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Numbers Never Lie, And Baseball Is The True Class Of Professional Sports

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**NUMBERS NEVER LIE, AND BASEBALL IS THE TRUE
CLASS OF PROFESSIONAL SPORTS**

Honors Thesis

**Presented in Partial Fulfillment of the Requirements
For the Degree of Bachelor of Business Administration**

In the Bertolon School of Business
at Salem State University

By

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Abstract:

This thesis focuses on the contracts given out in baseball and football, by ownership, to their respective players. It delves into the specifics and loopholes of said contracts. The MLB Players Association (players that fight for their rights) has never been better whereas the NFLPA has never been worse. Issues ranging from the length of playing career in each sport, the guarantees in contracts, and how the players are treated physically and socially is examined. It is clear that NFL implementing the MLB's contract structure would be most beneficial to their respective players. All contracts in such a violent sport should be fully guaranteed in regards to injuries. Furthermore, the NFL needs to mirror the MLB's ethical practices in order to be a fair and just league.

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Introduction:

Revenue wise, sports have never been better. The three major sports in America, football, baseball and basketball, all bring over \$5 billion per year respectively; football leads the group at \$14 billion (PFT), baseball comes in at a respectable \$9.5 billion (Statista) and lastly, basketball registers \$7.4 billion (Forbes) annually. Numbers never lie, and these numbers clearly show that sports bring in absurd amounts of revenue due to TV deals, merchandise sales and ad placement. However, another thing that can be quantified is ratings. And while baseball has been around for over one hundred years, its ratings are steadily declining (SI). More so than the NFL with its political and racial controversies, and basketball, which is quickly becoming the new generations favorite sport. So, how is baseball still doing everything right in my eyes? Well, looking through the accounting lens, they treat their players significantly better monetarily and ethically, and it's not really close, especially when compared to football.

Baseball is considered a dying sport due to its pace of play and truthfully the target demographic. Ratings, especially in the Boston market, have been steadily decreasing over the past 5 years (Forbes). To be blunt, kids these days cannot sit still for over 3 hours to watch a game that most times doesn't have much action. Basketball is more popular because games are finished in under 2 and half hours, and the sport is brimming with marketable superstars. Football games last for over three hours, but the violence and constant action is what keeps the fans involved.

Compensation

Baseball may be considered a dying sport, but they consistently give out fair and just contracts to their players, whereas in most cases, the NFL does not. When comparing top player's salaries in their respective sports, the reader may think that the compensation looks roughly the same.

The highest paid baseball player, Mike Trout, made 35.8 million in 2018 (Spotrac). Compare that to the highest paid football player, Aaron Rodgers, who makes 33.5 million (Spotrac) this year and it looks close. However, there needs to be context. The first major difference between the NFL and MLB is that in baseball, all contracts are guaranteed, whereas in football they are not. When a baseball player signs the dotted line, that contract is fully guaranteed for the remainder of its life. There are no ways to cut bait unless you trade him, or release him. If you trade the player, the team receiving him will take on said contract. And if you release him, you as a team are essentially paying him to not be in the locker room. The NFL is not like this, however.

Aaron Rodgers shattered the NFL's largest guaranteed contract just before the season began in late August, by signing a 4 year, 134 million dollar deal (Business Insider). Is he really making 134 million though? The answer is no, because only 100 million is guaranteed upon signing. Since Aaron Rodgers is one of the best players of all time, chances are high he will see all 134 million, but this is why football is different than baseball. The reason why guarantees are so important in professional sports is because when you look at the average life span / career that players have in each sport, football players need to get as much guaranteed as possible.

Life After Sports:

The average career of an NFL player, or how long he plays for, is just over three years (Chicago Tribune). In most cases, professional athletes in both sports rarely finish their college education because the longer they stay in school, the higher risk of getting injury and hurting their draft stock. Additionally, if you have an amazing year and decide to stay in school, your draft stock can go down if you perform poorly the next year. Essentially, NFL players are leaving an education behind to pursue their personal dreams of playing in the NFL, but most of the time they don't make it.

