



Analyzing Consumer Demand for College Athletics in the NIL Era

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Abstract

For decades, courts and policymakers have attempted to untangle the relationship between consumer demand for college sports and the principles of amateurism promulgated by the NCAA. In this project, we leveraged data gathered since the implementation of name, image, and likeness (NIL) legislation to assess potential effects of amateurism restrictions on consumer demand for college sports. Sanders (2024) theorized that reducing compensation restrictions may lead to an increase in consumer demand, while others, including the NCAA's expert witnesses in *Alston*, claimed removing compensation restrictions may decrease consumer demand for sport. In this project, we undertake an initial exploration of overall trends in consumer demand for college sports following the implementation of NIL legislation.

We utilized three measures of consumer demand to assess overall trends before and after the implementation of NIL legislation beginning July 1, 2021: donations to college athletics departments, in-person attendance, and television viewership. Another important consideration is that the effect of NIL legislation may vary depending on conference affiliation, competitive success, and revenue levels. We considered the potentially differential impact of these changes across types of institutions. We find that donations have continued to increase following the implementation of NIL legislation. Attendance has declined in a small but insignificant way. Average television viewership from 2021-2023 was less than average viewership from 2018-2020.

In this paper, we provide an initial descriptive analysis of our results, and we will continue to refine these models by collecting and merging additional controls for institutional characteristics and policy changes.

Data Collection

Donation data was compiled from public reports by the Knight-Newhouse Commission on College Sports. The Knight-Newhouse Commission data does not contain values for every institution that competes in NCAA Division I because some institutions were not subject to public records requests or did not respond by the publication deadline for the data. Private institutions are a blind spot in the Knight-Newhouse data because they are not obligated to respond to public records requests in most situations (White, 2024). Despite these limitations, the Knight-Newhouse data is a useful starting point and represents the cleanest and most comprehensive dataset on institutional donations as of the date of publication.

Attendance data for competitions in NCAA Division 1 football are reported by institutions and published annually by the NCAA. We aggregated data from these annual attendance reports dating back to 2018. 2020 was not included in the attendance data averages due to COVID-19 and stadium attendance policies which would have skewed the data in comparison to other years in the dataset. One limitation of attendance data is that it only



captures reported attendance rather than actual attendance, and other studies, such as Popp et al. (2023) have noted differences between the two.

We gathered data on television viewership from 2018-2023 from SportsMediaWatch.com, which aggregates and publishes Nielsen rated-competitions for each week of competition. One limitation of this dataset is that it does not capture viewership for certain conference-specific networks, such as the ACC network, but ACC institutions are captured in ratings for games on other channels. We aggregated the weekly data and merged it into a dataset spanning six years. We then calculated average viewership for each institution on an annual basis.

Findings

How have donation levels to college athletics departments changed in the pre- and post-periods of NIL implementation?

On average, donations collected by college athletics departments continued to rise in both the pre- and post-periods of NIL implementation. Across all observations (n=4,502), the average amount of donations in millions increased by 45% between the pre- and post-periods of NIL implementation (pre-NIL average: 6.66 million, post-NIL average: 9.99 million). The percentage increase in donations was similar across autonomy conference members (pre-NIL average: 22.5, post-NIL average: 31.6) and non-autonomy conference members (pre-NIL average: 2.47, post-NIL average: 3.5).

Figure 1 shows how average donation levels to ACC institutions have historically compared to average donation levels across institutions in the other autonomy conferences. ACC institutions reported relatively smaller annual donation figures than their autonomous counterparts between 2007 and 2017, but, after the implementation of NIL legislation, that gap appears to have narrowed.

