NIL and Badger Football's Decline*

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Executive Summary

- Wisconsin Badgers football historically outperformed its spending level. In 2017–2019, the team averaged the second-most conference wins in the Big Ten (7.0, trailing only Ohio State's 8.3) despite ranking just 9th of 14 teams in football expenditure.
- Beginning in 2021, Name, Image, and Likeness (NIL) payments and free transfer eligibility opened college football to competitive labor markets. Programs that adapted quickest gained an early edge; Wisconsin did not.
- Badger football's performance eroded by 2021–2023, and the 2024–2025 seasons produced consecutive losing records (5–7 and 4–8) for the first time since 1991–92. Scanned attendance fell from 66,530 fans per game (2006–2019 average) to 56,343 (2021–2025), implying annual game-day losses of about $10 million—or roughly $50 million over five post-NIL seasons.
- Associated with the attendance decline, Dane County underperformed Big Ten peers in traveler accommodation by 228 jobs (6.4 percent of the 2019 workforce) between 2021 and 2024. This suggests that the economic cost of Badger football's decline has already begun to materialize in visitor-dependent sectors of the local economy.
- AB 1034, signed by Governor Evers on April 8, 2026, appropriates $14.6 million per year in general-fund dollars to service UW-Madison athletic facilities debt, indirectly freeing resources to reach the new $20.5 million revenue-sharing cap.
- Important questions remain about AB 1034. These include whether it is appropriate to use taxpayer dollars to support athletics programs, whether the subsidy might crowd out private NIL donations, whether the additional resources will successfully restore the Badgers' competitiveness on the field, and what other state priorities these funds could have addressed instead.

1 Introduction

College football generates game-day spending, sustains local hospitality businesses, and reinforces university brands. For UW-Madison, football at Camp Randall Stadium (capacity 80,321 prior to a 2022 south end zone renovation that reduced seating to 75,822, subsequently adjusted to 76,118 in 2023 and 76,057 in 2024) has been a central economic driver. The Badgers peaked in 2017, finishing 13–1 with an Orange Bowl victory and a #7 final AP ranking.

Beginning in 2021, three reforms restructured talent markets in college football: the NCAA's one-time transfer rule, the Supreme Court's unanimous decision in *NCAA v. Alston*, and the NCAA's interim NIL policy (Section 2 details these changes). States and programs that moved quickly to establish NIL frameworks gained an immediate competitive advantage; Wisconsin entered the new market without a state NIL law or a top-tier private collective.

Since 2021, Wisconsin's on-field performance has deteriorated sharply. Actual in-stadium attendance (as measured by ticket scans) declined from a 2006–2019 average of 66,530 to a post-2021 average of 56,343, with the 2025 season setting a record low of 49,063. The 2024 season ended 5–7 and the 2025 season 4–8, marking consecutive losing seasons for the first time since 1991–1992. The post-2021 decline coincides with the structural transformation of college football under NIL and the transfer portal.

In a previous report, we estimated the broader potential economic impacts of sustained poor performance using standard economic multipliers applied to game-day and related spending (Guo and Seshadri, 2025). Those multipliers translate dollars spent directly by visitors (on hotels, meals, merchandise, etc.) into total local and statewide activity by accounting for how that money circulates through the economy: restaurants and hotels pay wages, buy supplies from local vendors, and their employees in turn spend money at other businesses.

This report relates the program's decline more directly to the structural transformation of the NIL era. Section 2 traces the rise and fall of Wisconsin football and the key NIL milestones that reshaped the competitive landscape. Section 3 documents the collapse of Wisconsin's "doing more with less" model by showing that the program's performance advantage over its spending level has eroded in the NIL era. Section 4 estimates the economic cost of the decline using a synthetic control method that compares Dane County with its Big Ten peers and a direct calculation grounded in actual scanned attendance data. The synthetic control allows us to isolate the economic divergence that has already materialized since 2021, particularly in the narrow visitor-spending channel (captured most directly by hotel employment).

While the multiplier framework in our previous report provides a useful broad picture of potential ripple effects across many channels, the method in this report delivers a narrower but more precise estimate of the impact that has actually occurred in the sector most immediately tied to football attendance. Together, the two approaches give a clearer view of both the realized local costs and the broader risks if the program's performance does not recover. Section 5 evaluates AB 1034, the state's 2026 NIL law, as one response among several.

2 Background

2.1 The Rise and Decline of Wisconsin Football

Table 1 summarizes Wisconsin's football performance from 2005 through 2025. The program's trajectory divides into three phases.

Table 1: Wisconsin Badgers Football: Key Performance Metrics (2005–2025)

Season	Coach	Record	Conf.	Bowl Result
2005	Alvarez	10–3	6–2	Capital One (L)
2006	Bielema	12–1	7–1	Capital One (W)
2007	Bielema	9–4	5–3	Outback (L)
2008	Bielema	7–6	3–5	Champs Sports (W)
2009	Bielema	10–3	5–3	Champs Sports (W)
2010	Bielema	11–2	7–1	Rose (L)
2011	Bielema	11–3	6–2	Rose (L)
2012	Bielema	8–6	4–4	Rose (L)
2013	Andersen	9–4	4–4	Capital One (L)
2014	Andersen	11–3	7–1	Outback (W)
2015	Chryst	10–3	7–1	Holiday (W)
2016	Chryst	11–3	7–2	Cotton (W)
2017	Chryst	13–1	9–0	Orange (W)
2018	Chryst	8–5	5–4	Pinstripe (W)
2019	Chryst	10–4	7–2	Rose (L)
2020	Chryst	4–3	4–3	—
2021	Chryst	9–4	6–3	Las Vegas (W)
2022	Chryst/Leonhard	7–6	4–5	Guar. Rate (W)
2023	Fickell	7–6	5–4	Music City (L)
2024	Fickell	5–7	3–6	—
2025	Fickell	4–8	2–7	—

Source: Sports Reference (Sports Reference, 2025). The 2020 season was shortened due to COVID-19 (Big Ten only; no fans). Horizontal line separates the peak era (2005–2017) from the subsequent decline.

Peak era (2005–2017). Under Bret Bielema (2006–2012) and Paul Chryst (2015–2017), Wisconsin was consistently among the Big Ten's strongest programs, with three Rose Bowl appearances (2010–2012) and a 2017 Orange Bowl victory. Average scanned attendance generally exceeded 65,000, averaging approximately 67,200 over 2006–2017.

Pre-NIL decline (2018–2019). Wisconsin's winning percentage dipped from 0.929 in 2017 to 0.615 in 2018 before recovering to 0.714 in 2019 (a Rose Bowl season). Scanned attendance fell to 61,844 in 2018 and 62,743 in 2019. This period saw the first signs of competitive slippage but preceded the structural transformation of the NIL era.

