

The NIL playbook

How to navigate the “Name,
Image and Likeness” landscape





What's all the buzz?

Name, Image Likeness (NIL) is a hot topic in college sports, allowing top athletes to earn money directly from their universities and monetize their name, image, and likeness through endorsements while retaining control over their personal brand.



The growing value of NIL

Professional musicians, movie stars and athletes have historically used their NIL to generate income by serving as product representatives or by selling their own merchandise. Picture Michael Jordan teaming with Nike for Air Jordans, George Foreman's endorsement of Foreman Grills and Serena Williams as a representative for Pepsi.

In fact, many successful athletes are using their NIL to generate even greater income than they make in their sport. While intellectual property law has governed professionals' right to publicize and control the use of their identities, now amateurs can also benefit from NIL.

The NCAA once banned student-athletes from profiting from NIL while competing. Despite this, universities used high-profile athletes to generate billions annually.

Ticket sales and television broadcasting generate a lot of money for these schools. So do merchandise sales and brand partnerships with companies like Nike, Under Armour and Adidas. These companies benefit every time their logo appears on stadium and television screens.

Student-athletes have been walking billboards, but until recently, couldn't benefit from the capitalization of their NIL.



Challenging the status quo

The first court challenge to the NCAA NIL rules came in a lawsuit filed by Ed O'Bannon and other players. For years, the NCAA profited from partnerships with video game maker EA Sports, which used college football and basketball players' likenesses to generate millions of dollars in sales. None of that revenue went to the players whose NIL was being used. O'Bannon and other players challenged the practice and the NCAA eventually settled the lawsuit with the players.

As a result, 24,819 current and former student-athletes were paid an average of \$1,600 in damages, after lawyers' fees, for lost compensation¹—while the NCAA and EA Sports agreed to end their video game partnership.

¹ Source: Novell, Darren. ESPN. "Athletes whose likenesses appeared in Electrical Arts games will share a \$60 million settlement." March 2016.



From the Supreme Court



The landscape of college athletics experienced a seismic shift following the EA sports decision. This settlement laid the foundation for a landmark 2021 ruling by the United States Supreme Court. In a unanimous decision, the Court held that the NCAA's restrictions on athlete compensation violated federal antitrust laws.² This ruling dismantled long-standing limitations on student-athlete earnings and opened the door for individual states to create legislation enabling athletes to profit from their name, image, and likeness.

An even more transformative development emerged through the courts in June of 2025. In 2020, student-athletes Grant House (Arizona State, swimming) and Sedona Prince (University of Oregon, basketball) initiated a lawsuit against the NCAA, challenging the organization's prohibition on direct compensation from universities for NIL usage. Their case was later consolidated with two other antitrust lawsuits, forming what is now known as the **House vs. NCAA** case.

After five years of legal proceedings, a federal judge approved a historic settlement in June 2025. This ruling authorizes, for the first time in NCAA

history, colleges and universities to provide direct financial compensation to student-athletes.³

Key Impacts of the House vs. NCAA Settlement

The settlement brings two major financial shifts for student-athletes:

1. Revenue Sharing with Student-Athletes:

Colleges can now allocate up to **\$20.5 million annually** from athletic department revenues to student-athletes, with the cap increasing by 4% each year over a ten-year period. Institutions will have the discretion to determine how funds are distributed across sports programs, likely based on the revenue generated by each sport. These funds are sourced from media rights, ticket sales, sponsorships, and other commercial activities.

