

Name, Image, and Likeness in College Athletics: Understanding NIL's Impact on Minor League Sports Leagues

—By Colby O'Connor

In July 2021, college athletics underwent a monumental transformation that many athletes had long awaited. The Supreme Court's decision in *NCAA v. Alston* allowed college athletes to profit from their name, image, and likeness (NIL), enabling them to monetize their personal brand while maintaining their amateur status.¹ This ruling marked the beginning of a new era of college athletics, where the distinction between collegiate and professional sports became increasingly blurred.

The recent *House v. NCAA* settlement further solidifies this shift, mandating the distribution of \$2.8 billion over the next decade to compensate former collegiate athletes for previously denied NIL opportunities.² This substantial financial commitment shows the dedication of the NCAA to recognize their athletes as essential stakeholders in the ever-changing sports economy and reinforces the financial appeal for collegiate athletics, further influencing athletes' decisions when weighing college opportunities against traditional minor league pathways.

Historically, minor leagues have served as the backbone for developing professional talent across sports. In baseball, leagues like Single-A and Double-A provide players with a pathway to hone their skills. Similarly, hockey's robust minor league structure offers athletes a pipeline to the NHL. In basketball, the NBA G-League emerged as an alternative to collegiate sports for elite prospects.

NIL is disrupting this traditional landscape. With collegiate programs now offering not only public exposure, but also financial incentives, college sports are directly competing with minor leagues. NIL deals are projected to reach \$1.67 billion in 2024-2025, and NIL valuations have the potential to exceed \$2.5 billion in 2025-2026.³ The opportunity to earn significant money, build a personal brand, work with third party marketers, and receive a college education presents a compelling alternative to minor league contracts for athletes.

From a compensation perspective, college athletics now provide athletes with the opportunity to earn competitive incomes in a dynamic and high profile environment, compared to the traditionally lower-profile settings of AAA baseball, the G-League, or the UFL. As NIL continues to reshape the athletic landscape, minor leagues are likely to evolve into vehicles for

¹ Supreme Court of the United States. (2021). *National Collegiate Athletic Association v. Alston*, 594 U.S. ____ (2021). Retrieved from https://www.supremecourt.gov/opinions/20pdf/20-512_gfbh.pdf

² Brutlag Hosick, M. (2024, July 26). *Settlement documents filed in college athletics class-action lawsuits*. NCAA.org. <https://www.ncaa.org/news/2024/7/26/media-center-settlement-documents-filed-in-college-athletics-class-action-lawsuits.aspx>

³ Opendorse. (2024, July 2). *NIL AT 3: The Annual Opendorse Report*. Opendorse. <https://biz.opendorse.com/blog/nil-3-opendorse-report/>

warehousing players at the bottom of the talent ladder, further diminishing their appeal to top prospects. With collegiate programs offering both financial rewards and greater visibility, the need for minor leagues or their equivalents may eventually diminish altogether. Athletes who might have previously signed minor league contracts now have the option to pursue similar or greater earnings while gaining national exposure and continuing their education at the collegiate level.

As minor league programs are already feeling the impact of NIL, the financial and visibility advantages offered by collegiate athletics continue to draw talent away from these traditional development systems. One notable example of NIL's impact is basketball, where the NBA G-League's Ignite program was launched in 2020 to attract top prospects with competitive professional salaries. However, the program ultimately struggled to gain traction due to a combination of factors, including limited fan engagement, lack of national exposure compared to college programs, and the growing financial incentives offered by NIL deals. Without the support of a dedicated fanbase and significant media coverage, Ignite players lacked the visibility and branding opportunities that NCAA basketball provides. The Ignite program was thus shut down in March 2024 due to "the NCAA's Name, Image, and Likeness (NIL) policy and the advent of collectives and the transfer portal."⁴ NBA players like Jalen Green, Jonathan Kuminga, Dyson Daniels, MarJon Beauchamp, and Scoot Henderson previously chose the G-League for its financial benefits. However, in today's NIL landscape, top college basketball players like Hunter Dickinson, Armando Bacot, and Caleb Love have opted to remain in college, capitalizing on lucrative NIL opportunities of upwards of \$1 million annually, a number far larger than if they were to participate in the G-League.

