziller, 2020). This historic announcement can be considered overdue. The NCAA is a multibillion-dollar industry, where collegiate athletes, its most profitable employees, generationally have generated millions of dollars for their universities while receiving no monetary compensation aside from scholarships and stipends. The NCAA has used the term “amateurism” to justify not compensating collegiate athletes. Cristiani Closa (2020) explained, “basically, amateurism is the concept of being a student first and an athlete second” (p. 29). However, the reality is that collegiate athletes endure a demanding workload to fulfill their athletic goals. They are expected to spend an equivalent number of hours as a full-time job training, mandated to keep their grades up to meet eligibility requirements, and often need to work a job around this schedule to make ends meet. Young prospects are transitioning to view there are other viable options for boosting their draft stock aside from collegiate basketball. The NBA’s controversial “one-and-done” rule is expected to end soon, but currently requires prospects to be 19 years old and a year removed from high school to be eligible for the draft (Braziller, 2020). Prospects have realized playing a year professionally overseas, while getting compensated, is an appealing avenue for their development. Furthermore, The NBA’s G-League development league is another professional avenue that compensates prospects and has now become the NCAA’s greatest competition for acquiring elite basketball recruits. With the NCAA no longer being the premier option for basketball prospects, this essay will explore why compensating collegiate athletes beyond their name, image, and likeness is necessary for change leaders in the collegiate basketball industry to instill to remain competitive in retaining top basketball recruits.

**The Rise of the G-League**

Playing professionally overseas for one season after high school before the NBA was considered the most common alternative for top basketball recruits choosing to avoid the traditional college basketball route. R.J. Hampton played professionally in New Zealand, LaMelo Ball went to Australia, and Emmanuel Mudiay to China (Braziller, 2020). These were just a few isolated cases of key recruits deciding the NCAA was not best route for them. However, in 2020, the landscape historically changed with top three prospect and McDonald’s All-American Jalen Green opting to play a year for the new G-League developmental team the Ignite in 2021 along with other top recruits Isaiah Todd, Jonathan Kuminga, Kai Sotto, Daishen Nix, and Princepal Singh (Braziller, 2020). This was historic, as for the first time ever 6 top basketball recruits all decided to avoid college basketball in the same season and play on the same team.

The Ignite provides top recruits a unique experience to play and develop professionally alongside one another, along with receiving mentorship from retired veteran NBA players who fill out the roster. Ignite prospects receive six figure contracts and full scholarships to earn college degrees (Braziller, 2020). The combined financial, educational, and developmental aspect of this new developmental basketball team is unmatched to what the NCAA currently offers. To compete with how the G-League will continue to expand as a destination for top basketball recruits, it is incumbent for NCAA change leaders to push to compensate players with salaries in the next 2-3 years. The reason for this timeline is that the NBA is expected to remove or amend its controversial “one-and-done” rule sometime in the next five years (Braziller, 2020). This means the NCAA will have to compete with top basketball recruits opting to receive monetary compensation to play in the G-League, overseas, and going directly from high school to the NBA.

**The NCAA: A System of Corruption and Bribery**

On September 26th, 2017, college basketball assistant coaches from the University of Arizona, Auburn University, University of Louisville, University of Miami, Oklahoma State University, and University of Southern California were implicated, and four arrested, in an FBI investigation finding involvement with bribing recruits and unlawfully giving student-athletes and their families money (Cristiani Closa, 2020). The “pay-for-play” trial showed how widespread the issue had become by exposing the corruption and cover-ups that exist in collegiate basketball and its ties to key coaches. For instance, as what was ruled a failure of supervision by head coach Rick Pitino, the University of Louisville Cardinals were stripped of four years of tournament wins and their 2013 national championship title due to assistant coaches who bribed top recruits with money and sex acts to commit to the university (Cristiani Closa, 2020). For NCAA change leaders to clean up its organizational image and the association of corruption and college basketball, it is important to understand the route of the issue and how compensating athletes can reduce bribery and corruption.

Thacker (2017) estimated that 86% of collegiate athletes live below the poverty line, leaving many collegiate athletes struggling to make ends meet. Former college basketball athlete and current NBA player Shabazz Napier stated while in college, “sometimes there are hungry nights where I’m not able to eat. Sometimes money is needed, we don’t have enough money to get food” (p. 184-185). In another instance, Jamar Samuels of Kansas State was suspended in 2012 for accepting a $200 wire transfer from his summer league coach Curtis Malone, which was used to buy food (Thacker, 2017). Malone explained, “the kid didn’t do anything wrong…to be honest, I didn’t think I did anything wrong, either. If a kid who plays for me needs money to eat, I’m going to help them” (p. 190-191). These examples show that a reason bribery is rampant in collegiate basketball is due to athletes coming from poverty and the fact that stipends are not substantial enough to pay for food and other expenses scholarships don’t cover. Cristiani Closa (2020) stated, “this stark imbalance has led to a culture where collegiate athletes are receptive to under-the-table compensation (and bribes) that are technically against the NCAA’s rules and, in some cases, against the law” (p. 19). In 2017, the NCAA made $1 billion in revenue, widening a major contrast in college basketball; athletes generate their universities millions of dollars and are left hungry, while universities, athletic departments, and the NCAA continue to thrive (Cristiani Closa, 2020).

