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The Recruiting Rating Service Industry's Impact on College Athletics

Michael Rica

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I. Overview and Introduction:

There is no secret surrounding the cultural, and often times pseudo-religious phenomenon that is college athletics. Football and men's basketball have transformed the way the general public views the higher education model. High school applicants make sure to research how successful the programs are, while also factoring in just how raucous the athletic atmosphere is simply because it is part of the college experience now.¹ Yet, the idea that college athletics exist as a way to build character in the future generation and teach them to deal with success and failure is dead; and a statement like that would get you laughed straight out of the door at NCAA headquarters in Indianapolis. College athletics is a multi-billion-dollar business that is driven by marquee Universities, passionate fans, and most importantly, extremely talented young athletes.

A university's ability to recruit talented high school athletes is the fundamental backbone for which a major college athletic program sinks or swims. As college sports have developed into generational postmarks, the competition and intensity surrounding recruiting has skyrocketed.² In turn, this has created a niche industry that has taken on an identity of its own while also substantially altering the way all college athletic stakeholders view the product. This being online recruiting rating services. A process that was once mostly unseen, is now a major talking point in the college athletics world.³

¹ Knowledge, H. B. S. W. (2013, May 6). *The Flutie effect: How athletic success boosts college applications*. Forbes. Retrieved from <https://www.forbes.com/sites/hbsworkingknowledge/2013/04/29/the-flutie-effect-how-athletic-success-boosts-college-applications/?sh=6d12be166e96>. The article discusses the "Flutie Effect" which shows the impact in which the success of the sports team a university has, a successive increase in applications and attention follows.

² Mandel, S. (2022, July 07). 'Where are you from?': The pre-internet era - when 5-star recruits weren't household names. Retrieved April 3, 2023, from https://theathletic.com/3398170/2022/07/06/recruiting-college-football-superprep/?access_token=12870135. Highlights how the Coaches point of view has changed over time as recruiting has intensified.

³ *How Shannon Terry built a fortune behind college recruiting ranking websites*. College Athlete Insight. (2022, February 10). Retrieved February 25, 2023, from <https://collegeathleteinsight.com/shannon-terry-college-recruiting>. Highlighting the number of viewers, users, revenue, and value the recruiting rating service industry has developed to show just how popular it is in today's landscape.

The idea is this; compile a list of the most talented high school athletes in a particular sport, assign them a rating, then rank them amongst their peers; simple. Yet, what once started as a way for fans to inquiry about the next potential star at their favorite University, has rapidly transformed into a billion-dollar industry with the backing of iconic brands like Yahoo and CBS.⁴

Two major websites, Rivals and 247Sports, have both collectively created and revolutionized the industry, while a new market entrant, On3, has emerged as a one stop shop to marry prospect ratings with NIL.⁵ While these services have traditionally served as an outlet for fans to stay up to date with recruiting, this is no longer the business model. Recruiting rating services have transformed the way both athletes and athletic departments determine value and in turn, fundamentally altered the talent acquisition process of a university.

This fundamental change caused by the emergence of recruiting rating services has materialized based simply on the concept of what they are. A recruiting rating service is an online publication that is comprised athletic scouts throughout the country that attend talent camps, high school sporting events, and watch athletes' film with the ultimate goal of assessing just how talented the athlete is.⁶ Although it is far from an exact science, these scouts are able to justify their ratings through articles and ultimately the future success of the player.

To adequately display the massive influence recruiting rating services has had on college athletics, there are multiple avenues that must be analyzed. First, it is important to understand

⁴ Ibid.

⁵ Terry, S. (2021, August 1). *How is on3 different than rivals and 247sports?* On3. Retrieved from <https://www.on3.com/news/how-is-on3-different-than-rivals-and-247sports/>. Creator, Shannon Terry, describing the mission of On3 and how it is different than the previous iterations of the service industry.

⁶ McCann, D. (2022, March 16). *Star Search - who determines star rankings, and what do they really mean?* Deseret News. Retrieved from <https://www.deseret.com/2022/3/16/22973363/college-football-recruiting-who-determines-star-rankings-and-what-do-they-mean-rivals-247sports-ncaa>. A basic overview of how ratings are developed and what the actually ratings given out mean.

how Shannon Terry basically single handedly created the industry. Next, highlighting the legitimization of the industry through purchases by marque corporations while also showing the issues created by ratings through the various recruiting scandals that has plagued college athletics. In addition, it is important to lay the foundation about the legitimacy of these services and how their ratings actually translate to success on the field. Doing all of this to highlight the most important aspect, which is to show how both the Universities and athletes derive value solely created by the recruiting rating industry. With NIL and the transfer portal fundamentally changing the fabric of college athletics, recruiting rating services will continue to directly influence all of college sports.

II. Industry History and Rise

The landscape surrounding the recruiting process for college athletics has gone through substantial change in virtually every NCAA era since its inception in 1906. From the 1951 decision to allow athletic scholarships, to the acceptance of booster influence in recruiting and its ultimate ban after the infamous SMU scandal,⁷ to modern day with texting limits and dead periods, at every junction there is a new wrinkle to be ironed out in the recruiting world.⁸ All done for the NCAA to protect its idea, and business model, of amateurism.

The SMU scandal showed what the NCAA would do to protect their model. A premier program in the 1970's and 1980's was made an example of by the NCAA to protect amateurism.⁹ SMU was operating a slush fund in which they were paying high profile recruits, like Eric Dickerson, to come play football for them. Found guilty, SMU was assessed the 'Death Penalty'.

⁷ Dodds, E. (2015, February 25). *SMU scandal: The 1987 NCAA death penalty*. Time. Retrieved from <https://time.com/3720498/ncaa-smu-death-penalty/>

⁸ Staples, A. (2008) *A history of recruiting; how coaches have stayed a step ahead*, *Sports Illustrated* . Available at: <https://www.si.com/more-sports/2008/06/23/recruiting-main> (Accessed: February 25, 2023)

⁹ Dodds, 'SMU scandal: The 1987 NCAA death penalty.' After this the NCAA banned any and all booster involvement with recruiting and athletic programs as a whole

Meaning their 1987 season canceled, stripped of 45 scholarships, and athletes deemed ineligible. Unable to field a team for the 1988 season, they canceled it themselves. The SMU football program was decimated and has still yet to return to a place of success. Recruiting drove the actions of SMU, yet preserving amateurism as a business model drove the NCAA to punish.¹⁰

The recruiting rating industry has followed a similar path of innovation to stay in step with the ever so changing recruiting landscape. Although high school recruiting rankings in print have been around for years, and were popular enough to create high school sports legends like Damon Bailey or Emmitt Smith, the introduction of the internet truly transformed the landscape. The roots of the internet era for recruiting ratings can almost solely be traced back to one man and three separate ventures, Shannon Terry.

