THE EMERGING ECONOMICS OF COLLEGE FOOTBALL CASH COMPENSATION

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Total Player Value Inc.

NOTE: Total Player Value provides data and research to clients focused on the college athlete marketplace. It provides insights to universities and businesses who want to understand the market dynamics of college athlete compensation, through reporting, custom research programs, and information sharing sessions.

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EXECUTIVE SUMMARY

The college football player compensation market, often referred to as Name, Image, and Likeness (NIL), has entered its fifth year. While headlines focus on outliers like alleged $40 million team payrolls or multi-million-dollar quarterback deals, the reality is more measured. Market forces, not external regulation, are driving rationalization and stabilization across the 70 Power 4 programs (Big Ten, SEC, ACC, Big 12, Notre Dame, Oregon State, and Washington State).

Key Takeaways:

- **Stabilized market size:** Player cash compensation across the 70 Power Four programs is approximately **$1.1 billion annually**, or an average of **$15.7 million per school**—typically between **10-12% of athletic budgets**, a sustainable proportion.
- **Distribution by resources:** Larger programs average ~$23M in player cash compensation, mid-tier ~$15M, and lower tier ~$9M, aligning with institutional resources.
- **Roster economics:** Compensation is highly concentrated—roughly **90% of funds flow to the top 40 players** on a typical roster.
- **Governance continues to lag:** While the House Settlement introduced a $20.5M revenue share cap and the CSC was created to enforce "fair market value," monitoring remains sporadic and inconsistent, and enforcement is largely an unknown. Market forces, not regulation, are driving stabilization.
- **Free market rationalization:** Donor fatigue, transfer portal dynamics, and maturing collectives are creating a more efficient, predictable system.

The current market dynamics and on-field performance give early indicators that this era of college football is more competitive and diverse than in the "pre-NIL and transfer portal" era among the Power 4 schools.

1. INTRODUCTION: BEYOND THE HEADLINES

Every new market begins in chaos. The early years of the college football NIL space were described as the “Wild West”—marked by sensational headlines, unverified figures, and an apparent lack of structure. Reports of multi-million-dollar payrolls or single-player deals fueled perceptions of an unsustainable spending spree.

Various stakeholders exaggerate deal sizes: players and agents aim to inflate values, coaches cite resource shortages after losing recruits, and administrators highlight budget gaps to spur donations. In 2025, four Power 4 coaches were fired before October, with athletic directors facing questions about player compensation budgets.

But as with all emerging markets, the truth is more nuanced. What clients and stakeholders increasingly want to know is not what makes the headlines, but *what the real numbers are*—and how those numbers translate into operational strategy. This paper aims to separate perception from reality by quantifying the true size of the market and illustrate what roster economics actually look like at different payroll levels.

2. GOVERNANCE AND ENFORCEMENT

The biggest challenge in sizing the player cash compensation market over the past five years has been the lack of clarity in governance (what are the rules?) and enforcement (who is interpreting and enforcing the rules and what are the penalties).

For the past 30 years compliance personnel were a “must have” while the NCAA rule book ballooned. Boosters who were necessary to fund department growth were ostracized by the NCAA. Literally overnight, the marketplace flipped to an open, free market system. Collectives were born and alumni and fans alike could actively participate in player acquisition and retention efforts.

Collectives were purposefully (by NCAA guidance) created as a separate entity, formally not connected with the university or athletic department. Collectives negotiated with players, facilitated marketing deals with businesses, and developed creative ways to raise and disburse funds to athletes. Alumni, fans and boosters were now empowered to have an impact on what “their” roster could look like.

With the House Settlement, the “annual revenue share” allows athletic departments to pay athletes directly (ostensively for their Name, Image and Likeness rights, although most contractual structures currently suggest something much closer to “pay for play”). The annual limit for the 2025-26 academic year is $20.5 million across all sports. That amount will be decreased by increased scholarships and Alston payments. Most P4 schools will be working from a number closer to $18 million of allowable cash compensation across all sports. Football is projected to be allocated 75-85 percent of that number or roughly $15 million.

The post-House Settlement governance and enforcement efforts have not gotten off to a good start. The College Sports Commission (CSC), which is using a platform powered by Deloitte, was supposed to use AI and other elements to determine “fair market value” for any deal over $600. It now states that individuals are reviewing deals, which leads to inconsistent rulings, guidance and execution. The CSC had to significantly restate its first report.

In discussions with athletic leaders and coaches, the following sentiment remains consistent:

- There is hope, but not trust, that a fair and workable system to review deals can be achieved.
- There is an expectation of legal challenges for deals that are not cleared.
- Most do not feel that any type of cap on revenue can withstand legal scrutiny until there is some method of collective bargaining and that the players are represented. The consensus is that Congressional intervention is also unlikely.
- There are still questions regarding what is allowable and what is not, and no clear indication of the actual penalties that will be levied.

