Shane: Hello, and welcome to the Inequality Podcast. I'm producer Shane McKeon. The university is closed for the holidays, so today on the show, we present a panel discussion recorded earlier this year in front of a live audience. The conversation was about the intersection of sports, race, and labor in college athletics, brought on by name, image, and likeness deals. But as you'll hear, the tensions that define this new landscape are nothing new. The all-star panel assembled places the NIL era into a broader history of the labor movement, racial inequality, and American law. The result is an absolutely fascinating conversation. The first voice you'll hear is Stone Center Associate Director and co-host of this podcast, Geoff Wodtke. After that, you'll hear fellow Associate Director and co-host Damon Jones, who moderates the discussion. We hope you're having a wonderful holiday season, and now here's our show.

Geoff: Good evening, everyone, and thanks for joining us for another public discussion hosted by the Stone Center, this time in partnership with the Center for the Study of Race, Politics, and Culture, and the Office of Diversity and Inclusion here at Harris. I'm Geoff Wodtke, Associate Director of the Stone Center, and I'm very excited to introduce tonight's event, which I think promises to shed some new light on the intersections of sports, labor, and racial inequality in America. Our conversation will aim to explore not just the evolving landscape of college sports and current debates around student athlete compensation, but also how the events and conflicts unfolding in this setting may reflect or resonate with broader social issues: a resurgent labor movement, the corporatization of higher education, and renewed efforts to overcome persistent racial inequalities. To help us navigate this conversation, we have my colleague Professor Damon Jones as our moderator this evening. Damon co-directs the Stone Center and brings a wealth of knowledge on public policy, labor economics, and racial inequality to the discussion. So with that, please join me in welcoming Damon, who will introduce our other guests.

Damon: All right, good evening, everyone. Thanks for coming out on a Friday evening. I'm looking forward to the event tonight. Let me just set the stage on the format. I'm going to introduce our speakers, give a couple of opening comments, and then we'll have some of our panelists give us some context and background for the discussion, and then we'll transition to a moderated discussion. I'll be the moderator, and then we'll open it up to the audience for Q&A. Let me tell you a little bit about our panelists today. All the way on my far left, we have Bomani Jones. He is the host of the podcast The Right Time with Bomani Jones and the CEO of Old Soul Productions. He also hosts another podcast, The Evening Jones. He previously hosted Game Theory with Bomani Jones on HBO, where he talked about sports and their intersections with the world, and contributed to the show Back on the Record with Bob Costas, also on HBO. He's the former co-host of Highly Questionable and High Noon on ESPN, and he's an executive producer of the ESPN 30 for 30 documentary Rand University, which I believe won an Emmy.

Bomani: The whole series.

Damon: We'll take it. We'll take it. That's more Emmys than I have. Bomani graduated from Clark Atlanta University and also has a master's degree in politics, economics, and business from Claremont Graduate University, and a master's degree in economics from UNC Chapel Hill. He served as an adjunct professor at Elon University and Duke University. Also with us, we have Ilyana Kuziemko, who is the Theodore A. Wells '29 Professor of Economics and co-director of the Griswold Center for Economic Policy Studies, as well as co-director of the Princeton Program in Public Finance at Princeton University. Kuziemko rejoined the Princeton faculty in 2014 after teaching at Columbia Business School from 2012 to 2014. In 2009 and 2010, Ilyana served as Assistant Secretary for Economic Policy at the U.S. Department of Treasury, where she worked on the Affordable Care Act. Her research areas are in public finance, political economy, and labor economics, with a focus on U.S. inequality and the interaction between political and labor market institutions. Kuziemko received her AB in economics from Harvard University, a second BA in mathematics from Oxford University, and a PhD in economics from Harvard. Next, we have Matthew Notowidigdo from here at the University of Chicago at the Booth School. He's an expert in a broad set of topics in labor economics and health economics. He's researched the causes and consequences of long-term unemployment, the effects of unemployment insurance over the business cycle, and the effects of public health insurance programs on labor supply. Outside of academia, Notowidigdo has corporate experience at Lehman Brothers and has consulted for several professional sports teams. He holds a BS in economics and a BS in computer engineering from MIT and a PhD in economics, also from MIT. Finally, we have Kenneth Shropshire, who is the Senior Advisor to Wharton School Dean Erica James. He is launching and leading the Wharton Coalition on Equity and Opportunity. He returns to the university after serving as the David W. Hawk Professor Emeritus and Emeritus Professor of Africana Studies. Prior to that, he spent five years leading the Global Sports Institute at Arizona State University. In his previous career at Wharton, he founded and directed the Wharton Sports Business Initiative and led the sports focused Executive Education Program. He graduated from Stanford in 1977 with a degree in economics, attended Stanford Law School, and graduated from Columbia Law School in 1980. He practiced law in Los Angeles and was an executive with the Los Angeles Olympic Organizing Committee. He has served on a number of public boards and is serving as the acting director of the Jackie Robinson Museum. So we have a power-packed lineup, as you can see. I'm going to hand it off to Ilyana in one second. I just want to share some opening thoughts related to our topic tonight. College athletes and their compensation has been a very salient topic, and it became even more so during the recent pandemic. A number of things happened at the beginning of the pandemic, including college athletes in the Pac-12 who organized together to make some demands. We focus a lot on compensation for the athletes, but it's useful to talk about the full range of things they were organizing and asking for. They led with concerns about safety in the context of the pandemic and workplace safety issues. There was also solidarity: not just a focus on the revenue-generating sports of football and basketball, but they wanted protections for all athletes. They also had a focus on racial injustice. And then they had economic demands, which included health insurance coverage and NIL, which we will get into, as well as a request to bargain for 50% of the revenue share to help compensate athletes. With that, let me hand it over to Ilyana, who is going to talk about the big picture of how unions have played out historically in the labor market and how they have affected inequality and racial inequality, and then we're going to narrow down to the landscape for college athletes.

