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Review

# The Impact of NIL Policy on College Sports Management and Sports Industry Development

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**Abstract:** This paper comprehensively examines the profound impact of the Name, Image, and Likeness (NIL) policy on college sports management and its broader, long-term implications for the sustainable development of the global sports industry. Through an extensive literature review combined with rigorous PEST (Political, Economic, Social, and Technological) and SWOT (Strengths, Weaknesses, Opportunities, and Threats) analyses, the study systematically explores the historical emergence and rapid evolution of the NIL policy. It critically evaluates both the positive and negative effects on student-athletes, particularly focusing on their financial empowerment, personal brand development, and psychological well-being. Furthermore, the research investigates the complex external and internal challenges that this policy creates for higher education institutions, athletic departments, and regulatory bodies. The findings demonstrate that while the NIL framework has significantly expanded financial and professional opportunities for student-athletes, it has simultaneously increased governance pressure, exacerbated competitive imbalances among universities, heightened academic tension, and raised critical equity concerns regarding gender and non-revenue sports. Ultimately, the paper argues that the NIL policy should not be viewed simply as a temporary disruption, but rather as a fundamental structural transformation of the college athletics ecosystem. Its long-term success and viability depend heavily on building a fairer, more transparent regulatory framework and establishing stronger institutional support systems that can effectively balance commercial opportunity with academic integrity and ethical standards.

**Keywords:** nil policy; sports management; student-athletes; sports industry; college athletics

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### 1. Introduction

College athletics has long played an important role in the development of the sports industry in the United States, functioning as both a talent pipeline for professional sports and a key space for commercial and social influence. For many years, however, the NCAA maintained an amateurism-based model that prohibited student-athletes from receiving compensation for the commercial use of their name, image, and likeness, even though universities and athletic programs generated substantial revenue from college sports [1].

As criticism of this system increased, the tension between athlete rights and institutional profit became more visible. In particular, the traditional amateurism framework was increasingly challenged by legal and policy debates over fairness, compensation, and the commercial reality of college athletics [2]. The transition became especially significant after *NCAA v. Alston*, which accelerated the shift away from the old amateur model and pushed college athletics into a new period of NIL-related reform and commercialization.

Since the implementation of NIL policies in 2021, student-athletes have gained new opportunities to earn income, improve their public visibility, and develop skills related to

branding, entrepreneurship, and career preparation [3]. At the same time, the NIL era has also created new pressures, as many athletes now face difficulties in balancing academic responsibilities, athletic commitments, and commercial activities while often lacking sufficient institutional support.

Against this background, this article aims to analyze the impact of NIL policy on college sports management and to discuss its broader implications for the development of the sports industry. To achieve this goal, the study adopts a literature review approach and uses PEST and SWOT as analytical tools to evaluate the changing external environment and the internal management challenges brought by NIL policy [4].

## **2. Development and Impact of NIL Policy**

### *2.1. Emergence and Development of NIL Policy*

For decades, the NCAA governed college athletics through the principle of amateurism, which defined student-athletes primarily as students rather than economic actors. Under this framework, college athletes were not allowed to receive compensation for the commercial use of their name, image, and likeness, even though college sports had already developed into a highly profitable industry supported by broadcasting, sponsorship, and institutional branding [5]. As a result, the traditional system created a clear imbalance: universities and athletic programs were able to benefit financially from college sports, while the athletes themselves were excluded from direct participation in that economic value.

This long-standing model began to weaken as legal and policy challenges increasingly questioned whether NCAA restrictions were still legitimate in a modern commercial environment. A major turning point came after a landmark legal case, which, although formally focused on education-related benefits, significantly weakened the NCAA's authority to maintain broad restrictions on athlete compensation [6]. More importantly, the case accelerated the breakdown of the traditional amateurism logic and pushed college athletics into a new regulatory era in which athlete economic rights could no longer be ignored.