3. MARKET SIZE: ESTABLISHING A BASELINE

Without a legislated or collectively bargained salary structure, college sports (and particularly football) has entered year five of the player cash compensation era.

There are multiple parties in the marketplace that have taken various strategies to help define elements of the marketplace. Here are a few:

On3: From the outset, On3 has developed an algorithmic methodology to attempt to determine a player's value. From the On3 site, the On3 NIL Valuation "determines the projected annual value (PAV) of college and high school athletes by combining Roster Value and NIL Value**.**

Using a proprietary algorithm, the On3 NIL Valuation establishes a baseline value that helps athletes, schools, and brands negotiate roster contracts and marketing opportunities more effectively."

On3 also has the most consistent and thorough reporting around deals, deal structures and roster construction. But On3's NIL Valuations are often misconstrued by fans and media, who believe that the valuation is actually what the player has made.

OpenDorse: Is recognized as the leader and most visible provider of "NIL Services," OpenDorse has also taken data from its customers, anonymized it, and provides data and marketplace overviews. OpenDorse provides data insights using two methodologies, which it often mixes:

1. Anonymized data from its system: OpenDorse has terrific marketshare but also admits that as much as 80 percent of NIL deals do not flow through the OpenDorse system at the schools where they are a partner.
2. Extrapolated data that is based loosely on OpenDorse data but also considers other data points.

When mixing this data together, the data doesn't match. As an example, OpenDorse states in its 2025 College Football Kickoff Report that players will earn $1.9B in the current year. But on page 5 of the report, OpenDorse states that 90 percent of Power 4 conference players (the highest earning group) will earn less than $100,000 per year, with 66.5 percent making less than $10,000 per year. To reach that size of market, the average player would have to earn nearly $225,000 in annual compensation.

Student-Athlete Insights: Bill Carter conducts rigorous data polling from a pool of 5,000 college athletes and 1,000 high school athletes and produces data insights. Bill Carter's primary focus is on NIL marketing programs and university programs. Student-Athlete Insights provides great information on overall trends, although given Bill Carter's background, it tends to focus much more on individual athlete marketing efforts and education and not the larger payment structure that is not based on marketing.

There are several other sources of news coverage and NIL news aggregators who provide regular coverage of the NIL space. Outside of a few original sources, most media coverage echoes "initial reports" without providing or researching market context.

Total Player Value has been triangulating multiple data sources, including reporting from industry analysts and publicly reported revenue and expense numbers from athletic departments. TPV also analyzes On3's extensive reporting and NIL Valuations.

For purposes of this white paper, TPV has excluded some large, individual marketing arrangements that successful agencies have brokered on behalf of their clients (individual players), that are outliers to the data set – representing less than 1 percent of P4 football players currently on rosters.

Through this research and analysis, TPV believes that the current Power Four football player compensation market (school + Collective) can be reliably placed at approximately **$1.1 billion annually**.

Using the most basic math, that means at a market size of $1.1 billion, the average annual cash compensation for the 5,950 Power Four football players (70 teams x 85 players) is $184,706. That is always an important number to keep in mind when evaluating multiple data points and reports.

By starting at the overall market size, you can then begin to apply a model that consistently corrects itself to come up with a logical look at the market. The current $1.1 billion in aggregate Power Four player cash compensation breaks down like this:

- **Average per team spend:** $15.7 million
- **Top 20 school average (by athletic operating budget):** ~$23 million each
- **Middle 30 school average:** ~$15 million each
- **Bottom 20 school average:** ~$9 million each

This distribution aligns naturally with overall institutional resources. Larger programs are spending more, while smaller budgets yield smaller payrolls. On average, schools are allocating **10-12 percent of their total athletic operating expenses** to football cash compensation—a proportion that mirrors natural budgetary discipline.

Of the bands, the greatest delta between the top and bottom teams is in the top category. The most well-resourced teams (5) have had more elasticity in their player cash compensation budgets. The average for those teams is approximately $29 million. The remaining 15 teams in the top category average approximately $21 million, for a blended average of $23 million for the top category in college football.

As with all data sets (particularly in higher education), there are always outliers. No one school will fit exactly into a model, but the overall data provides a realistic view of what is happening. These outliers are typically driven by high-net-worth individual athletic donors who have the ability and desire to help their school compete at the highest levels.

4. ROSTER ECONOMICS: WHAT PAYROLLS TYPICALLY LOOK LIKE

It has become common to postulate about "how much is school X spending on its roster." This continues the decades-old discussion when School A loses a player in recruiting, it's typically because the "winning school" slid the kid more money under the table or offered "a bigger bag." It also generates headline and media activity. "Gundy calls out Oregon for $40 million roster," is a recent story that garnered attention. And many take that statement as fact.