NIL era (2021–present). On July 1, 2021, the same day the NCAA's interim NIL policy took effect, Chris McIntosh succeeded the retiring Barry Alvarez as Director of Athletics (University of Wisconsin Athletics, 2021). On April 13, 2026, McIntosh stepped down as AD to become Deputy Commissioner for Strategy at the Big Ten Conference, ending a tenure that spanned the entirety of the NIL era's first five years (University of Wisconsin Athletics, 2026). During this period, the combination of NIL-driven talent redistribution and coaching instability produced a sustained decline. Chryst was fired mid-season in October 2022 after a 2–3 start. Luke Fickell, hired from Cincinnati in November 2022, posted records of 7–6, 5–7, and 4–8. Scanned attendance partially recovered to 61,389 in 2024 before collapsing to a record-low 49,063 in 2025 (a 26.6 percent no-show rate), while announced attendance fell to 70,403, the lowest since 1992.

Figure 1 plots the winning percentage trajectory, and Figure 2 shows the corresponding attendance decline. Attendance data (announced, distributed, and scanned) are from UW Athletics public records as reported by the *Wisconsin State Journal* (Milewski, 2025).

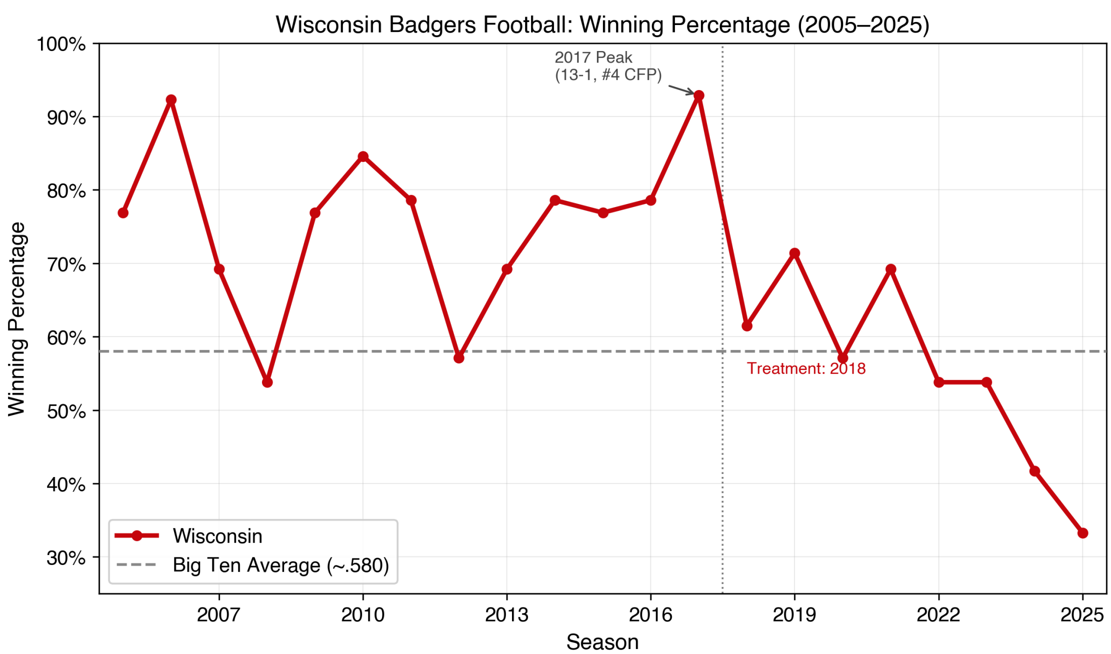


Figure 1: Wisconsin Badgers Football: Winning Percentage (2005–2025)

As Figure 2 shows, Wisconsin's attendance decline predates the NIL era and partly reflects a broader league-level decline in attendance. Average per-game attendance across the top tier of NCAA Division I football (the Football Bowl Subdivision) peaked at 46,971 in 2008

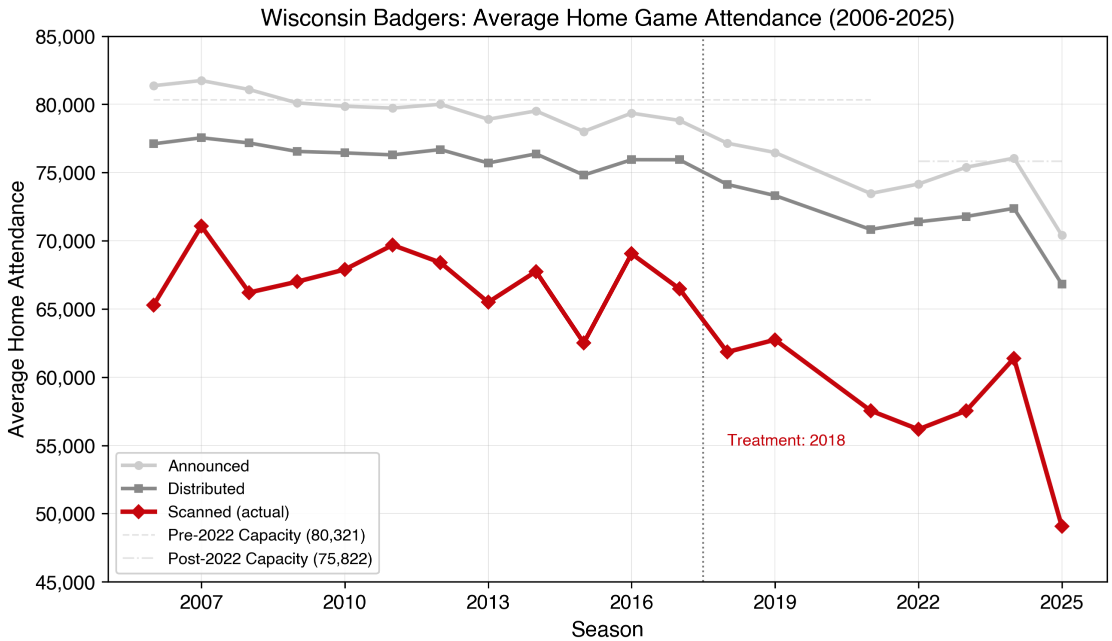


Figure 2: Wisconsin Badgers: Average Home Game Attendance (2006–2025)

and fell to 41,856 by 2018, driven by high-quality television substitution, rising ticket costs, and shifting preferences among younger cohorts (National Collegiate Athletic Association, 2022; Losak, Marteka and Mangos, 2023; Natke, Falls and Xiao, 2024). Wisconsin was not immune: scanned attendance peaked at 71,076 in 2007 and drifted to 62,743 by 2019, even as the program posted at least eight wins in every season except 2008. However, the post-2021 collapse—to a record-low 49,063 in 2025—is far steeper than the pre-existing trend, consistent with a secular decline that the NIL-era talent reallocation accelerated into an acute attendance crisis.

