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ILR Cornell Sports Business Society

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Sports, Inc. Volume 8, Issue 2

Description
The ILR Cornell Sports Business Society magazine is a semester publication titled Sports, Inc. This publication serves as a space for our membership to publish and feature in-depth research and well-thought out ideas to advance the world of sport. The magazine can be found in the Office of Student Services and is distributed to alumni who come visit us on campus. Issues are reproduced here with permission of the ILR Cornell Sports Business Society.

Keywords
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Disciplines

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Caught Looking: The Struggle for Unionization in Minor League Baseball
ILR Sports Business Society
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The Lap of Luxury: Major League Baseball and the Competitive Balance Tax

The year 1994 saw America's pastime fade into the shadows as one of the longest strikes in American professional sports history commenced. The dispute erupted because of an attempt by MLB owners to curtail player salaries (via a salary cap) in order to ensure that the league did not continue to have a growing disparity between the “rich” and “poor” teams’ abilities to sign free agents. After a brutally divisive strike and Federal intervention, a compromise was reached. The 1996 Collective Bargaining Agreement (CBA) contained the first attempt at a “luxury tax”, which would penalize the teams boasting the top five highest payrolls in baseball. This form of the luxury tax lasted from 1997-1999, and the years 2000-2002 saw no penalties associated with payroll. In 2002; however, the two negotiating sides decided to rework the concept and the Competitive Balance Tax came into being in 2003. This new tax stipulated that should a team’s payroll surpass a predetermined amount (which would be readjusted every year), the team would have to pay the league a percentage of the amount that the team had overspent. For its first time surpassing the threshold, a team would pay 17.5%, its second offense would cost 30%, with 40% for its third overage, and 50% for any more subsequent offenses. Would this system allow for a level playing field for teams and curtail the dominance of the free-spending, “big market” teams or would teams like the Yankees and Red Sox be able to “buy” their championships? In short, how effective has this measure been in relation to a hard salary cap like that utilized in the NFL, which the MLB owners originally wanted?

From data provided by USA Today (from 1996-2000) and Baseball Prospectus (from 2000-2015), there has been only one year since 1996 that saw both teams competing in the World Series with a below-average payroll: the 2015 World Series between the Royals and the Mets. In the past 20 World Series, 13 matchups featured two teams who were above the league average payroll. Furthermore, 16 of the past 20 World Series winners have had the higher payroll, including the victor from every year since 2007. Since 1996, only 10 teams in total have claimed the World Series trophy, which points to a pattern that successful teams are likely to be successful again. While only two teams, the Yankees and Red Sox, have won the World Series while having to pay the luxury tax in the same season, they account for 25% of World Series-winning teams since 1996. In total, six teams have had to pay the MLB the luxury tax, with those teams being the Yankees (from 2003-present), the Angels (2004), Red Sox (2004-2007, 2010-2011, 2015), Dodgers, (2013-2015), Tigers (2008) and Giants (2015), totaling over $400 million in payments, 75% of which has been paid by the Yankees and 20% of which has come out of the pockets of the Dodgers’ owners.

The primary goal of the luxury tax is to curtail spending so that “poor” teams can compete for and win the World Series, and there are some instances of proverbial “Davids” facing off against the “Goliath” of payroll disparity. The Miami Marlins stunned the baseball world when they toppled the New York Yankees in the 2003 World Series while having the mea...
ger payroll of $47,850,000 (compared to the league average of just over $70,700,000 and the Yankees massive payroll of $153,774,814). In 2007, the upstart Colorado Rockies faced off against the Boston Red Sox despite facing a payroll gap of $90,000,000, but they fell short. The Tampa Bay Rays reached the 2008 World Series with a payroll of 47,124,500, almost half that of the average MLB team and well below the Series-winning Philadelphia Phillies’ payroll of $100,535,047. Finally, the 2010 Texas Rangers appeared in the Fall Classic with a payroll of $58,490,000, and they eventually fell to the San Francisco Giants and their rather modest payroll of $58,490,000. As history has shown, it is indeed possible for “poor” teams to reach the World Series, but they have faced an uphill battle in terms of actually winning their contests. While this particular sample size is small, the trend can be seen throughout the past 20 years.

Representing an alternative solution to the issue that the MLB owners wished to resolve is the NFL Salary Cap, which, rather coincidentally, went into effect in 1994. The NFL Salary Cap differs from the luxury tax significantly but aims to achieve a similar goal in that it wishes to impose some sense of parity among teams. While not every football team is definitively constrained by the salary cap (that is, some teams have room to spend more money and choose not to), it would seem to be a more effective tool for combating “stratification”, as all teams can only pay out a certain amount to players. This contrasts starkly with the MLB’s Competitive Balance Tax, which, as it was shown, only penalizes teams with large payrolls while still allowing any disparity to continue. With history acting as a guide, it is highly unlikely that the MLB will ever change its policy in regards to the luxury tax, given the uproar that came from their last attempt to curtail player earnings, so even if the Competitive Balance Tax proved ineffective, it would be highly unlikely that the MLB would even consider changing over to a hard salary cap.