Following this transition, NIL policy gradually emerged as a new legal and institutional framework that allows student-athletes to receive compensation for the commercial use of their personal identity [2]. In policy terms, NIL refers to the right of college athletes to engage in endorsement, sponsorship, promotional activity, social media monetization, and other forms of personal brand commercialization without automatically losing athletic eligibility. Therefore, the meaning of NIL policy is not limited to athlete payment alone; it also reflects a broader redefinition of what kinds of economic participation are considered acceptable within college sports.

However, the development of NIL policy has not resulted in a unified national system. Instead, the post-reform environment has been shaped by a fragmented combination of state legislation, institutional rules, and NCAA interim guidance [7]. Different states have adopted different standards regarding disclosure, restrictions, institutional involvement, and permissible forms of compensation. This lack of consistency has made the NIL landscape more legally complex and has transformed policy development into an ongoing process of adjustment rather than a completed reform.

From a broader perspective, the emergence of NIL policy represents a fundamental shift from a prohibition-based model to a commercialization-permitted model. In the past, the NCAA attempted to preserve the symbolic identity of the student-athlete as an amateur. In the NIL era, however, athletes are increasingly recognized as individuals who may participate in regulated market activity while still competing within the college system. This institutional shift shows that NIL policy is not simply a short-term response to legal pressure, but part of a deeper transformation in the governance structure and economic logic of college athletics [4].

### *2.2. Positive and Negative Impacts on College Athletes*

The implementation of NIL policy has brought a new set of opportunities and pressures to college athletes. On the positive side, the policy has allowed student-athletes to participate more directly in the economic value generated by their athletic visibility. Rather than remaining passive contributors to a profitable college sports system, athletes now have the opportunity to gain financial benefits from endorsements, social media activity, appearances, and other commercial engagements [3]. At the same time, NIL has also influenced athletes' overall sense of personal value and well-being, as many now perceive themselves as having greater autonomy and recognition within the college sports environment.

Another important benefit of NIL policy is the expansion of athletes' public visibility and branding potential [8]. In the digital era, college athletes are no longer dependent solely on athletic performance or traditional media exposure to build their reputations. Through platforms such as Instagram, TikTok, and other social media channels, they can cultivate personal brands, connect directly with audiences, and convert popularity into market value. This change has created new possibilities for entrepreneurial development and has encouraged athletes to view themselves not only as competitors, but also as emerging public figures and brand managers.

However, these new opportunities have also introduced significant role conflict. Under the NIL system, many college athletes are now expected to manage multiple identities at the same time: student, athlete, and commercial influencer. This shift has made the traditional meaning of the "student-athlete" increasingly unstable. As commercial expectations grow, athletes may struggle to balance educational responsibilities with athletic performance and self-promotion. The result is not merely a scheduling issue, but a deeper identity tension in which the boundary between amateur participation and professional-style market behavior becomes increasingly blurred.

In addition, the benefits of NIL are not distributed equally across all athletes [9]. Although the policy has opened new doors, access to profitable opportunities often depends on sport type, gender, social media reach, marketability, and institutional resources. Female athletes, for example, may gain unique visibility in certain digital spaces, but they also face specific challenges in navigating branding expectations, institutional support, and perceptions of value. This suggests that NIL does not automatically create equity; instead, it may reproduce or even intensify pre-existing inequalities within college athletics if support structures are not carefully designed.

The negative side of NIL also includes mental and emotional strain. As athletes try to balance academics, training, competition, branding, and outside commercial obligations, the overall burden on their time and energy becomes much heavier. For some student-athletes, the NIL era has created additional stress, uncertainty, and feelings of exhaustion, especially when they receive limited guidance from their institutions. In this sense, NIL policy does not simply create financial opportunity; it also adds new forms of psychological pressure that may affect both athlete well-being and the broader educational experience.

### **3. Challenges to College Sports Management**

#### *3.1. External Challenges: A PEST Perspective*

From a PEST perspective, the NIL era has significantly increased the external complexity of college sports management. Politically and legally, one of the most serious challenges is the lack of a unified regulatory framework. Different states have adopted varying rules regarding athlete compensation, disclosure requirements, and institutional involvement, creating inconsistency across the NCAA system. As a result, colleges and athletic departments must operate in an environment where compliance standards are fragmented, making governance more difficult and increasing the risk of legal uncertainty. This situation also weakens competitive balance, as institutions in more permissive states may gain structural advantages in recruiting and athlete retention.