2.2 The NIL Era and the Competitive Landscape

The competitive environment underwent a structural transformation between 2021 and 2025 (Table 2). Three reforms in spring 2021 reshaped the talent market simultaneously: the NCAA's one-time transfer rule (April 28, 2021), eliminating the year-in-residence requirement for football and four other revenue sports (National Collegiate Athletic Association, 2021*a*); the Supreme Court's 9–0 decision in *NCAA v. Alston* (June 21, 2021) (Supreme Court of the United States, 2021); and the NCAA's interim NIL policy (effective July 1, 2021), permitting all athletes to monetize their name, image, and likeness (National Collegiate Athletic Association, 2021*b*). Together, the reforms ended longstanding restrictions on athlete mobility and compensation. The effects on roster composition were immediate: the share of FBS roster spots held by transfer players rose from 6.4 percent in 2019 to 20.5 percent by 2023, and the share of starting quarterbacks who were transfers rose from 23.9 percent to 55.7 percent over the same period (ESPN, 2023).

By July 2022, 29 states had passed NIL laws, creating sufficient legal certainty that boosters and alumni rapidly organized private “collectives” to pool endorsement deals, effectively channeling recruiting spending outside institutions’ official budgets. In April 2024, the NCAA went further, adopting unlimited-transfer immediate eligibility after a federal court injunction and Department of Justice intervention forced the removal of remaining multi-time transfer restrictions (National Collegiate Athletic Association, 2024). The *House v. NCAA* settlement (final approval June 2025) established a $2.8 billion back-payment fund and a $20.5 million per-school annual revenue-sharing cap beginning July 1, 2025 (U.S. District Court, Northern District of California, 2025; ESPN, 2025).

The scale of the spending gap became clear quickly. Ohio State’s NIL collective distributed approximately $20 million to football players in 2024, believed to be the largest amount in college football (Salerno, 2024). Three Big Ten collectives (Ohio State, Nebraska, and Michigan) ranked among On3’s top 15 nationally; Wisconsin’s did not appear (Nakos, 2024). By November 2025, Wisconsin had allocated $13 million of its revenue-sharing budget to football, and Athletics Director Chris McIntosh acknowledged the need for “significantly elevating investment in our program to compete at highest level” (Fornelli, 2025). The resulting asymmetry placed programs without competitive NIL resources at a systematic disadvantage in a talent market where athletes could now transfer freely and choose among competing offers.

3 The End of “Doing More with Less” in Wisconsin?

> “Wisconsin did more with less for a long time… but that’s a difficult model to sustain.”
> —Adam Rittenberg, ESPN Big Ten reporter (Rittenberg, 2026)

ESPN’s Adam Rittenberg made this observation in April 2026, shortly after Athletics Director Chris McIntosh’s departure. Wisconsin’s pre-2021 ability to outperform its spending level reflected, in part, an environment in which NCAA restrictions kept athlete compensation artificially low: a program with strong coaching and culture could capture rents that the labor market would otherwise have transferred to players. As those restrictions fell, market prices began to reflect talent value, and the residual return to non-monetary advantages compressed accordingly. This section provides quantitative evidence for both halves of Rittenberg’s claim.

We use the Equity in Athletics Disclosure Act (EADA) database, which requires all postsecondary institutions receiving federal financial aid to report athletics revenues and expenses annually (U.S. Department of Education, Office of Postsecondary Education, 2024). Critically, EADA data do *not* capture third-party NIL payments made by donor collectives, the

Table 2: Key NIL and Transfer Portal Milestones

Date	Event	Significance
September 30, 2019	California SB 206 (Fair Pay to Play Act)	First state NIL law; effective September 1, 2021
April 28, 2021	NCAA one-time transfer rule ratified	Football, basketball, baseball, and hockey players may transfer once and compete immediately without a year-in-residence penalty
June 21, 2021	NCAA v. Alston (Supreme Court, 9–0)	Struck down NCAA restrictions on education-related benefits
July 1, 2021	NCAA Interim NIL Policy	All NCAA athletes permitted NIL compensation regardless of state law
July 2021–2023	State NIL Laws Enacted	29+ states passed NIL legislation by July 2022
April 22, 2024	NCAA unlimited-transfer immediate eligibility	All transfer restrictions removed after federal court injunction and DOJ intervention; athletes may transfer multiple times without sitting out
June 2025	House v. NCAA Settlement Final Approval	$2.8B over 10 years; $20.5M/school annual revenue sharing cap
July 1, 2025	Revenue Sharing Begins	Schools can pay athletes directly from institutional revenue
March 17, 2026	Wisconsin Senate passes AB 1034 (17–16 vote)	$14.6M/year for UW-Madison athletic facilities debt service; codifies NIL rights
April 8, 2026	Governor Evers signs AB 1034 with partial veto	Removes "maintenance" from appropriation; restricts funding to debt service

Source: NCAA v. Alston, 594 U.S. 69 (2021). Transfer rules: NCAA Division I Council (April 15, 2021; April 17, 2024). House v. NCAA settlement: U.S. District Court, N.D. Cal., Case No. 4:20-cv-03919. State NIL laws compiled from the Student Press Law Center and NIL Network. Wisconsin: AB 1034, Assembly 95–1 (Feb. 19, 2026), Senate 17–16 (March 17, 2026), signed April 8, 2026.

primary channel through which programs now compete for talent. The expenditure figures therefore reflect the institutional budget for football operations rather than total talent-acquisition spending. This distinction matters: the flattening of the spending–winning relationship documented below likely understates the true shift, because top-spending programs also tend to have the largest NIL collectives, which are invisible in the data.

We match each school's total football expenditure to its conference win–loss record and restrict attention to the 14 schools that composed the Big Ten during 2017–2023 (prior to the 2024 expansion).

3.1 The Pre-NIL Era: Doing More with Less

Figure 3 plots each Big Ten team's average conference wins against average total football expenditure over 2017–2019, the three seasons before COVID and NIL. The dashed line is a simple OLS fit (slope $= 0.18$): across the conference, each additional $1 million in spending was associated with roughly 0.18 more conference wins per season.

