Paying Stipends For Participating In The Sports

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Introduction

The question of whether college athletes should receive stipends can no longer be answered through the old choice between “amateur participation” and scholarships. By July 2026, the compensation environment includes athletic scholarships, education-related benefits, cost-of-attendance support, third-party name, image, and likeness agreements, and direct institutional payments under the framework created by the House settlement (National Collegiate Athletic Association, “Division I Settlement Resources”). The original essay correctly argues that athletes generate revenue, face demanding schedules, and should not be discriminated against because they already receive scholarships. It also assumes that a stipend would be one uniform payment and that the main policy question is whether athletes should be paid at all. The more useful question is how compensation should be structured fairly across sports, genders, divisions, and institutions while protecting education, health, financial stability, and competitive opportunity. A responsible system should recognize athletes’ economic contribution without treating every team as a professional franchise or shifting costs unfairly onto nonrevenue sports.

Clarifying the Terms

A scholarship pays specified educational expenses, which may include tuition, fees, room, board, and books. A cost-of-attendance stipend helps cover expenses beyond the traditional scholarship calculation. NIL income comes from commercial use of an athlete’s identity through endorsements, appearances, content, or licensing. Direct institutional compensation is money provided by the school under the post-settlement benefits framework. Employment wages would arise under a legal employer–employee relationship, which remains a separate and contested question. These categories should not be combined because they have different purposes, legal rules, tax effects, and distribution systems.

The Historical Amateurism Model

For much of modern college sports, NCAA rules restricted compensation beyond approved educational benefits. The system defended amateurism as a distinction between college and professional sport. Critics argued that universities, conferences, coaches, broadcasters, sponsors, and vendors could earn substantial revenue while the athletes whose performances created the product faced limits on economic opportunity (Sanderson & Siegfried, 2015; Staurowsky, 1998). Litigation and policy changes gradually weakened the old model. Cost-of-attendance support expanded, education-related benefits were upheld in *NCAA v. Alston*, and NIL rules changed in 2021. The House settlement then created a new structure for direct payments and back damages (*NCAA v. Alston*, 2021; National Collegiate Athletic Association, “Division I Settlement Resources”).

The House Settlement and Direct Benefits

Final approval of the House settlement in June 2025 allowed participating Division I schools to provide direct financial benefits to athletes under an annual cap tied to a percentage of specified athletic revenue. The initial 2025–2026 figure was approximately $20.5 million per participating institution, subject to future adjustment. The framework also replaced sport-specific scholarship limits with roster limits for schools opting into the settlement system and established oversight for certain third-party NIL agreements (National Collegiate Athletic Association, “A Letter from NCAA President Charlie Baker”; National Collegiate Athletic Association, “Division I Settlement Resources”). This change means the policy debate has moved from theoretical stipends to real allocation decisions.

Why Athletes Deserve Financial Recognition

College athletes contribute labor, skill, risk, time, publicity, and institutional identity. Their games sell tickets, media rights, sponsorships, apparel, donations, and applications, although revenue varies greatly by sport and school. Training, competition, travel, meetings, treatment, film study, and promotional activity can resemble a demanding job. Athletes may have limited time for ordinary campus employment. Financial recognition acknowledges that participation creates value and that scholarships do not pay every personal, family, or future cost (Sanderson & Siegfried, 2015; Staurowsky, 1998).

Scholarships Are Valuable but Not Complete Compensation

A full scholarship can be worth a substantial amount and should not be dismissed. It provides education, housing, meals, training, medical support, and other services. Yet its value does not answer whether additional compensation is fair. A scholarship is restricted to educational and living expenses and may not support family members, savings, legal services, transportation home, or long-term financial security. Some athletes receive partial scholarships or none at all. The relevant comparison is not “scholarship versus nothing,” but the total value created, benefits received, risks borne, and alternatives available (Sanderson & Siegfried, 2015).

Time Demands and Academic Opportunity

Athletes must remain students, yet sports schedules can constrain course selection, internships, laboratories, study abroad, and employment. Compensation can reduce pressure to take outside jobs, but money alone does not protect education. Institutions should enforce time limits, provide academic scheduling, guarantee degree completion, and prevent staff from directing athletes toward easier programs solely to preserve eligibility. A payment system is ethically weak if it increases commercial expectations while further reducing academic choice.

