



NIL COLLECTIVES IMPACT ON ATHLETICS DEPARTMENT GIVING

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Video Presentation

Abstract

NCAA Division I athletics departments have seen an increase in NIL collectives, entities funded by boosters which enable student-athletes to take advantage of NIL opportunities. However, when supporters give to NIL collectives, it could come at the expense of other fundraising efforts-- consequently a substitution effect is observed. In the current study, donors of ACC institutions were surveyed to gauge their opinions towards donating to NIL Collectives and how it might impact their intent to continue to give to athletics departments.

Introduction

NCAA student-athletes can now benefit financially from NIL marketing opportunities, but athletics departments are not allowed to assist with such transactions, despite a desire by many athletics donors to partner with student-athletes. To broker financial exchanges between athletics boosters and student-athletes, many supporters have founded entities separate from the athletics department called collectives. Money flows into the collectives through the form of gifts, donations, or subscriptions, then is distributed to participating student-athletes in exchange for a variety of actions ranging from community service to appearances and autograph sessions.

Several observers have suggested if donors give to a collective, such gifts may come at the expense of donating to the athletics department (Marcello, 2022; McCarthy, 2022; Politi,



2022). Yet little is known regarding how donors view NIL Collectives and whether contributions to such collectives come at the expense of athletics department fundraising. In the wider philanthropic giving literature, researchers have noted a greater “crowding out” or “substitution” effect the more similar the charities are to one another (Ek, 2017; Reinstein, 2010; Schmitz, 2021). Schmitz (2021) did note, however, that when a new fundraising campaign is similar to one with which the donor is already a contributor, the combined donation amount is typically greater than the amount previously given annually to the original charity even though the incumbent organization receives less.

Among work investigating college athletics donations, Stinson and Howard (2004; 2007; 2016) identified some substitution effects among donors, with athletics gifts crowding out academic ones, when examining single institution data. However, examinations of aggregate panel data by other researchers (Frank, 2004; Litan, Orzag & Orzag, 2005; Shulman & Bowen, 2001) suggests perhaps athletics donations do not crowd out academic gifts. A recent study suggested younger college sports fans are more likely to support student-athletes earning NIL income than older fans (Smith & Broughton, 2021).

Methodology

Attendees of the 2023 ACC men’s basketball tournament were sent a post-event electronic survey. Respondents indicating they were a donor for an ACC athletics department were asked a series of questions regarding NIL measuring donation intentions and knowledge of, and attitudes toward, collectives. A total of 144 respondents indicated they were a donor.

Findings



In terms of giving to collectives, more than half were aware of an NIL collective at their school (54.8%), 22.8% of respondents reported being asked to give to an NIL collective, but only 6.5% had given in the past year. Only 9.8% of respondents indicated they felt giving to an NIL collective was more important than giving to an athletics department. See Table 1.

Most respondents said they would donate to the school only (64.2%). See Table 2. Donor profiles between those who intended to donate to the school only and donate to the school and collective were very similar in terms of games attended, games watched, years as a donor, motivations for donating, and fandom. However, they differed greatly in how much they donated with those donating to the school only reporting an average donation of \$52,919 per year while those indicating they donate to the school and the collective donating an average of \$3,294 per year. See Table 3.

In terms of attitudes toward NIL and knowledge of NIL collectives, respondents felt top recruits would be more likely to choose their school if they knew the school's student-athletes were earning significant NIL income (4.23 on a 5-point scale) and they felt their school would lose out on recruits who felt they would not be able to maximize their NIL opportunities (4.11). Respondents also felt knowledgeable about how student-athletes may benefit from NIL (3.87) and felt knowledgeable about NIL collectives (3.47); however, they did not feel as strongly about the athletic department's education about NIL giving (2.94) or how to go about giving to an NIL collective (2.55). Those who intended to donate to the school and a collective had higher attitudes toward NIL across the board than those who intended to donate to the school only. See Table 4.



Table 1

NIL Collectives

	Yes	No	Unsure
Currently there is at least one collective formed to benefit student-athletes at my school.	54.8%	0.0%	45.2%
This past academic year, I was asked to give to an NIL collective.	22.8%	56.9%	20.3%
This academic year, I donated money to an NIL collective.	6.5%	82.1%	11.4%
In today's world of college athletics, giving to NIL collectives is more important than giving to an athletics department.	9.8%	56.9%	33.3%

Table 2

Donation Intentions

	Percentage
I do not intend to donate to an NIL Collective and I do not intend to donate to my school's donor program	10.6%
I do not intend to donate to an NIL Collective, but I do intend to donate to my school's donor program.	64.2%
I intend to donate to an NIL Collective, but it will reduce what I intend to donate to my school's donor program	16.3%
I intend to donate to an NIL Collective in addition to what I intend to donate to my school's donor program	8.1%
I intend to donate to an NIL Collective and I do not intend to donate to my school's donor program	0.8%



Table 3

Donor Profiles

	Donate to School Only	Donate to School and Collective
Games Attended	7.96	7.07
Games Watched	15.94	16.23
Approximately how many years have you been an athletics donor with your favorite school?	12.68	11.32
What was your total donation amount to your school's athletics department for the 2022-23 academic year?	\$52,919.05	\$3,294.44
Please indicate your motivation for donating to your athletics department's fundraising efforts (1 = philanthropic, 5 = transactional)	3.04	3.54
When I think about my school's athletics program, I consider myself a... (1 = observer, 5 = hard core fan)	4.36	4.56



Table 4

ACC Donors and NIL Attitudes toward NIL (1 = strongly disagree, 5 = strongly agree)

	Overall	Donate to School Only	Donate to School and Collective
Top recruits are more likely to choose my school if they know my school's student-athletes are earning significant NIL income.	4.23	4.17	4.40
My school will likely lose out on top recruits if those recruits believe they will not be able to maximize their NIL opportunities at my school.	4.11	4.05	4.33
Student-athletes should be able to earn money from their NIL.	4.00	3.91	4.23
I consider myself very knowledgeable on how college student-athletes may now benefit financially from their Name, Image, and Likeness (NIL).	3.87	3.81	4.10
I consider myself fairly knowledgeable regarding NIL collectives.	3.47	3.41	3.83
My athletics department has done a good job of educating me regarding NIL giving opportunities.	2.94	2.88	3.13
If I wanted to give to a collective, I know how to go about doing so.	2.92	2.80	3.43
Donating directly to my school's athletics department or donating to an NIL collective essentially achieves the same goal.	2.55	2.37	2.93