As a result, after those three years in the league the players have no education to fall back on and fall into hard times financially. According to an oft-cited *Sports Illustrated* report, eight out of every ten professional football players end up broke or under financial stress two years after they retire (Business Insider). While the average MLB player is four times more likely to go bankrupt than a normal citizen, they are much less likely than a football player. Scott Bercu, a financial accountant for professional athletes said this, "They see their salaries as infinite, like it doesn't end, like they can spend it all, but if you get 5 million a year, by the time you get done paying your agent and taxes, you have 2 million left to spend," (Wyatt Investments).

The average salary of a professional baseball player, per USA Today, is a little over \$4 million while a football player's is \$2.1 million. (Time). Furthermore, the average career of a professional baseball player is 5.6 years. (Science Daily). So, in short, professional baseball players not only average a higher salary, but also a longer career. In the United States, 10 out of every 1,000 citizens file for bankruptcy which is a .1% clip. (BCS). If you extrapolate this data, the statistics are absurd. As stated earlier, the average

MLB player is four times more likely to go bankrupt than a normal citizen. Therefore, these numbers show that a professional baseball player goes bankrupt only 4% of the time, on average. Comparatively speaking, a professional football player faces bankruptcy, or under financial stress 80% of the time. That is a 76% difference between the two major sports! While both sports have pensions, baseball's pension is much easier to receive. In order to receive a pension in the MLB, players must only play 43 days and will receive at least \$34,000 annually, but can get as high as over \$100,000 if they play for ten years. NFL players receive pensions after three-year service time, which as a result isn't very helpful considering the average career for football players is just over three years. Additionally, in MLB there is universal healthcare, whereas in football there is not.

Injuries:

The injury rates in both sports are surprisingly closer than one would think, however, the impact of said injuries are much worse in football than in baseball. According to the NFL, players get injured 6.3% of the time on Sunday's and are slightly more likely to get hurt on Thursday's at 6.9%. (NFL Safety). The reason why players are more likely to get hurt on Thursday's is because players have less time to recover and are playing on a short week of practice and less rest. Concussion diagnoses increased by 41 from 2016 to 2017 and there was a total of 291, however, chances are there were many concussions that weren't diagnosed. ACL and MCL tears were essentially occurring at the same rate, though.

NFL Injury Stats: (The following graphs are courtesy of the NFL Safety website)

Incidence of Concussion – 2012-2017

Year	Preseason			Regular Season + Postseason			Full Season		
	Practice	Game	Total	Practice	Game	Total	Practice	Game	Total
2012	42	43	85	3	177	180	45	220	265
2013	39	38	77	4	163	167	43	201	244
2014	42	41	83	8	121	129	50	162	212
2015	29	54	83	9	187	196	38	241	279
2016	26	45	71	7	172	179	33	217	250
2017	45	46	91	11	189	200	56	235	291

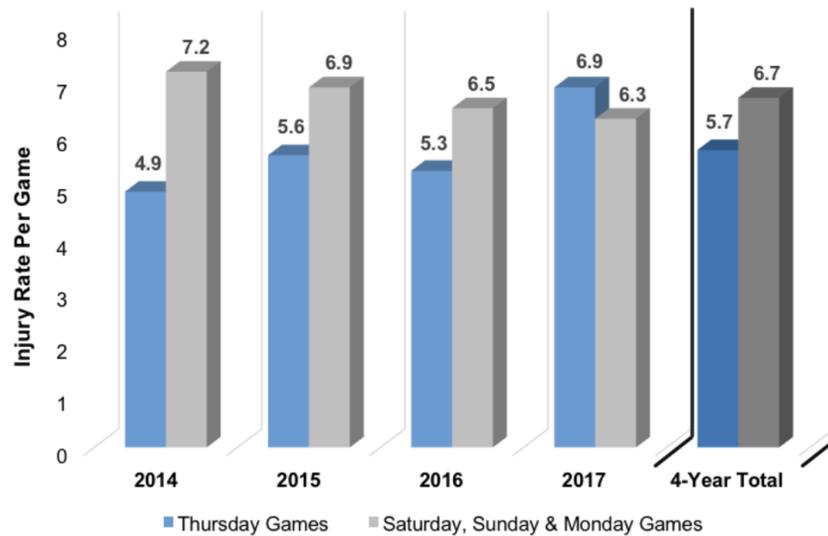
Incidence of ACL Tears – 2012-2017

Year	Preseason			Regular Season + Postseason			Full Season		
	Practice	Game	Total	Practice	Game	Total	Practice	Game	Total
2012	13	16	29	5	30	35	18	46	64
2013	15	10	25	3	35	38	18	45	63
2014	12	10	22	0	29	29	12	39	51
2015	13	16	29	5	25	30	18	41	59
2016	9	11	20	7	30	37	16	41	57
2017	15	16	31	3	23	26	18	39	57