Health and Injury Risk

Participation can cause concussion, orthopedic injury, chronic pain, and mental-health stress. The risk differs by sport and position, but every institution should provide appropriate healthcare, independent medical decision-making, insurance, and post-eligibility coverage. Compensation should not be used to purchase consent to unsafe conditions. Athletes need accurate information about injury, the right to report symptoms, and protection from retaliation. Long-term health benefits may be more important than an additional short-term stipend.

The Revenue Argument

Football and men’s basketball generate most direct media and ticket revenue at many Division I institutions, though some programs lose money and accounting methods vary. Revenue-based compensation recognizes market contribution, but a system based only on current income can reproduce historic inequalities. Women’s sports and nonrevenue sports may have received less promotion, investment, and media access, which suppresses measured revenue. Schools must comply with sex-discrimination law and consider the educational mission of broad athletic participation. Revenue is relevant, but it cannot be the only principle (Sanderson & Siegfried, 2015).

Equal Payments Versus Market-Based Payments

Equal payments to every athlete are simple and emphasize shared participation. Market-based payments can reflect sport revenue, playing role, publicity, or negotiated value. A hybrid system may be more defensible: provide a common base benefit for all rostered athletes, preserve scholarships and health protections, and allow additional revenue-related or NIL compensation under transparent rules. The exact design should be reviewed for gender equity, competitive fairness, and academic impact. Secret discretionary payments invite favoritism and conflict.

Title IX and Gender Equity

Direct institutional payments raise complex questions under Title IX and other laws. Schools cannot assume that football revenue automatically permits a male-dominated distribution without legal review. Athletic financial aid, participation opportunity, treatment, and benefits have established equity requirements, while direct revenue sharing introduces new questions. Institutions should conduct transparent gender-equity analysis, document allocation principles, and avoid cutting women's opportunities to finance payments elsewhere. Legal compliance should be integrated before offers are made, not addressed after complaints.

Nonrevenue and Olympic Sports

College programs support swimming, wrestling, gymnastics, track, tennis, volleyball, rowing, and many sports connected with national and Olympic development. Revenue-sharing pressure may encourage schools to reduce roster sizes or eliminate teams. The settlement's roster-limit structure can also affect opportunity (National Collegiate Athletic Association, "Division I Settlement Resources"). A compensation model should include safeguards for broad participation and should not treat athletes in lower-revenue sports as economically worthless. Institutions may need shared conference policies, donor support, and phased budgeting to preserve programs.

Differences Across Divisions

Division I contains the most commercially prominent programs, while Divisions II and III operate under different financial and philosophical models. Many institutions cannot provide large direct payments. A national policy should not require every school to imitate wealthy conferences. Athletes should receive clear information about benefits before enrolling, and transfer decisions should not be distorted by misleading promises. Competitive divisions may continue to offer different packages while maintaining baseline health, academic, and due-process protections.

NIL Compensation

NIL allows athletes to earn from endorsements, social media, camps, appearances, autographs, and licensing. It can reward individual market value without requiring the institution to determine every payment. However, NIL opportunities are unequal and can function as disguised recruiting inducements. Athletes need contract review, disclosure guidance, tax education, intellectual-property awareness, and protection from exploitative agents. Third-party deals should reflect legitimate commercial value rather than concealed pay-for-play arrangements (National Collegiate Athletic Association, "Division I Settlement Resources").

Collective Licensing

Video games, broadcasts, trading cards, and merchandise may use groups of athletes. Collective licensing can distribute value efficiently and give athletes bargaining power over standard terms. Individual consent and transparent allocation remain necessary. A star athlete may command separate opportunities, while a collective arrangement ensures that less visible players are compensated when the product depends on complete teams and leagues. This model recognizes that sports value is jointly created.

Should Athletes Be Employees?

Some athletes and advocates argue that the degree of control and economic dependence supports employee status, while institutions argue that college sport is educational participation. Employment status would affect wages, collective bargaining, workers' compensation, taxes, antitrust law, and institutional structure. The question is being addressed through courts, agencies, and legislation and cannot be settled by calling athletes students or workers as a slogan. A stipend system may improve compensation without resolving employment law.

How Payments Should Be Calculated

The original essay suggests basing stipends on income size. Any formula should be explicit. Possible factors include a universal base, scholarship status, sport revenue, team participation, academic standing, leadership, or licensed use. Some factors are problematic: performance bonuses may pressure unsafe play, and coach discretion can produce bias. A defensible model should rely on objective categories, written agreements, annual disclosure, appeal rights, and independent review. Athletes should know whether payments are guaranteed, conditional, renewable, or affected by injury and transfer.