When it comes to actual results, the MLB has had 63.33% of its current league compete in the World Series over the past twenty contests, while the NFL has had 59.38% of its current league in the Super Bowl in the same time frame. In regards to Super Bowl winners, the NFL boasts a percentage of 34.38% of its teams hoisting a trophy from the 1996 season’s Super Bowl on, while the MLB is slightly behind that figure with 33.33%. These numbers show, in part, that no significant difference exists between the results that the Competitive Balance Tax and the salary cap have yielded. This brings us to two possible solutions: either the MLB is more evenly distributed than was originally thought, or that the NFL simply experiences the same difficulty with ensuring that “any and all teams could win”. Given the clear advantage that teams with larger payrolls have enjoyed in reaching the postseason and winning the World Series, the second conclusion seems plausible. Arguably, the evidence points to the MLB’s Luxury Tax as more effective in creating some level of parity in the sense that more of its current league, proportionally speaking, has actually reached the championship game compared to the NFL. While it is important to remember that the MLB has had a higher percentage of its teams win the championship game, the percentage is not nearly as large as that between the percentages of participants. While the results are not conclusive, it would be very irresponsible to assume that these systems are the sole cause of these results, and to be sure, much more comprehensive analysis could be done on this subject. Specifically, one could look at possible stratification in the NFL in the salary cap era or the effects of the different playoff systems in the crowning of winners, or other such factors. The observations made here only scratch the surface of the complexities that dominate the respective games and their monetary systems, but perhaps this will serve as an indicator that the levels of parity among and between the two leagues are not exactly as one would assume them to be.

World Series winners’ salaries
Data courtesy of USA Today

<table>
<thead>
<tr>
<th>Year</th>
<th>Winning Team</th>
<th>Payroll (in $) (Winning)</th>
<th>Payroll (in $) (League Ave.)</th>
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<tr>
<td>2016*</td>
<td>NY Yankees</td>
<td>92,185,521</td>
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</tr>
<tr>
<td>2015</td>
<td>SF Giants</td>
<td>125,429,637</td>
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<td>2014</td>
<td>NY Yankees</td>
<td>75,695,000</td>
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<tr>
<td>2013</td>
<td>San Francisco Giants</td>
<td>97,023,833</td>
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<tr>
<td>2012</td>
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<td>90,093,658</td>
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<tr>
<td>2011</td>
<td>StL Cardinals</td>
<td>109,798,000</td>
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<td>2010</td>
<td>ATL Braves</td>
<td>111,161,143</td>
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<td>2009</td>
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<td>115,366,765</td>
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<td>SF Giants</td>
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<tr>
<td>2005</td>
<td>SF Giants</td>
<td>90,093,658</td>
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<tr>
<td>2004</td>
<td>BOS Red Sox*</td>
<td>128,545,500</td>
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<td>2003</td>
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<td>73,695,000</td>
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<td>1999*</td>
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<td>1998</td>
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Caught Looking: The Struggle for Unionization in Minor League Baseball

Josh Klein '18

If things weren’t already bad enough for Garrett Broshuis in 2006, the sound of an overflowing toilet coming from the second floor of his Norwich apartment likely signified rock-bottom for the 24-year-old. For the past few months, Broshuis had been crammed with several coworkers in a flat enclosed in a dangerous Connecticut neighborhood. Though he had managed to cope with his $1,100 monthly check and seemingly perpetual grueling travel until then, the flooding of his meager living quarters brought the recent college grad to his boiling point. Garrett Broshuis was not a fast-food worker barely scraping by on minimum wage. Nor was the Missouri native an independent contractor, struggling through the low-demand winter months. No, Broshuis, a tall and lanky athletic freak, was a minor league baseball player.

Broshuis’ story is not an uncommon one. Most minor-leaguers earn between $1,100 and $2,150 a month during the five-month, 140-game season. Long bus rides, late-night workouts, and poverty-level wages are simply the trade-offs for a chance to someday play in the big leagues. Yet while such deplorable working conditions for employees in virtually any other industry would border on unlawful, athlete maltreatment goes relatively unnoticed. Not only are their salaries often insufficient to cover rent, but minor league players also receive no overtime pay or alternative compensation during spring training or for participating in off-season instructional leagues. And the past precedent for yearly wage increases leaves little hope for future change. While salaries of major leaguers have skyrocketed by more than 2,000% since 1976, minor league average wages have only risen by 75%, a hike far below the inflation rate of 400% in that spell.4

In 2006, Garrett Broshuis was all too familiar with the progressively bleak outlook in minor league baseball. As the righty hurler covered his soaked apartment carpet with towels, he wistfully reflected on the lucrative deals that his major league counterparts were receiving. The pros, unlike lower-level players, were organized and served by capable representatives skilled in the art of negotiation. Major league CBAs, in stark contrast to minor league arrangements, satisfied both the owners and the players. Fed up with his plight, Broshuis saw a faint light at the end of the tunnel. To escape the incessant cycle of trying to advance from the secondary ranks, minor league baseball players, like their professional equivalents, needed a union.

