



Advisors



## **Navigating NIL & The Evolving Landscape**

NIL (name, image and likeness) is one of three recent developments—along with conference realignment and the transfer portal—that have transformed the world of college athletics in recent years, with NIL in particular being among the most hotly debated. Although officially established in 2021, the NIL landscape remains in a state of flux.

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## 1. A little history

The NCAA has long been a pillar of amateurism, historically arguing that the student-athlete should not be compensated because if the athlete is paid, that athlete's ultimate educational outcomes will suffer as they will no longer need to apply themselves in the classroom.

However, universities—particularly those with powerful football and basketball programs—(and of course the NCAA) use high-profile athletes to generate billions of dollars of revenue every year, historically without having allowed compensation for those athletes the fans are actually paying to see. But it goes beyond just ticket sales. There's also TV broadcasting rights, video games, merchandising, and brand partnerships with athletic apparel companies - all making massive amounts of money for the NCAA. Clearly, the time had come for student-athletes to be compensated for their part in that revenue generation.

In the late 2000s, former UCLA basketball player Ed O'Bannon and 19 others sued the NCAA with the argument that the association was in violation of US antitrust laws by not allowing athletes to share in the revenues generated by the use of their names, images, and likenesses in broadcasts, video games, and other money-making endeavors.

The suit prompted California legislators to enact the Fair Pay to Play Act in 2019, resulting in a surge of similar legislation across the country. After the United States Supreme Court upheld a district court's ruling in another case finding that the NCAA was indeed violating antitrust laws, the NCAA adopted an interim rule in the summer of 2021 permitting NIL activity.

## 2. Don't blink - recent changes and what they mean

The NIL landscape continues to undergo seismic changes, so an attentive eye is key to keeping abreast of new developments. The biggest of them all is revenue sharing, which has not been an option in the four years since NIL activity was first permitted.

Prior to this year, there were two primary ways for student-athletes to engage in NIL activity:

- 1) the individual capitalizing on their personal brand, earning passive income through ads and impressions on their social feeds or directly partnering with brands, and
- 2) through Collectives, organizations of donors and supporters of a particular university that create a pool of funds for the purpose of providing athletes with NIL opportunities, primarily through endorsement deals, appearances, and promotional activities. These typically include things like autograph signings, camps and clinics, and social media promotions.

That's all changing. Having formally taken effect on July 1, 2025, the House vs. NCAA settlement formalizes the pay-for-play model, which essentially means that universities can now pay athletes directly.

### **3. How it'll work**

Universities will now be able to opt into revenue sharing with athletes, using their own funds to pay players directly. A cap of around \$20 million per school annually is the current expectation, with those funds applying to athlete compensation across all varsity sports, not just the big revenue-generating sports (although the expectation is that about 70% will go to football at power-conference schools). It's a figure that represents roughly 22% of the average athletic department revenue across the power conferences, and could rise to nearly \$33 million per school over the next decade.

With this new revenue-sharing model, some interesting trends that have been developing in the last few years will likely continue, but now at a more aggressive pace. In particular, regarding women's sports. While a larger share of NIL deals have gone to men, deal volume for women has grown by 36% year over year, surpassing that of the men.

Football and men's basketball currently lead the way in both the number of NIL deals and average deal value, but women's basketball is rapidly gaining ground, showcasing its growing influence. Women's volleyball also secures a strong position in the top four. While it ranks fourth by a wider margin, its presence signals a promising trend: as more funding enters the NIL space in the coming years, emerging and traditionally non-revenue sports are increasingly poised to benefit. The future NIL landscape is expanding—and it's creating room for a broader range of athletes to thrive.

Although players will be paid directly through this revenue-sharing model, they won't be classified as employees, but rather will more closely resemble independent contractors. Any school in the NCAA that opted into the House settlement will be allowed to participate in revenue sharing.

Players will still be able to sign outside NIL contracts, although those contracts will likely be more stringently examined. For example, the NCAA reserves the right to prohibit NIL compensation from those it characterizes as "associated entities or individuals", like booster clubs, collectives, alumni organizations, agents and donors. Additionally, the NCAA will be empowered to police the appropriateness of NIL contracts through a "fair market value test" program administered by the accounting firm Deloitte. The details of the program have yet to be disclosed.

While all this sounds nice and tidy, there remains a host of unresolved issues, including questions around enforcement, the binding nature of the contracts, complications created by player movement, and many more. So, as they say, stay tuned.

### **4. What does this mean for recruiting?**

In short, a lot. Obviously, high school recruits will be paying very close attention to current college athletes and the NIL opportunities afforded them at any given university. While the decision to play for a particular school has traditionally been driven by the coaches, facilities, probability of team success, and pathways to the professional ranks, NIL opportunities must now be considered. In a big way.