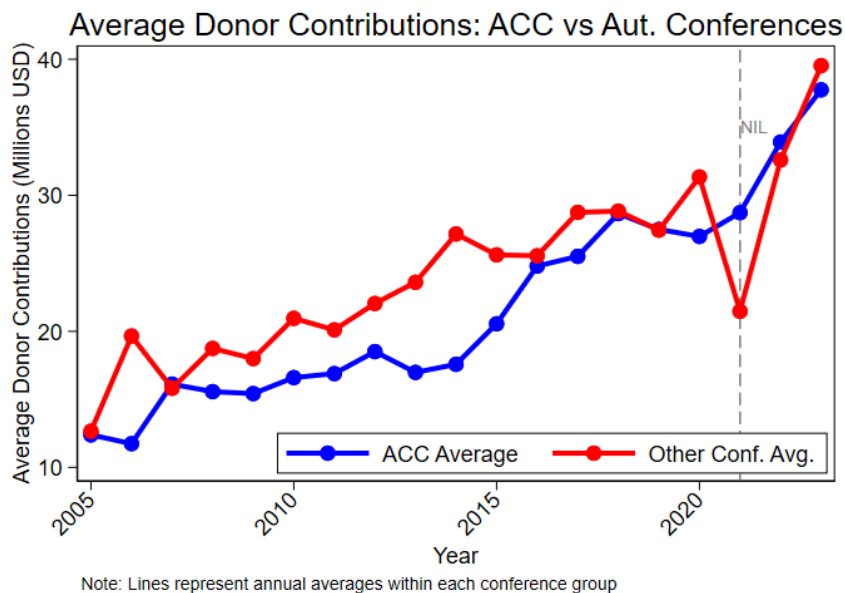


Figure 1. Average donation levels across the ACC and other autonomy conferences before and after NIL.

What are trends in reported attendance at college football games during the pre- and post-NIL periods?

Across all institutions, average attendance decreased slightly between the pre- (2017-2019) and post-NIL years included in the dataset (2021-2024). Specifically, across all FBS institutions, mean attendance from 2021-2023 was approximately 39,993, while the pre-NIL mean was 40,382. Part of this may be attributed to the decline in attendance due to COVID restrictions in 2021; our data does not capture the precise number of attendees allowed at schools during the 2021 season. Interestingly, members of non-autonomy conferences reported a higher decline in reported attendance than institutions in the autonomy conferences. Non-autonomy institutions experienced a 5.2% decline in attendance on average for the three-year period before and after NIL implementation (excluding 2020), but this difference was not significant at the five or ten percent level using a basic Tobit diff-and-diff regression model with an interaction variable ($t=1.16$, $p=.247$).

Figure 2 shows average attendance as a percentage of capacity across the autonomous conferences (excluding the PAC-12) over time. As predicted, there is a dip in attendance in 2021 as institutions eventually phased out COVID-related attendance restrictions. ACC institutions lag in comparison to other autonomy conferences in terms of percentage capacity filled, and, overall, attendance figures have remained stagnant across the group.