Ilyana: First of all, thank you so much for inviting me. I'm a very heartfelt but conflicted college football fan, so when I had the chance to talk about these issues, it was a no-brainer to say yes. As Damon said, I'm going to talk a little more big picture and give a historical perspective on race and American labor unions. Unions had their real heyday in the US in the 1940s and 1950s, and since then, it's been a pretty steady decline. Despite the ups and downs of union membership over the 20th century, unions in general are able to give about a 10% to 20% wage advantage to their members relative to a similar worker who's not unionized. We call that the union premium, and it's been relatively stable over this whole period. We don't have a lot of data on racial makeup before the 1930s, but what we know from historical documents is that unions in the US were quite lily-white: sometimes explicitly barring non-white members, many times just implicitly. There was very little opportunity for Black workers in labor unions until the New Deal. Things began to change with the New Deal. There are some important Black-only labor unions, in particular the Brotherhood of Sleeping Car Porters. They signed their first collectively bargained agreement in the 1930s, during the New Deal. And beyond Black-only unions, we also see during this period some of the major industrial unions, the United Auto Workers and United Steelworkers, opening their doors to non-white members for the first time. This accelerates dramatically during World War II, but not without resistance from white workers. We see Black union members grow in great numbers during World War II, but we also see resistance from incumbent white workers. I have a headline from my hometown newspaper, The Detroit Free Press, about auto workers who defied their union leadership and walked off the job after a few Black workers were promoted at their plant. We similarly saw something happen in Philadelphia, where white transit workers went on strike after three Black employees were promoted to becoming bus drivers. They shut down the city to the point where federal troops had to be diverted from the war effort to run transit in Philadelphia. In the ensuing decades, the checkered record of unions on racial issues continues. There's certainly still resistance among some unions and even union leaders from the more conservative unions to integration. On the other hand, we also see some of the more left-wing industrial unions, in particular the United Auto Workers, become major financial backers of the civil rights movement. The speakers who spoke at the March on Washington for Jobs and Freedom in 1963, like MLK, were mostly religious leaders, with two major exceptions: the head of the United Auto Workers, Walter Reuther, and the head of the Brotherhood of Sleeping Car Porters. That shows the central role that some of the big industrial unions played in the civil rights movement. Those were some important historical moments, but what do the data say? We collected historical data back to the 1930s, which we think is the earliest systematic data on membership by race. We're taking the share of all Black workers who are in a union and subtracting the share of all other workers in a union. Consistent with the historical narrative, in the 1930s, Black workers were underrepresented in unions. And consistent with the historical narrative, that number increases dramatically during World War II: Black workers actually enter unions at a faster pace during World War II than do non-Black workers. That has actually stayed relatively steady; Black workers to this day are overrepresented in unions, about 11% of all Black workers are in a union relative to about 9% of all white workers. But we have lost a little bit of that overrepresentation since the 1940s and 1950s. As I mentioned, unions give their workers a union premium of about 10% to 20% higher in wages relative to workers who otherwise look similar but are not in a union. Interestingly, that benefit is actually smaller for white workers. It's not to say that unions are perfectly non-discriminatory; it's just to say that whatever racial gaps exist in unions are smaller than the ones that exist in the rest of the labor market. So non-white workers are getting a differential benefit relative to not being in a union compared to white workers. That's an important point about the benefits of union membership. Not surprisingly, given those facts, going back to the earliest that Gallup has asked this question in the 1940s, Black Americans, whether unionized or not, are 20% to 30% more in support of unions having a greater role in society than white Americans. Given this historical background, it's not surprising that in the modern day we've seen Black workers at the forefront of what appears to be a new resurgence in union activity in the US: whether in the public sector, like one of the largest public sector strikes which happened a few years ago here in Chicago, or whether it's the Black leadership of the Amazon Labor Union, which in 2021 won a surprising victory in a warehouse in Staten Island. This tradition of Black leadership in the union movement has also played out in sports, which is, of course, the topic today. Curt Flood is one of the most important historical figures in the organization of professional athletes. He challenged the Major League Baseball reserve clause, essentially giving up his career doing so in 1969, but he paved the way for free agency for future generations of baseball players. And then we saw Black athletes again leading the attempts to organize the Northwestern football team. I hope that is a nice lead-in from the historical to the modern day, which the rest of the panel will pick up.