While the background story of Shannon Terry is important, a history lesson into who he is doesn't help address the impact the recruiting rating services have on college athletics. It's more important to look at what he created and why it is so influential to college athletics. Terry was able to create three separate recruiting services, each of which following the blueprint of rating high school athletes, yet each one owning a unique twist to keep up with the new fad shaping college athletics at that given time. Rivals, 247Sports, and On3.¹¹ Three recruiting rating services, each with a wrinkle that influences value for both the prospect and the University.

Although other services existed, like Scout, and still exist, like ESPN Rankings, it is important to highlight Terry as the figure who was able to create entities that not only were for fans to consume, but also for the purpose of influencing athletic departments and growing the industry. Rivals gave fans the ability to talk, but most of the time argue, with each other about their teams and recruiting classes. 247Sports developed a complex ratings formula that would

¹⁰ Ibid. SMU manages only one winning season from the Death Penalty until 2008.

¹¹ *"How Shannon Terry built a fortune behind college recruiting ranking websites"*.

rate and rank upwards of two thousand high school football and basketball players yearly.¹² This grew the footprint of the ratings industry and increased the narrative around the actual rating given to each player.

High school players were now aware of their rating; Am I a five star? Why am I a five star here but a four star there? Recruits began to become aware of what it meant to be highly rated, it became a method in which value in themselves could be created.¹³ But additionally, it made athletic departments aware. They too understood what it meant to be a five star, and what kind of value obtaining that five star can create once you get him on campus.

As athletic departments began to view the services as a valuable resource, a group of the recruiting rating services ventured into a new territory that created even more value for themselves as a tool for athletic departments and high school prospects. Rival, ESPN and 247Sports began to sanction showcase camps that would allow the elite high school players to display their abilities in front of scouts from across the country.¹⁴ Players would see their ratings rise or fall, relationships with scouts and coaches would be built, scholarship offers would be given out; a new wrinkle within the rollercoaster that is college recruiting, created by the recruiting rating service industry. Not only did this process and new venture develop a new revenue stream for the recruiting services, it also allowed for legitimization of the industry. Universities began to attend the events in the hopes of spotting their next star, coaches used it as another way to connect with players in their never-ending recruiting pitch, and most importantly

¹² Codrington, K. (2017, October 3). *An inside look at the complex world of college football recruiting rankings*. Bleacher Report. Retrieved April 2, 2023, from <https://bleacherreport.com/articles/2117325-an-inside-look-at-the-complex-world-of-college-football-recruiting-rankings>

¹³ Ibid. As the popularity increased, the meaning and impact of being highly rated did as well.

¹⁴ Ibid.

athletes understood that being a part of these camps was a way to grow their name and ultimately land a scholarship offer.¹⁵

Even after all this, developing both Rivals and 247Sports into reputable outlets used by the college athletics universe, Terry was not finished. He has continued to adapt the recruiting rating service industry with the ever-changing nature of stride for stride with college athletics. With that, Terry created On3, an NIL centric rating site that breaks down everything a player needs to know about their personal value created by being a five star, and what a university needs to know about how much value that five-star can bring them just by wearing their colors¹⁶.

This two-decade long process has led the industry to the place it is today. With NIL dominating what seems to be every conversation in the college athletics world, the recruiting rating industry has devised a model that alters the way recruiting was traditionally practiced. What was once a regional practice has evolved into a national competition between athletic departments. Athletic departments are now tasked with knowing the top prospects across the country, from New Jersey to California, it is no longer a game of strictly recruiting in your regional footprint. The development of showcase camps by Rivals and 247Sports has opened the door to the recruitment of underclassmen.¹⁷ Freshman, Sophomores, even middle schoolers in many cases are being thrust into the spotlight all thanks to these recruiting rating services. It is now a coach's job to not only know the best high school athletes in the country, regardless of their high school graduation year.¹⁸

¹⁵ Weathersby, E. (2020, October 07). Top 10 camps where college football recruits get noticed. Retrieved April 3, 2023, from <https://bleacherreport.com/articles/2005928-top-10-camps-where-college-football-recruits-get-noticed>

¹⁶ "How Shannon Terry built a fortune behind college recruiting ranking websites".

¹⁷ Weathersby, "Top 10 camps where college football recruits get noticed."

¹⁸ Mandel, "Where are you from?": The pre-internet era - when 5-star recruits weren't household names.

Coaches and athletic departments were put on notice when the online recruiting rating service industry was developed. With unlimited access to top prospects, coaches were suddenly expected to know more players, younger players, and better players. The old school recruiting philosophy was dead.

Nearly everything about the way recruiting works has changed since the original iteration of Rivals.com first launched in 1998. Not just for fans, but for the coaches and recruits themselves. (Mandel, 2022)¹⁹

Shannon Terry created a monster of an industry. It is something that has grown exponentially over the past twenty years while simultaneously altering the process it first set out to contribute to. What started out as a simple idea is now a direct instigator of the rapid change we see affect college athletics year in and year out.

Yet, the massive influence on college athletics by these services would not be possible without Terry's clear business acumen and some friendly Tennessee laws. On its face, it seems irresponsible that multiple Fortune 500 companies have each spent nine figures on one man's creation, to then simply let him free to create a direct competitor. It happened with Yahoo after they acquired Rivals in 2007, CBS after they bought 247Sports in 2015, and will likely happen again once On3 is purchased.²⁰ Surely these corporations have more secure non-compete clauses that could have stopped Terry from doing this?

While Terry has been subject to non-compete clauses after his sales to Yahoo and CBS,²¹ all three of the recruiting rating services were incorporated in Tennessee, a state that prohibits

¹⁹ Ibid. Comparing the way recruiting was prior to the internet era, especially before the introduction of Rivals in 1998 as the first large recruiting rating service. Highlights the key points that recruiting is beginning earlier in High School, showcase camps influence who Universities recruit, and coaches have to stay up to date with the ratings of each player.

²⁰ "How Shannon Terry built a fortune behind college recruiting ranking websites". Highlighting the multiple times Terry has done this, even with the existence of non-compete clauses.

²¹ Ibid.

employers from restraining ordinary competition.²² For a non-compete clause to be enforceable in Tennessee, the employer must show evidence that without the non-compete, the employee would thus gain an unfair advantage in future competition.²³ Terry positioned himself in a state with friendly business laws, and created an industry that relies on adaptation to essentially allow himself to become a personal monopoly until he ultimately sells to a larger corporation. A remarkable strategy that has made himself into a multi-millionaire and led to the creation of an immensely impactful college athletics industry. These purchases not only proved the brilliance of Terry, they also marked massive turning points for the industry as a whole.

Overall, the recruiting rating industry both influences and responds to change within the NCAA governance structure. Whether that is through high school athlete brand creation that pushes the idea of NIL into a legal reality, or having to adjust recruiting rating industry practice because of NCAA sanctions following recruiting violations, the rating industry has an important and direct influence on college athletics as a whole.

