Athletic Salaries: Financiall Essay, Research Paper

Athletic Salaries: Financially Outrageous or Economic Necessity

In Major League Baseball this year, the average player s salary was $1.9 million. (CNNSI.com) The average salary of a NBA (National Basketball Association) player was $2.6 million. (Staudohar 3) This is a serious problem considering that the average salary of an average American worker is around $700 a week, or $36,400 per year. The real question on everyone s mind is, what makes them so much more valuable than everyone else? To find the answers to this question and many more we must not only look at the type of work that is being done, but we must examine the lifestyle as well as the economic value of these althetic jobs.

Some people may say that these high salaries ensures the highest quality of gaming available. They say that by paying the players these large sums of money, we can have the greatest athletes in the world to watch and to represent our cities. According to CNNSI.com, this is very far from the truth. In the 2000-2001 NFL Season, the New York Giants won their division and went on to the Super Bowl. Their team salary was $57.3 million which was the 3rd lowest in the NFL. The Washington Redskins, who had the highest team salary in the league with $92.4 million, didn t even make the playoffs at the end of the season.

According to Dan Moorhead, head of organizational learning for Briish Telecom, the team s performance has a lot to do with the similarities of salaries between teammates. (Eidson 37) Players can be jealous if a teammates makes millions more than them, especially if they feel as if they are as good as, or better than the other player. This can cause conflicts between the players and can t interrupt the teamwork that is used by the team.

Peter Graham has a different view on why these high salaries are so important. Sports teams inject so much money back into the economies of the cities that they inhibit, that they are more than necessary for major cities. These teams (NFL) put out an average of $20 million to pay wages for their employees and to provide us with some of the greatest entertainment available today. (Graham 146) This money includes broadcasting as well as many donations to charities. But many of us are still wondering, is all of this worth the massive amounts of money that is paid to athletes each year?

In the NBA in 1998, the players had secured 57% of the $1.7 billion in revenues made that year. (Staudohar 4) The teams were actually losing money and this was a serious problem. This brought the entire league to a halt with a 202-day lockout. This disagreement between the players and the owners ended up costing owners and players millions of dollars. But in the end, there was good. The NBA now has many regulations in relation to salaries. Veteran players now earn more money and younger players are not eligible to earn quite as much money. Does it take a lockout of play and a stoppage of the regular season to settle this monetary problem though? This helps to keep the overall team salaries down and keep the owners out of debt, but it still doesn t stop certain players from earning massive amounts of money.

In Major League Baseball, Alex Rodriguez just signed a ten-year contract that totals $252 million. (CNNSI.com #2) This means that he will be making $25 million per year. He is now considered the greatest baseball player in the league, but is he worth paying out over a fourth of the teams payroll? The owner of the Texas Rangers seems to think so. He graciously upped his original offer of $250 million to $252 when asked to do so by Rodriguez. (CNNSI.com #1) His reason for doing this is to put fans in the seats. Not only did the Texas Rangers acquire an all star shortstop, but they also inherited a gold mine of possibilities. It is projected that Rangers merchandise sales will nearly quadruple with the addition of Rodriguez and the club has already begun selling out games for next years season. This is one of the greatest things that has ever happened to the city of Texas.

These guys are getting paid more than any other person to go out every night and play a game. This is not the case for athletes. One reasonable explination for these high salaries can be attributed to the strange lifestyle led by athletes. Most of them spend more time on the road than at home and many of them are married with children. Football players can miss holidays such as Thanksgiving and Christmas if there happens to be a game on that day. This can seriously effect a family if they are constantly without a family member. There are also many, many hours of training and practice involved in being a proffesional athlete. They must endure hours of physical training on top of hours of mental training. The average athlete studies nearly four times as much as the average college student. This means that free time can be limited, with the exception of the off season. Package all of this up with the severe injuries that can take place and the athletes jobs don t sound quite so easy.

Many of the huge salaries that are seen in today s sporting world are based on trends set by other athletes. Many athletes strive to be the highest paid because with that status can go the status of the greatest athlete in the game. Kurt Warner, quarterback for the St. Louis Rams is in a bad situation as far as money goes. He led the Rams to their first ever Super Bowl victory and he wasn t even the starting quarterback in the beginning of the season. Last season, he was playing for the league minimum of $254,000 and he became the biggest quarterback in the league in that one year. Now Warner is stuck in a contract in which he will only make a feeble $400,000 per year until he is eligible to take offers from other teams. Warner wanted to be paid like the top-notch quarterback that he is, but league rules state that he must follow his contract, which will keep one of the greatest players in the game in the lowest pay bracket. (King 57)