Beyond financial incentives, another area where college athletics hold an edge over minor leagues is in fan engagement, which plays a critical role in enhancing the visibility and appeal of both individual athletes and their programs. College teams thrive on vast alumni networks, institutional support, and deeply ingrained school pride, creating passionate fan bases and lucrative NIL opportunities. Rich traditions, historic rivalries, and celebrated tournaments like March Madness, the College World Series, the expanded 12-team college football playoff, 'The Game,' and many others further enhance this dynamic. NIL amplifies these connections, allowing athletes to engage directly with fans through social media, crowdfunding platforms, and endorsements, which elevate both individual visibility and the broader appeal of collegiate sports. Studies show that college fans are twice as likely to support new NIL rules, emphasizing the unique bond between athletes and their supporters.⁵ In contrast, minor leagues, such as Minor League Baseball, struggle to replicate this engagement, with attendance declining by over 5% from 2023 to 2024.⁶ However, initiatives like the Chicago White Sox's CHISOX Athlete

⁴ NBA G League. (2024, March 21). NBA G League Ignite to conclude its final season. NBA.com. <https://pr.nba.com/nba-g-league-ignite-final-season/>

⁵ Smith, M. (2021, October 11). *New study shows younger fans embrace NIL, with brands positioned to benefit*. Sports Business Journal. <https://www.sportsbusinessjournal.com/Journal/Issues/2021/10/11/Upfront/NIL-study/>

⁶ Cooper, J.J. (2024, June 18). Minor League Baseball attendance down so far in 2024. Baseball America. <https://www.baseballamerica.com/stories/minor-league-baseball-attendance-down-so-far-in-2024/>

program highlight opportunities for professional leagues to collaborate with college athletes through NIL by establishing early relationships between collegiate and professional sports, cultivating future talent pipelines, and fostering deeper connections among fans, athletes, and teams. These programs reinforce the growing influence of NIL and demonstrate that professional organizations are increasingly seeking involvement in this evolving landscape.

Currently, baseball and hockey boast the largest minor league systems in North America, yet they rank as the third and fourth highest revenue-generating sports in college athletics, respectively. Together, they account for an estimated 4.4% of total NIL shared revenue, with the average college hockey player earning \$20,475 through NIL deals, while baseball players average \$10,326.⁷ These figures highlight the increasing competition between college athletics and minor league systems, particularly as NIL compensation reshapes the financial landscape for athletes.

Minor league baseball players earn salaries as low as \$19,800 per year, nearly equivalent to a federal minimum wage job.⁸ In contrast, college athletes can secure NIL deals worth hundreds of thousands of dollars while competing on a national stage. For example, top college baseball stars are averaging \$45,000 annually in NIL earnings, with SEC schools spending between \$820,000 and \$920,000 on total NIL packages, figures that are expected to rise across all conferences.⁹ Looking past financial benefits, college athletics offer athletes a platform to build their personal brand in ways that minor leagues often cannot. A college hockey player earning \$20,475 through NIL deals, for instance, also benefits from the exposure of nationally televised games, further elevating their marketability and career prospects.

This growing financial and branding appeal of college sports has led to a major shift in the developmental landscape of athletics. One major concern is the declining relevance of semi-professional leagues. As college sports become the premier developmental stage, minor leagues risk being perceived as secondary. This will further incentivize high school players to pursue college athletics and stay within the collegiate system for longer periods of time. Additionally, without these top players coming through the minor league systems, minor league teams may struggle to attract fans, further weakening their economic models. John Bacon, a prominent Michigan sports journalist, notes, "College is now the minor leagues." This shift raises important questions for minor league systems, particularly in baseball and hockey, where the pipeline from high school to the pros was once clear-cut.

Beyond its impact on minor leagues, NIL is also transforming the collegiate sports landscape. The House Settlement and its financial injection for athletes have already reshaped the recruiting ecosystem and prevalence of the transfer portal. With the transfer portal operating as

⁷ NIL NCAA. (2025). NCAA Revenue Sharing & NIL Estimates 2025. Retrieved February 20, 2025, from <https://nil-ncaa.com/>

⁸ Cooper, J. (2023, March 29). MLB, Minor League Players Reach Deal On First MiLB CBA. Baseball America. Retrieved February 20, 2025, from <https://www.baseballamerica.com/stories/mlb-minor-league-players-reach-deal-on-first-milb-cba/>

⁹ Keller, B. (2024, June 17). College World Series, Capitol Hill & Donor Fatigue. LinkedIn. Retrieved February 20, 2025, from <https://www.linkedin.com/pulse/college-world-series-capitol-hill-donor-fatigue-nil-blitz-keller-m4ese/>

unregulated free agency, college athletics is on the verge of bifurcation, with the top 40-60 schools separating from the rest. However, it remains uncertain whether this separation is inevitable or if regulatory reforms, such as NIL cap policies, enhanced revenue-sharing models, or stricter transfer rules, could mitigate this trend. Some experts argue that without intervention, mid-major programs will increasingly function as feeder leagues, while others believe strategic policy changes could preserve competitive balance. As NIL evolves, key developments like collective bargaining, college athlete unionization, and the involvement of larger financial players will all drive the future of the larger collegiate sport ecosystem and also have large shifts in the future minor league sports.

The introduction of NIL has disrupted the traditional role of minor leagues in sports. By offering athletes financial incentives, visibility, and community engagement, college programs have become the preferred developmental path for many athletes. While this shift strengthens collegiate athletics, it poses significant challenges for minor league systems, which must adapt to survive. As the sports landscape continues to evolve, the coming decade will reveal whether minor leagues can innovate or whether NIL will render them obsolete.