TPV provides perspective in terms of cash compensation and how it then applies based on a projected roster. While each school has its own roster philosophy and typically has some outliers, in general, schools provide at least some funding for its scholarship players. In general, that's approximately 85 players per roster.

Within that group of 85 players, you can break it down by position, etc. But with the player cash compensation dynamics, most players are paid on a year-by-year basis, based on their "projected performance." So, position or individual player compensation based on current performance are challenging. And schools, player personnel staff and others are very hesitant to provide that level of data on their own roster.

However, most agree that the overall roster philosophy typically looks like this:

- 90 percent of the available funds are deployed to the top 40 players on the roster (starters and key reserves);
- 10% of the available funds are deployed to the remaining 45 players.

A couple of other notes when reviewing this model:

- Elite players (in the context of retention or acquisition, i.e. high school and transfer portal) drive the upper end of the market. These are the very best players at the premium positions (QB, Wide Receiver, Defensive Tackle and Defensive End) …difference makers.
- Most Power Four conference teams operate with a philosophy that most, if not all, scholarship players receive some sort of cash compensation.

Following are some examples at what the average player compensation numbers would look like when taking an overall Roster number and deploying it under the 90-10 model listed above. Programs and schemes prioritize specific positions, so a blended approach is used to look at potential allocation models:

Roster Budget	Avg./Player	Top 40 Avg.	Bottom 45 Avg.
$40M	$470,588	$900,000	$88,889
$23M	$270,588	$517,500	$51,111
$15.7M	$184,874	$353,250	$34,889
$9M	$105,882	$202,500	$20,000

For perspective, below is an example of what a $23 million roster could look like.

	Starter	Backiup
WR	$ 600,000	$ 250,000
TE	$ 400,000	$ 180,000
OT	$ 750,000	$ 337,500
OG	$ 400,000	$ 180,000
C	$ 350,000	$ 157,500
OG	$ 400,000	$ 180,000
OT	$ 600,000	$ 270,000
WR	$ 400,000	$ 180,000
WR	$ 400,000	$ 180,000
QB	$ 2,500,000	$ 975,000
RB	$ 600,000	$ 270,000
DE	$ 750,000	$ 337,500
DT	$ 800,000	$ 360,000
DT	$ 800,000	$ 360,000
DE/OLB	$ 1,000,000	$ 450,000
ILB	$ 400,000	$ 180,000
ILB	$ 400,000	$ 180,000
OLB	$ 750,000	$ 337,500
CB	$ 700,000	$ 315,000
CB	$ 600,000	$ 270,000
S	$ 400,000	$ 180,000
S	$ 400,000	$ 200,000
Two-Deep Total:	$ 20,730,000	

While select, elite players at key positions may still earn seven-figure deals, the majority of compensation falls in the mid-to-low six figures.

A FEW COMPENSATION STRUCTURE TRENDS:

- With all the uncertainties and lack of clear direction with the College Sports Commission, athletic departments and programs are increasingly focusing on what is included in the House Settlement “cap” and what is not. This includes elements such as “offset” language in player compensation contracts which allow flexibility in this categorization.
- Revenue sourcing is a priority for all, but only the top 30-35 programs are likely going to exceed the football cash compensation that is allowed under the House Settlement Cap. The remainder of the Power 4 will be under the cap. How to fund the amount allowable under the cap is a different story. The outliers in this area are schools that are trying to be competitive in both football and basketball in terms of player compensation.

- While the official position by the NCAA and conferences centers around non-employment and "not pay-for-play" an increasing number of schools are negotiating incentive-based deals with variable compensation based on on-field performance. This is a logical marketplace development but may damage the legal argument that the NCAA/conferences are trying to establish.
- Collectives (either internal or external), multi-media rightsholders, donors/supporters and other school partners are collaborating on how to creatively "stretch" the pool that is available for distribution to players. These are exercises in diversifying and expanding revenue resources available for player funding.

5. FREE MARKET PRINCIPLES IN ACTION

The first four years of the player cash compensation era have seen a natural progression:

> **Year One:** With very little guidance, Collectives formed and most of the focus was on high school player acquisition, particularly among the top 30 programs. The transfer market had not yet matured, so investments in retention and potential transfers was a lower priority.
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> **Year Two:** The model started to flip. Elite high school recruits had leverage in discussions, but more focus started to move toward retention of key players and "transfer portal targets." Roster philosophies started to diverge. Player cash compensation grew by roughly 40% over year one.
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> **Year Three:** Collectives started to mature, and more donors and fans accepted the idea that players were going to get paid and to have a competitive roster, it fell on the Collective and its ability to generate revenue to distribute to players. The transfer portal continued to grow in both volume and quality, and more money was invested in roster retention. Player cash compensation grew by approximately the same 40% growth rate.
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> **Year Four:** With news of the House Settlement, the formation of the CSC, and a July 1, 2025 implementation date, more money was deployed during Year Four than any year previously. A glut of deals were done before in the March-June timeframe to frontload deals and avoid any potential scrutiny from the CSC. Overall market growth continued to increase in the areas of market retention and top perceived talent in the transfer portal.