Matt: Hi everyone, I'm Matt Notowidigdo at Chicago Booth, and I wanted to use my brief remarks here to show a few slides from an academic paper I'm working on and revising for publication about the economics of college sports. We titled the project "Who Profits From Amateurism? Rent-Sharing in Modern College Sports." When I say rent sharing, you can think of it as profit sharing for the purposes of this brief talk, and we're trying to understand how money flows around in athletic departments. Here's a figure dividing schools into basically two clusters. On the y-axis, we have the institutional support share, which is how much colleges give to their athletic departments, and on the right is the overall size in terms of the total revenue flowing into the athletic department. If you use what the kids call a k-means clustering algorithm, that algorithm is going to identify two clusters that exactly correspond to the Power Five conferences. The Power Five conferences are these five conferences that I list here. This is essentially the type of college athletics I want you to have in mind for the rest of my talk: self-sustaining enterprises where the revenue is high enough to fund all of the sports being fielded by the schools. You'll see different colors here because these schools are moving around; maybe the Pac-12 is going to cease to exist. So maybe what we call the Power Five is really the Power Four. A couple of other facts I want to mention. A lot of the revenue generated by sports in these athletic departments comes from two sports: football and men's basketball. Revenue is also generated by other men's sports and women's sports, but as a share of total revenue, those numbers are much, much smaller. What we do in our paper is identify instances where the football or men's basketball team gets an unexpected positive shock to revenue, for example, by participating in a bowl game that generated revenue for all of the teams in a given conference. Then we can see how that revenue is being redistributed across the athletic department. The y-axis here shows that we've identified instances where there's on average, about a 10% to 15% increase in revenue being generated by some combination of football and men's basketball. Using the data we collected from athletic departments, we can see how that money is spent. The increase in revenue from football and men's basketball is associated with a pretty similar increase in spending on football and men's basketball, but the lines are not the same; it's not dollar for dollar. The other money shows up as spending on other sports, on women's sports, and on other men's sports. For women's sports, it's a more or less mechanical consequence of Title IX. For other men's sports, it's probably the fact that the athletic department wants to try to increase funding for all sports, regardless of where the revenue is coming from. When we look further into the data, you see an increase in administrative compensation and an increase in spending on athletic department facilities. So the causal chain I want you to have in mind is: whenever football and men's basketball teams generate additional revenue, that revenue is redistributed in the form of increased spending on all other sports, increased spending on coaches' salaries, increased spending on athletic department facilities, and increased spending on the compensation of other athletic department personnel. What's not happening is increased compensation for the players, which of course, we'll return to later. The last thing I want to mention is we also collected data on all of the student athletes playing all of the sports in the universities in these Power Five conferences. Then we mapped each of those student athletes to their hometown and high school, which we matched to socioeconomic characteristics. That lets us look at where student athletes came from, depending on what sport they're playing. The 45-degree line is the benchmark if student athletes were drawn at random from neighborhoods or high schools all around the country, ranked by their socioeconomic status. For football and men's basketball players, the line is a little bit above the 45-degree line, meaning they're disproportionately drawn from poor neighborhoods. For all other sports, the student-athletes are disproportionately drawn from higher income neighborhoods. If you separate it by gender, women's sports and other men's sports look more similar to each other than either does compared to football and men's basketball. And then when we separate it by race, I should be honest that we're doing something social scientists are always a little uncomfortable doing: predicting race based on first name and last name. But if you allow me that, I can do the same figures for Black athletes and white athletes. For Black athletes, these lines look even more distinct. Particularly for football and men's basketball players, the Black student athletes are especially likely to come from less advantaged neighborhoods, whereas the Black athletes playing other sports look like the white athletes playing other sports: if anything, they're drawn from socioeconomically advantaged neighborhoods. And for white athletes, across all sports, it looks as if white student athletes are disproportionately drawn from higher-income neighborhoods. Let me just summarize my main takeaways. A lot of revenue from Power Five athletic departments is being generated primarily by football and men's basketball teams, and then it's redistributed within the athletic department through increased spending on other sports, increased spending on coaches' and athletic department compensation. When you look at the neighborhoods where these student athletes come from, the way we summarize it at the end of the paper is that this rent sharing or profit sharing in the athletic department is essentially transferring resources away from student athletes who are more likely to be Black and more likely to come from poor neighborhoods, towards student athletes playing other sports who are more likely to be white and more likely to come from higher income neighborhoods. I'll stop there. Thanks.

Ken: All right, the good thing about being last, at least in terms of paper presentation: the good thing about being a lawyer is I use what other people say to make my point. I've been fortunate enough to think about these issues for a long time. The first book I wrote was about sports agents and taking advantage of athletes and opportunism in the late 1980s, and the last book I wrote was How to Fix College Sports; a lot of stuff in between. Part of what I've realized along the way is that I think about this in terms of critical race theory, at least in the sense that the rule makers, we don't always know who they are, where they came from, why they're thinking the way that they do. This is a little bit of a trivia moment. The modern Olympiad: Baron Pierre de Coubertin brings the Olympics back in 1896. And the NCAA is reformed in 1906, kind of in this ten-year moment. There's also the moment where there was a decision that there's this thing called amateurism, where athletes who are amateurs should not be paid. It's always struck me: was there some kind of meeting between Teddy Roosevelt and Baron de Coubertin, some kind of agreement somewhere along the way to create this thing that never really existed? When I wrote the first book, I was looking around trying to find out about amateurism. There was an ancient Greek scholar, David C. Young. He studied ancient Greek; I called him up and asked, what's your conclusion after all this? He said, well, the biggest thing is there's no such word in ancient Greece for amateurism; they were, in fact, given prizes worth a lot of money, gold and otherwise, for athletic competitions. So 1896 had to be the start point of this real moment of affirming and giving away something for athletic prowess. This photo of Kevin Ross, an athlete at Creighton who never graduated, pretty good basketball player, sued Creighton for educational malpractice; it wasn't successful, but this photo of him going back to school trying to complete his degree was in Ebony and Jet. For me, the overall takeaway, and this chart shows the odds of becoming a professional athlete: you all know that number, about 2% make it in every sport. The real outcome, if we talk about all this money and all these opportunities: to me, the question is, how do we get athletes out of these schools with meaningful degrees? Let's use all the funding we can for that. And I've moved away somewhat from "meaningful degrees" more than I was seven or eight years ago, toward just moving them out with an opportunity to do something, as we've found that degrees aren't necessarily the be-all and end-all answer. So this whole space, these are the cabinets we're in, some of the first successes in the NIL space, the transfer portal NIL and otherwise. Even yesterday, apparently, there was an announcement that EA Sports is going to pay every student athlete who does not opt out $600; every football player in the 85 players on each Power Five roster. To me, that's not the be-all and end-all. $600 in the course of a year is not what we should be fighting for in this moment. It is interesting to think about which athletes play what sports these days, and there's this old Sports Illustrated article about when suddenly "the white athlete was disappearing" with a somewhat shocking cover. But it is useful to reflect on as we do this analysis: who is it that we're looking out for? Who is it that's not being looked out for? Who are the players playing the sports bringing in the most revenues? This is also amplified in my mind by the issue of the death of affirmative action. As we move forward, who will be on campus, especially Black men and also Black women? Will we end up getting back to more of a day like when I was at Stanford University, where there were eight African Americans on the varsity football team and not many more on the entire campus, and you could safely go up to a Black man and ask what sport he played? Do we end up back there, and what does that cause negatively in this entire system? That too should be an issue we think about as we try to walk through these issues. One other thing before I sit down: the opportunism that exists. My first book talked about that a lot. These collectives providing student athletes with benefits: what benefits are they really getting besides the EA-type $600? For me, the key issues going forward, thinking about the past, are: absent paternalism, provide a lifetime opportunity for the 98%; use the dollars for that; what's going to happen with the Black men and Black women on campus with this combination of legal decisions coming forth? There is an issue for those who do make some great revenue from NIL: protecting those dollars and making sure they're used wisely. And especially the idea of how money is paid. I'm sure we want to discuss the latest unionization case and what that means; whether it can only happen at private schools; and if you're only in that union short-term, what benefits can you derive in that period that will ever really come into fruition? That is my time. Thank you very much.