Economically, NIL has accelerated the marketization of college athletics. The rise of NIL collectives, booster-backed deals, and athlete-centered endorsement markets has transformed college sports into a more commercialized system. This creates new opportunities but also intensifies resource inequality between institutions. Schools with stronger donor networks, larger media exposure, and more developed athletic brands are better positioned to help athletes secure NIL opportunities. In this sense, NIL does not simply reward athletic performance; it also reflects the unequal distribution of institutional resources and market visibility. For sports managers, this means that financial competition is no longer limited to facilities, scholarships, and coaching staff but now extends to the indirect economic ecosystem surrounding athlete compensation.

Socially, NIL has reshaped how student-athletes are perceived and how they perceive themselves. The traditional identity of the student-athlete as primarily a learner and competitor is increasingly challenged by commercial expectations [2]. Many athletes are now expected to function simultaneously as students, performers, influencers, and brand representatives. This multi-layered identity may create tension between educational values and commercial interests. At the same time, NIL has triggered wider debates about fairness, especially regarding which athletes benefit most, whether revenue-generating sports gain disproportionate advantages, and whether the new system truly expands opportunity for all participants. These debates place additional pressure on college sports management, which must now address not only operational issues but also broader concerns about equity and institutional mission.

Technologically, social media has become a major driver of athlete commercial value. In the NIL environment, visibility, follower engagement, and digital influence can directly affect endorsement opportunities [10]. This means that an athlete's market value is no longer determined only by on-field performance but also by online presence and personal branding capacity. For college sports management, this creates a new challenge: athletic success must now be understood alongside media strategy, digital reputation, and platform-based visibility. Technology has therefore expanded the commercial logic of college athletics and made governance more complicated, as institutions must respond to a rapidly changing environment shaped by digital culture as much as by sport itself.

Overall, the NIL era has made college sports management more exposed to legal fragmentation, market inequality, social controversy, and technological disruption [4]. These external pressures show that NIL is not only a policy change affecting individual athletes but also a structural shift that is redefining the broader environment in which college sports are governed.

### *3.2. Internal Challenges: A SWOT Perspective*

From a SWOT perspective, NIL has not only changed the external environment of college athletics but has also exposed internal weaknesses in college sports management itself. In terms of strengths, the NIL era has created new possibilities for athlete empowerment and personal development [11]. Student-athletes are no longer limited to their traditional roles within the educational system but are now able to build personal brands, develop communication skills, and gain practical experience in negotiation, self-promotion, and commercial decision-making. For colleges and athletic departments, this shift can be seen as an opportunity to support a more modern and holistic model of athlete development, one that better prepares students for both professional sport and the broader labor market.

However, the internal weaknesses of current college sports management have become increasingly visible under NIL [12]. Many institutions were not structurally prepared for the rapid commercialization of student-athlete participation. In some cases, athletic departments still lack sufficient guidance systems to help athletes deal with contracts, taxes, compliance rules, and brand management. This lack of institutional preparedness increases the risk that athletes may make poorly informed decisions or become vulnerable to exploitation by outside actors. In addition, many schools have not

yet developed clear internal coordination between athletic, academic, and legal support units, which makes NIL management fragmented and reactive rather than systematic.

At the same time, NIL also creates important opportunities for institutional improvement. Colleges can use this moment to redesign athlete support systems and build more comprehensive governance structures. For example, schools may develop NIL-related education programs covering financial literacy, contract awareness, legal risk, and personal branding. They may also strengthen collaboration with businesses, alumni networks, and professional service providers in order to create more transparent and educationally aligned support mechanisms. In this sense, NIL can push college sports management to become more professional, interdisciplinary, and responsive to the real needs of student-athletes.