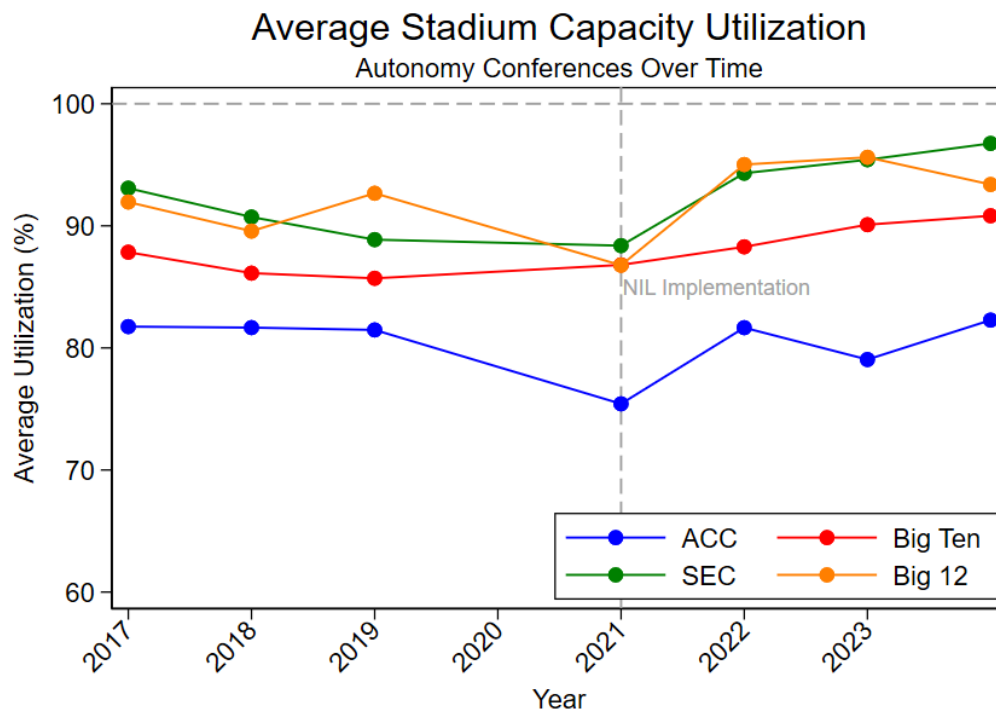


Figure 2. Average percent of stadium capacity filled across the ACC and other autonomy conferences before and after NIL.

What are trends in television viewership for college football games during the pre- and post-NIL periods?

Across all observations (n=1,838), average viewership decreased between the pre- (2017-2020) and post (2021-2023)-NIL years included in the dataset. The average viewership for regular season NCAA televised football games in the pre-NIL period was 2.8 million (n = 523), while the average viewership in the post NIL era was 1.9 million (n = 1,055). It is worth noting that the ratings captured nearly twice as many observations in the post-NIL era, so the presence of more televised games that drew fewer viewers is a potential contributor to these differences.

Interestingly, average viewership for autonomy and non-autonomy conference member institutions both decreased at a statistically significant rate. Games involving non-autonomy conference members went from an average of 1.7 million viewers in the pre-NIL period to an average of 1.1 million viewers in the post-NIL era (n=581). This was a statistically significant decrease (t=4.321) using a simple two-sample t-test to compare outcomes. Similarly, institutions who were members of autonomy conferences also experienced a statistically significant decrease (t=5.793) in average viewers per game across the two time periods (n=997). Figure 3 shows trends in average tv viewership across the four current autonomous conferences.

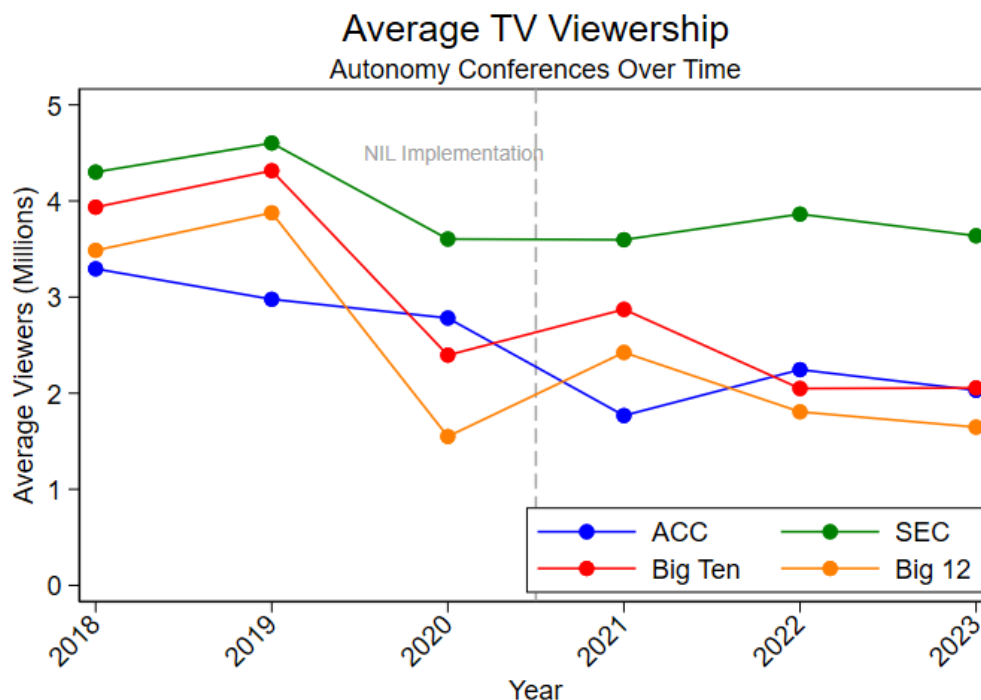


Figure 3. Average television viewership across the ACC and other autonomy conferences before and after NIL implementation.



References

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