

EXECUTIVE BRIEF

NIL Athletes: Financial Literacy & NIL Readiness Assessment

HOW
MONEY
WORKS



OVERVIEW

NIL Financial Literacy conducted a financial literacy and NIL readiness pre-assessment with Men's Basketball and Football student-athletes. Results reveal high motivation but low foundational financial preparedness, especially in areas directly tied to NIL income, long-term planning, and financial protection.

This brief summarizes the most significant findings and incorporates insights from individual athlete meetings.

KEY FINDINGS

1. Financial Habits & Stability

- Only 28–33% of athletes follow a written monthly budget.
- Spending tracking is inconsistent; fewer than 50% track weekly.
- Emergency savings vary widely: 58% of football athletes and 83% of basketball athletes have savings, but confidence in adequacy remains low.

Implication: Athletes are earning money but lack systems to manage it.

2. Financial Understanding & Decision-Making

- Confidence in understanding money (banking, taxes, credit, investing) clusters around 3–6 out of 10.
- 56%+ of athletes are unfamiliar with lifestyle inflation.
- Only 42–45% know their credit score.
- Tax literacy is low: few can identify deductible NIL expenses.

Implication: Athletes face adult financial responsibilities without foundational knowledge.

3. NIL-Specific Readiness

- 33–42% have negotiated a contract, yet many report confusion about terms, pricing, and fairness.
- Only 9–33% have created a NIL or financial roadmap.
- While 44–83% believe NIL impacts their long-term future, confidence in navigating that impact is low.

Implication: NIL income is flowing in, but athletes lack the tools to protect themselves and maximize opportunities.

4. Wealth-Building & Long-Term Planning

- 50% of basketball athletes and 41% of football athletes could not define diversification.
- 92% of all athletes have never heard of the Rule of 72.
- Only 34–42% understand the Time Value of Money.

Implication: Athletes are motivated but unprepared for long-term financial growth.

5. Financial Protection & Vulnerability

- 88–92% have been asked for money by friends or family.
- Confidence in recognizing scams varies widely and is generally low.
- Most athletes rely on parents, coaches, friends, and social media for financial advice; few use professional advisors.

Implication: Athletes are exposed to financial pressure and misinformation without adequate safeguards.



ADDITIONAL FINDINGS FROM 1-ON-1 MEETINGS

1. Lack of Understanding of Payment Timing

Across both sports, no athletes could clearly explain when they would be paid or how much they were supposed to receive from NIL deals, employment, or other income sources.

Implication: Athletes are signing agreements without clarity on cash flow, creating budgeting challenges and increasing vulnerability to missed payments or predatory arrangements.

2. Inability to Read or Interpret Paychecks

In every 1-on-1 meeting, no athlete understood how to read their paycheck, including:

- Gross vs. net pay
- Tax withholdings
- Deductions
- Pay periods
- Why their take-home pay differed from expectations

Implication: Athletes lack the basic financial literacy required to verify income, identify errors, or plan effectively.

CONCLUSION

NIL athletes are navigating complex financial landscapes with high motivation but limited preparation. The data shows consistent gaps in budgeting, taxes, credit, NIL contract comprehension, and long-term planning. Combined with the 1-on-1 findings—where athletes lacked clarity on payment timing and paycheck interpretation—the need for structured financial education is clear.

A comprehensive, NIL-aligned approach would protect athletes, strengthen outcomes, and elevate California's leadership in student-athlete development..