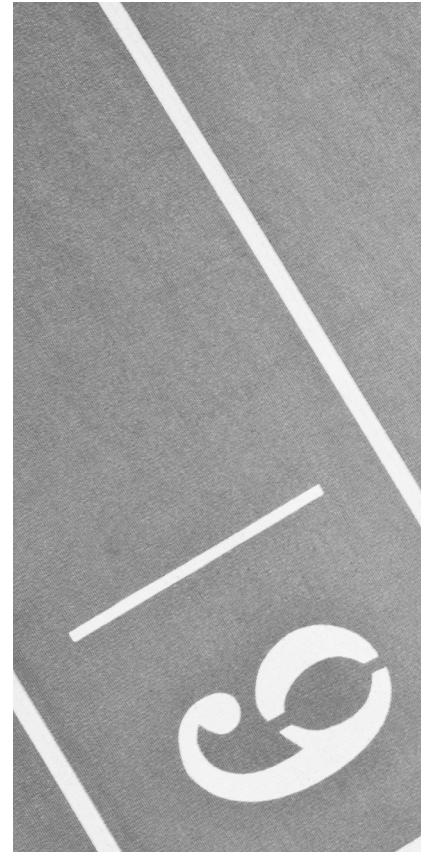
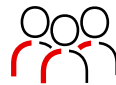
2. Retroactive NIL Compensation:

The NCAA and the Power Four conferences (ACC, Big Ten, Big 12, and SEC) will collectively pay **\$2.8 billion** to former Division I athletes who competed between 2016 and 2024. These payments serve as retroactive compensation for the use of their NIL during a period when athletes received no share of the revenue it generated.⁴

² Source: Quinn, Melissa. CBS News. "Supreme Court rules for student-athletes in battle over NCAA limits on certain benefits." June 2021.

³ Source: Jeyarajah, Shehan. CBS Sports. "How college athletes will be paid after House v. NCAA settlement: NIL changes, enforcement, contracts and more." June 2025.

⁴ Source: Varnum. "NCAA NIL Settlement Reshapes College Athletics and Athlete Payments." June 2025.



Funding the future: Who **pays**?

Before the most recent settlement, NIL compensation primarily flowed through **collectives**—independent entities established and financed by university donors and boosters. These collectives facilitated deals that allowed athletes to monetize their personal brand by endorsing businesses, typically through social media or appearances. The scale and scope of these deals varied widely, with wealthier programs often securing high-value endorsements for top recruits and players.

However, the unregulated nature of these arrangements led to concerns over fairness and transparency, with some deals resembling “pay-for-play” schemes. The House vs. NCAA settlement introduces an enforcement entity responsible for overseeing all

external NIL transactions. This oversight body, the College Sports Commission, will assess whether compensation aligns with the athlete’s fair market value, aiming to promote equity and prevent abuses. The College Sports Commission established “NIL Go”—a clearinghouse that will review NIL deals offered to students by third parties. Any deal over \$600 offered by a collective, booster or brand must be reported and reviewed, and will be assigned as cleared, not cleared, or require more information before being reviewed. NIL Go will partner with Deloitte to create an algorithm that assesses the validity and business purpose of a deal to ensure the athlete is not receiving excessive compensation.⁵

⁵ Source: McCann, Michael. Sportico. “Clearinghouse Denial of NIL Deals To Be Limited By Arbitration.” June 2025.



A new competitive landscape for universities



The evolving NIL environment has fundamentally altered the college recruitment and transfer landscape. For the first time, high school athletes and transfer students are weighing NIL earning potential as a key factor in selecting their schools.

Universities with substantial athletic revenue and robust donor networks hold a distinct advantage. They are better positioned to distribute the full \$20.5 million annually and attract elite athletes with compelling financial packages.

Conversely, institutions with limited resources or located in states lacking clear NIL legislation may struggle to compete, risking talent loss to schools offering superior financial incentives.