According to Gabe Feldman, director of the Sports Law Program at Tulane University Law School, “MLBPA is the strongest” union. After all, while other premier sports leagues like the NBA and NFL endured lockouts and labor strife, the 2012 MLB collective bargaining agreement ensured 21 consecutive years of labor peace for baseball. The contract itself demonstrated the substantial bargaining power of the Players Association. As it usually does, the MLBPA secured a minimum wage increase with automatic cost-of-living boosts in both of the following two years; in 2014, even the lowliest major leaguer earned at least half a million dollars. A 5% rise in the portion of players with 2-3 years of major league service eligible for salary arbitration illustrated another victory for the PA. Here’s where things get more complicated. The two sides also agreed to rein in spending on players coming to the major leagues; penalties would be levied on teams for handing out bonuses in amateur drafts that exceeded imposed thresholds. Why would the MLBPA agree to lower signing premiums for its youngest players? It’s simple: amateur draftees are destined for the minor leagues.

Gene Orza, a recently retired MLBPA lawyer, claims there’s nothing wrong with this. “We don’t represent them,” Orza argued referring to minor leaguers, “and have no obligation.” Technically, Orza is right: the only obligation the PA has is to its actual members. The approach, at least from a major league perspective, makes sense. The more money owners save on entry-level prospects, the more they are willing to spend on low- to mid-level players. Without minor league representation, rookies are helpless; “the money will always flow in one direction.” Legally, the Players Association is not accountable for preserving minor league interests. The ethics of Orza’s logic, however, are very much in question. An indifference to the condition of lower-level players is understandable. The active pursuit of contract terms financially detrimental to future minor leaguers? Well, that is harder to justify.

MLB’s past collective bargaining agreements rather obviously outline the benefits of a player union: higher wages and benefits, job security, and valued seniority. So the question becomes, why hasn’t there been more of a push for minor league representation — why are union advocates like Garrett Broshuis so rare?

“...So the question becomes, why hasn’t there been more of a push for minor league representation — why are union advocates like Garrett Broshuis so rare?”
merely grateful for the opportunity to play baseball for a living, most minor leaguers are not campaigning for higher wages. A dose of reality, however, could change accepted norms. From 1987 through 2008, only about 17% of players drafted and signed played at least one game in the major leagues. On a sliding scale, from AAA down to A, the percentage of future MLB players markedly drops with each class. The bottom line: the vast majority of baseball players will spend their entire career in the minors. This understanding is crucial to changing the prevalent perception that low salaries and poor conditions are simply a “right of passage.” Sure, when established major leaguers reflect on their farm system experience, it is quite easy to view time in the minors as a small bump in the road. The reality is that a Class A infielder with a family to feed and bills to pay is a more accurate embodiment of minor league players. For them, their predicament is not merely a “bump,” it’s the road itself.

A more logistical impediment to minor league unionization efforts is a lack of bargaining leverage. Leverage, a fundamental concept of labor relations, is essentially “negotiation’s prime mover, conferring power to reach agreement on your terms.” Unlike major leaguers who drive ticket sales, encourage team merchandise purchases, and draw fans, leading to lucrative media rights deals, minor league players have little clout. It is hard to envision a minor league players association making any substantial gains at the bargaining table without the ability to threaten, or even sway, the owners. Yet as labor lawyer Don Wollett argues in his book Getting on Base, a large national union, the Teamsters for example, could swoop in and organize the minors to keep baseball healthy. Theoretically, Wollett is correct: the Teamsters could organize the minors. But with so little money at stake in the minor leagues, there is just not enough incentive for a national union to justify extending its resources. Perhaps, however, there is a creative solution to the unionizing dilemma. If minor leaguers lack the leverage necessary to form their own players association, and if a national union is unmoved by a minor league opportunity, there is still one more potential resolution: expand major league baseball’s bargaining unit.

The current bargaining unit for baseball includes only the 1,200 players with major league contracts. The contract’s definition of the unit, however, is rather ambiguous. Article 11 of the official collective bargaining agreement between MLB and the PA reads:
The Clubs recognize the Association as the sole and exclusive collective bargaining agent for all Major League Players, and individuals who may become Major League Players during the term of this Agreement, with regard to all terms and conditions of employment. The word “may” is subjective. By prevailing interpretation, the modern-day bargaining unit contains the 25 athletes per team eligible to play at any given time (up to 40 on reserve) multiplied by the league’s 30 franchises. Yet such limitations exclude all the minor league players who “may” become big leaguers at some point in their career depending on the needs of their major league affiliate. As Wollett sensibly notes, “the fact that a player ‘may become’ a major leaguer does not mean that he ‘is.’” The key takeaway here is that though the Players Association does not speak for minor leaguers, by the terms of the contract, it could if it chose to do so. If the MLBPA cared about fairness, it would try to negotiate more favorable arrangements for amateur draftees and fashion better compensation packages for September call-ups. Still, the plain truth of the matter is that it is capital, not integrity, that drives the league. And thus it is money that dictates negotiations.

The Association’s assertion that serving minor leaguers would conflict with major league interests, though frustrating, is certainly valid. The concept of distributive bargaining is quite straightforward: in fixed pie negotiations, a bigger slice for one party means a smaller portion for another. Yet in its unquestioning commitment to fiscal gains, the MLBPA has lost sight of the intangibles; there are indeed non-monetary benefits of minor league representation. While increasing minor league wages may decrease major league pay, better conditions, at least according to Arizona Diamondbacks reliever Brad Ziegler, “might encourage more young athletes to opt for baseball.” In a sport that saw U.S. youth participation drop by 5.3 million children and teens between 2000 and 2013, spurring kids to get back into the game is more important than ever.