Damon: All right, so thanks everyone for setting the context. Now we're going to discuss a little more with our panelists and follow up on some of those interesting patterns and trends. I want to start with Bomani. You wrote an article in Vanity Fair in 2020 about athletes and how the power was a bit of an illusion: that there would be a champion for having power and influence, but it's not always what it seems. Has that changed at all since then, and if they don't have the power, who has the power in this space?

Bomani: In 2020, this is important context: this is the summer of 2020, and I get this phone call after the George Floyd situation. It was a moment. We were going to change the world, right? So they asked me, hey, we want to do something about sports; what do you got? I said okay, I want to look at what are we really talking about here, because we had just reached this point where players were pushing back. It was the COVID situation. We had the unionization efforts that we had seen, and I talked to a lot of those players about what was going on. One thing I'll always remember: one player who was at the front of the Pac-12 United movement called me one night and said, hey, I do want to play in the NFL, and I've been talking to agents, and they're a little worried about me being out in front of all of this. If you quote me in your stories, could you be careful about how you characterize things? That's what I'm saying: they don't have any power at all. What they have is a measure of leverage and a measure of influence. Power does not have to capitulate to coaches and everything else in the ways that these players do. As we stand now, some of them have money coming in because NIL is a bit of a fallacy in terms of how much money people are actually making and what it lets them do. But that's still by and large going through the schools, at least until today, because there's a preliminary injunction that just came down. There are officially zero rules on NIL until further notice because of what this ruling has come down with in the courts. But it didn't mean those players had any actual power. The players who have power can stand and say, this is what we will do, this is what we will not do. That point hasn't come yet. The money a lot of them are getting is coming through in such a way where it's basically paid as loans, where a lot of this money is up-front money against future earnings at some startling percentages that you will find out about later. These are not measures of power; what we're simply talking about is leverage. Collectively, players do have power: if all of them just got up one day and said, this is what we are going to do, this is what we are not going to do, they can do something. The problem I always see is that these are short-run propositions. You are talking about a union built around people who will be there, probably no more than six years. How do you get people to invest in something that's a short-run proposition? That's the fundamental question. So who has the power? The power remains with the institutions. It's not even really with individual people; the power comes from the institutions, from the brands. If you view this almost in the context of feudalism rather than capitalism, because they are not trying to make a profit here: if you view it as the lord owning the school and the program, people are able to make money off of that at some level, and these players are the serfs who till the land; it's just that they choose what land they are ultimately going to till. Then you really realize where the power is. The power is with who owns the land. The land is the names of these programs, the facilities and resources. The people who control those have the power and will always have the power. The players will always have the problem. There's a reason why I don't do my own taxes: I only do them once a year. There's somebody who does taxes all the time; they know a whole lot better how to do it. The players get into this once. This is my one time to be an athlete. You don't have familiarity with the way this goes. You don't know all the questions you have to ask. The people who do this all the time and have access to all the resources will always be the ones that have the power. The only power that the players will have is the power that is behind them, which could be us, if we stay in with them. The power stays with the people who have control of all the resources; always has been and will remain the case.

Damon: I want to jump to Ilyana. You were talking about unionization and the union premium. How does that work? Why would a unionized worker get a premium?

Ilyana: Since 1935, unions have had an official legal role in the US. If you are a private employee and you're interested in unionizing, there are ways you go forward: hold an election; if more than 50% plus one vote for the union, in theory the company is legally required to bargain in good faith with the union, now responsible for collectively bargaining on behalf of the employees. What's happened a lot since the

1980s especially, is there's been no enforcement of this requirement to bargain in good faith. Amazon: the Amazon Labor Union won this surprising election by quite a healthy margin to represent workers in a Staten Island warehouse. Amazon has yet to meet with the union and actually hammer out a deal. Joe Biden has generally been a friendlier president to union members than past Democrats and certainly than Republicans, but there's still no enforcement. Take the Starbucks workers: they've won election after election and still don't have a contract. One thing I would say is that theoretically we could organize college athletes, and I think there are a lot of legal impediments, but it could help with Bomani's point about short-run propositions. The union can help provide continuity and institutional knowledge. There would be a union person who is not going to leave every four or six years, but who is permanently employed by the union, who would say, this is how it works. There would be union lawyers and union experts. I do think there are a ton of legal challenges to forming unions among college athletes, and I don't think the courts at this point are in a particularly friendly position. There's a challenge because a lot of these schools are public universities, and a lot of our union laws refer to private establishments. Because there's a mix of public and private among the Power Five, that also makes it challenging; the NLRB has said as much. I'm not a lawyer, so I'll leave it to the lawyer on the panel: what does the legal landscape look like for unionization of college athletes or some other way of giving them more bargaining power?

Damon: Maybe on that point, I can go to Ken. You brought up this recent decision, the NLRB decision for Dartmouth. Where do you see that? Does it have any potential to go anywhere from a legal standpoint?

Ken: I don't think so, not in the short run. It is complex, as Ilyana said. One of the key pieces in the Dartmouth case says we can rule this way here because the Ivy League is all private. They couldn't rule that way in the Northwestern case, which had very similar facts, because nobody else in the Big Ten was private. We've got a case going on with USC, which is still in the old Pac-12, which is a hybrid: two private schools. But that's going to be problematic too. So getting out of the legal landscape is one problem. The other problem is there's been one Ramogi Huma; he's been there forever working on these issues. He's the only one who's like, I want to dig wells that other people are going to drink from. Nobody else, except in the moment, in that college student raw, rah-rah moment, says I'm going to start a union. A couple of Dartmouth guys, a couple of Northwestern guys said, let's do this. But for the immediate return, I want better food, I'm onto something right now. Those are the problems we're going to run into. But if it were a sustained effort, and there have been some attempts working with the Steelworkers and other existing unions, that's where the possibility lies.