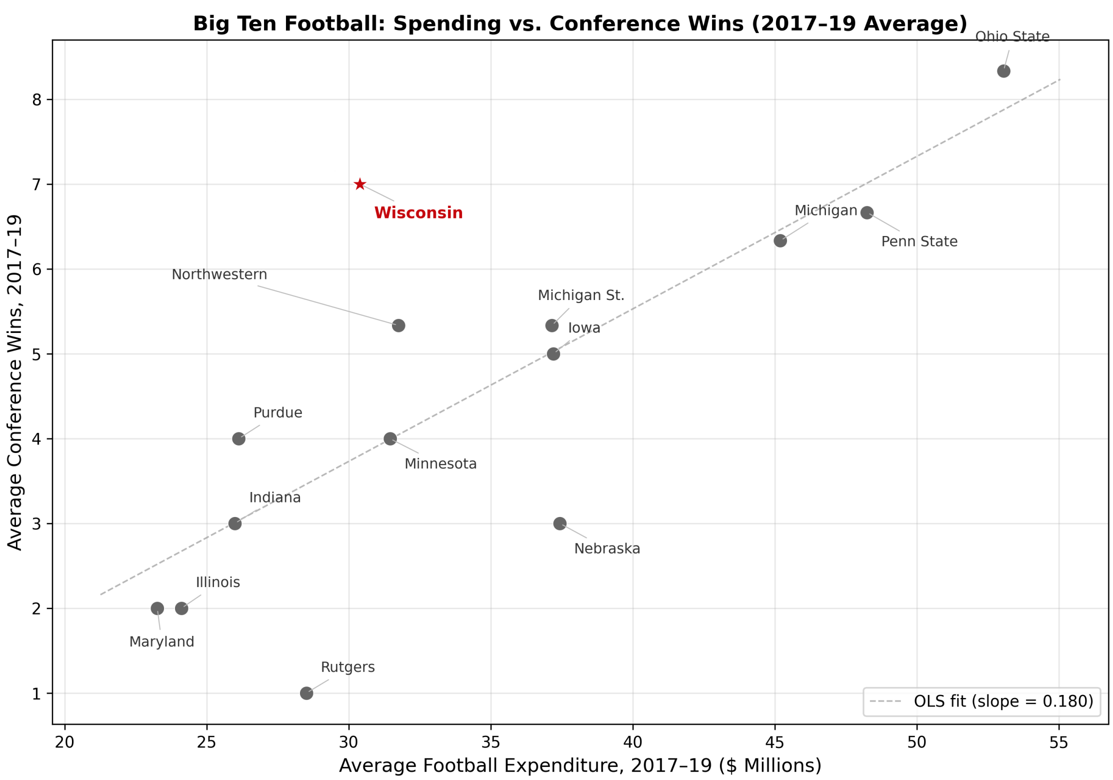


Figure 3: Big Ten Football: Spending vs. Conference Wins (2017–19 Average)

Wisconsin stands out. The Badgers averaged 7.0 conference wins per season on $30.4 million in total football expenditure, placing them well above the regression line. Only Ohio State (8.3 wins, $53.0 million) won more conference games, but at 74 percent higher spending. Wisconsin's 2017 season—a 9–0 conference record and 13–1 overall—was the apex of this "more with less" model: elite results on a mid-tier budget.

3.2 The NIL Era: The Model Breaks Down

Figure 4 repeats the exercise for 2021–2023, the first three post-NIL seasons with EADA expenditure data. The landscape has shifted in two ways.

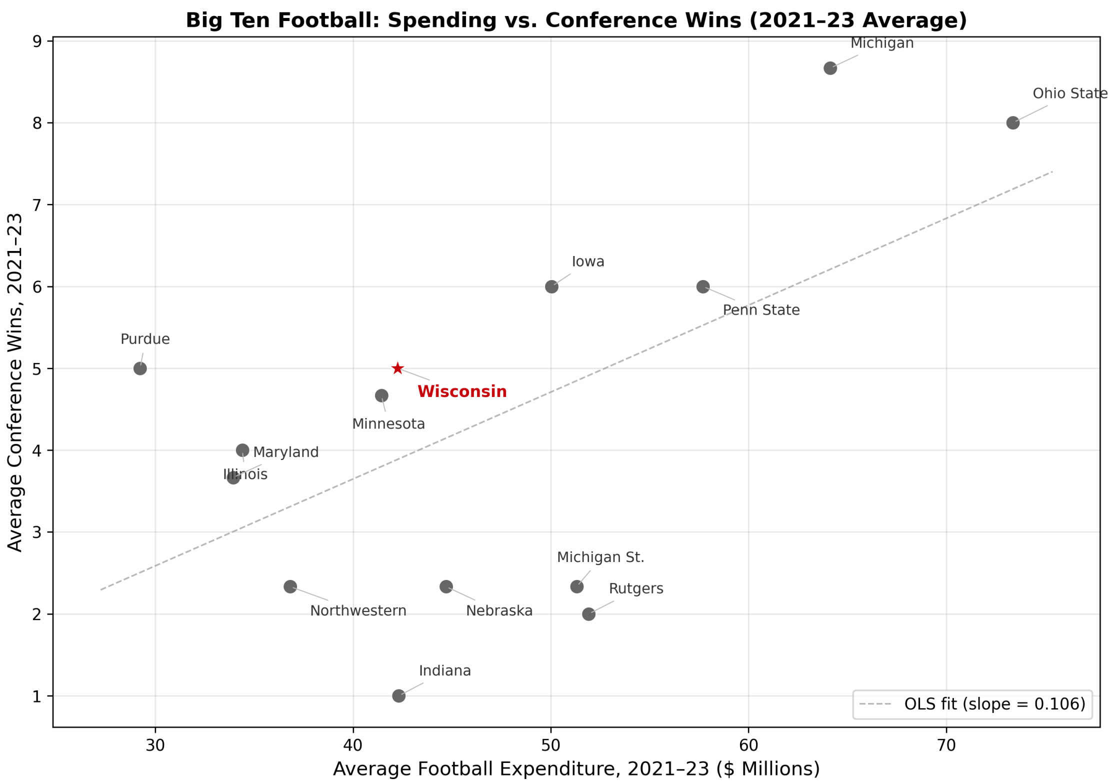


Figure 4: Big Ten Football: Spending vs. Conference Wins (2021–23 Average)

First, spending has escalated dramatically. The conference median rose from $31.6 million to $43.5 million, with top programs (Ohio State, Michigan) spending $64–$73 million. Second, the relationship between spending and winning has flattened: the OLS slope fell from 0.18 to 0.11. Two forces explain this. The first is a spending arms race: every program increased its budget, so the marginal institutional dollar buys fewer wins. The second is measurement: because EADA data do not capture third-party NIL payments, the reported expenditure figures are a less complete measure of total football spending after 2021 than before. Programs with large NIL collectives have a substantial pool of talent-acquisition spending that is invisible in the data. The flattening of the slope therefore reflects both a real compression of returns and an increasing gap between measured and actual spending.