The performance of minor leaguers also stands to improve with an enlarged bargaining unit. Superstar Blue Jays shortstop Troy Tulowitzki suggests that “the food available to minor-leaguers at clubhouses should be more nutritious because it provides fuel for their performance.” Clubhouse sustenance is an example of a subject of bargaining that goes beyond salaries. With representation, minor leaguers could append their current arrangement to incorporate provisions that enhance player diet, revise outdated transportation protocols, and upgrade living conditions. Though harder to quantify, such measures would likely improve the overall quality of play, leading to a ripple effect in which farm call-ups would enjoy greater success at the major league level.
Despite the perks of organization, the last player to talk seriously about minor league unionization was, unsurprisingly, Garrett Broshuis. Even without league support, Broshuis has not given up. The pitcher turned attorney has challenged the classification of baseball players as seasonal employees, thus exempting athletes from minimum-wage laws. Conceivably, categorization of sports as part-time work was once a reasonable argument. But now, a time in which spring training and instructional leagues are all but mandatory for aspiring major leaguers, baseball is seldom a form of cyclical employment. Representing three former minor league players, Broshuis recently filed a lawsuit against MLB for minimum wage and overtime violations and unfair business practices. Short of unionizing, this lawsuit represents minor leaguers' best chance at improving their working conditions. Perhaps a victory in court will galvanize a rather uninspired workforce. With a dose of reality, farm system prospects might begin to see the benefits of representation. And maybe, just maybe, the MLBPBA might concede major league compensation to support a fading game.

A batter is said to have been "caught looking" when "a third strike crosses the plate in the strike zone and the batter does not make an attempt, resulting in a strikeout." A called strike three is often a source of frustration for players and managers; a two-strike hack, at the very worst, would have yielded the same outcome. In the eyes of Don Wollett, minor league players have two strikes on them and are ready to take a cut (organize): "they’re like a ‘ripe plum’ ready for the right person ‘simply to pick off’." Of course, preparation and a willingness to be represented only go so far. Forming a union is, after all, hardly a guarantee. But just like a batter buckling down in a pitcher’s count, it’s at least time for minor leaguers to swing.

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16. Ibid.
17. Wollett, Getting on Base, xxi.
18. Ortiz, “In Suing MLB.”
20. Ortiz, “In Suing MLB.”
22. Rothman, “Emancipation of the Minors.”

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Gaming the System:
The Draft Lottery in the Modern NBA

Stephen Driscoll '18

After finishing just outside the playoffs in the 2012-2013 season and having traded their best player (Andre Iguodala) for a player that would never play a game for them (Andrew Bynum) the summer prior, the Philadelphia 76ers decided to change course.1,2 Enter Sam Hinkie. Hired in May of 2013 to replace Rod Thorn as General Manager (GM) and President of Basketball Operations, Hinkie is a member of the increasingly prominent sports analytics movement sweeping through NBA front offices.3 Using the Moneyball-type techniques to find unexploited player value through advanced statistics learned during his eight years under basketball analytics pioneer and Houston Rockets GM Daryl Morey, Hinkie hoped to rebuild the Sixers into a modern basketball juggernaut.3 That vision has yet to come to fruition. Instead the Sixers have arguably been for the last several years, 2013-present, the worst team in the NBA.4 So what happened?

Since taking over the Sixers, Hinkie has attempted to obtain the most important asset for any struggling team: a superstar.5 For the vast majority of teams, the easiest way to acquire a NBA superstar is through the draft.5 The NBA draft seeks to redistribute the top incoming young talent in the NBA to the teams that need it most by sequencing the picks in the inverse order of the teams’ regular-season records.6 Put simply, the worst teams pick first, while the best teams pick last. However, in the NBA, the team with the worst record is not guaranteed the first pick. Instead, the order of the top fourteen picks (representing the fourteen teams that did not make the playoffs that year) is chosen through a weighted-lottery system that favors the teams (out of the fourteen) with the worst records and works against teams with better records.5

From a lottery machine with four-teen ping-pong balls numbered 1-14, four numbers are chosen three separate times (without taking out the drawn numbers). The NBA only employs this drawing process for the first three picks, and after that the rest of the teams are ordered based on the inverse of their regular season records (except for the NBA Finals Champion who always picks last). To determine which teams win the first three picks, before the drawing each team is assigned a certain number, a certain number of four-number combinations (ex. 14-1-3-4, order doesn’t matter) out of the possible 1,001 (although there is one combo that goes unassigned).6 The distribution of these randomly assigned combinations is how the NBA weights the lottery process. For example, in 2015 the Minnesota Timberwolves finished with the worst record in the league. The Timberwolves were subsequently assigned 250/1000 of the delegated combinations giving them a 25% chance of winning the lottery and gaining the first pick.6 For the worst team in the league, this means
the lowest pick they could have is 4th, while giving them a 25% chance for the 1st pick, a 21.51% for the 2nd pick, and a 17.77% chance for the 3rd pick (which leaves a 35.72% chance for the worst case 4th pick). The better the team was that year, the fewer combinations it gets and the worse chance it has to win one of the first three picks in the lottery. For instance, the Oklahoma City Thunder (the team with the best record of the 14 non-playoff teams last year) only had 5/1000 assigned combinations or only a combined 1.82% chance of winning any of the top three picks. Understanding these odds, many GMs have deduced that the best way to guarantee a top pick (where for the most part the best players are chosen) is simply to become as bad as possible. It is here that Hinkie has succeeded wildly.8