**Legality of Amateurism in the NCAA**

The term “amateurism” has been used by the NCAA to justify their stance on not compensating collegiate athletes and maintaining competitiveness. However, this term has been legally challenged and questioned to violate anti-trust laws. Cristiani Closa (2020) stated, “the Sherman Act prevents only ‘unreasonable restraints of trade.’ There are two standards used to determine whether there has been an unreasonable restraint of trade: the rule of reason and the per se rule” (p. 2). Essentially, the purpose of the Sherman Act is to prevent monopolies and preserve competition (Grenardo, 2019). The legal debate of if amateurism in the NCAA violates the Sherman Act was the center of debate in O’Bannon v. NCAA. Borghesi (2015) stated, “in 2014 the United States District Court for the Northern District of California ruled in O’Bannon v. NCAA that barring payments to college athletes violated anti-trust laws” (p. 1). The Ninth Circuit upheld the ruling during the NCAA’s appeal and this case led to full cost-of-attendance scholarships (covering living expenses), larger stipends, and expedited progress towards the NCAA allowing athletes to be compensated for their name, image, and likeness (Cristiani Closa, 2020).

Removing the association of amateurism status with collegiate athletes is a necessary step for NCAA change leaders to implement to push towards compensating collegiate athletes with working wages. Economist Richard Sheehan calculated the hourly wage of an average collegiate athlete, based on an average scholarship value and a 1,000-hour yearly workload as being $6.82 (Thacker, 2017). Thacker (2017) stated, “in a nation that values hard work, dedication, and commitment, the NCAA has been taking advantage of the youth that encompass these traits for years through the implementation of their amateurism regulation” (p. 203).

**A Free-Market Approach to Implementing a Salary Cap in the NCAA**

The NCAA is a multibillion-dollar industry that can pay collegiate athletes and still be very profitable (Grenardo, 2019). A free-market system would function like the U.S. economy, as collegiate athletes would be compensated based on their talent and ability to generate their university revenue (Grenardo, 2019). For instance, in a study conducted by Borghesi (2015) using data sets made available from the Equity in Athletics Disclosure Act, it was estimated that under a hard salary cap, average five-star recruits could be compensated based on marginal revenue at: $613,000, four-star recruits at $166,000, three-star recruits at $91,000, and two- and one-star recruits at $50,000. With most collegiate basketball players not going to the NBA, compensating collegiate athletes based on ability, can lead to fringe NBA players staying in college longer and in turn making their universities more revenue. Players would be signing contracts, likely committing them for 2-4 years of play for a university. This means the option of choosing to leave after a year of college basketball to play in the NBA would decrease for collegiate athletes (Grenardo, 2019).

Implementing a hard salary cap would make the most sense for the NCAA. It allows for players to be compensated, but also ensures that contracts aren’t inflated based on comparisons of what overpaid players are making on the market like in the NBA, which utilizes a soft salary cap. Grenardo (2019) explained, “salary caps allow for the even distribution of talent across teams that helps make the games between teams more competitive, which in turn creates a better product on the field or court for consumers” (p. 227). A salary cap would help fix the issue of most high school basketball recruits committing to Duke or Kentucky and would disperse and compensate talent across various geographical markets. The College Athlete Players Association is already in place and could swiftly transition to negotiating player terms and serving as a labor union like the National Basketball Association Players Association.

**Conclusion**

A key role for athletic leadership, is evaluation and being open to adapting with change to improve profitability and close the gap with competition (Masteralexis et al., 2015). Compensation, developmental, and educational opportunities in the G-League and overseas is causing the NCAA to lose top basketball recruits to competition. When evaluating this issue from the role of an athletic change leader, it seems the lack of compensation in the NCAA is the main reason top basketball recruits are beginning to explore innovative developmental opportunities prior to their NBA careers. Choosing to compensate collegiate athletes beyond their name, image, and likeness, with salaries, is the only economic way the NCAA can compete with rising six figure contracts being offered to top basketball recruits domestically and internationally. Compensation in the NCAA will also help reduce bribery and corruption and can help clean up the organization’s image. Compensation in the NCAA benefits athletes and the NCAA. Athletes will sign contracts serving as an incentive that commits them to play longer in the NCAA. Improving athlete retention in the NCAA, means increasing the number of years athletes are profitable to their university. With a modern change in top recruit mindsets being the prioritization of monetary compensation alongside their development, NCAA change leaders must take strides towards compensating collegiate athletes under a hard salary cap to remain competitive.

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