Bomani: Well, it's Ramogi, because he is working with the steel union specifically; they have been his backing all this time. The big step he made in 2020 was very important: they were very explicit with the Pac-12 United movement that this was a wealth issue of race. They stated it more explicitly than anybody I'd ever seen: the real issue was that this is what we are seeing as a wealth transfer. We are taking Black athletes from where they are, and by not paying them wages and then exploiting those wages, you are literally stealing from these places, stealing from these neighborhoods, and then reallocating that wealth toward these white institutions. I thought that was a huge, explicit statement to make in 2020. Four years later, people ain't really trying to hear that anymore. I'm really curious how well that argument, which was really sturdy and which was the time to really press the gas on it, can go, because that is really the most compelling argument you have. The unionization we've seen at Dartmouth and Northwestern, and as we learned more about how things were going down at Northwestern, we see that white athletes needed a union too: so you don't have to go off into the middle of the woods and get slapped around with a phallus trying to make the football team. That'll make you want to get a union. And that's what happened there. It wasn't so much about the money as the conditions they were dealing with. I thought that was the important part about what Ramogi has been doing for really like twenty-something years: there's a real clear fundamental intellectual underpinning behind it, and I'm not sure the people who cover sports are properly prepared to really deal with and embrace that.

Ilyana: It's interesting how COVID really was a trigger for a lot of unionization, and it was because of working conditions and safety. One thing that's always been true about unions: it's not just the wage premium; it's the standardization of practices and better benefits, and having a spelled-out grievance procedure that exactly the guys at Northwestern could have used when they were being hazed, which probably would not have happened. So it's not just the wages; it's safety and conditions. That's the Brotherhood of Sleeping Car Porters; that's really what was going on there.

Damon: Let me come to Matt. Bomani is talking about this wealth transfer; in your study, you quantify some of what these salaries would be if there were revenue sharing like in the professional sports leagues. Can you talk about some of these numbers?

Matt: Yeah, I would love to get your thoughts on this. The reviewers of our paper made us take this out, so I'm happy I get to go back to it. Our starting point was: we see unions in sports, we see them in professional leagues. Let's treat those professional leagues as a benchmark of what potentially could be achieved if college athletes were able to be unionized. Our understanding of how that typically works is there's just a top-line revenue sharing negotiated between the players union and the NBA or the players union and the NFL. So just take those same revenue sharing models, apply them to college athletes, and then distribute that revenue across the college student athletes themselves. We did that, focusing primarily on the revenue-generating sports: what would be the salaries for a football player, a men's basketball player? And we got numbers that were large but not implausible to me, somewhere in the range of $100,000 to $200,000 a year for football and men's basketball players. That compensation, given that they already get free tuition and room and board and some stipend, you'd want to subtract what they're already getting from that number; the rest would be the extra compensation we'd predict they might be able to negotiate under a collective bargaining agreement that looks like what we see in the professional sports leagues. So that's my quick summary, although you'll have to dig into the Internet Archive to find this since it's now been taken out of the latest version of our paper.

Bomani: No, I think logically that makes sense. To me, it gets intellectually dangerous to subtract the free tuition part, because the value of the education is not the tuition. When someone decides, I might go to USC, I might go to Texas, nobody is like, well, USC's tuition is $40,000 more. Nobody views it in that cost.

Matt: I agree. We didn't use the $40,000 figure; we used the typical out-of-pocket cost to these students. But maybe you don't even want to do that.

Bomani: Yeah, and I guess maybe I'm looking at it the wrong way, because the issue, and this gets in line with what Ken is talking about regarding bogus degrees, is that the value of a degree is actually the degree itself: what you learn and what you can do with it. These aren't University of Phoenix degrees that people are getting necessarily, but they're worth about as much as not knowing anything if you don't actually know anything.

Matt: In that case, you could take that top-line $200,000 figure and just treat that as the salary. I'll speak for my co-authors: I think we'd be comfortable with that.

Bomani: That $200,000 number makes perfect sense to me. And I think we can't touch on something really important, which is that a lot of what we discuss, we wouldn't discuss nearly as much if the degree were legitimate.

Ken: One element that comes into play in the two NLRB cases: in the Dartmouth case, one of the arguments by the university's defense was, wait a minute, we're not paying these guys, we're not giving them scholarships. And the court went through a couple of paragraphs discussing the value that comes by virtue of getting this scholarship and other benefits. The Northwestern case interestingly said, okay, we'll look at the value the 85 scholarship students were receiving.

But any walk-ons, we're not going to count you. So there's a contradiction in the case. But there is this value that the courts are seeing thats not necessarily money.

Matt: I would say the reason I wanted to start working on this research project was simply that I've always thought it's very unfair that a student athlete working on the football or men's basketball team doesn't get paid anything. When I was a master's student at MIT, I was a teaching assistant, and I got paid by MIT. I was there; I got a scholarship; I got my tuition paid for and room and board, and I also got paid. And it just seems very unfair that MIT recognized, even for a teaching assistant, that that's a job for the university and they paid me for it, whereas the student athletes at the Power Five conferences don't get paid anything other than the free tuition, room and board, and a pretty small stipend.

Bomani: That was always my argument too: the TA argument. They knew, if they want to give them some check, they want to show up. The only people they don't give money to and still expect to show up on top.

Damon: One thing I want to do for the audience: this is the University of Chicago. Some may not recognize the sports powerhouse we used to be, founding member of the Big Ten. I believe technically we always have the right to go back to the Big Ten if we want to. We left with the doors open. I don't think it's happening anytime soon. But what control do these programs have over the students: their major, their ability to study, their ability to pursue their education while they're playing? Can you link it in to what you talked about in your book in terms of some solutions?

Ken: I think old-school people like myself lost sight of how things had changed. When I was at Stanford, one of the tricks, especially if you were third-string like myself, was to make sure you had a lab in the afternoon and do all kinds of stuff to not have to go to practice, and they weren't going to throw you off. The official limit now is still at 20 hours a week, which is not followed by anybody because you have captains' practices and all these other things where the actual coaches are not there. It's a huge controlling factor. I found out when my son played tennis at Northwestern and graduated four years ago; I would yell at him on a regular basis, why don't you take that class, why don't you major in what you want to major in, and he just couldn't do it. Even in the Dartmouth opinion, there's language saying: look, in the student athlete handbook, it says practice is at these times; we strongly suggest you do not take classes that bump up against or are adjacent to those times. So you can take classes at 8 AM and 7 PM, maybe, but do you have to eat dinner with the team? There are real restrictions in terms of when you have to report, when you have to be there. And then there are these OTAs: the idea that you don't have to be there, but you better be there or you won’t get paid.