But it will likely affect the recruitment of non-athletes as well. Collectively, college athletes have nearly 284 million social media followers across platforms, and their content is shaping the perceptions all those followers will have of those universities in ways far more personal, intimate—and yes, authentic—than traditional recruiting. For example, when it comes to women's professional sports, 80% of all social media views come from athlete-generated content. Not from the team. Not from the league.

Look for universities to start taking steps to maximize this trend.

## **5. The evolution of financial empowerment for student-athletes**

Back in August 2024, the NCAA required all Division 1 colleges to provide student-athletes with life skills development, including financial education. This was certainly no happy coincidence given this new era of NIL being embarked upon. While college athletes can seem larger than life on television, the truth is, they're still young adults, albeit incredibly talented ones, with potentially limited financial experience. And while NIL has made their lives arguably more exciting (and lucrative), it's also made it more complicated.

Since 2015, Wells Fargo has been financially empowering college athletes as the exclusive provider of financial education curriculum Game Plan, the mobile-first learning management platform built for student-athletes. Game Plan offers free financial education to all 1,200 collegiate athletic departments, including 107 HBCUs (Historically Black Colleges and Universities).

The Wells Fargo financial education workshops are short, yet detailed, and provide insight into the complexity of financial management across a variety of topics—insight that will come in handy as student-athletes learn the ropes of navigating the NIL landscape. To date, over 44,700 Wells Fargo financial education courses have been completed.

To amplify the Wells Fargo initiative of offering financial guidance and empowerment to student-athletes, Wells Fargo executives have also held open conversations around self-worth and financial education while navigating the NIL era at major universities, including the University of Southern California and the Universities of Georgia and Florida. During this financial education content series, legendary school alums Terrell Davis, Brandon Spikes, and Uchenna Nwosu stopped by to join the conversation between Wells Fargo and current university athletes, providing their unique perspectives regarding the importance of financial education for athletes.

## **6. Navigating the deal (before and after)**

For those who are fortunate enough to land NIL offers, there are a few things to consider.

- **Know the rules:** While seemingly becoming more centralized, NIL rules can still vary from state to state, and those rules can provide varying degrees of protection for the student-athlete. Knowing both the state's NIL rules as well as those of the school can mean the difference

between a good deal and something less than preferable.

- **Find trusted advisors:** In addition to parents, coaches, and agents, it's important to have professional advisors as well; a financial advisor for guidance around the best ways to manage what in some cases might be a very exciting (but perilous if handled incorrectly) windfall, and a legal advisor for guidance through the complex maze of the ever-evolving NIL rules and regulations. Qualifications aside however, it's also important to find advisors you feel comfortable with.
- **Get tax smart:** With earnings come taxes. Part of having a trusted team of advisors should include a tax advisor, preferably one who specializes in sports taxation, where we find scenarios and considerations that simply don't exist for the majority of the tax-paying public. You can read more about some of those special taxation circumstances in our [taxation for athletes and entertainers article](#).
- **Never forget, you are your brand:** Depending on the type of NIL deal, your visibility might rise exponentially, and companies aren't giving money away for the fun of it. They expect a certain return on their investment that aligns with the character of the person they're paying. Every social media post, press conference, or other interaction can either strengthen or diminish your brand. But it's a two-way street; you'll also want to make sure that the companies align with your values, because the brands you endorse will reflect on your own personal brand.
- **Play the long game:** With a shiny new NIL deal, it may feel like the beginning of a long career of money rolling in. But anything can happen, so it pays to be smart. We all know about the superstars with careers spanning decades, but the statistics tell a slightly different story. For example, the average length of an NFL career is three and a half years. A little less than five in the NBA, a little more in MLB, and right around five in both the WNBA and National Women's Soccer League.

And unless those athletes have a lucrative broadcasting gig or similar opportunity lined up post playing days, they're looking at a potential 'retirement' of 50 years or more. So, the challenge isn't just making the money, it's making it last.

While everyone hopes they'll be that elusive superstar, the numbers don't lie. So, it's better to be safe than sorry. Creating a realistic budget and setting aside money for savings and investments is just plain smart. And if you do eventually end up in the Hall of Fame...well, nobody ever said 'I saved way too much money.'

## 7. Your journey is just beginning

While all these considerations may seem overwhelming at first (we haven't even talked about insurance, philanthropy, and other topics), don't forget to be proud of the work it took to get here. An adventure most certainly awaits, and with the proper help and guidance from family, friends, and trusted advisors, you just may find yourself on the journey you've always dreamed of.

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