Incidence of MCL Tears – 2012-2017

Year	Preseason			Regular Season + Postseason			Full Season		
	Practice	Game	Total	Practice	Game	Total	Practice	Game	Total
2012	19	26	45	9	79	88	28	105	133
2013	20	25	45	4	90	94	24	115	139
2014	16	23	39	4	102	106	20	125	145
2015	12	41	53	7	114	121	19	155	174
2016	16	21	37	3	104	107	19	125	144
2017	17	21	38	10	103	113	27	124	151

Injury Rate by Day of Game – 2014-2017



Injuries in football mainly consist of ligament tears and concussions, while injuries in baseball are mainly arm injuries. Pitchers in baseball rely on their arm strength

to throw as hard as possible and have as much movement. As a result, many pitchers get Tommy John surgery which is a UCL reconstruction surgery. A college study concluded that there are roughly 6 injuries per every 1,000 players which equates to 3%. This study also found that 58% of these injuries account for upper extremities. (NCBI). An injury is never good for a player, but in this instance, the injuries are much worse in football than in football. The settlements and long-term effects only prove this point.

CTE:

Studies show that 2017 was the year in which the most concussions were diagnosed, but the reasoning behind this is because CTE has only become more prevalent in the past decade. CTE or chronic traumatic encephalopathy is a disease found mainly in veterans and athletes. The protein, Tau, forms clumps around the brain that slowly spread and kills brain cells. A CTE diagnosis can only be diagnosed post-mortem, but there have been a few major instances in which the NFL made the news. The NFL has been getting a lot of backlash for player safety and the league has been put under a magnifying glass since, "Concussion" was released in 2015. Will Smith stars in the film as a neurosurgeon that performs an autopsy on a former NFL player and notices that a neurological disorder similar to Alzheimer's, CTE.

CTE Cases:

Junior Seau, one of the greatest linebackers in both collegiate and professional football history, committed suicide in 2012 by shooting himself in the chest. He was known for his big hits and passionate play, and especially being a jovial and happy guy in

the locker room. Unfortunately, post football life, his family members admitted to him “not being himself”. He was irritable at times and wanted to be alone. They believed this was a way of him showing how much he missed being on the field. Ultimately, it was not and instead was symptoms of CTE. Some symptoms include impulsivity, forgetfulness, depression and suicidal thoughts. According to Seau’s wife, Gina, Seau showed these symptoms post-football life, and especially the night before his death. He sent his wife and children a text message simply saying “I love you”, which would be his last words.

Another unforgettable case of CTE is with Jovan Belcher, a former NFL linebacker. Belcher committed a murder-suicide of himself and his girlfriend, leaving his three-month old daughter alone. Belcher was reportedly arguing with his girlfriend on a November night upon returning home from a Trey Songz concert. The fighting continued into the morning and he shot his girlfriend with a handgun, in front of his mother. He then drove to the stadium and shot himself in front of his boss, admitting to murdering his girlfriend. In September on 2014, ESPN released a report that he suffered from a severe case of CTE.

Settlements:

Only a month ago, Seau’s family reached a settlement with the NFL but the amount was undisclosed. It took a while for this settlement to be reached however, “In 2013, the NFL agreed to a \$675 million settlement that was later changed to include unlimited damages. The Seau family, though, was one of the 200 families to opt out of the deal,” (NY Times). The public has plenty of room to interpret, but regardless, the settlement number was large. In fact, as of June 2018, there have been half one billion in

concussion settlements, “Claims administrators in the settlement released an updated report on the concussion settlement information website saying \$502,465,098 had been approved in less than two years of the settlement,” (CBS News). The NFL estimated paying a little more than \$400 million in settlement fees in the first decade, and that number has already been passed. Attorneys for the retired players estimated the total payout will be close to \$1.4 billion.

While the NFL has dealt with settlements, no cases have reached trial, yet. However, the first legal battle of CTE reached trial back in April of this year. There is room for interpretation if the NFL has been giving out hush money the past several years to former players. Many players have admitted to being addicted to painkillers and suffering brain trauma but it has only really garnered national attention within the past decade. The real question is, how do the respective unions and players associations treat their players?

