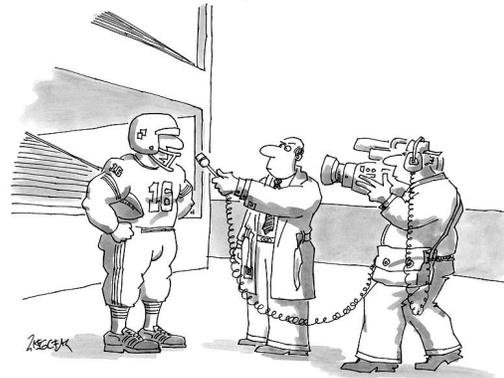


American college sport is a lucrative business, raking in \$18.9 billion in 2019 -up 65% from a decade earlier. Prominent coaches and athletic directors routinely command seven-figure salaries, while universities receive millions of dollars from television and apparel sales. Incredibly however, the players receive no compensation beyond their scholarships. Rules set by the National Collegiate Athletic Association (NCAA) which governs college sport, has dictated that the athletes are amateurs, and hence ineligible for additional compensation. A unanimous decision by the U.S. Supreme Court on June 21st could change that.



*"It's a game of power, speed, agility, and grace, but, most of all, Tom, it's a game of points."*

For decades the NCAA has argued that being paid would undermine the sanctity of college athletes' endeavours. But America's highest court has decided that the NCAA's restrictions on "education-related benefits" such as computers, internships and graduate-school scholarships violated American antitrust laws. The Supreme Court reasoned that the NCAA's rule on compensation meant that colleges were in effect colluding to suppress the wages of college athletes. Justice Brett Kavanaugh observed that "the NCAA's business model would be flatly illegal in almost any other industry in America. Movie studios cannot collude to slash benefits to camera crew to kindle a 'spirit of amateurism' in Hollywood."

The Supreme Court ruling does not mandate that colleges must pay their athletes, only that cannot collude with each other to drive down athletes' wages. But establishing that the NCAA cannot ignore antitrust laws could markedly change the university athletic system. Without the NCAA's restrictions on pay, individual colleges will be able to decide for themselves what sort of benefits they want to provide for their players. This could potentially lead to a more competitive market for college athletes. This is unquestionably beneficial to the athletes (whom, after all, the fans *are* paying to see play). Assuming they, like their professional counterparts, receive half of the revenue they generate in the form of broadcasting deals, ticket sales, merchandising and so forth, male college football and basketball players on average would earn \$360k and \$500k respectively. A powerful reason to stay in school!

So a huge win for the little guy -if you can call 7 ft tall basketball players and football players built like A1 Abrams tanks little guys that is! But more than about just money, this ruling is about fairness and equity and though the NCAA has maintained tight control over college sport in America since it was founded in 1906, after more than a century, it is at last losing its grip on the ball.

Be safe, be well!

Martin  
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