III. Industry Legitimization and NCAA Governance

There is little room for debate about whether the introduction of online recruiting rating services influenced the way individual athletic departments viewed recruiting. The industry took the traditional, regional outlook of recruiting and made it national. A prospect from Baton Rouge, Louisiana was no longer a lock to be the next star at LSU. Pipelines began to form; New Jersey kids funnel to Michigan, Texas kids play at Ohio State, South Florida kids dominate at

²² Tenn. Code Ann. § 47-25-101. Covenants to restrict or lessen competition are declared against public policy and void.

²³ Ibid.

Alabama.²⁴ As recruiting became nationalized, the potential for growth on the business front expanded.

Two major milestones for the recruiting rating service industry happened in 2007 and again in 2015. Both dates symbolize the entrance of not only iconic brands, but massive valuations for the industry that would solidify its relevance and influence. In 2007, Yahoo purchased Rivals for around one hundred million dollars.²⁵ Eight years later in 2015, CBS purchased 247Sports for an undisclosed amount, yet reports are that the deal was in the hundreds of millions.²⁶ Both deals displayed the intrigue and demand there is for recruiting content, as well as its importance and longevity to remain a factor in the college sports realm. While the Yahoo deal was centered around the established subscriber base of over two hundred thousand users,²⁷ the CBS purchase of 247Sports was done with the intent to break into the emerging recruiting industry. CBS saw 247Sports report over fifteen million dollars of revenue annually based on subscriptions, advertising, and increased interest due to their team specific content structure.²⁸

CBS has televised college football since the 1950s and college basketball since the 1980s. A pioneer and central figure in the success story that is college athletics. It is not surprising to see

²⁴ Casagrande, M. (2021, August 31). *How Alabama built a recruiting pipeline from Miami*. Retrieved April 3, 2023, from <https://www.al.com/alabamafootball/2021/08/how-alabama-built-a-recruiting-pipeline-from-miamis-backyard.html>

²⁵ Rovell, D. (2010, August 5). *Yahoo buys rivals.com: Is the deal worth it?* CNBC. Retrieved April 3, 2023, from <https://www.cnbc.com/id/19340539>

²⁶ Fisher, E. (2015, December 16). *CBS Sports Digital signs deal to buy college recruiting website 247sports.com*. Sports Business Journal. Retrieved April 3, 2023, from <https://www.sportsbusinessjournal.com/Daily/Issues/2015/12/16/Media/247-Sports>

²⁷ Ibid. Due to recent downloads, page views, and ad dollars spent, the interest in recruiting was seen as a mainstay and something that consumers will seek out for the foreseeable future.

²⁸ Bucholtz, A. (2015, December 16). *CBS acquires 247 sports, a further push into the recruiting sphere*. Awful Announcing. <https://awfulannouncing.com/2015/cbs-acquires-247-sports-a-further-push-into-the-recruiting-sphere.html>

a dominate media brand invest in a budding industry in the hopes to capture its influence and build a profitable enterprise. With a platform garnering around twenty million visitors a month at the time of purchase,²⁹ 247Sports was a sought-after commodity and CBS capitalized on the sustained enthusiasm following the recruiting rating service industry. Yet, seeing an influx of big money investments into a recruiting adjacent venture is something that could turn sour in the eyes of the NCAA.

While it is true that 247Sports and other recruiting rating services are independent entities and in no way affiliated with the NCAA as an organization, recruiting is seen as a sacred element in the NCAA's push to preserve amateurism. It is no secret that virtually all of the sanctions and violations handed down by the NCAA onto college athletic programs stem from some sort of recruiting violation.³⁰ In no way is this an indictment on CBS or any other brand that seeks to invest in a recruiting adjacent medium, but the increased visibility it creates on prospects by fans, coaches, and boosters, a climate for violations is created.

The issue with increased visibility to the players during their recruitment process that is made possible by the rating services is that it opens the door to more parties that could act in violate NCAA recruiting rules. The risk of actors from inside and outside the athletic department violating NCAA rules to try and land talented players is substantial.³¹ Recruiting rating services and their expansion gives all prospects, especially highly rated ones, a sense of notoriety that fans and programs covet. While recent changes to NCAA rules through state statutes and

²⁹ Fisher, "CBS Sports Digital signs deal to buy college recruiting website 247sports.com."

³⁰ Staff, S. I. (2016, August 9). *Study: 83% of NCAA violations involve football, basketball SI*. Sports Illustrated. Retrieved April 4, 2023, from <https://www.si.com/college/2016/08/09/ap-us-ncaa-infractions-study>

³¹ Ibid. College football and men's basketball account for 83% of all NCAA infractions. The majority of which coming from recruiting inducements, impermissible benefits and other recruiting violations.

Supreme Court decisions have muddied the waters surrounding recruiting violations, an issue that still arises and is driven by how talented or highly rated a prospect may be is pay for play.

While *O'Bannon v. NCAA*³² set the track for collegiate athlete compensation in 2015, the 2019 California Fair Pay to Play Act provided the backing for other states and ultimately pushed the NCAA to adopt an athlete compensation model through Name, Image and Likeness. While this is not the NIL section, it is important to understand that the Fair Pay to Play Act passed by the California Senate allows for collegiate athletes to receive compensation for endorsements and sponsorships while not violating NCAA rules or losing athletic eligibility.³³ Yet, while the name may suggest the implementation of a pay to play model, that is not the case. As the NCAA has adopted athlete compensation framework, they still vehemently restrict athletes receiving compensation based solely on pay for play.³⁴ This is where the influx of big money into the recruiting rating industry could create a negative impact from its services.

Football and men's basketball are the two largest sports for the NCAA while also making up over eighty percent of all NCAA violations.³⁵ The major players in the recruiting rating space only provide ratings for football and men's basketball. The spotlight is firmly on those sports and the high school stars are amplified by the exposure. This combination follows the trend that when big money enters the recruiting world, football and men's basketball are the likely homes to future NCAA infractions. Recruiting services amplify these sports and create high school

³² *O'Bannon v. NCAA*, 802 F.3d 1049 (9th Cir.2015). Decision by the court did not implement NIL or compensation for collegiate athletes. The decision opened the door for future rulings by holding that NCAA rules that bar compensation to athletes in terms of NIL are subject to antitrust laws.

³³ Fair Pay to Play Act., 2019 Bill Text CA S.B. 206.

³⁴ Hosick, M. (2021, December 28). *NCAA adopts interim name, image and likeness policy*. NCAA.org. Retrieved April 4, 2023, from <https://www.ncaa.org/news/2021/6/30/ncaa-adopts-interim-name-image-and-likeness-policy.aspx>. Pay for Play means someone paying an athlete to play at a certain school. Something that has nothing to do with Name, Image or Likeness.

³⁵ *Ibid*.

phenoms based on their ratings that cause universities to violate NCAA rules. No other recent case backs this line of thinking better than *United States v. Gatto*.³⁶

At its core, *United States v. Gatto* is a simply pay for play case including three high school basketball players receiving impermissible benefits to play at certain schools. Yet, digging deeper, it is truly a testament to the influence that the recruiting rating industry has on college athletics and the issues that arise when outside money is implicated.