Wisconsin's position has changed accordingly. At $42.3 million in average expenditure and 5.0 conference wins, the Badgers now sit much closer to the regression line than in 2017–2019. The program is spending more than ever in absolute terms, but the gap between its performance and what its spending level would predict has narrowed sharply. The two most recent seasons—5–7 in 2024 (3–6 Big Ten) and 4–8 in 2025 (2–7 Big Ten)—suggest that the slide has continued. EADA expenditure data for these seasons are not yet available, but given the conference-wide escalation in spending, Wisconsin is likely to fall *below* the fitted line once the data are released. Meanwhile, programs that invested heavily in NIL infrastructure—Michigan (8.7 wins, $64.1 million) and Ohio State (8.0 wins, $73.4 million)—dominate the upper right of the figure.

Taken together, Figures 3 and 4 illustrate a market correction: Wisconsin moved from a large positive residual to near or below the spending–wins relationship once compensation restrictions on athletes were lifted. In a labor market where talent can be priced and traded freely, the rents that previously accrued to well-managed but moderately funded programs are now flowing to athletes themselves. Operational efficiency still matters, but it no longer substitutes for compensation.

4 The Cost of Badger Football's Decline

We use two complementary approaches: the synthetic control method to estimate economic divergence relative to Big Ten peers, and a more direct multiplier calculation grounded in actual attendance data. Building on the broader potential impacts estimated in our October 2025 report, we focus here on the narrow visitor-spending channel that should register first and most sharply in hotel employment (NAICS 7211).

4.1 Synthetic Control Method

We employ the synthetic control method of Abadie, Diamond and Hainmueller (2010) to estimate the economic divergence associated with Badger football's decline since the onset of the NIL era. The treated unit is Dane County, Wisconsin, home to UW-Madison and Camp Randall Stadium. The method constructs a weighted combination of control counties that best reproduces Dane County's pre-treatment economic trajectory. We take 2021 as the treatment year, the year the one-time transfer rule, the *Alston* decision, and the NCAA's interim NIL policy fundamentally restructured the competitive landscape, and use 2005–2020 as the pre-treatment period. We index each county's outcome to its 2019 level (2019 = 100), the last full pre-COVID season, before estimating weights, ensuring the optimization matches *growth trajectories* rather than levels. Post-treatment gaps are converted back to levels.

We estimate separate synthetic controls for three outcomes. We begin with *traveler accommodation* (NAICS 7211), the sector most sensitive to game-day visitor traffic and most likely to reflect attendance declines immediately. Hotel demand in a mid-sized college town like Madison depends heavily on the seven fall football weekends; a decline in attendance should register first and most sharply in this narrow sector. We then present aggregate *county GDP* and *total nonfarm employment*. These aggregate outcomes serve two purposes: first, they confirm that any hotel-sector underperformance is not an artefact of a broader Dane County economic downturn; second, the absence of a negative aggregate gap suggests that the economic damage from football's decline has not yet fully propagated to the wider local economy.

The economic data come from the Bureau of Economic Analysis (BEA) Regional Economic Accounts and the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) (Bureau of Economic Analysis, 2024; Bureau of Labor Statistics, 2024). We use BEA county-level GDP estimates (CAGDP1 series, thousands of current dollars) and QCEW annual average employment for the period 2001–2024. For sector-level analysis, we use QCEW data for traveler accommodation (NAICS 7211). The donor pool includes twelve Big Ten university counties: Franklin (Ohio State), Washtenaw (Michigan), Ingham (Michigan State), Centre (Penn State), Johnson (Iowa), Hennepin (Minnesota), Lancaster (Nebraska), Champaign (Illinois), Tippecanoe (Purdue), Monroe (Indiana), Prince George's (Maryland), and Middlesex (Rutgers). These counties share an economic structure anchored by a major university with significant game-day activity. Cook County, Illinois (Northwestern) is excluded because its scale (approximately 2.6 million jobs, dominated by the Chicago metropolitan economy) dwarfs every other candidate donor and could distort the synthetic match.

Interpretive caveat. The NIL era's effects on football performance are gradual and multifactorial, encompassing NIL-driven talent redistribution, transfer portal mobility, coaching changes, and broader competitive dynamics. The synthetic control estimates represent the *economic divergence associated with sustained underperformance since the onset of the NIL era* relative to a data-driven counterfactual, not the strict causal effect of NIL alone. Because the treatment year (2021) coincides with the first post-COVID season, differential COVID recovery paths across counties are a potential confounder; indexing all outcomes to their 2019 levels (the last full pre-COVID season) mitigates but does not eliminate this concern.

4.1.1 Local Multiplier Framework

To ground the analysis in observable football data, we perform a supplementary direct calculation as follows:

$$\text{Annual loss} = \Delta\text{Attendance} \times \text{Per-attendee spending} \times \text{Home games} \times \text{Multiplier}$$

We compare average scanned attendance over 2006–2019 (66,530 per game) to the post-2021 average (56,343 per game), yielding a shortfall of approximately 10,187 fans per game. This comparison avoids both the use of a single peak year and the inclusion of the COVID-affected 2020 season.

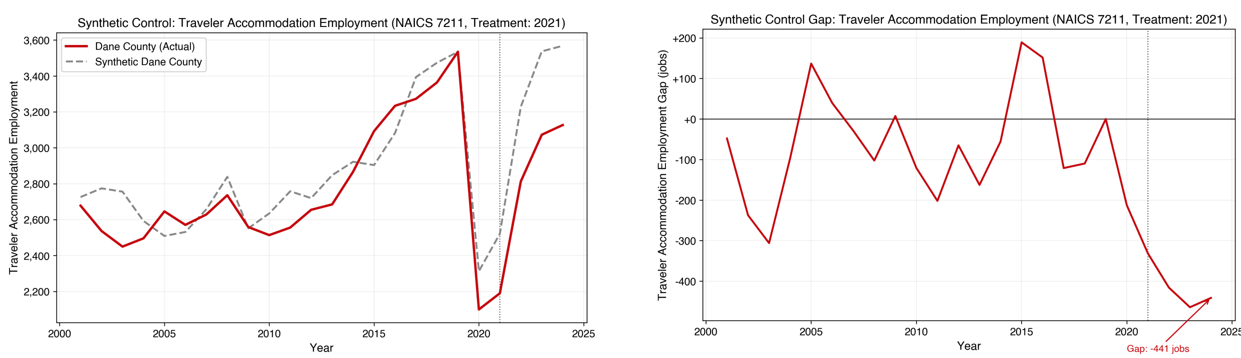
Following Moretti (2010), we apply a multiplier of 1.59, which accounts for the indirect and induced economic activity generated when direct visitor spending circulates through the local economy: hotels and restaurants pay wages, purchase supplies from local vendors, and their employees spend part of their income at other local businesses. We show that the annual loss is significant even if the multiplier is 1, i.e., there is no indirect and induced economic activity from direct game-day spending.