Below the surface, as schools planned for "revenue sharing" and the potential phasing out or reformatting of Collectives, market realities have started to set in. Donors, who for the past four years have been the primary source of player cash compensation, are starting to "tap out" or at least stabilize giving.

The current market dynamic reflects a classic case of free market rationalization. As Scott Nations, CNBC contributor and author on market behavior, notes:

"Markets are relentlessly efficient and whether it's the market for shares of stock or college quarterbacks and linemen, every market is going to reach equilibrium. That doesn't mean equal – some colleges will have more money and some will make better use of the money they have – but this "rationalization" is natural and as inevitable as water seeking its own level.

It's common for new markets like the NIL market to appear chaotic at first, but eventually participants learn what works and what doesn't, and economic reality intrudes forcing markets to stabilize. It's both inevitable and advantageous to everyone involved."

What appeared chaotic in the early years is now stabilizing. Schools are learning what works and what does not, while unsustainable spending is naturally curtailed. Importantly, this rationalization is occurring not because of external enforcement, but because market forces themselves are compelling efficiency.

6. LOOKING FORWARD

There are several key factors that may impact the marketplace in the near term:

- **The College Sports Commission:** Will it find its footing and become a trusted, transparent arbiter of the player cash compensation marketplace that is accepted and followed by universities, alumni and boosters?
- **The SCORE Act/SAFE Act:** Will the current attempts for a Congressional bill that would regulate college sports be passed or implemented? In the near term, the answer continues to be no, but the latest attempts moved further along in the process than previous iterations.
- **Athletics Revenue:** Will there be a meaningful increase in athletic revenues that may allow some schools to move the marketplace and place additional pressure on peers to "keep up." The next known inflection point will be new negotiations of media rights deals around 2030.
- **Donor Fatigue:** Is it real? At what point, where does NIL funding fit in with increased ticket prices? Are we at a tipping point (as has been forecast since year two)? Without donor-driven funding, the player cash compensation market would have a significantly lower growth rate.
- **Private Equity/Cash Infusions:** There continues to be dialogue in the marketplace about private equity or other means of generating significant cash infusions that would disrupt the player cash compensation marketplace. One school recently announced a nine-figure donation to support long-term strategy.
- **Realignment:** Will there be new alliances or a formation of a "Super League" that could disrupt the marketplace further, causing further separation among the Power Four conference schools.

In the absence of significant changes from any of the elements above, TPV would project that growth rates of the overall sector will slow down and further solidify the overall player cash compensation spend.

7. IMPLICATIONS FOR STAKEHOLDERS

The emerging clarity in the market has direct consequences:

- **Schools and Collectives:** Benchmarking against realistic market averages helps avoid overextension and provides a framework for roster management and fundraising strategies.
- **Players:** Stabilization creates more reliable earning opportunities, reducing the risk of inflated promises that fail to materialize.
- **Brands and Investors:** A clearer picture of compensation levels improves return-on-investment calculations and makes NIL partnerships more predictable.
- **Media and Analysts:** Understanding averages and distributions offers a counterbalance to the outliers or unrealistic expectations that dominate headlines.

8. CONCLUSION

Five years into the player cash compensation era, college football has moved beyond the early "wild west" narrative. What once appeared chaotic has settled into a rational and sustainable market, where resource levels—not headlines—determine competitive realities. On average, Power Four programs are investing $15.7 million annually in football payrolls, representing roughly 12% of athletic budgets and aligning naturally with institutional capacity.

The key insight is that free market dynamics—not regulatory intervention—are driving this stabilization. Donor fatigue, maturing collectives, and roster strategies shaped by the transfer portal have forced greater efficiency and predictability. While governance remains inconsistent, the market itself has already imposed discipline.

For stakeholders, this clarity matters. Schools can benchmark realistically, players can make more informed decisions about opportunities, brands can invest with greater confidence, and fans can better understand the economics behind roster construction. Looking ahead, growth rates are likely to moderate, with major shifts tied to governance reforms, realignment, or new revenue inflection points such as media rights negotiations.

There will continue to be outliers in the system, particularly with donors providing the majority of resources that are used for cash compensation. But those outliers will be just that – exceptions rather than the rule.

In short, college football compensation has entered its equilibrium phase: not equal, but efficient. The system is stabilizing into a more predictable, sustainable marketplace—one in which economic realities, not speculation, will shape the next decade.

Contact Total Player Value Inc. at totalplayervalue.com for customized benchmarking solutions.

About Total Player Value Inc.
TPV provides consulting services to athletic programs, using anonymized data to ensure objectivity. Visit tpvanalytics.com for more information.