Within the span of three years, the Sixers have gone from a record of 38 wins and 44 losses (38-44) in the 2012-2013 season to a combined (as of 2/27/15) 45-177 in the two and a half years since Hinkie’s arrival to Philadelphia.8 To achieve this goal, Hinkie executed many trades that often netted the Sixers future assets, such as draft picks, in exchange for quality veteran players the Sixers possessed or for the Sixers to take unwanted contracts off the other team’s roster.9 This has left the Sixers roster over the last couple of years to be filled by castoffs, recently drafted players, or players traded to them with burdensome contracts. Neil Paine at fivethirtyeight.com (an affiliate of ESPN) calculated that the Sixers have been worse than any team in the last three years and that they have made less progress than expansion teams that start with no assets.4 What have the Sixers accomplished by being this bad?

In return for losing, the Sixers have stockpiled a treasure trove of future draft picks from various teams, have acquired several talented young players and the rights to others that are playing overseas (particularly Dario Saric), and gained pole position to finish with the worst record in the NBA this year and thus have the best chance to win the draft lottery. Although the Sixers have been historically bad, they have not during Hinkie’s tenure had the worst record in the league or obtained the first pick.9 In the upcoming draft the Sixers (at press time) have the rights to at least four of the first 31 picks.10 Along with their current young players such as Jahil Okafar, Nerlens Noel, the injured Joel Embiid, and Robert Covington, the Sixers have the potential to become a winning team within the next couple of years.11 Indeed, over the last couple of months the Sixers have shown a willingness to become competitive in the near-future by trading several picks for talented point guard Ish Smith and by signing veteran Elton Brand to mentor the younger players such as Okafor.12,13 This commitment to become competitive also extends to the coaching bench where the Sixers have signed the revered offensive guru Mike D’Antoni as an assistant to head coach Brett Brown.14 Altogether, the Sixers with their young core, numerous draft picks (including those from other teams), and upgraded coaching staff have laid a real groundwork to winning. However to build this core that as of now has gone 8-50 this season, the Sixers have had to pay a substantial cost in terms of ticket sales, revenue, respectability, and prestige in league inner circles.15,16,17

Within the last three years, the Sixers, who play in the fourth largest media market in the country, have suffered severe setbacks in terms of attendance as fans have become uninterested in the consistent losing.18 Currently, the Sixers have the second least attended home games this season and have been in the bottom three in home attendance each of the last three years.19 As a result, the Sixers have seen revenue fall to last in the league at only $124 million and have seen their franchise valuation sink to the third lowest in the league. It should be noted that, much like every other team in the league, both their valuation and revenue is up from three years ago in part due to a massive television rights contract.15 Finally, until Josh Harris, the owner of the Sixers relented and hired Jerry Colangelo as Chairman of Basketball Operations, the Sixers had been under enormous pressure from other owners and the league office to make an effort to put an end to their losing.16 Other team owners and league officials have been worried that the Sixers are threatening the integrity of the league (challenging the notion that all the teams want to win), and that the Sixers have hurt other teams’ bottom lines as the Sixers draw hardly any road crowds and thus depress attendance when on the road as much as when they are at home.16 The Sixers also generally affect the parity of the league as whole, and set a precedent (if the current front
A 6-year example of such an order of picks would be 1st, 30th, 19th, 18th, 7th, and 6th. Without the connection to futility or success teams would have no incentive to lose because there would be no reward in doing so. Although this proposal eliminates strategic losing, it creates a new set of issues that would be difficult to address such as the possibility of losing teams having an inability to quickly get better if they miss on a good draft pick or two, and maybe more problematic, a championship team having the chance to have a really high draft pick. No matter what direction the league goes in, there has been a growing consensus that the current lottery system is broken and provides the wrong incentives to team that are not championship contenders.

The Philadelphia 76ers present an interesting case study on the merits of strategic losing and its place in the NBA. For now many teams believe the Sixers strategy has a place in the NBA. Yet, for the good of the fans and the game of basketball the merits of the Sixers strategy should continue to be discussed and then - if needed - changed.

Within the last three years, the Sixers, who play in the fourth largest media market in the country, have suffered severe setbacks in terms of attendance as fans have become uninterested in the consistent losing. The fear of more teams embracing the Sixers’ model is real. In the fall of 2014, the league attempted to pass reform that would have shifted the odds of the fourteen non-playoff teams to win the lottery. For example, the Timberwolves who had a 25% chance to win the lottery would now only have an 11% chance, as would the three other worst teams. After the bottom four, the odds would decline slowly with the best non-playoff team (the Thunder last year) having a 2% chance of winning the first pick (better than the current odds of around 2% to win any of the first three picks combined). Ultimately, an alliance of the Sixers, Thunder, Spurs, and other smaller market teams banded together to reject this reform. Nonetheless, the league has continued to search for alternatives to the current model that many fear encourages efforts like those of the Sixers to construct rosters that are intended to lose.