The defendant, James Gatto, was the Director of Global Sports Marketing for basketball at Adidas. A giant sports brand with hundreds of millions of dollars invested into college athletics. He was convicted of running a pay for play scheme involving high level college basketball programs, as well as highly rated high school basketball recruits. Gatto was running a scheme where he paid the families of three different five star rated recruits³⁷ to attend three separate Adidas sponsored Universities; North Carolina State, Kansas and Louisville. A perfect storm for recruiting violations; high level power five Universities, five-star prospects, and a sponsoring corporation with a stake in the action.

This is not all examined to display that Yahoo and CBS purchasing competitive stakes in the recruiting business is an NCAA violation waiting to happen. In fact, much of what was done in *Gatto* would possibly permissible if done under today's governance structure. The recruiting rating industry amplifies the profile of highly talented high school athletes in a way that has never been done before. It is the Universities job to procure that talent and put a product on the field that will bring in as much revenue as possible. So, when people, or brands, with a lot of money and a lot of interest in a certain University, see a ranking of the best high school players

³⁶ *United States v. Gatto*, 986 F.3d 104 (2nd Cir. 2021).

³⁷ Id. Recruits Dennis Smith Jr., Billy Preston and Brian Bowen Jr. were all rated five stars by the recruiting rating industry and all highly sought after by high level programs throughout the country.

in the country, why not try and use some of that money to push the prospect one way or the other?

Pay to play is the fundamental antithesis of the amateur model the NCAA sets out to preserve.³⁸ Even steadfast collegiate athlete advocates can come to an agreement that it can ruin the integrity of the sport. Therefore, the NCAA continues to fight against it, even while adopting NIL guidelines. The recruiting rating industry creates more notoriety towards highly rated prospects,³⁹ and that is something the NCAA can reasonably display concern towards.

IV. Personal Brand Creation and NIL Impact

So far the discussion has centered around how the recruiting rating industry has a direct influence on the way athletic departments function through new recruiting techniques and practices, as well as how the rating industry affects NCAA governance through recruiting infractions. But the most important party here is the player. The implementation of the 2019 California Fair Pay to Play Act was done to achieve fairness for the players who drive the ultra-profitable college sports machine.⁴⁰ While the adoption of NIL guidelines by the NCAA were likely done for other reasons following the underlying message presented in Justice Kavanaugh's concurring opinion in *NCAA v. Alston*,⁴¹ nonetheless a pathway for earnings was achieved for the collegiate athlete. With this new ability to earn compensation based off their Name, Image and

³⁸ Hosick, "NCAA adopts interim name, image and likeness policy"

³⁹ Mandel, "Where are you from?: The pre-internet era – when 5-star recruits weren't household names". Highlights how internet era recruiting services has led to recruits becoming household names on a national level and how easy the process of recruitment has become.

⁴⁰ Fair Pay to Play Act., 2019 Bill Text CA S.B. 206

⁴¹ *NCAA v. Alston*, 141 U.S. 2141 (2021). Although Alston does not directly impact NIL and has much to do about the antitrust nature of the NCAA model, the 9-0 decision and the implication throughout Kavanaugh's concurrence that other NCAA policies could be subject to striking down if the Supreme Court could hear such a case, seemingly pushed the NCAA to adopt an NIL policy. The adoption was more to do about saving themselves than doing what is fair for the athletes.

Likeness, the recruiting rating industry is again at the forefront of the newest policy in college athletics.

As stated repeatedly, the growth of recruiting rating services like 247Sports and On3 have allowed all types of high school prospects, from five-star quarterbacks to three-star linebackers, to create a brand for themselves. Take Jadeveon Clowney as an example. Born to play football. He was the type of prospect that even without the existence of the recruiting rating industry, would have been a household name based solely on word of mouth and the dominance he displayed as a high schooler.⁴² But others take a different approach and use their rating as a status symbol, a way to generate value for themselves. Combining this approach with the recent NIL adoption, the recruiting rating industry becomes an important value creation machine for countless prospects throughout the country.

While NIL has changed the way prospects can create value for themselves, the recruiting rating industry has still had a distinct influence prior to its adoption. A perfect example being that of the Ball family. No recruit, or father, has better used their high recruiting rating to create a brand and personal value than the Ball's.⁴³ Lavar Ball was able to leverage the five-star ratings given to two of his sons, Lonzo and LaMelo, and create value for them both on the basketball court and off of it. Lonzo and LaMelo were both rated as five-star prospects coming out of high school and, with the help of their father, create massive brands and created exceptional monetary value for themselves in a pre-NIL era. As a senior in high school and rated as a five-star recruit

⁴² Smith, J. (2017, May 17). *Jadeveon Clowney announcement: Which School is the best choice?* Bleacher Report <https://bleacherreport.com/articles/608212-jadeveon-clowney-announcement-which-school-is-the-best-choice>

⁴³ Borzello, J. (2016, December 14). *Lonzo is just the beginning of the ball-UCLA pipeline.* ESPN. Retrieved April 4, 2023, from https://www.espn.com/mens-college-basketball/story/_/id/18268717/ucla-bruins-lonzo-ball-family-just-beginning-relationship

in the class of 2019, LaMelo Ball had already amassed over five million Instagram followers.⁴⁴ An astronomically number that dwarfed the following of many NBA stars and entire franchises.⁴⁵ Being a highly rated recruit is a highway to fame and an important brick in the building of personal value.

With the implementation of NIL policy by the states and the NCAA, the value creation opportunity available by being a highly rated player dwarfs what it was when Lavar Ball was present on every ESPN show each morning. NIL now allows prospects to hold a bargaining chip over athletic departments based solely on their high rating and ability to create personal value. For a multitude of reasons, the player empowerment movement has worked flawlessly. The first being that many states and organizations have moved to allow high school athletes to profit based on NIL.⁴⁶ By having this, many prospects are able to know their value as a recruit and pick their university accordingly. Next, before ever even signing a deal or a national letter of intent, prospects know their worth simply as a highly rated prospect and begin to ‘accept bids’.⁴⁷ Lastly, prospects know the value they can bring to a university and will ask directly for the value they think they bring as a highly rated prospect.⁴⁸

While NIL is in its infancy, the narrative surrounding its implementation is that its currently seen as lawless and a free for all. This has led to many high school athletes and highly

⁴⁴ Lee, J., & ESPN.com. (2019, May 19). *Instagram is the new mixtape for High School Hoops*. The Official Website of the Southeastern Conference. from <https://www.secsports.com/article/29681198/> instagram-new-mixtape-high-school-hoops

⁴⁵ Ibid. Players like Luka Doncic and Jayson Tatum had a smaller following than high school LaMelo Ball

⁴⁶ Ramgopal, K. (2022, November 27). *New money in NCAA recruiting leaves elite athletes ripe for exploitation*. NBCNews.com. from <https://www.nbcnews.com/news/us-news/star-high-school-athletes-can-now-profit-nil-deals-rcna51075>

⁴⁷ Willerup, L. (2023, February 6). *How Jaden Rashada's camp took a gamble and missed out on millions*. FanNation. Retrieved from <https://www.si.com/college/miami/recruiting/how-jaden-rashadas-camp-took-a-gamble-and-missed-out-on-millions>