Scholarship Athletes Should Not Be Excluded

Receiving a scholarship should not automatically disqualify an athlete from direct benefits. The scholarship compensates educational cost and supports enrollment, while direct payments recognize other contributions and opportunity costs. Excluding scholarship recipients could produce the strange result that the athletes with the largest roles receive no cash benefit because they already obtained tuition assistance. Total benefit may be considered in transparent allocation, but scholarship status should not function as a blanket bar (Sanderson & Siegfried, 2015).

Walk-Ons and Partial-Scholarship Athletes

Walk-ons and partial-scholarship athletes contribute to practice, depth, team preparation, and competition while paying substantial educational costs. A base payment or expanded scholarship policy can reduce inequality within the team. The 2025 settlement framework allows participating schools greater scholarship flexibility under roster limits, but budget choices remain (National Collegiate Athletic Association, “Division I Settlement Resources”). Athletes should not be promised future scholarships informally and then denied without explanation. Written criteria and appeal processes are essential.

Taxes and Financial Education

Cash payments and NIL income may be taxable. Young athletes can face estimated payments, state tax obligations, agent fees, and contract risks for the first time. Institutions should provide independent financial education without steering athletes toward preferred commercial advisers. Education should include budgeting, emergency savings, credit, insurance, fraud, and long-term planning. Payment without support can expose athletes to exploitation and penalties.

Agents and Representation

Athletes negotiating significant deals need access to qualified and accountable representatives. Agent registration, fee disclosure, conflict rules, and complaint procedures can reduce abuse. Legal advice should be independent of the team when interests differ. Athletes should understand exclusivity, term, termination, use of likeness, moral clauses, and future rights. Standard contract templates can improve fairness but should not remove the right to negotiate.

Recruiting and Competitive Balance

Wealthy programs can offer larger direct-payment pools, facilities, exposure, and NIL markets, increasing competitive concentration. Some inequality already existed through coaching salaries, budgets, and media contracts. The new system makes it more visible. Caps, disclosure, enforcement, conference revenue sharing, and roster rules may limit extremes but can also create legal challenges. Competitive balance should not be achieved by denying athletes compensation while everyone else remains free to earn.

Budget Trade-Offs

Schools may fund direct payments through athletic revenue, donor contributions, reduced coaching or administrative expense, conference distributions, or cuts elsewhere. They should not quietly transfer the cost to student fees without disclosure or reduce essential academic services. Athletic departments need public budgets that identify revenues, subsidies, debt, and compensation. Financial pressure should prompt scrutiny of facilities races and executive salaries, not only athlete benefits.

Protection When Injured or Cut

Payment and scholarship agreements should state what happens after injury, coaching change, roster reduction, or elimination of a team. Athletes should retain medical care and reasonable educational protection when they are injured while representing the institution. A coach should not be able to cancel promised benefits as retaliation. Independent appeal systems and written notice provide procedural fairness.

International Athletes

International students may face immigration and work-authorization complications for NIL and other income. Institutions should provide qualified immigration guidance rather than assume that domestic rules apply equally. International athletes should not be excluded from education about compensation or pressured into unauthorized activity. Policy changes require coordination among athletic, legal, tax, and international-student offices.

A Recommended Compensation Model

A balanced model would preserve full educational scholarships where offered, provide all athletes with health and academic guarantees, establish a common participation benefit at institutions with direct-payment programs, and allocate an additional portion through transparent revenue or licensing criteria. Third-party NIL opportunities would remain available with disclosure and contract support. Gender-equity review, nonrevenue-sport protection, independent appeals, financial education, and public reporting would be mandatory. The model recognizes both shared team contribution and differences in commercial value.

Conclusion

College athletes should receive financial benefits beyond traditional scholarships when their institutions have the resources and commercial structures to provide them. The debate has already moved beyond hypothetical stipends: after the House settlement, participating Division I schools can make substantial direct payments, while athletes may also receive scholarships, education-related benefits, and NIL income (National Collegiate Athletic Association, “Division I Settlement Resources”). The policy challenge is distribution. A fair system must recognize revenue contribution and individual market value without abandoning gender equity, nonrevenue sports, academic opportunity, healthcare, or lower-resource institutions. Scholarship recipients, walk-ons, and injured athletes need transparent rights. Payments should be documented, taxable consequences explained, and appeals independent. Compensation is not a threat to education when it is designed responsibly; exploitation and secrecy are the greater threats.

Works Cited

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