5 keys to a strong NIL gameplan

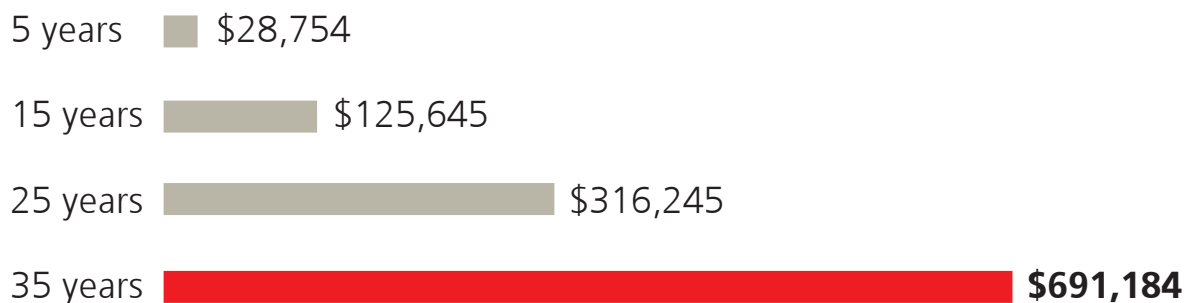
1. Understand the financial basics

- Revenue from an NIL deal or from your university may be the first income you ever receive and with that comes the responsibility of understanding your finances. You should take time to understand the financial system of banks, investments and taxes. Start learning now, before deals start coming in.
- Know the difference between a checking account, a savings account and an investment account. Understand the role of stocks and bonds and how they help to generate and preserve wealth.
- Educate yourself by using the resources made available at your school, athletic department, personal bank or local financial advisors.
- Understand how compounding helps investments generate their own earnings over time. (See chart below.)
- Understand, build and protect your credit score. A good credit score can benefit you in years to come by making it easier, and less expensive, to borrow money for major purchases, like a car or a house.
- Avoid unnecessary fees. Watch out for ATM fees and bank overdraft fees. Online banking and smart phone banking apps make managing your money easier.



Investment earnings generate their own earnings

With compounding, \$5,000 invested every year could become nearly \$700,000.



Hypothetical growth of what you could accumulate after 5, 15, 25 and 35 years if you save \$5,000 each year and earn an assumed rate of 7% annually. The compounding concept is hypothetical, for illustration only, and not intended to represent the performance of any specific investment, which may fluctuate. No taxes are considered; generally, withdrawals are taxable at ordinary rates and may be subject to tax penalties. The dollar amount would be less once taxes are taken from the values. You can lose money by investing in securities. **Investing involves risks, including the potential of losing money or the decline in value of the investment. Performance is not guaranteed.**



2. Research your school's/state's NIL rules and laws

Get to know the NIL laws and rules for the schools and conferences recruiting you. Money aside, what situation (of both state law and school rules) would protect you best? How about worst? You can't make an informed choice between deals without understanding how you may be treated once you sign. While NIL collectives and your school may offer educational resources, seek out independent educational resources as well.

Are you good at speaking to the media? Are you comfortable in front of a camera? Is your social media following large? If so, you may be able to leverage your social media presence to earn money.

- Consider setting up a Limited Liability Company or ("LLC") to receive NIL income. Sometimes this LLC is called a "Loan Out Company" because its purpose is to loan out your name image likeness in exchange for money. Consult a trusted tax professional before pursuing this strategy.

3. Build a team of trusted advisors

- Be proactive with building a team of trusted advisors. Team members might include parents, coaches, agents, legal professionals and financial advisors.
- Trusted advisors should be experienced in negotiating NIL deals. They should understand the financial implications and be familiar with the unique challenges that come with earning significant income at a young age.
- Because having NIL rights at the high school and college level is new, untested and quickly changing, be wary of individuals or groups over-promising results. Before entering an agreement with any professionals offering to "help" with the NIL process, make sure to carefully research these individuals.

5. Manage your brand

- You're responsible for the value of your personal brand and reputation. And that reputation is informed by more than your conduct on the field or stage. You strengthen or diminish your brand and reputation's value with every social media post, press conference and personal interaction.
- By design, NIL deals expand your public visibility. More visibility calls for even more careful brand and reputation management. The audience for a social media post or comment isn't just those following your account. It's anyone who could see it online. Your audience is everyone from the sports-writer predictably following your account to the marketing firm advising the company utilizing your NIL.
- Be sure the companies using your NIL align with your values. Not only will you serve as a public representation of the brands you endorse, those brands will also reflect on you.