One radical idea is what has been called the “Wheel Proposal.” This concept eliminates the draft lottery entirely and severs the connection between draft order and regular-season record. Instead, teams, in a predetermined order, would cycle through each of the thirty first-round draft slots once every thirty years. The order of the picks would be generated to make sure that each year a team selected players in different areas of the draft to ensure equity.

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If you’ve ever followed soccer in your life, you would know some of these clubs: Chelsea, Manchester United, Barcelona, Real Madrid, Liverpool and Arsenal. These are the 6 most popular clubs in the world (according to Forbes), 4 of which compete in the Barclay’s English Premier League, the top league in England. However, this past season has led to an upset of the traditional hierarchy. As of writing this article, Arsenal is in 3rd place, Manchester United in 5th, Liverpool in 9th and Chelsea in 13th. At the top of the table? Leicester City, a newly promoted team. New sponsors have splashed their logos upon previously unpopular jerseys. Samsung’s Chelsea jerseys and AIG’s Manchester United kits are now “retro” collectable items, rather than relevant replica jerseys. Things have obviously changed in the Premier League, and though certain things like the jerseys are less appealing, the actual competition of the Premier League has changed for the better.

To begin understanding the reason behind the changing Premier League, we must realize that the 2013/14 season was the most profitable in Premier League history. The previous most profitable season was the 1997/98 season, where teams (I might also reference them as clubs) showed an average profit of £49m. The 2013/14 season dwarfed that, with the average soaring to £150m. What changed during this time? New investors dumped boatloads of money into previously average clubs, allowing them to sign new and talented players, thus elevating them to the level of previous “super-clubs”. The main example of this is Manchester City Football Club. Manchester City had not won the first division league title in over 10 years or the League Cup (a tournament between the 3 top English divisions) when they received a record breaking sponsorship of £400m from Etihad Airways. That year, they hired a new, world class manager, and bought 5 players who would become part of their starting 11 week in and week out. Manchester City wasn’t the only team that received an investment bonus that year, as Manchester United, Tottenham and West Ham all followed suit. This type of spending can allow previously decrepit teams to become powerhouses in the league, creating a more competitive and entertaining league. However, that is not even where the change necessarily began, as 2012 also proved a year of change in the Premier League.

For most Americans and non-English viewers, Fox Soccer Channel was one of the only channels to show the Premier League weekly. That all changed when, in 2012, NBC bought broadcasting rights to the Premier League. Now soccer was available to a wider audience and more easily accessible to previous supporters. It should be noted that NBC has seen a 150% rise in viewership since they began Premier League coverage in the 2012/13 season. This obvious increase in the popularity of the brand that is the Premier League has also been recognized by many corporations who have subsequently invested in advertising in teams within the league. This influx of new (and predominantly American) fans has also reshaped the support base for clubs that were historically less popular. For example, since the 2012/13 season, Manchester City saw their fan base increase by 423%. That amount of growth was previously unheard of, especially with a team that didn’t have a rich history. So, we can accurately claim that the fans of the Premier League changed as well, growing in number and in support.

If investments, broadcasting and wins weren’t enough, the Premier League has announced another change, due for the 2016/17 season. The Premier League recently redesigned their logo, going from the proud badge of a lion with a paw confidently atop a ball, on top of the blockish font spelling “Barclay’s Premier League”, to a minimalistic design of a lion next to a more rounded font simply reading “Premier League”. This is the first time the logo has changed so substantially since 2001, when Barclays became the official sponsor, replacing Carling. Why is this significant? It accents the overarching change that the Premier League is experiencing. Why have the old logo, reflective of a time that has clearly passed, when you can have a newer, “hip” one that your new audience members can call their own? The changing of the logo makes clear a single point: the previous logo, and the history of the teams
Leicester City currently sits atop the Premier League standings. This would be amazing for a team that was only recently in the Championship. That came with it, are just that: history that doesn’t determine the future.

With the decline of certain teams in domestic standings, coupled with their performance decline in international tournaments, the stature of the Premier League has obviously changed, so such a redesign is understandable. As I stated before at press time, Chelsea, one of the most historically dominant teams in the Premier League, was in 13th place out of 20 teams. Leicester City, a historically 2nd division team, is on top of the league. This trend of the historic “greats” failing to live up to their history is now seemingly commonplace in the Premier League. This is even apparent in international competitions. In the European Champions League (the elite international tournament for the best clubs in the world), Premier League clubs have been floundering in recent years. Historically, the Premier League is the league with the most winners and runners up. However, since 2012, no English club has made it to the finals and they have also generally had a hard time qualifying for even the quarter finals. This could be due to a multitude of factors: a harder domestic league thus making players more tired, an increase in the talent of other teams, or rules regarding domestic players. The result, however, is still the same: Premier League teams don’t perform as well and aren’t feared in international competition like they used to be. Why is that okay though? Let me use Chelsea for example. In 2012, when they won the Champion’s League, they finished 6th in the Premier League, 35 points behind champions Manchester City and runner up Manchester United. They had stopped fielding their best 11 players in Premier League competitions in order to rest their stars for the Champions League. This left the Chelsea fan base to stop paying attention to the Premier League and for a generally worse competition, allowing lower teams to get easier points from playing Chelsea. This kind of sabotage of the league is avoided if teams aren’t expected to win international competitions, allowing for a more competitive and entertaining league.