⁴⁸ Rapp, T. (2023, January 31). *Report: Alabama's Nick Saban received nil requests from 2 players totaling \$1.3M*. Bleacher Report. Retrieved from <https://bleacherreport.com/articles/10063691-report-alabamas-nick-saban-received-nil-requests-from-2-players-totaling-13m>

rated recruits to not truly understand the limits at which they can partake in NIL. In layman's terms, many believe the only restriction in place is that compensation simply cannot come directly from the University and must flow through other entities like collectives or boosters.⁴⁹ The potential earning capacity that highly rated recruits see as it comes with the notoriety of being a well-known high school athlete has led many to do things never before seen on the amateur level. Highly rated prospects contracting with agents while still in high school, growing their social platforms in the hopes of securing a large NIL deal because of it, and many times risking eligibility to secure NIL deals for the next level.⁵⁰ NIL has allowed recruiting rating services to act as a value creation vessel for highly rated prospects, which in the era of NIL has rightfully allowed these prospects to earn what the market says they are worth.

While many prospects are learning on the fly about their value as a recruit, the recruiting rating industry has again stayed a step ahead. The recruiting rating visionary that is Shannon Terry had a plan when NIL policy was all but implemented, create a new venture that functions as a traditional ratings site, yet also allows top prospects to actually see what their value is.⁵¹ Although it is an inexact formula prospects have the ability to roughly know what their monetary value is.⁵²

But the most important feature that truly shows the influence the recruiting ratings industry has on the current NIL era is the concept introduction of 'Roster value' and 'Brand Value'. Roster value in a sense is what drives NIL from an athletic department's perspective. Simply put, it is the value that the athlete will bring to the team or university. Universities use

⁴⁹ Ramgopal, *New money in NCAA recruiting leaves elite athletes ripe for exploitation*.

⁵⁰ Ibid. Two five-star teammates signing with an NIL agent while in high school and T.A Cunningham losing eligibility. New amateur sports issues yet not particular uncommon anymore.

⁵¹ Terry, S. (2023, April 4). About on3 nil valuation, Brand Value, roster value. On3. Retrieved from <https://www.on3.com/nil/news/about-on3-nil-valuation-per-post-value/>

⁵² Terry, "About on3 nil valuation, Brand Value, roster value". Presenting the idea of both Roster Value and Brand Value.

roster value to develop an idea of how much having this particular athlete on their campus is worth in terms of memorabilia, merchandise, ticket sales, advertising deals, and much more.⁵³ On the other side, roster value is what the athlete usually points to when requesting a certain amount of money to play for a particular school through their collective.⁵⁴ NIL has allowed athletes to know their roster value to a university and essentially use it as a bargaining chip.

On the other hand, brand value is solely a devise used by the athlete that takes into account the status of a highly rated prospect. Brand value is a calculation of what the athlete's personal brand is and what they can earn through their own personal advertising and sponsorship opportunities.⁵⁵ Brand value is based around three factors.⁵⁶ The obvious one being on field performance, while the next two, influence and exposure, highlight the prospects' ability to build their own brand as a highly rated prospect.

Exposure mainly has to do with the relevance and prestige of the high school or university the player attends. This really plays into the concept of top prospects transferring to large, well known high schools to increase their exposure on a national scale. High schools that garner national attention allow those prospects to increase their exposure. High schools like IMG Academy,⁵⁷ Bishop Gorman, and even Bergen Catholic thrive off of their ability to market their school to highly rated players in the name of national exposure. Because of this ability, these schools tend to always rank at or near the top in terms of talent and success on the field.

⁵³ Ibid.

⁵⁴ Ibid. Many athletes now simply state a price they wish to receive from the collective to enroll and play at that particular school. Roster value is what the athlete would create in revenue.

⁵⁵ Ibid.

⁵⁶ Ibid. Performance, Influence and Exposure are weighted equally in calculating the approximate NIL value of a recruit.

⁵⁷ Crist, J. (2017, June 4). *IMG Academy has become ground zero for recruiting ... and college football's Superpowers know it*. Saturday Down South. Retrieved from <https://www.saturdaydownsouth.com/sec-football/img-academy-recruiting-key-to-winning-college-football/>

The last metric, and the one where the recruiting rating service plays the largest role in, is influence. This metric is simply a measure of a prospects social media following and reach. Having a large following creates NIL brand value in a simple way, brands that are in the NIL business want their product or service to be seen by the most amount of people possible. Prospects that are highly rated and market themselves because of it, are valued higher than others.⁵⁸ To put the value of being a five-star prospect in the NIL era into perspective, the top seventeen highest NIL valued prospects in high school football during the 2022 season were all either five-star prospects or quarterbacks.⁵⁹ Understanding your value as a highly rated prospect is the name of the game, yet the results can be volatile.

While many prospects in the past few recruiting cycles have successfully used their value as a recruit to secure compensation, there are still a fair share of instances where players were burned by a false sense of value.⁶⁰ The most recent and arguably most absurd instance being the saga surrounding highly rated quarterback in the 2023 recruiting cycle, Jaden Rashada. A highly sought after prospect, Rashada verbally committed to the University of Miami on national television, only to flip his commitment to the University of Florida months later.⁶¹ This flip was met with speculation, then confirmation, that Rashada secured a fourteen-million-dollar NIL deal courtesy of The Gator Collective.⁶² As stunning as it may be, this contract is completely legal in the new NCAA governance policy.

The issue that arose in this case, and many other similar cases, is that NCAA guidelines surrounding NIL deals are quite loose. Seemingly, the only guardrail set in place is that

⁵⁸ Terry, "About on3 nil valuation, Brand Value, roster value".

⁵⁹ Staff. (2022). High School Football Nil Rankings. On3.com. Retrieved April 5, 2023, from <https://www.on3.com/nil/rankings/player/high-school/football/>

⁶⁰ Ramgopal, "New money in NCAA recruiting leaves elite athletes ripe for exploitation". Jaden Rashada contract issues and T.A. Cunningham losing high school eligibility.

⁶¹ Willerup, "How Jaden Rashada's camp took a gamble and missed out on millions"

⁶² Ibid. The Gator Collective is UF's partner collective that legally can enter into NIL deals with athletes.

Universities cannot directly offer deals to prospects in the name of pay for play.⁶³ Massive sums of money are being promised to prized prospects by seemingly independent parties from the University, with the hope of securing their commitment. Yet, with little NCAA governance in this particular area, prospects are ripe to be taken advantage of.⁶⁴

As for Rashada, the fourteen-million-dollar deal was in fact too good to be true and Gator Collective backed out of the deal right before the initial payment was due.⁶⁵ Although a very bad optic for the University and a potential fraud or contract dispute, because of the NCAA calendar, Rashada had already signed his letter of intent to enroll at the University of Florida. Rashada was then granted his release from the University and ultimately ended up signing with Arizona State University.⁶⁶

As personal value becomes more understood from the recruiting ratings industry, more and more highly rated prospects will understand that they can seemingly make generational wealth through NIL. Universities are willing to use the legality of collectives to offer money to prospects to ensure their enrollment to their school, a pseudo pay for play model.⁶⁷ The issue is that the ratings community has created a system that is ripe for deceit because of the NCAA's rough policy.