MLB Players Association:

It is clear that baseball players are compensated much better than football players, and there haven't been any notable lawsuits. The general public can agree that baseball is rather slow and can be boring at times. They don't truly market their stars to the best of their abilities, especially compared to basketball and football. However, the player's associations always have their players backs and the issues they face are much smaller than those of the NFL's.

The simple issues baseball faces include pace of play, a time clock, and overall the marketability to younger generations. The average baseball game clocked in at 3

hours and 4 minutes (Baseball Reference). The issue is that there isn't a true timetable like in football. In football there are four, 15-minute quarters, and then overtime occurs. Baseball has no time limit and that's an issue to the viewers. Pitchers take up to 45 seconds to throw the ball, and to counter this long pause, batters also call time. It really is a never-ending cycle of slow pace. The commissioner of baseball has tried to adhere to the complaints of consumers but the MLBPA has not backed down.

In simple terms, if one doesn't like baseball and thinks it's boring, 15 minutes shaved off isn't really going to make that big of a difference. Rushing both the pitcher and batters hurts both parties. In fact, rushing a pitcher in theory could only make the game even longer. More balls will be thrown and more walks will occur. No one is questioning if they'd rather see a ball thrown to someone with a bat, or essentially a car-crash collision between two individuals. One has much more excitement, and you can't look away. However, the NFLPA faces much larger issues.

NFL Players Association:

The NFLPA faces many more obstacles than the MLBPA because the owners in football are much greedier. Not only are they greedier, but they are much less progressive than owners in baseball. To my knowledge, there haven't been any openly gay baseball players, but the one instance it occurred in football, the player has not been employed since. To put it in simple terms, the SEC (Southeastern Conference) in NCAA football is the best conference and their MVP was openly gay. Michael Sam, was drafted in the last round of the NFL draft and was cut after just one year in the league. Another instance of

the lack of progressiveness is the National Anthem protests. NFL owners have reportedly mandated players to stand for the anthem and if they don't repercussions will occur.

Bob McNair, Houston Texans former owner (he recently passed away) had a quote about the protests that was leaked to the media, "We can't have the inmates running the asylum," (SB Nation). McNair was an open Trump supporter and his comments did not go well with his players. In fact, his star players refused to practice the next day until he apologized. Ultimately, he did, but he didn't really mean it. He spoke on his apology this year, "I really didn't have anything to apologize for. In business it's a common expression. But the general public doesn't understand it, perhaps," (SB Nation). McNair recently passed away and wasn't available for comment. Colin Kaepernick and Eric Reid are the two most notable players being blackballed by the NFL due to their national anthem protests.

Kaepernick was the pioneer of the national anthem protesting and as a result he hasn't been on an NFL roster since. In fact, he hasn't had an NFL tryout. There are rumors that the reasoning is because he believes he is of starting caliber. In reality, the team's most likely don't want the public relations mess for a backup quarterback. Eric Reid is an entirely different story, however. One could argue that Kaepernick isn't that good of a player whereas Reid is one of the best at his position. Reid was a first-round pick, has made a Pro-Bowl and All-Rookie Team since being in the NFL. However, Reid remained unsigned this offseason until September.

Many players that he was superior to were getting tryouts and signed and it left the public wondering how a player of his caliber was not signed. The answer is because of his role in the protesting. He was ultimately signed in September of this year but he

has been “randomly” drug tested numerous times, “Eric Reid was randomly selected by the NFL to take a drug test today. He told me it is his 6th drug test since signing with the Panthers,” (The Observer). Reid went on to say “This is supposed to be a random system. It doesn’t feel very random,” (Reid). The NFLPA has tried to back its players, but it has not been as effective as the MLBPA.

Conclusion:

In summation, regardless of public perception, it is clear that baseball treats its players better both financially and ethically when compared to football. If guaranteed contracts were given to football players, there could be an argument that the comparison may be close. However, when considering the safety issues, and ethical dilemmas the players face, it really isn’t close. It isn’t surprising that people consider baseball to be boring when compared to football; in fact, it makes sense because of the pace of play. However, the facts are baseball is the superior sport and hopefully the public will soon realize this.

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