Damon: You talked about some fixes: letting people take a reduced course load, come back, and get their degree later. Can you talk about that?

Ken: Yeah, and I do believe all this money is there, and I think sometimes people get confused about what I'm saying. I do believe these guys and women should get paid; I have no problem with that at all. I think there's a lot of stuff we need to do first to fix the system. Maryland does it, a couple other schools do it: lifetime scholarships, you can always come back and finish the degree. But also, some kind of realistic entering academic boot camp where you are helping a kid figure out their path. I don't know what the psychology is to make that happen, because I still work with a lot of these guys, and the idea to get somebody to think about what they're going to do after they finish playing, and the idea that they might be one of the 98%, is one of the hardest things to get somebody to understand. But to have a better system that provides that kind of counseling along the way, you're probably going to have to do something else. There is this thing about identity foreclosure in psychology: the athlete often knows nothing else, is so focused on one thing. Works well in the military, but you're not trying to save your life to play sports; being single-focused in that way doesn't necessarily translate well. So to have a better plan for that timeline of when you lose your athlete identity.

Damon: Bomani and others can chime in as well. One thing you mentioned was this brand: that's where all the value comes from, and it's tied to the university. I've thought about why not just split these things apart; have a pro league, separate the branding from the university, and just have a professional league; there are billions of dollars to spread around. But there's this quote from Senator Joe Manchin, who said, “It's getting hard to root for the kids when they're multi-millionaires.” He also said, “We're going to lose one of the greatest pastimes we've ever had.” So sometimes the product is: I'm going to enjoy this sport where they don't get paid. Part of what people are drawn to in college sports is, this is my alma mater, this is amateurism; we look the other way on coaches' salaries, but the players aren't too paid, and they're doing this for the love of the game. So, as this thing professionalizes more, does that unintendedly reduce the amount of revenue they can generate, or do you think people will go with it no matter what?

Bomani: I think they'll go with it to a degree, but the concern that Manchin expresses, we've got to be careful. When people start talking about what the kids are going to spend their money on, it starts getting into jewelry and cars and tattoos. And be clear: it is going to be a lot of jewelry, cars, and tattoos. We don't have to lie about this. You give a couple of hundred thousand dollars to an 18-year-old and expect a mutual fund? That's not how it goes. But I do think there is a charm, a certain quaintness to the ways a lot of people view college athletics, and aesthetically, the idea that these are full-on professionals doesn't go well with some. It does change things. We don't watch minor league sports in this country, so let's not pretend that argument doesn't have some merit. It doesn't justify not paying people, but it will affect the way some people consume and enjoy the sports. But the way Manchin talks about this, and it hits people immediately: it hits their race place. There's been research done finding that animus toward Black people is a causal factor in opposition to paying college athletes. This is a thing; this is part of it. I would also note that when it was just white dudes, they weren't paying them either. The SCC was all-white; they weren't really paying them then, and people were getting busted and put on probation for trying to pay these people. So there is a certain aesthetic charm to the way college sports operate, and I know this even myself, as cynical as I can be and as problematic as I find this whole system to be. You go to the right signing day for the right kid and see the jersey held up and everything that happens in those four years, and it does hit you. It is a thing. If you're doing this right, those things matter and are concerns. It's just that that's not a good enough reason not to pay people. But we don't have to ignore the fact that it's probably going to feel a little different. The money that a lot of them are getting is never actually going to be enough to where it becomes problematic for how people enjoy and consume the sports. But no, it's not going to be the same. College coaches are doing a bit of complaining about what they have to deal with in the current landscape with NIL and the money. There's an understandable immediate pushback of, oh, you don't like it now that they got these powers? But they don't like it because there's no order, no rules, no system in place. You got some 19-year-old coming up to ask for a raise, and you're like, I don't even work in that department. It's chaos. There are problems with the way this is being run; it's just that none of them justify unfairly depriving people of money.

Ilyana: Directly building on what you're saying: there's been a lot of anecdotal reporting, I don't know if the numbers add up, of college coaches going and taking coordinator jobs in the NFL because it's just too complicated with NIL and the transfer portal. I will note they are moving to a world in which players are unionized. And one thing that a union movement could build on is that unions do bring order. There is a lot of chaos right now; coaches are complaining about recruiting and then every single day re-recruiting players so they don't hop into the transfer portal. Mobility gives you leverage; it typically gives you a better outcome. On the other hand, mobility is a cost to the player. It's not fun to constantly have to change programs. Unions, people claim that unions have too many rules and aren't flexible enough, but there wouldn't be chaos. They're claiming they can't handle college players and would rather deal with unionized players in the NFL. I think that's something to keep in mind.

Bomani: And in line with the coaches and players: the coaches we are seeing move on lately, in the last three years: Roy Williams, Mike Krzyzewski, Jim Boeheim, Jay Wright, Nick Saban. I could name some other guys if my memory were a little better. They all looked around and said to themselves, this is madness, and decided it wasn't worth it anymore.

Ilyana: This past year was probably the year where players got paid the most with NIL, and college football ratings were as high as ever. Americans are going to watch football on Saturday. I think you're right: it won't be quite the same, but it's going to be okay.

Bomani: Oh yeah, no, they're going to watch it. It's just going to be a question of whether we've lost the plot, which is my whole larger sports discussion.

Damon: Can you just, for everybody so we're on the same page, what is NIL? We've been saying it, and didn't define it.

Ken: Name, image, and likeness. It grows out of, I think, judges being lazy, or lawyers; instead of saying name, image, and likeness, NIL is what we've come to. The idea is that on video games up until 2015, actually the NCAA stopped short of that: the NCAA would sell the rights to the video companies, keep the money, maybe distribute some to the institutions, but none to the players. Lawsuits were brought by players, and they were successful in a couple of different suits along the way. I want to add one thing and lay on the couch for a moment as I get this out of my system. I'm conflicted by the whole idea of where college sports should be. For me, it changed my life. The opportunity I had, not to play but to end up at a great institution, was the greatest thing that could happen. I could have ended up in the wrong place trying to be a professional, but I en ded up in the right place. I am an advisor to Overtime Elite and I have worked with the G League team Ignite. These are both designed to go straight from high school to the professional level. The reasons I've been involved with them are: one, I think options should exist for everyone; and two, trying to provide some exposure to educational opportunities if it doesn't work. There was a direct correlation: we had Jonathan Kuminga and Jalen Green, two players in the first group I worked with in that league, both making $500,000 plus coming out of high school. They have both been successful NBA players. But there were others making around $100,000 that I'm not quite sure where they are now. The idea of having viable options available, and this is where I really go back and forth: maybe we should be more paternalistic about this. Maybe we should recognize that just as people are spending a lot on cars and jewelry with the money, maybe we should say, no, you need to get this education. This is why there are age limit rules going into the leagues.