One of the main reasons that people are in such a stir about the salaries paid to players is because of the sudden burst of money that is flowing throughout the sporting industry. Ten years ago in 1991, the average salary for a Major League Baseball player was $500,000. Now that number has skyrocketed to almost $2 million. (CNNSI.com #1) This worries many people. When will this insanity stop. It seems that owners will stop at nothing to assemble the most unstoppable team that the world has ever seen. It is for this reason that we have seen salary caps placed on franchises. This salary cap is a certain total team amount that their payroll cannot exceed. This is a great idea except for the fact that in this past season in the NFL, 20 of the 31 teams were over the salary cap, some by almost double. This means that this madness may never be stopped and the rise of player salaries can only get higher as owners are willing to shell out the big bucks. (CNNSI.com #3)

When you see Michael Jordan sink two shots in the last seconds of a championship game–and then cry after the victory–you recognize that he’s a human being of deep admirable qualities. And you recognize that not because you know what he eats for breakfast or what movies he likes or what he does with his children. (Bradley 66)

This may be the very reason that athletes earn each and every dollar that they make. Without pro athletes, there would be no desire for others to become the best that they can be in a sport. The athletes now become role models for anyone who ever believed that they had a chance to make it. This might be the push that is needed for the next big star of professional hockey or football. Everyone needs to look up to someone, and who better than someone who is physically fit and just about as perfect as a person can be. These are the kind of people that parents want their children to idolize and for this reason, if no other, these athletes deserve the money that they make. This is the athletes way of saying thank you to the fans or giving back to what has given them the great life that they live. (Bradley 67)

These high salaries have also been seen to cause bad influences on fans as well, mostly speaking of the younger talent in high school. In the past 5 years, the NBA has seen many great players come straight from high school to the pros. For spectacular players, lucrative shoe contracts and outrageous salaries have been convincing more students to try this shift. (Sport 23) This means that many young athletes may be swayed away from going to college to take up the pursuit of the big bucks. For many players this has been a great success. Tracy McGrady was the 9th overall draft pick in the 1996 draft straight out of high school. This meant instant stardom and millions of dollars for this young star. But for many, this trip can be a long and agonizing one. In 1995 Taj McDavid made himself eligible for the NBA draft without pursuing college opportunities. He is still trying to pick up the pieces of his life going undrafted and now seemingly having no shot at the pros. If this keeps up, we may see the demise of college sports with rising athletes making the jump stright to the top. Scouts for NBA teams as well as corporate powers such as Nike have started looking into students in the 9th grade in hope of finding the next big superstar. (Sport 24)

Another big issue in the area of the economy is the massive amounts of tax money and other public monies that are fed into the pockets of athletic club owners. In 1976 the NFL entered a television contract with major networks that brought in $656 million dollars to the teams of the NFL. That number has jumped to over $3.5 billion and is constantly rising. (Bryjak 68) This money has to have come from somewhere. These costs are invariably passed on to consumers from sponsors. Group that up with the fact that most of the money used to build and maintain new stadiums come directly from taxpayers money and you can see why this is a big problem. People who could care less about football are, in a way, supporting the game just by buying products and by paying for television service.

When considering the amount of money that is used to support these professional teams, we must also realize the true amount that is being made by players and owners. Michael Jordan earned close to $80 million in 1997 alone. This is 2,202 times the amount of the average American worker which is about $36,000 per year. (Bryjak 67) Owners have also been known to pay themselves quite graciously with salaries that are around $8 million a year. This means that no matter how the team does, there will always be some type of incentive for all of the players to stick around. This could spell out to be worse for the caliber of play in the future with players only looking out for the money.

Sports entertainment mastermind Vince McMahon has one solution to this problem. In February of 2001, he began his own professional football league known as XFL. In this league, the ticket prices are cheaper and the players are paid based on performance. Each player makes the same amount of money and then bonuses are given to the winners and you get bigger bonuses for playoff victories and so on. This means that the players are not only playing for entertainment, they are playing to put a little more money in their pocket. This means higher quality of game play at a cheaper price. I think Mr. McMahon has the right idea about how sports were intended. It will be interesting to see how well the XFL can be and what kind of a performance the players can put on when it is their paycheck on the line.

It is no secret that the money that revolves around the sporting industry has gotten way out of hand, but the question is, who can stop it? These massive salaries need to be contained if the fans want to maintain the purity of the game. No matter what the sport, there is no need for ridiculous salaries which in turn become ridiculous expenses for the fans. When the salaries begin to hurt the fans with high ticket and merchandise prices, it is obvious that something is wrong.