Despite these opportunities, the threats associated with NIL remain significant. One major threat is the distortion of recruiting practices. When NIL opportunities become closely tied to recruitment, the boundary between legitimate athlete compensation and indirect pay-for-play becomes increasingly difficult to define. This may damage competitive fairness and place institutions under growing compliance pressure [3]. Another threat concerns gender equity and Title IX-related issues, as unequal access to NIL visibility and institutional support may reinforce existing disparities between sports programs. More broadly, if colleges fail to manage NIL carefully, the commercial logic of the system may overshadow educational priorities and weaken the traditional mission of college athletics.

Overall, the SWOT perspective shows that the key challenge for college sports management is not simply whether NIL is beneficial or harmful [7]. Rather, the central issue is whether institutions have the internal capacity to convert NIL's strengths and opportunities into sustainable athlete development while controlling its weaknesses and threats through effective governance, guidance, and institutional adaptation.

#### **4. Strategies for Improving NIL Governance**

##### *4.1. Establishing a Fairer and More Unified Regulatory System*

To improve NIL governance, the primary focus should be on establishing a fairer and more unified regulatory system at the macro level. Currently, one of the most significant challenges in the NIL era is the inconsistency of rules across states and institutions. Variations in legal standards regarding athlete compensation, institutional involvement, disclosure requirements, and third-party arrangements have resulted in a fragmented governance environment. This fragmentation not only complicates compliance for colleges and athletic departments but also creates unequal competitive conditions across the NCAA system. Therefore, minimizing interstate regulatory differences should be a key objective of future reforms.

A more unified framework is essential to establish clearer expectations for all stakeholders, including student-athletes, universities, athletic departments, sponsors, and collectives. While achieving complete uniformity may not be feasible in the short term, implementing a common national standard or a more coordinated regulatory structure would significantly reduce confusion and inconsistency. Such a system should delineate the fundamental rights and responsibilities of athletes, clarify the extent to which institutions may support NIL activities, and establish shared compliance principles applicable across various competitive contexts. Enhanced regulatory consistency would enable colleges to manage NIL more effectively and mitigate the institutional uncertainty that currently influences many decisions [13].

It is also crucial to more clearly define the boundary between legitimate NIL activity and pay-for-play. This issue lies at the heart of numerous governance disputes, as NIL is intended to allow student-athletes to profit from their personal name, image, and likeness rather than to receive disguised compensation for enrollment decisions or athletic performance [14]. When this boundary remains ambiguous, enforcement becomes weak, and the credibility of the entire system is compromised. A stronger governance

framework should, therefore, specify permissible compensation arrangements, restrict inappropriate inducements, and establish transparent and consistent procedures for reviewing questionable agreements.

Additionally, NIL governance should prioritize greater transparency. Regulatory transparency is vital not only for enforcement but also for fostering trust. Colleges, athletes, and the public require a system where reporting standards, review procedures, and compliance expectations are clearly communicated. More transparent mechanisms for deal disclosure, institutional oversight, and conflict review would reduce ambiguity and enhance the perceived legitimacy of the regulatory process. Transparency can also deter exploitative or purely strategic arrangements that exploit grey areas within the current system.

The ultimate goal of a fairer and more unified regulatory system is to safeguard recruiting fairness and maintain competitive balance in college athletics. If NIL continues to operate under highly uneven rules and weak oversight, it risks becoming a recruiting tool rather than a legitimate framework for athlete rights. This could exacerbate inequalities between institutions and undermine the integrity of college sports. Therefore, future NIL reforms should aim not to unnecessarily restrict athlete opportunities but to ensure that these opportunities are governed by clear, consistent, and fair rules that uphold both market freedom and institutional integrity [15].

#### *4.2. Strengthening Institutional Support for Student-Athletes*

In addition to macro-level regulation, effective NIL governance also depends on stronger institutional support within colleges and athletic departments. Even if broader rules become more unified, student-athletes still need practical guidance to navigate NIL opportunities responsibly. Many of them are required to make decisions involving contracts, taxes, sponsorships, and personal branding at a relatively young age and often without sufficient professional knowledge [1, 3]. Therefore, schools should move beyond passive oversight and build support systems that help athletes manage NIL activities in a more informed and sustainable way.