The purpose of this article is not to reflect on the “good old days” (though as a Manchester United fan, I would love a return to said time), nor is it to argue that the new Premier League is worse for fans. In fact, I believe the Premier League was long overdue for a change. A league controlled by the same 3 teams for a decade would be stale and repetitive. I would even argue that following the Premier League has become purer, with “bandwagoning” becoming almost obsolete, as the league has become full of upsets. Does it matter to me as a fan that teams are doing worse in international competition? Yes, but that is a small worry, as the Premier League will remain a true fan’s bread and butter. The Premier League is still the Premier League through all of this change. However, gone are the days of the fixtures such as the London Derby (Arsenal vs. Chelsea) defining the title race. Now, it is truly anyone’s league to win.

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Who's Really Being Punished?

Ben Gershenfeld '19

College athletes can’t get paid right now, and they probably won’t be seeing a paycheck for their services anytime soon. However, there is another pressing issue in the world of college athletics that affects millions of people each year and is a crooked system hurting the wrong people. The labyrinth of NCAA sanctions and rule violations is as confusing as college astrophysics, but even the violations that are slam dunks (in the sense of deserving a punishment) seem to leave players, students, and local citizens significantly worse off, while coaches and administrators with multi-million dollar contracts get off scot-free. I took a look back at one of the most noteworthy NCAA punishments in its history—Penn State football in 2012—and was both perplexed and dissatisfied with the answer to the question: “Who’s really being punished?”

In 2012, news surfaced that Jerry Sandusky, a longtime defensive coach for Penn State’s football program, had on several occasions sexually abused children. An egregious and reprehensible act alone was soon compounded exponentially when it was discovered that members of Penn State’s brass, both on an athletic level and an administrative level, were aware of the crimes committed by Sandusky and staged a cover-up to save the nationally-renowned and historic football program and its beloved and iconic head coach for the past forty-six years. In the weeks following the initial reports, with news trucks camped out all over State College, the country awaited a punishment to be handed down by NCAA President Mark Emmert, and it was expected to be unprecedented.

The penalty was indeed harsh: a $60 million fine to be paid over five years, a four-year postseason ban, five years of probation, and a reduced allotment of scholarships for four years. Furthermore, Joe Paterno’s victories from 1998-2011 were all vacated. But how was everyone involved affected? The most important group of people in any college football program—the players—had absolutely nothing to do with this scandal, but they were affected immensely. After news broke and sanctions were handed down, at least eighteen Penn State players transferred out of the program. A significant number of high school students who were committed to Penn State also pulled their commitments and pursued other programs in the wake of the scandal. Some players, like star tailback Silas Redd, had a bevy of schools begging for his talents, and he transferred to the University of Southern California. But players with lesser talent were stuck in a no-win situation. They either had to transfer to another program and completely uproot their college lives, or they could stay at Penn State and endure a coaching change, a loss of resources, and a forfeiture of talent. The players, the backbone of the program, who did not contribute to the scandal in the slightest, faced heavy consequences.

Penn State’s football team is like a religion to the people of Pennsylvania and beyond, just like University of Alabama is to the people of Alabama and University of Texas is to Texans, among others. But, as the people of Pennsylvania found out after Penn State’s football decline, these major state universities

Jerry Sandusky being taken away by police.
Photo courtesy of the abcnews.com
How will the Penn State football scandal affect Joe Paterno's legacy and Penn State football players going forward?

Photo courtesy of the Getty Images

don’t only have a stake in the citizens’ hearts— they have a bigger stake in their economy. When the NCAA handed down Penn State’s punishment, the governor at the time, Tom Corbett, was terrified of what it meant for Pennsylvanians.3 Referred to as an “economic power source for the commonwealth” by Corbett’s general counsel, Penn State’s football program generated $50 million in revenue in 2010-11 and was also responsible for $5 million in tax revenue that supported approximately 2,200 jobs in the state.4 Both public and private sector jobs were affected. While the loss in tax revenue hurt state-funded jobs, private businesses like Penn State merchandisers, restaurants, and hotels saw a steady decline in revenues over the course of the football program’s punishment. Ticket prices for games at Beaver Stadium declined due to a lack of demand.5 A state economy so dependent on a football program was not able to withstand the economic chokehold that the NCAA sanctions placed on the Penn State football program.

The students who painted the Beaver Stadium crowd blue and white each weekend are also felt the brunt of the punishment. Governor Corbett expected tuition to rise in order to pay that $60 million fine, and he was right. From 2010 to 2015, tuition for Pennsylvania residents rose from $14,412 to $16,572.6 The tuition increase negatively affected students, not to mention the large amount of public backlash towards the school and the ongoing media frenzy on campus. The students ardently supported their beloved school, and then that same school betrayed them.