Another new wrinkle created by the recruiting rating industry along with the NCAA policy surrounding NIL, is the practice of prospects simply requesting a certain amount of money to play for that University.⁶⁸ While the Rashada case highlighted a practice of partnering

⁶³ Ramgopal, "*New money in NCAA recruiting leaves elite athletes ripe for exploitation*".

⁶⁴ Ibid. The rise of collectives and agents make it difficult for prospects to fully understand what they are getting themselves into in terms of NIL deals. Many sign contracts they do not understand and simply get taken advantage of in the name of recruiting.

⁶⁵ Willerup, "*How Jaden Rashada's camp took a gamble and missed out on millions*".

⁶⁶ Ibid.

⁶⁷ Ramgopal, "*New money in NCAA recruiting leaves elite athletes ripe for exploitation*". Various accounts of coaches leveraging their collective to offer a prospect money as pseudo pay for play.

⁶⁸ Rapp, "*Report: Alabama's Nick Saban received nil requests from 2 players totaling \$1.3M.*"

with collectives or boosters to offer money to a prospect in the hopes of having him sign with their school, this new phenomenon highlights almost the exact definition of pay for play. Yet, it is still practiced and accepted, possibly ignored, in pretty much all cases.⁶⁹ Many prospects are using recruiting rating industry as somewhat of a personal value generator, it is not surprising that many are taking advantage of this, with a notably instance coming out of Tuscaloosa.⁷⁰

Reports emerged from Nick Saban claiming that he was approached by two prospects, one from the high school ranks and one from the transfer portal, who each requested money to come to the University of Alabama.⁷¹ The high school prospect, whose name was kept anonymous but it's an unkept secret that it was the number one rated player in the class Cormani McClain, requested eight hundred thousand dollars to commit to Alabama. The transfer portal player, who turned out to be Alabama offensive guard Javion Cohen, requested five hundred thousand dollars and for his girlfriend to obtain a spot in the Alabama Law School.⁷²

Regardless of the absurdity of the request, conversations like that happen every day in the college athletics world at almost every school in the country.⁷³ After the requests, its reported that Saban denied them both and figuratively showed them the door.

The complexity of this overarching issue is the marriage between the recruiting rating industry and the implementation of NIL. Prospects know roughly what they are worth from ratings as well as NIL formulas and calculators created by On3.⁷⁴ It is not a surprise or even a

⁶⁹ Weir, G. (2023, February 10). Ohio State football general manager explains how recruits asking for big nil money caused shift in focus. OutKick. Retrieved from <https://www.outkick.com/ohio-state-football-recruiting-nil-name-image-likeness-money-retention>. Ohio State football has had to change their recruiting techniques because of the number of players that are approaching them asking for a certain sum of money to play for them.

⁷⁰ Rapp, "Report: Alabama's Nick Saban received nil requests from 2 players totaling \$1.3M."

⁷¹ Ibid. NIL and recruiting ratings are both heavily used in the Transfer Portal as well.

⁷² Brown, L. (2023, January 31). Nick Saban says he turned away two players over crazy nil demands. Yardbarker. https://www.yardbarker.com/college_football/articles

⁷³ Weir, "Ohio State football general manager explains how recruits asking for big nil money caused shift in focus"

⁷⁴ Terry, "About on3 nil valuation, Brand Value, roster value".

bad thing that prospects are using this to their advantage, they should be. The 2019 California Fair Pay to Play Act and the NCAA's subsequent policy adoption has allowed for drastically increased athlete rights, something that is long overdue. Yet, that doesn't mean that the system is immune from criticism.

While it is true and a very good step that many players are creating value for themselves and earning generation compensation for their name, image and likeness that athletes of the past were not able to earn,⁷⁵ there is a nasty side to all of this. The Jaden Rashada saga is just one story in a sea of other NIL contracts or promises that did not go the way the parties involved had planned it to go. The recruiting rating industry has had a front seat to this change in NCAA governance and have as much influence on the NIL hysteria than the court cases and statutes that got us to this point. Now, as important as it is to understand the recruiting ratings impact on NIL from the players point of view, there is an equally important party that is directly influenced by the ratings industry and how it interacts with NIL. The Universities.

V. Effect on University recruiting and NIL policy

What the recruiting rating service industry has done to give athletes the ability to create and grow their personal brand, while following the NCAA NIL policy has completely changed the way Universities and athletic departments conduct their recruiting activities.⁷⁶ Each school is different depending on the state laws that govern, but across the country Universities have had to quickly adjust to the new attitude and identity that surrounds a prospect. The rise of collectives, the rebirth of boosters, contracts with local businesses; all are now standard practices at virtually

⁷⁵ Gerbers, C. (2022, October 4). Highest paid college athletes in the nil era. Action Network. Retrieved from <https://www.actionnetwork.com/ncaaf/highest-paid-college-athletes-in-the-nil-era>

⁷⁶ King, A. (2022, July 19). How schools and private entities have engaged in nil activity. Sports Shorts. Retrieved from <https://www.sports.legal/2022/07/how-schools-and-private-entities-have-engaged-in-nil-activity/>

all NCAA member institutions.⁷⁷ As lucrative a business NIL can be for prospects, acquiring talent and putting a successful product on the field is still the name of the game for revenue generation for universities.

The current NIL system is unprecedented and something college athletics has never had to adjust to before. There has always been recruiting violations with schools offering prospects money to play for them, it is not a new concept. Yet, prospects can now field offers from various university affiliated entities, demand a certain amount of money to be paid to them, and even know how much they are actually worth! Universities have countered these tactics by pairing with third-party entities to conduct pseudo pay for play activities.⁷⁸ NCAA NIL policy is so new and in its infancy, there are no guidelines and many critics view it as a wild west era. The critics are not wrong, yet this system is legal and the way recruiting will work for the time being.⁷⁹

Pressure on coaches and athletic departments has never been higher and they must adapt to stay competitive. But the basis for job security remains on field success and the source of that is talent, a concept as old as college athletics itself. Procuring talent is the name of the game, in the college athletics world it's a tried-and-true formula that the most talented team will be more successful.⁸⁰ In addition, studies continue to legitimize the recruiting ratings industry by affirming the idea that having highly rated prospects on your team will result in success. While it is not a truly groundbreaking theory, it does corroborate the influence the ratings industry has on

⁷⁷ Ibid.

⁷⁸ Ibid. Collectives and third-party operate in a way that is toeing the line of true pay for play.

⁷⁹ Ibid. Since Alston, all parties are operating with little guidance and little NCAA pushback.