One important step is to provide structured support in legal, contractual, tax, and brand management matters. Student-athletes should have access to basic legal guidance when reviewing endorsement agreements, intellectual property issues, and disclosure obligations. They also need practical support in understanding taxation, financial responsibility, and long-term financial planning. In addition, because NIL depends heavily on personal image and market positioning, schools can help athletes develop a more professional understanding of brand identity, communication strategy, and reputation management. This does not mean that institutions should control athletes' commercial choices, but they should provide reliable support that reduces risk and improves decision quality [14].

Schools should also establish internal service platforms or advisory systems specifically designed for NIL-related issues. Rather than leaving athletes to seek fragmented help from different offices, colleges can build coordinated support mechanisms that bring together athletic departments, legal advisors, academic staff, financial counselors, and branding specialists. A centralized or well-integrated support structure would make NIL management more efficient and reduce confusion. It would also signal that the institution recognizes NIL not as a temporary disruption, but as a lasting component of the modern college sports environment.

At the same time, institutional support must go beyond commercial guidance and include academic protection and mental well-being. NIL opportunities often demand time, emotional energy, and public visibility, all of which may interfere with academic responsibilities and personal stability. Athletic departments should therefore create clearer safeguards to ensure that commercial activity does not undermine educational progress. This may include flexible but accountable academic support arrangements, workload guidance, and stronger communication between coaches, academic advisors, and NIL support personnel. Mental well-being is equally important, because athletes may

face pressure related to public expectations, online criticism, comparison with peers, and uncertainty about their market value. Institutions should respond by strengthening counseling resources and normalizing psychological support as part of athlete development.

Finally, colleges must pay closer attention to equity in NIL opportunity distribution. Without deliberate institutional effort, NIL benefits may become concentrated among athletes in high-visibility sports, while women athletes, minority athletes, and participants in non-revenue sports receive less support and fewer opportunities. Athletic departments should therefore adopt a more inclusive support strategy that ensures these groups are not ignored in the design of NIL education, advisory services, and partnership opportunities. Equity in this context does not mean forcing identical outcomes, but creating conditions in which a wider range of student-athletes can access meaningful support and fairer opportunities to benefit from NIL.

Overall, strengthening institutional support is essential because NIL governance is not only a matter of regulation, but also a matter of capacity-building. If colleges want NIL to function in a way that protects both athlete opportunity and educational integrity, they must provide comprehensive, coordinated, and equitable support systems that help student-athletes manage the commercial side of college sports without being overwhelmed by it [10, 14].

## 5. Conclusion

In conclusion, the NIL policy has had a profound and multifaceted impact on college sports management. On one side, it has expanded the rights and opportunities of student-athletes by enabling them to benefit from their personal name, image, and likeness. Additionally, it has accelerated the commercialization and professionalization of college athletics, aligning the system more closely with the broader sports industry and the modern digital marketplace. Conversely, NIL has introduced challenges related to governance, recruiting fairness, resource inequality, educational priorities, and institutional accountability.

As this paper has demonstrated, the NIL era is neither solely a positive reform nor entirely a disruptive force. Instead, it signifies a structural transformation that compels colleges, athletic departments, and regulators to reevaluate how college athletics should be managed within a more commercialized framework. The central challenge lies in balancing athlete empowerment with institutional order, market opportunities with competitive fairness, and commercial freedom with the educational mission of higher education.

Therefore, the future of NIL governance should not center on rejecting NIL itself. The more critical objective is to establish a governance model that is fairer, clearer, and more supportive. By enhancing regulatory consistency, strengthening institutional support, and safeguarding equity and academic integrity, college sports can fully capitalize on the benefits of NIL while mitigating its risks. Ultimately, the long-term success of NIL will depend on whether college sports management can achieve an effective equilibrium between opportunity and integrity.

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