4.2 Results

4.2.1 Sector-Level Results: The Visitor-Spending Channel

The synthetic control for traveler accommodation (NAICS 7211) reveals a *negative* gap by 2024, but as we show below, nearly half of the raw divergence predates the NIL era. The post-2020 shortfall of 228 jobs is the more appropriate estimate of the impact associated with the NIL-era decline.

Figures 5a–5b present the path and gap. The synthetic Dane County is constructed from Lancaster County, NE (57.1%), Johnson County, IA (29.1%), and Prince George's County, MD (13.0%). The pre-treatment fit is weaker than for aggregate outcomes, reflecting the volatility of a narrow sector. Nevertheless, the post-2021 divergence is clear: Dane County's hotel employment falls below its synthetic counterpart and does not recover.



(a) Actual vs. Synthetic

(b) Gap (Actual − Synthetic)

Figure 5: Sector-Level Synthetic Control: Traveler Accommodation (NAICS 7211, Treatment: 2021)

Table 3 decomposes the 2024 gap. A substantial portion of the divergence (213 jobs, or 48 percent) had already emerged by 2020, the COVID year, when traveler accommodation collapsed nationwide. The remaining 228 jobs accumulated over 2021–2024, the post-treatment period. This post-2020 divergence is the more appropriate estimate of the NIL-era impact: it nets out the pre-existing COVID shortfall and isolates the additional underperformance that emerged after the structural transformation of the talent market. At 228 jobs, the NIL-era hotel employment gap represents approximately 6.4 percent of Dane County's 2019 traveler accommodation workforce of 3,535.

Table 3: Decomposition of the Traveler Accommodation Employment Gap (NAICS 7211)

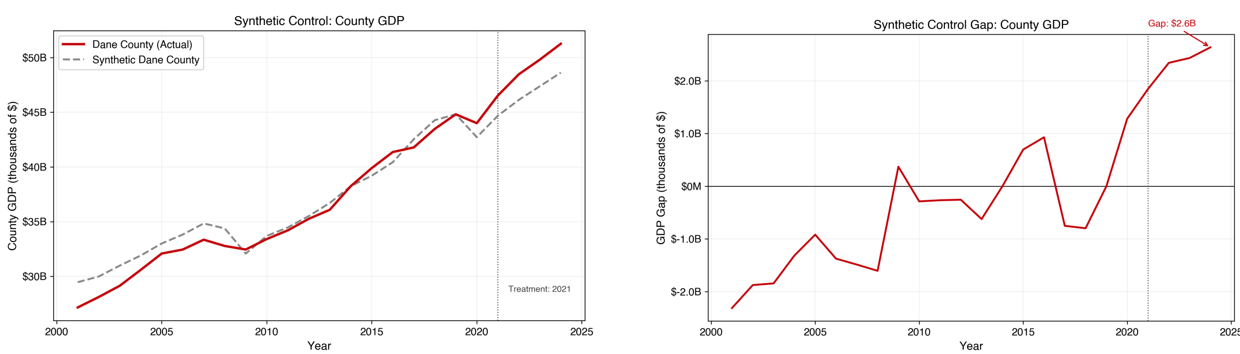
	Actual	**Synthetic**	**Gap**
2024	3,127	3,568	−441
2020	2,100	2,313	−213
Difference (2024 − 2020)	+1,027	+1,255	−228

Source: BLS QCEW, traveler accommodation (NAICS 7211). Synthetic values from SCM with treatment year 2021 and base year 2019. The 2020 row captures the gap that had already opened before the NIL-era treatment; the difference row isolates the post-2020 divergence.

4.2.2 Aggregate Synthetic Control Results

The sector-level finding raises a natural question: is the hotel-sector underperformance a symptom of a broader Dane County economic downturn, or is it specific to the visitor-spending channel? The aggregate results answer this decisively.

Figures 6a–6b present county GDP results. The synthetic Dane County is constructed from Tippecanoe County, IN (59.9%) and Franklin County, OH (40.1%). After 2021, Dane County's GDP *exceeds* its synthetic counterpart by approximately \$2.6 billion by 2024, reflecting broader economic dynamism driven by employers such as Exact Sciences and the university's research enterprise (Guo and Seshadri, 2026).

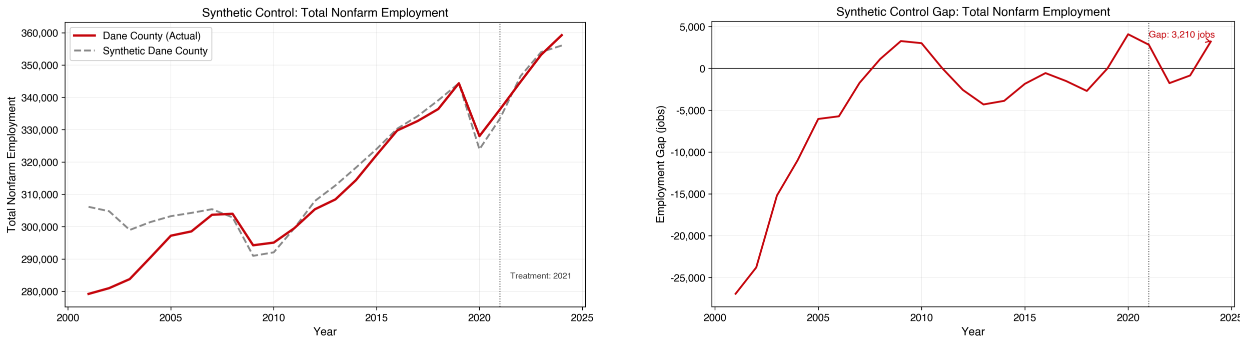


(a) Actual vs. Synthetic

(b) Gap (Actual − Synthetic)

Figure 6: Synthetic Control: County GDP (Treatment Year: 2021)

Figures 7a–7b present employment results. The synthetic Dane County draws from Tippecanoe County (37.0%), Franklin County (32.7%), Washtenaw County (24.3%), Lancaster County (3.9%), and Johnson County (2.2%), achieving good pre-treatment fit. By 2024, Dane County's employment exceeds the synthetic control by approximately 3,210 jobs.