⁸⁰ Fanson, P. (2021, July 2). How does college football recruiting impact who makes the playoffs (and vice versa)? The Only Colors. Retrieved from <https://www.theonlycolors.com/2021/7/2/22558357/how-does-college-football-recruiting-impact-who-makes-the-playoffs-and-vice-versa-fbs>

college athletics. Yet, the introduction of NIL has created an unprecedented barrier that athletic departments must hurdle in their journey to acquire the highly rated prospects.⁸¹

But this pressure on coaches and athletics departments alike should come as no surprise. College athletics is a business. A cold hearted, cut throat business that leaves behind the weak and embraces the victors. Creating and sustaining a successful football and men's basketball program is essential to the success of an athletic department. The pressure of success should be felt by the individuals involved in these two sports because without them, there would be no athletic department to speak of.⁸² At ninety nine percent of NCAA member institutions, football and men's basketball are the only revenue generating sports they have.⁸³ NIL has amplified the pressure for coaches to succeed in football and men's basketball recruiting because if they don't, the other sports will go unfunded.

All athletic departments are not built the same and it is an accepted part of the collegiate sports business that some schools can offer more money than others. While NIL ability is still a big deal for most of the top-rated prospects, there is still the element of preference and fit. If all decisions were simply based off of NIL, every five-star athlete would be at Tennessee or Miami where their collectives, and John Ruiz, seemingly have no budget.⁸⁴

The recruiting rating industry allows universities to easily analyze talent as they grade prospects using the star ratings. Universities compete to attract the prospects in any way they

⁸¹ Zimbalist, A. (2021, October 27). Nils, surrogate markets and the future of college sports. Forbes. Retrieved from <https://www.forbes.com/sites/andrewzimbalist/2021/10/27/nils-surrogate-markets-and-the-future-of-college-sports/?sh=69f57ad61f27>. Discussed how coaches and athletic directors have to operate in a completely different way as before when recruiting. A whole new facet of their jobs has been created to just deal with NIL deals and partnerships.

⁸² Maas, S. (2020, November). Revenue redistribution in big-time college sports. NBER. <https://www.nber.org/digest/202011/revenue-redistribution-big-time-college-sports>

⁸³ Ibid. Exception to a small number of schools for baseball, women's basketball, softball, etc.

⁸⁴ Staff. (2023, March 10). On3's top 20 most ambitious Nil Collectives. On3. Retrieved from <https://www.on3.com/nil/news/on3s-top-20-most-ambitious-nil-collectives/>

can, which has led to an influx of unprecedented amounts of money for recruiting.⁸⁵ To stay ahead and compete for elite talent, athletic departments must spend money, a lot of money.

First, although it would seem like the marquee universities are the ones to be shelling out unlimited NIL requests, the inverse seems to be true. Storied programs, the Alabama's and Ohio States of the world, use the flip side of NIL and sell themselves on roster value.⁸⁶

While brand value deals more on how prospects can create value, roster value allows the university to sell themselves to a particular prospect.⁸⁷ While schools like Colorado or Texas Tech may be more willing to meet the brand value demands requested by a top prospect,⁸⁸ the schools like Ohio State or Georgia lean more onto selling themselves through roster value. So far this strategy has worked, these roster value centric schools have continued to recruit at the highest level and win at the highest level.⁸⁹ The current NCAA NIL governance and personal value knowledge from the recruiting rating industry has created this divide. After Justice Kavanaugh's threatening concurrence in *Alston*, the NCAA's hands off approach has given both athletes and universities more freedom to experiment with finances in the recruiting world. With no universal guidelines across the country, there is a divide in how universities implement NIL policies in recruiting, whether that's from a brand value or roster value mindset.

But all of this is not to say that roster value focused schools do not invest capital into making sure a top recruit is landed. These schools continue to top the charts in the recruiting

⁸⁵ Ibid. The list addresses how much money now donated or given to athletic programs is earmarked for either just recruiting expenses or NIL.

⁸⁶ Smith III, K. L. (2021, July 2). How important will college brand value be to athletes in name, image and likeness era? USA Today. Retrieved from <https://www.usatoday.com/story/sports/college/2021/07/02/how-important-college-brand-value-athletes-name-image-likeness-era/5357047001/>

⁸⁷ Ibid. Big, successful schools will continue to recruit at a high level without using pseudo pay for play because their roster value is high. They can sell the notoriety of their school to top recruits in the name of creating more personal value for the player.

⁸⁸ Staff, "On3's top 20 most ambitious Nil Collectives"

⁸⁹ Ibid.

rankings and still secure the highest concentrate of five-star talent.⁹⁰ The schools that use this line of thinking still use capital in the recruiting process, yet it is used in a different capacity than the NIL focused schools.

A prospects personal brand has become an important aspect of the typical highly rated prospect in terms of recruiting.⁹¹ Prospects use their online following to grow their brand in an attempt to create more value for themselves. Many athletic departments understand this drastic shift towards online clout and invest heavily in making sure that they can show prospects their school is able to help them grow that personal brand. To do this, schools that are able to market themselves from the roster value standpoint, earmark large portions of their budget in treating the specific prospect like a VIP.⁹² This all comes with being a highly rated prospect. Roster valued schools pour over two million dollars a year into putting on a show for highly rated prospects, and it works.⁹³ Highly rated prospects understand their value, and use it effectively.

The NCAA's loose and mostly unregulated approach NIL following the lead set by California and the disastrous future outlined by Justice Kavanaugh in *Alston*,⁹⁴ has created two distinct approaches used by universities to acquire talent. Some are focused heavily on collectives and boosters to simply pay highly rated players to come play at their school.⁹⁵ In many cases this works, but these schools still fall behind the perennial powerhouses that really

⁹⁰ Ibid. Top schools are ultimately going to keep recruiting at the top because they are huge brands and can create immense value for the athlete once they are on campus.

⁹¹ Lee & ESPN.com, "*Instagram is the new mixtape for High School Hoops*". Instagram and social media have become a huge part of the identity of a prospect, many times acting as a place to post their highlights and recruiting news or updates.

⁹² Parks, J. (2023, February 20). College football recruiting: Georgia, Alabama among 2023's biggest spenders. FanNation. Retrieved from <https://www.si.com/fannation/college/cfb-hq/ncaa-football-rankings/college-football-recruiting-2023-rankings-biggest-spenders-georgia-alabama>

⁹³ Ibid. Schools that recruit at the top of the class spend the most money on recruits not in the form of direct NIL payments. This includes private jets, photoshoots, luxury hotels, etc.

⁹⁴ *NCAA v. Alston*, 141 U.S. 2141 (2021). Kavanaugh's concurrence pretty much spelled out what future challenges to the NCAA's model could look like. Gave a stark warning that all other aspects of their business could be antitrust violations and if certain cases came to the Supreme Court, it could be the end of the NCAA.