Bomani: That's the great dilemma, right? America, where you have the right to be as stupid as you want to be.

Damon: So on that note, we're going to pass the mic around to the audience where you can exercise that right. I kid, I kid.

Bomani: I’m only talking about theoretical, stupid people actually stupid people I’m nice to.

Audience member 1 (Nubia, second-year MPP): My question is a lot about sponsorship deals. We're talking about wages and things like that; how does it work for college athletes? Do they have to get drafted in the NFL, and that's how they would get sponsorship deals, or as college students, is there a possibility for that to happen based on their popularity within college? I come from Ohio, and I'm really proud of this topic; I would also like to say thank you for being here.

Ken: Someone would do better than my bad explanation of NIL.

Bomani: I would say you inadvertently hit on where this really get fascinating. So with name, image, and likeness, in theory the idea is that as a college athlete, you can now be an endorser for insert product here and make money. You'll see some commercials now for the bigger stars; Caleb Williams is doing Dr Pepper commercials, and Bryce Young was doing Dr Pepper commercials. There's some big law firm in Atlanta, and if you drive through downtown Atlanta, you see George Davis, a 360-pound defensive tackle for Georgia, on billboards. The name, image, and likeness stuff should allow players to capitalize on their visibility and make money. Here's the thing: most of these guys aren't famous. Most of their name, image, and likeness actually has no value, if we're being perfectly honest. But everybody's getting money for name, image, and likeness. It's a little something called money laundering. You come here and we will pay you for name, image, and likeness, but nobody's going to see you in any commercial. You make a couple of Instagram posts, and you get some money. There's a kid who was supposed to go to Florida and got his deal pulled back, and the reason is the people at Florida said, actually we're not going to give you the money we offered you. He was out in the cold and had to go to Arizona State. So yes, you can get money for sponsorships or endorsements as you put it. The rules are now in place to allow for that. But that's not really why most of these guys are getting money at that level. They're getting that money because that's the way you can give them the money, because you wanted them to come to your school; the money is how you get it done.

Ilyana: There are programs that have consortiums of boosters, and every college had to very quickly stand up one of these programs. There have been allegations of corruption; the USC NIL program had some legal issues. This is a changing landscape, and every school is trying to figure out how to gather all of their alums and boosters to essentially pay players.

Bomani: What nobody talks about is that the financial backbone of this whole situation is people who are dumb enough to just give their money away because they want their football team to be good. If you start looking at the percentages of what these budgets are, how much is donations versus actual revenue: in some cases, the University of Georgia had at one point like 30% of the budget coming from boosters, from donations. People just decide this is what they want to give their money to. This is not a business made by business; it is made by wildly irrational behavior from top to bottom. And so that's where the NIL stuff comes in. These boosters say, sure, I'll pay you to be the spokesperson for my air conditioning company. Nobody cares about the air conditioning company; they want the football team to be good. It doesn't make any sense, but they do it. It's fun.

Ken: Two examples: everybody on the Utah football team gets a truck; offensive linemen, I forget if it's every year or just at the start. And $50,000 a piece at the University of Texas. I mentioned the EA Sports $600 for everybody in the 85-man roster that doesn't opt out. Now, historically, there were a lot of programs where everybody got a truck. There are some programs where you show up, and you go to this guy, and he gets you the car. Some programs, you knew: you go there, you get paid, you get these things. Part of what makes this fun is that it's the wild west, and different people do different things, and they're cheating, but it works.

Damon: Let's go to the next question. And I just want to add: unionization can make some of these contracts more likely to be honored, more predictable, and less of that reneging that's going on.

Audience member 2: One of the big things that strikes me is the power of narrative: whether it's the narrative around union membership and the pros that players are too greedy and not caring about the game, or the narrative of nostalgia, back when the game was sacred. When we're not dealing with a crisis like 2020, how do we build better, more effective arguments to move the public or institutions? How do we change the narrative to open up spaces for people to appreciate the labor in the form of the players?

Ken: I don't know the answer, because you are fighting against the good old days, the raccoon skin coats, cheerleaders, all that stuff, which is what people still in charge will take you back to. All the technical data-driven logic of look what these dollars are going, it's not going to the labor, and in every other sector we pay attention to making sure labor is properly compensated: maybe that's how you begin to build out the argument. All that stuff is wonderful, but there's so much more money coming in; we should step back and take another look at what's going on here.

Ilyana: On a hopeful note, I think there's a difference across generations. I think the younger generation, the Zoomers and the millennials, are much more pro-union and excited about organizing than the baby boomers, or the generation above the millennials.

Damon: Gen X. They always get forgotten. Yeah, Gen X, we got you.

Ilyana: I think some of the narrative is being built by your generation already, and I think COVID helped that in terms of emphasizing the importance of worker safety. Another topic I think is important: all the revenue coming from gambling, and how that is going to interact with paying players. I really hate that. One important historical point in all of American sports is the integrity of the game, and that is always in tension when there's a ton of gambling money going on. It's also happening at the same time as all of this.

Bomani: That's part of losing the plot. Nobody showed up here for the gambling. That is the new money; they had to make up the 2020 money. I do a podcast sponsored by a gambling company so I can't claim I've never made a compromise in my life. But that's where the money is coming from.

Ilyana: The amount of ESPN commentary that is about what prop bets you should do on this game: as a sports fan who doesn't gamble, I just find it shocking.