(a) Actual vs. Synthetic

(b) Gap (Actual − Synthetic)

Figure 7: Synthetic Control: Total Nonfarm Employment (Treatment Year: 2021)

Table 4 summarizes the aggregate results. The positive gaps in both GDP and employment establish that the traveler accommodation shortfall is not an artefact of a broader economic decline: Dane County is outperforming its Big Ten peers on every aggregate measure. The visitor-spending channel captured by hotel employment is, so far, the leading edge of the economic damage from football's decline.

Table 4: Summary of Aggregate Synthetic Control Results (Treatment Year: 2021)

Outcome	**Actual (2024)**	**Synthetic (2024)**	**Gap**
County GDP	\$51.3B	\$48.7B	+\$2.6B
Total Employment	359,249	356,039	+3,210

Source: BEA Regional Economic Accounts (county GDP) and BLS QCEW (employment). GDP in thousands of current dollars. Treatment year 2021; pre-treatment 2005–2020; base year 2019.

4.2.3 Direct Multiplier Estimate: Game-Day Losses Since the NIL Era

As a consistency check, we estimate game-day losses using ticket-scan data (Figure 2), which implies a shortfall of approximately 10,187 fans per game in the NIL era. We use the GSA federal per diem rates for Madison, Wisconsin in FY 2025 (U.S. General Services Administration, 2024) as per-attendee spending benchmarks: \$80 per day (meals and incidentals) for day visitors, and \$190 per day (\$110 lodging plus \$80 meals and incidentals) for overnight visitors. With a multiplier of 1.59 from Moretti (2010), we have:

- **Day visitors:** \$80 per lost attendee (GSA meals and incidentals): $10{,}187 \times \$80 \times 7 \times 1.59 = \$9.1$ million per year.
- **Overnight visitors:** \$190 per lost attendee (GSA full per diem): $10{,}187 \times \$190 \times 7 \times 1.59 = \$21.5$ million per year.

Over five post-NIL seasons (2021–2025), cumulative game-day losses total approximately

\$46–\$108 million. With no multiplier (direct spending only, multiplier = 1), the estimates are \$5.7–\$13.5 million per year, or \$29–\$68 million cumulatively.

These realized game-day losses are consistent in direction with—but more narrowly focused than—the larger regional estimates in Guo and Seshadri (2025), which incorporated additional channels such as alumni giving, applications, and reputational effects.

4.2.4 Caveats

Several limitations should be noted. The synthetic control identifies *divergence*, not the causal effect of NIL alone; coaching changes and COVID recovery dynamics may contribute (Abadie, Diamond and Hainmueller, 2015). The donor pool varies substantially in scale, and the traveler accommodation results have weaker pre-treatment fit than the aggregate outcomes. The per-attendee spending estimates lack Wisconsin-specific survey data, and the peer-reviewed literature generally finds small or null economic effects of sports at the metropolitan level (Baade, Baumann and Matheson, 2008; Coates and Humphreys, 2002); game-day losses are partially offset by substitution to other local spending.

Moreover, both approaches likely understate the current trajectory. The synthetic control uses data through 2024; the hotel gap may widen once 2025 figures are released. The multiplier estimates use the five-year average attendance shortfall (10,187 fans per game), but in 2025 the shortfall was 17,467, implying annual losses of \$15.6–\$36.9 million—well above the five-year average.

Despite these limitations, the convergence of evidence—sector-level hotel divergence, positive aggregate gaps ruling out a broader downturn, and direct spending calculations—supports the conclusion that the NIL era has imposed a measurable economic cost on visitor-dependent sectors in Dane County, with the risk of broader propagation if the competitive gap persists.

5 The 2026 Wisconsin NIL Law

Assembly Bill 1034 passed the Wisconsin Assembly 95–1 on February 19, 2026, and the Senate 17–16 on March 17. Governor Tony Evers signed the bill into law on April 8, 2026, with a partial veto that removed references to “maintenance,” restricting the appropriation to facility debt service (Wisconsin State Legislature, 2026). As signed, the law appropriates \$14.6 million per year from the state general fund for UW-Madison athletic facilities debt service, with an additional \$200,000 each for UW-Milwaukee and UW-Green Bay. By shifting facility debt service to the state, the law frees an equivalent amount of athletic department revenue to spend toward the \$20.5 million per-school revenue-sharing cap, covering approximately 71 percent of that ceiling. The law also codifies NIL rights for UW System student athletes, restricts endorsements of tobacco, alcohol, and gambling, and creates a public records exemption for NIL agreements and revenue allocations. The narrow Senate margin (17–16, with 9 Democrats and 7 Republicans opposed) reflected bipartisan opposition on multiple grounds, including the use of general-fund dollars to subsidize athletic-department debt that has traditionally been covered through program revenue (Wisconsin Newspaper Association, 2026).

Table 5 compares Wisconsin's direct general-fund subsidy to other mechanisms: North Carolina channels an estimated $26 million annually from sports betting tax revenue; Louisiana's SPORT Fund allocates approximately $1.7 million per school from an increased betting tax; most Big Ten peers rely on private NIL collectives. Wisconsin's $14.6 million direct appropriation is, to our knowledge, the largest direct taxpayer subsidy for university athletics among Big Ten states.

Table 5: State-by-State Comparison of Public and Private College Athletics Funding

State	Amount	Mechanism	Details
Wisconsin	$14.6M/year	Direct general-fund subsidy	AB 1034 (April 2026); debt service for UW-Madison athletics
North Carolina	$26M/year (est.)	Sports betting tax revenue (18%)	13 public universities; each major school receives ~$2M+
Louisiana	$1.7M/school/year	Sports betting tax (21.5%)	SPORT Fund; restricted to scholarships, insurance, medical, education awards
Ohio	Private	NIL collective	Ohio State NIL collective spending est. $20M
Michigan	Private	NIL collective	Michigan NIL collective spending est. $18M
Pennsylvania	Private	NIL collective	Penn State NIL collective spending est. $16M
Oregon	Private	Major donor (Nike/Phil Knight)	Est. $25M+ in NIL and facilities via private donors
Texas	Private	NIL collective	Texas/Texas A&M NIL collectives est. $20–28M
Florida	Indirect	Sales tax retention on ticket sales	Universities retain sales tax for women's athletics; UF est. $1.5M+

Source: Wisconsin: AB 1034 (2026). North Carolina: NC Education Lottery Commission and sports betting revenue reports. Louisiana: HB 639 (2025). Private NIL collective estimates from On3 NIL Valuations, Sportico, and press reports. Florida: state statute requiring ticket-sales tax retention. All private amounts are estimates based on press reports and may vary year to year.

