

# PRESS RELEASE.....NOVEMBER 22, 2022

The Drake Group supports college athletes eventually receiving 50% of all television and other revenues to finance health, safety, and educational benefits...



WESTPORT, CT - Andrew Zimbalist, President of The Drake Group and Robert A. Woods Professor Emeritus of Economics at Smith College, issued the following statement calling upon the U.S. Congress to act by establishing a blue-ribbon independent Congressional Advisory Commission on Intercollegiate Athletics for the purpose of recommending comprehensive policy guardrails that:

• PLACE ATHLETE GRADUATION OUTCOMES ABOVE COMMERCIAL SUCCESS: The NCAA's Division I athletics enterprise generates \$15.8 billion in annual revenues of which only \$2.9 billion --18.2 percent -- is returned to athletes in the form of athletics scholarships and only 1 percent is spent on medical treatment and insurance protections compared to 35% spent on administrative and coach compensation and 18% on lavish facilities.[1] The organization and its members mislead the public by advertising 90 percent aggregated graduation rates based on an invalid graduation metric.[2] Fact: according the Federal Graduation Rate metric applied to all students, 52% of all NCAA Division-I men's basketball players; 38% of all Division-I football players, and 38% of all Division-I women's basketball players who were full scholarship recipients and required to be full-time students did not graduate.[3] A clear majority of these students are athletes

of color.[4]

SEEK AN EVENTUAL GOAL OF 50 PERCENT OF ALL ATHLETICS GENERATED
REVENUES RETURNED TO ALL 480,000 NCAA ATHLETES IN THE FORM OF
EDUCATIONAL COIN AND SHORT AND LONG-TERM HEALTH PROTECTION.
The first call on athletics revenues must be 4-year guaranteed educational
scholarships and other forms of academic support, adequate short and
long-term athletic injury insurance for athletes, institutional payment of
athletic injury medical expenses not covered by insurance, and loss of
income insurance for athletes with reasonable professional prospects.

The Drake Group believes that the current pressure on higher education institutions to pay college athletes well beyond the full cost of education has been created by root failures of the National Collegiate Athletic Association (NCAA) to:

- articulate and implement an educational sport system that allows college
  athletes to be treated like non-athlete students with regard to employment
  other than employment as professional athletes and other economic
  opportunities outside the institution, including the right to exploit their own
  names, images and likenesses unrelated to those of their academic
  institutions;
- mandate that the use of the considerable revenues from the commercial success of college sports first be used to provide the 480,000 college athletes attending member institutions with adequate health, safety, and insurance protection rather than lavish and unnecessary athletics facilities and excessive compensation of coaches and administrators; and
- further limit the amount of time athletes spend in sports-related activities, eliminate transfer rule penalties and require non-revocable four-year scholarships which would ensure that college athletes (especially those in revenue-producing sports) be treated as students rather than employees.

The Drake Group believes that answers to the fair athlete compensation issue require addressing the above failures rather than tax-exempt educational institutions emulating professional sports businesses.

The Drake Group further notes that the NCAA's inability to address these system failures is rooted in the Football Bowl Subdivision's (FBS) control of the NCAA legislative process. In 1997, a majority of over 1,000 NCAA member institutions conceded to the threats of 129 FBS members to leave the organization if the bulk of NCAA championship revenues were not returned to Division I members and again in 2015 if the most commercially successful FBS members within this group were not given autonomy to make their own rules.

In reality, the NCAA's adherence to the "amateurism" mantra is the method invented to control college athlete compensation. NCAA amateurism rules keep college athlete labor costs low while preserving FBS monopolization of what in reality is a minor league professional sport system for elite high school football and basketball players. This professional sport system of questionable academic integrity is being conducted by mostly tax-exempt non-profit institutions of higher education whose faculties, presidents and boards of trustees appear content to look the other way.

Given this reality, only intervention by a Congress sufficiently upset by higher education institutions' use of their tax-exempt statuses to conduct such sport businesses may provide a comprehensive solution.

Further, The Drake Group believes that these NCAA failures have driven the athlete compensation issue into the courts, which is the wrong place upon which to depend regarding the development of any coherent and educationally defensible solution to fair economic treatment of college athletes. Courts by nature and purpose make piecemeal decisions for a limited number of class actions of plaintiffs based on a narrow set of principles and facts. Rules of evidence, constrained testimony, limited briefing, and artfully constructed oral arguments do not yield comprehensive solutions to complex issues.

- -- Media inquiries may be directed to: azimbalist@realizingthepromise.org
- [1] NCAA Report: <u>15-Year Trends in Division I Athletics Finances</u> is based on 2018-19 prepandemic data because 2019-20 and 2020-21 were outlier years for both revenues and expenses.
- [2] See: Why the NCAA Academic Progress rate (APR) and the Graduation Success Rate (GSR) should be Abandoned and Replaced with More Effective Academic Metrics
- [3] NCAA Division I Graduation Rates Database- Based on 2018-2021 Federal Graduation Rate (average of 2011-14 entering six-year cohorts) Select "Four-Class Rate by Sport", Select Rate=Federal Graduation Rate and subtract from 100 percent.

#### [4] NCAA Demographics Database

(Select "Table View: Coach and Student-Athlete Demographics by Sport," select Sport, Div. I, see "2021" data)

For the most current information on The Drake Group and college athletics related bills being considered by Congress, visit us at <a href="www.thedrakegroup.org">www.thedrakegroup.org</a>. To access a full library of print and video educational materials on current issues in intercollegiate athletes, visit <a href="www.thedrakegroupeducationfund.org">www.thedrakegroupeducationfund.org</a>. All educational materials are available free of charge.

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The Drake Group (TDG) is a 501(c)(4) non-profit organization whose mission is to educate policymakers and advance legislative initiatives that foster academic integrity and athlete well being in intercollegiate athletics. The Drake Group Education Fund (TDGEF) is a new 501(c)(3) non-profit education sister organization whose mission is to ensure that the promise of college athletics is realized for all stakeholders. TDGEF producesThe Allen Sack National Symposium on Integrity in College Sports and the Critical Issues in College Sports Webinar Series, conducts fact-based research on intercollegiate athletics and develops position papers and other educational materials that influence public discourse on current issues and controversies in college sport.

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