Bomani: I would say, in line with the narrative, I think something that would be helpful is the distinction between being poor and being broke. A lot of middle-class kids are broke in college; poor kids are poor in college, and these kids are poor very often. The idea that the meal plan doesn't cover weekends, so you have a football player or basketball player carrying out food on Friday because you've got to get to Monday: those things are what people don't realize. People who didn't go to college often look at people in college as a next-level privilege class, so nobody feels bad for them. People who went to college and had money typically don't understand what it was like for people who went to college without money. There was the moment in 2011 when UConn won the championship and Shabazz Napier said they were the hungry Huskies; he wasn't joking. There's a lot of not being able to eat on the weekends type stuff. The problem is he got up there and tried to tell people and people told him he was lying.

Audience member 3: We talked about the G League a little bit. You mentioned that the revenue isn't actually driving the whole NIL thing. What's stopping the NBA from really moving forward with the G League, or the NFL from adopting more of a European soccer business model where you're developing young players, trading, selling, actually driven on revenue: an actual club where you bring up young players and turn them into professionals, as opposed to using college?

Bomani: That’s like asking me why I don’t make my own clothes when theres a store right there and I ain’t even go to pay for the clothes;

I just walk in and they give me clothes. All the infrastructure is in place. Everything is set up. They've got the greatest free game there's ever been. The issue for the NBA is the NBA has tried to put college basketball out of business. That was the whole point of G League Ignite: let us try to get the top prospects in, and we will make them better. And what has happened is they've gotten some of those top guys to go to G League Ignite, and they weren't good. Jonathan Kuminga was supposed to be better than this. Jalen Green was supposed to be better than this. There's Scoot Henderson as the big example that has them in a trick bag because he was supposed to be Wembanyama-adjacent and couldn't even make it to be the number two pick in the draft, and now he's not playing very well; I'll try to be nice because he's 19. They tried to go take over that corner of the market, and they weren't good at it. What nobody really knows how to deal with is that this exploitative system, in a lot of ways, has proven to still be the best developmental means for players. This society has not built a better incubator for 18 to 22-year-olds than college. It is the best place in the world to figure out how to be a grown-up.

Ken: And Baseball is mad that they got so deeply entrenched in the minor leagues. A lot of the transitions taking place now have to do with: why are we investing in this thing?

Bomani: They just had to deal with the fact that they were paying essentially slave wages to their minor league players.

Ken: The other thing you see leagues do, and you saw it with the WNBA: there was a competing ABL Women's League that was going to take over women's basketball. The NBA said, we need to foreclose this because we want to control basketball in this country. When they can't control it or when they need it and see it as a great market, then there will be these movements.

Audience member 4 (Tira, first-year MPP): If unions are advocating on behalf of the students and students are always funneling in and out, you may run into the issue of the unionizers being in the pockets of the institutions. So my question is: how can policy leaders and unionizers gauge the buy-in of athletes and their needs and interests, and organize on behalf of the students in a way that creates partnership and centers student voice?

Matt: The way I would answer that is to look at the unionization efforts that have been successful for graduate students at other universities, because I think your question would be potentially just as valid in that setting. Graduate students, master's and PhD students, are unionized; the challenge is protecting that union from being captured by the administration and getting the institutional memory so that it remains effective. For the most part, it has been effective, and that provides a template that a hypothetical union of college athletes could try to follow. Here at the University of Chicago, there is a recent graduate student unionization effort; I think now there is potentially a strike being threatened in the spring, which I am teaching in, so this is affecting me pretty immediately. But I think that provides a template to look to.

Ken: Related to what you're saying: there was a union in esports that was initially funded by the league itself, because they got tired of trying to negotiate; they wanted to know who they were negotiating with E-Sports (Video game sports).

Bomani: The point, in line with what you talked about with the union, is that at the very least it gives you order. With college sports, because they're generally so unwieldy across so many schools, at some point, somebody will get wise and say, if we could only have to talk to one or two of them, it would make our lives easier.

This will be our last question.

Audience member 5: You mentioned early on about schools where at one point it was all white athletes, and similarly HBCUs were where Black students could play since it was essentially the only place available to them. Most of the HBCUs have probably limited funding as it relates to sports. What do you see as the future of HBCUs, especially since Deion Sanders has made his mark at Jackson? And how do you see HBCU students being recruited more to the NFL in the future?

Bomani: For me, I think the argument for HBCU sports is probably better to emulate the Ivy League than to emulate big-time schools, and just acknowledge our real value: as an HBCU grad, I'd say producing students and being part of this corrupt madness is not something we need to be part of. We produce better people; that's winning, as opposed to trying to produce professional athletes. Let me throw this out there. I tell this story a lot. Around 2007, the University of Alabama at Birmingham was going to hire Jimbo Fisher as their head coach. The contract gets through and the state legislature shuts it down. There are two arguments people make for why: one is they did not let that contract go through because they didn't want it to look like UAB had a better coach than Alabama; or two, they were holding out because they might get Saban, and they wanted Jimbo to be his offensive coordinator. Either way, it was because UAB was not going to be able to take that step up over the University of Alabama. I bring that up to say: if they did that to UAB, let's just say the number one recruiting class in America decided they were going to go to Tuskegee Alabama State. Would you think they're going to say, oh, fair and square, the Black folks got us? No. They would shut it down completely. The power structures of capitalism around it are not such that people just throw their hands up and say, you got one over on us. HBCUs are going to win by looking out for the students that we have. We don't need to try to win by getting better football players, because the kids that aren't that good at football deserve all the same stuff that the kids that are good at football deserve. When I was growing up, my parents were at Prairie View A&M University in the midst of a literal 80-game losing streak in football; I'm not exaggerating. People still showed up for those games. They were still there for homecoming. They were still there for all that stuff, because the contribution of athletics on campus was not about producing professionals; it's about what it could do for the larger school environment. That's what we need to worry about, because we're not going to win the other game. But we could do a lot of good for the world just taking care of the players that we have already.

Shane: The Inequality Podcast is a production of the Stone Center for Research on Wealth Inequality and Mobility at the University of Chicago. I'm the producer and engineer, Shane McKeon. I'd like to thank the Center's Assistant Director, Gerardo Espinal Franco, for production oversight and much, much more. Additional thanks to the Center's Executive Director, Grace Kolavo. You can get in touch with us at stonecenter@uchicago.edu. Thank you for listening and we will see you in 2025.

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