5.1 NIL vs. Stadium Investment

The law represents a shift from capital-intensive facility investments toward operating investments in talent. Table 6 contrasts the two approaches. Camp Randall's current capacity of 76,057 exceeds recent scanned attendance (49,063 in 2025, a record low) by over 26,000 seats, limiting the marginal return on further facility spending. NIL and revenue-sharing expenditures operate through a direct competitive channel: talent acquisition in a zero-sum market. Unlike stadium capital, which is fixed once built, difficult to repurpose, and subject to diminishing returns when peers invest similarly, operating investments in talent are annual, adjustable, and yield returns through the most direct channel available: on-field performance leading to wins, attendance, and revenue. The $14.6 million subsidy effectively converts a fixed facility cost into operating support for talent acquisition; whether this conversion delivers competitive recovery is the question taken up in the next subsection.

Table 6: NIL/Revenue Sharing vs. Stadium/Facilities Investment

Dimension	Stadium/Facilities Capital	NIL/Revenue-Sharing Operating
Time horizon	20–30 year asset life; fixed once built	Annual; adjustable season-to-season
Multiplier type	Construction (1.5–2.0$\times$); one-time	Talent retention/attraction; recurring
ROI channel	Game-day experience, capacity	On-field performance $\rightarrow$ wins $\rightarrow$ attendance $\rightarrow$ revenue
Competitive impact	Marginal (all peers also building)	Direct (talent acquisition in zero-sum market)
Wisconsin example	Camp Randall capacity 76,057 (2024)	$14.6M subsidy frees funds for $20.5M revenue-sharing cap
Risk	Stranded asset if demand falls	Adjustable; lower downside
Peer-reviewed support	Coates & Humphreys (2002); Baade & Matheson (2008)	House v. NCAA settlement (2025); revenue-sharing framework

Source: Construction multiplier from Siegfried and Zimbalist (2000) and Siegfried and Zimbalist (2002). Revenue-sharing cap from House v. NCAA settlement (June 2025). Camp Randall capacity from UW Athletics; reduced from 80,321 to 75,822 after 2022 south end zone renovation; current capacity 76,057 (2024).

5.2 Cost-Effectiveness and Tradeoffs

If the subsidy frees athletic-department resources, those resources are spent effectively on talent, the talent translates into wins, and the wins restore scanned attendance to the pre-NIL average of approximately 66,530 per game, then the recovery of approximately 10,187 fans per game would generate $9.1–$21.5 million in annual game-day economic activity. The upper-bound implied benefit-cost ratio is $21.5 million/$14.6 million $= 1.47$, modestly below the 1.52 baseline that Bartik (2019) estimates for typical state and local economic development incentives—a benchmark Bartik himself uses to argue that most such programs deliver only marginal net returns.

Three broader considerations weigh against the case for the appropriation.

Opportunity cost. The $14.6 million annual appropriation comes from the state general fund and competes with other uses, for example, infrastructure and tax relief. Standard public-finance practice values a dollar of general-fund spending at its next-best alternative, not at zero. Whether subsidizing athletic facility debt yields a higher social return than these alternatives is an empirical question beyond the scope of this paper.

Private alternatives. Most Big Ten peers compete in the new talent market through private NIL collectives funded by alumni and donors (Table 5). Ohio State, Michigan, and Penn State each distribute tens of millions of dollars annually through private collectives without state appropriation. The most striking example is Indiana, a program that had never won a national championship and historically ranks among the worst FBS programs by all-time winning percentage. In January 2026, Indiana defeated Miami 27–21 to complete a 16–0 perfect season and claim its first national title. The roster cost an estimated $21 million, funded substantially by private donor Mark Cuban (Yahoo Sports, 2026; CBS Sports, 2026*b*), despite ranking just 72nd in 247Sports' Team Talent Composite. NIL was necessary but not sufficient: head coach Curt Cignetti's culture-building, player development, and aggressive transfer-portal use were equally important (CBS Sports, 2026*a*). Indiana has no state general-fund subsidy for athletics comparable to AB 1034, though the university itself transferred approximately $25 million in internal funds to its athletic department in 2025, after $34 million in 2024 to close a deficit (Indiana Public Media, 2026). Wisconsin's slower private response is itself a market signal, and a public subsidy may crowd out the private giving that would otherwise emerge: donors who would have funded a competitive collective may now reasonably conclude that the state has assumed the obligation.

Scope of the public role. The reforms that produced the NIL era—*Alston*, the transfer rule, and *House*—were market-liberalizing changes that ended NCAA restrictions on athlete compensation. The resulting competitive landscape rewards programs that adapt quickly through private channels. A direct general-fund subsidy to a single athletic department represents a different model: one in which the state assumes a cost that other states leave to private actors or to dedicated revenue streams (sports betting taxes, auxiliary funds).

6 Conclusion

This paper documents that the market reforms of the NIL era ended Wisconsin's longstanding ability to "do more with less." The Badgers' performance premium over their spending level—roughly 3.2 wins above the Big Ten regression line in 2017–2019—shrank to 1.1 wins by 2021–2023 and is likely negative in the most recent seasons. As compensation restrictions on athletes were lifted, the rents that previously accrued to well-managed but moderately funded programs flowed to the labor market itself. The decline is beginning to impose a measurable economic cost on Dane County, concentrated in visitor-dependent sectors: after netting out a pre-existing COVID-era shortfall, the NIL-era hotel employment gap is 228 jobs (6.4 percent of the sector's 2019 workforce), while aggregate GDP and employment outperform the counterfactual. This shows that the hotel-job losses are not part of a broader economic downturn in Madison; they are more likely due to fewer football visitors.

AB 1034 is one response among several. By appropriating $14.6 million per year from the state general fund to cover UW-Madison's athletic facilities debt service, it indirectly frees athletic-department resources to spend toward the $20.5 million revenue-sharing cap. Whether this is the right response is a separate question from whether some response is warranted. The case for the appropriation rests on optimistic assumptions about its effectiveness and on the implicit judgment that general-fund dollars are better spent on athletics than on their next-best alternative use. The case against rests on the opportunity cost of those dollars, the availability of private channels (donor collectives) that most Big Ten peers rely on, and the broader question of whether subsidizing a commercial entertainment enterprise is an appropriate use of state resources. The effectiveness of AB 1034 should be evaluated in the years ahead against the trajectory of on-field performance, attendance, and hotel occupancy in Dane County—and against the returns that the same dollars might have produced elsewhere.

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