College sports bring in billions of dollars of revenue each year and have a very enthusiastic and wide-ranging fan base. For those reasons, there is little incentive to change. But I am confident that players will start seeking more power, and if that power does not come in the form of monetary compensation, it will come elsewhere. Just recently, the Louisville basketball team was banned from the postseason tournament, something that players dream about participating in, because of wrongdoing by their coach, who happens to make around $5 million per year.7 He will continue to make his millions and keep his job, while his players will be watching other athletes play in the postseason without them. The NCAA is known for being harsh with its sanctions, but with the innocent bearing the brunt of the punishment and the high-paid culprits finding their way out of trouble, the question must be asked— “Who’s really being punished in college sports?”

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Major League Soccer (MLS) was established in 1996 with a total of ten teams, was near bankrupt, and played all of their games in borrowed stadiums. Today MLS has a total of 20 teams at an average value of $157 million per team, with 14 teams having constructed their own stadiums. The revenue of MLS has increased by 52% over the past two years, increasing team value. With promising domestic and global TV deals, incoming star talent, increased corporate sponsors, encouraging attendance, and developing youth programs, MLS sees itself as one of the best soccer leagues in the world. The question is...can MLS live up this title?

In 2014 and 2015, MLS inked TV deals with both international and domestic outlets including Sky Sports, Eurosport, ESPN, FOX, and Univision. For the first time in Major League Soccer’s history, all three television partners will feature an exclusive MLS Match of the Week, providing soccer fans throughout the country with a destination day and time for each network. Soccer fans around the globe can now watch MLS, causing drastically increased viewership over the past few years. With a 50% increase in gross viewership since 2013, MLS is becoming a global brand.

To be the best you have to have the best. The best soccer teams have the best players. They are located in the best cities on the globe, pay their talent handsomely, and have an intense fan base. Barcelona FC calls home its namesake in Spain, pays an average salary of $8,680,569 a year, has an average of 77,632 people in attendance for their Primera Division games, and employs the best like Neymar, Suarez, and Messi. While MLS is nowhere near the competition levels in Europe, expansion into the global market may allow MLS to attract star talent from the European leagues.

The acquisition of star talent from the European Leagues has led to the success of MLS. Since David Beckham’s decision to join the Los Angeles Galaxy in 2007, the influx of star European players to MLS has included Frank Lampard, Andrea Pirlo, Steven Gerrard, Ashley Cole, Nigel de Jong, Sebastian Giovinco, and David Villa. Each big name signing attracts large sponsorship agreements and leads to large gate revenues. MLS expansion teams like the LAFC and Beckham’s Miami team are looking to sign Cristiano Ronaldo and Wayne Rooney to contracts in 2017. Signing star talent from the top tier in Europe would spur huge growth to MLS. However, without signing a big name player MLS may struggle to balance the addition of hundreds of players with the level of talent.

Homegrown talent and youth development is another issue MLS must tackle to become one of the best by 2022. MLS announced a partnership with the United Soccer League in 2013 to promote the development and growth of North American soccer players. In 2015, nine MLS teams had a reserve or second team competing in the USL. Some of the independent USL teams may become part of the expansion of eight teams into MLS.

Each MLS team has its own youth development program. Four different U.S. Soccer Development Academy alumni in the past few weeks have experienced a first appearance for German giants Borussia Dortmund, a transfer to Chelsea FC, a record MLS Homegrown contract and a U.S. Men’s National Team debut. U.S. talent Christian Pulisic at age 17 is becoming one of the best young talents on the global stage. His quick rise to the first team on Borussia Dortmund speaks volumes to his talent and the talent of the MLS Academy program. Pulisic made his first start in the Bundesliga February 21, 2016 against Leverkusen.

While MLS is aspiring to become one of the best, low TV ratings and competing leagues in Europe and China may slow its growth.

While the growth of MLS has been strong and consistent, a troubling issue arose after Labor Day in 2015. Gary Stevenson, President and Managing Director of MLS, was troubled by a 15% decrease in TV ratings in the months of September and October. A
decrease in TV Ratings could force MLS to pay credits to advertisers as compensation—ESPN was forced to pay make-goods after low ratings from the College Football Playoff. MLS must take action to repair the decline in TV ratings to compete with the top European leagues.

MLS may also struggle as a result of the sudden rise of the Chinese Super League (CSL). With their recent spending spree in the transfer window and the acquisitions of Ramires and Jackson Martinez, the CSL looks to rival the European leagues. Supported in full by President Xi Jinping, China is hoping to become a true soccer nation. With a huge national population, regulated youth development programs, and national funding, China looks to break into the existing global soccer market. Fortunately for MLS, the growth of the CSL has been slow; the skill level of the CSL is still overshadowed by MLS and the European leagues. Former CSL and MLS player Ryan Johnson believed that the CSL "wasn't at the same level as MLS, but the level was pretty good." If the CSL continues to grow and poach players from MLS and Europe, it will create undesirable competition and diminish the growth of MLS.

At the end of the 2015 MLS season, MLS Commissioner Don Garber made a bold prediction about the future of the league. "I will absolutely assure you whether it's seven years, or its longer than that, I may or may not be around, this league will be one of the dominant leagues in the world in time... It has to be because there's so many things happening with the soccer movement. You have owners that are coming in that really believe in the sport, broadcasters that do, youth development that's thriving, players that want to play here from abroad." With plans for a 28 team league by 2020, promising domestic and global TV deals, incoming star talent, and developing youth programs, Mr. Garber can mold MLS into one of the most successful soccer leagues in the world by 2022.

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