⁹⁵ Staff, "On3's top 20 most ambitious Nil Collectives".

don't use NIL as the end all be all. These other schools like Alabama or Ohio State still have NIL directives and collectives, yet they try not to make it the only pitch to the prospect. They are willing to invest capital to impress a recruit and get them to understand the roster value potential there is. Yet, this is still college athletics. While acquiring highly rated prospects is great for winning, these schools also understand that revenue generation is still paramount.⁹⁶

It has been previously stated as well as backed up through empirical studies that the higher rated recruit and ultimate recruiting class that an individual university brings in, has a direct positive impact to the on-field success. In the realm of college football, universities that are able to consistently produce recruiting classes ranked within the top ten for that year, have up to a forty percent higher chance of making the college football playoff during a given season.⁹⁷ This should not come as a shock but it further drives home the point that the recruiting rating services are correct in their evaluations and fundamentally alter college athletics.

In the rating industry's everyday practice, their decisions and evaluations directly impact the revenue generated by an athletic department. A study was conducted in 2013 at The Ohio State University that drew a direct correlation between five-star rated athletes and their individual revenue impact for a college football team.⁹⁸ First, the connection is made between acquiring highly rated players and success on the field. The study finds that schools who are able to acquire the five-star talent will have higher success on the field and ultimately more bowl and postseason success.⁹⁹ This is by no means a surprise. But the study went further and found that

⁹⁶ Elliott, Bud. "Economists Think 5-Star College Football Recruits Could Be Worth \$500k Annually." SBNation.com, SBNation.com, 1 Nov. 2016, <https://www.sbnation.com/college-football-recruiting/2016/11/1/13418518/impact-recruit-college-football-team-performance-study-money-playoff>.

⁹⁷ Fanson, "How does college football recruiting impact who makes the playoffs (and vice versa)". Studies show the correlation between top ten recruiting classes and percent chances of making the college football playoff.

⁹⁸ Bregman, S., & Logan, T. (2013) *The Effect of Recruit Quality on College Football Team Performance*. https://www.asc.ohio-state.edu/logan.155/pdf/Bergmen_Logan.pdf

⁹⁹ Ibid.

with all else equal, the average five-star player is worth about one hundred and fifty thousand dollars per year in postseason proceeds alone. In addition, further research suggests that the number could be closer to five hundred thousand dollars due to increased television revenues.¹⁰⁰

The study just furthers the point which is now obvious that recruiting matters and that the recruiting rating industry has developed a unique way to influence NIL policy, on field success, revenue, and the way in which the NCAA governs. The impact that the recruiting rating service industry has on prospects and universities alike is obvious. Recruiting plans and strategies have been completely changed as the attitude of the modern era recruit has changed. In addition, as the rating service industry has led the charge in allowing prospects to understand their worth based on the NCAA's loose NIL guidelines, entirely new recruiting processes have been adopted.

VI. Conference Success and Television Rights

The recruiting rating services industry has drastically altered the way universities and prospects interact. But viewed more broadly, these changes have a wider downstream effect on the current conference realignment trend and the subsequent television rights deals.¹⁰¹ With two conferences, the Big Ten and the SEC, that seemingly dominate both the recruiting trail and postseason success, television rights deals have ballooned. Recruiting is at the root of this.

Ever since 1984 when the Supreme Court held that the current NCAA television plan violated antitrust acts in *NCAA v. Board of Regents of the University of Oklahoma*, television deals with conferences have been the norm.¹⁰² In addition, the current deregulation and decentralization attitude for NCAA governance has given more power to the conferences and in

¹⁰⁰ Ibid. A five-star player was found to be worth from \$150,000 to \$500,000. The metrics were dependent upon television revenue as well as just making it into the postseason. In addition, the numbers are now most likely higher because of the playoff implementation and just how much more money college football makes now.

¹⁰¹ Marshall, J. (2022, July 1). Conference realignment makes another seismic shift. AP NEWS. Retrieved from <https://apnews.com/article/college-football-entertainment-sports-f8fe439b9f439ab8ea71e37ca0c3bb12>

¹⁰² *NCAA v. Board of Regents*, 468 U.S. 85 (1984). The Supreme Court found that the televisions rights deals agreed upon by the NCAA have constituted a monopoly and forced the decentralization of them.

turn has led to a freer market.¹⁰³ By doing this, it has shown that the conferences who have been able to recruit to a higher standard and ultimately play at a higher standard have emerged as the two dominate conferences.

For over a year the Big Ten and SEC have been on a warpath to see who can eat up and dismantle the rest of the conferences quicker. With less and less NCAA governance, both conferences have made it clear that they are making it their goal to acquire the biggest name brands across the country to secure the largest television rights deals as possible. After news broke that Texas and Oklahoma were joining the SEC, and the Big Ten was adding both USC and UCLA, both conferences signed unprecedented television deals.¹⁰⁴ With the SEC agreeing to a three-billion-dollar deal with ESPN and the Big Ten agreeing to a seven-billion-dollar deal with Fox, CBS and NBC, the other conferences simply cannot compete. As each university in those two conferences stands to make around a hundred million per year in just television revenue,¹⁰⁵ it is no surprise that recruiting and talent acquisition are at the forefront.

As traditional NCAA governance has taken a back seat in the face of potential antitrust violations, two groups of schools have emerged. The ones that are using it to their advantage and the ones that are getting left behind. Money drives every decision made in college athletics, and now with less regulation conferences are doing what they think is best and most profitable for their member institutions. Every day that the Pac 12, Big 12 and ACC stand idly by as the Big Ten and SEC create a de facto super league, they lose value.¹⁰⁶ But the only way to combat this is to acquire talent and put a successful product on the field, as it all comes back to recruiting.

¹⁰³ Marshall, "Conference realignment makes another seismic shift".

¹⁰⁴ Ibid.

¹⁰⁵ Rittenberg, A. (2022, August 18). Big ten completes 7-year, \$7 billion media rights agreement with Fox, CBS, NBC. ESPN. Retrieved from https://www.espn.com/college-football/story/_/id/34417911/big-ten-completes-7-year-7-billion-media-rights-agreement-fox-cbs-nbc

¹⁰⁶ Marshall, "Conference realignment makes another seismic shift".

There is no stopping the giant boulder speeding downhill that is conference realignment. The NCAA's recent hands-off governance approach has caused it. Successful conferences continue to leverage their value while the others just wait for the next shoe to fall. Successful recruiting is the quickest and most important way to combat being left for dead.¹⁰⁷ NCAA governance has accelerated conference realignment, yet the recruiting rating service industry's impact on talent distribution created it.

VII. Conclusion

Recruiting is undoubtedly the life blood for the current model of college athletics. With changes like conference realignment, transfer portal, and NIL, the business of recruiting is becoming more important than it ever has been before. The increased importance of recruiting has turned the recruiting rating service industry into a key piece of the puzzle for success. The industry has continued to show its ability to innovate and stay in line with trends throughout the sports as well as often changing NCAA governance policies. As college athletics continue to grow, financial investment continues to flow, and talent acquisition continues to be the driving factor of success, the recruiting rating service industry will remain a major influence on all aspects of college athletics.

¹⁰⁷ Elliott, "Economists Think 5-Star College Football Recruits Could Be Worth \$500k Annually."