4. Think of yourself as a business

- NIL business planning requires a frank look at your most important asset: you. What are your athletic strengths and weaknesses? What are your marketing strengths and weaknesses?



So, you landed a deal and covered the five keys.

What's next?

Budget and save

Create a budget based on your income and expenses. Consider needs first: The first items in your budget should be the things you need to spend money on, like food, rent and professional advisors. If you are a scholarship athlete or still on your parents' payroll, you may not have significant day-to-day expenses. However, make sure you set aside enough funds to cover income taxes you will owe on scholarship and NIL income.

Avoid excessive spending: Know what you have and how much you can afford to spend beyond your primary needs. Money can disappear quickly when spending on luxury items. Think about how an item, trip or expense fits into the overall picture of your financial life. While this can be challenging for younger athletes to determine, it's extremely important to consider. What if this NIL money is all you get? What comes next? Spend time considering the possibility of life beyond sports.

Grow your savings, grow your potential: Set aside extra money you don't need to spend right now into a high interest saving account, investment account or a retirement account to start saving for the future. You have the ability to take advantage of compound growth in investment savings accounts. Talk with your financial advisor about the right type of accounts for you.

Consider income taxes

A \$1 million NIL deal does not equal \$1 million in your pocket to spend. Income taxes will be due on the money you receive from NIL at the federal level (and maybe even at the state and local level, depending on where you live).

As mentioned before, don't spend your money immediately. Sit down with your tax professional and set money aside in a separate account to pay taxes. You may be required to make estimated tax payments at the federal and state level on a quarterly basis.



Manage risk

Most athletes who land an NIL deal will be well known in their community and beyond. Your earnings potential and public visibility may create potential liability for you. Be aware of the risks associated with earning a high income and with fame.

Protect valuable assets with insurance. Car and property insurance are the most common types of insurance. If you own, or are considering near-term purchase of a car or a property, be sure to have proper insurance in place. Consider an umbrella insurance policy to protect above the limits of traditional property insurance policies.

Insure yourself against injury and disability. Disability insurance can provide supplemental income if you become ill or injured in a way that prevents you from earning income by performing in your sport. Consider whether disability insurance makes sense for you to protect against the potential loss of your future earnings.


The Exceptional Student-Athlete Disability Insurance Program, managed by the NCAA, enables qualifying student-athletes, as approved by the program administrator, to purchase a disability insurance contract with pre-approved financing, if needed. This program can provide you with the opportunity to protect against future loss of earnings as an athlete due to a disabling injury or sickness that may occur during your college career.

Some schools offer disability insurance as part of their NIL package. Consider negotiating this into your NIL deal, if it is important to you. In certain situations, payments for disability policy premiums may also be a deduction against income taxes. Seek additional disability policies (beyond what the NCAA program or your school offers) to widen your options. Talk with your tax professional to determine what is right for you.

As a younger student-athlete navigating new NIL rules and regulations, you are getting a real-world crash course in business and finance.

It will be challenging to manage these new financial responsibilities on top of the full-time job you have as a student-athlete, but with careful consideration, you can manage your NIL rights effectively. Seek out information and trusted advisors to help you understand the legal, banking and financial world you are entering.

Build a solid team around you of qualified professionals to help guide you through the process. Opportunity abounds. Now's the time to make the most of it.



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Melissa is a Wealth Planning Strategist at UBS, providing UBS Financial Advisors and their high net worth clients with advanced planning strategies, design and implementation. As an advanced financial planner, she offers expertise in areas such as retirement income and cash flow analysis, estate and multigenerational planning, and business continuity and succession planning. Melissa's background is in estate planning law, and she is a Certified Exit Planning Advisor (CEPA) and a Certified Trust and Financial Advisor (CTFA).

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