FURTHER READING
CHAPTER 11

This file contains additional readings from earlier editions of *Sports in Society: Issues and Controversies*, and some extra materials provided by Jay Coakley. These have not been included within the book as much of the content is explicitly focused on the USA, but users of the book may find these readings useful and interesting. Please feel free to send your feedback and/or suggest additional readings to us at jcoakley@uccs.edu or e.pike@chi.ac.uk.

Topic 1. A monopoly enables owners to increase their wealth

The table below lists the franchise fees that current owners of major professional men's sports teams in North America paid for their teams, and then compares these fees with estimated franchise values in 1996 and 2008. Current values indicate that values have continued to increase since 1996. In some cases, these increases have been dramatic.

Table 1. Increasing franchise fees for selected new teams in the NFL, the NBA, NHL, and MLB, 1960s through 2008

League	Year	Team	Franchise fee in millions	1996 Franchise value in millions	2008 Franchise value in millions
NFL	1960	Dallas Cowboys	$0.60	$320	$1612
	1961	Minnesota Vikings	$1.00	$186	$839
	1966	Miami Dolphins	$7.50	$242	$1044
	1968	Cincinnati Bengals	$7.50	$188	$941
	1976	Tampa Bay Buccaneers	$16.00	$187	$1053
	1976	Seattle Seahawks	$16.00	$171	$1010
	1995	Carolina Panthers	$140.00	$240*	$1040
	1995	Jacksonville Jaguars	$140.00	$239*	$876
NBA	1966	Chicago Bulls	$1.25	$214	$504
	1967	Seattle Supersonics	$1.75	$137	$300*
	1968	Phoenix Suns	$2.00	$220	$452
	1970	Cleveland Cavaliers	$3.70	$180	$477
	1974	New Orleans/Utah Jazz	$6.15	$163†	$358
	1980	Dallas Mavericks	$12.00	$104	$466
	1988	Miami Heat	$32.50	$118	$393
	1988	Orlando Magic	$32.50	$156	$349
	1995	Toronto Raptors	$125.00	$138	$400
	1995	Vancouver/Memphis Grizzlies	$125.00	$127*	$294
NHL	1967	Los Angeles Kings	$2.00	$83	$210
	1967	Pittsburgh Penguins	$2.00	$96	$195
	1970	Vancouver Canucks	$6.00	$91	$236

	1972	New York Islanders	$6.00	$74	**$154**
	1979	Edmonton Oilers	$6.00	$52	**$175**
	1979	Hartford Whalers/ Carolina Hurricanes	$6.00	$48	**$168**
	1991	San Jose Sharks	$50.00	$104	**$179**
	1992	Ottawa Senators	$50.00	$67	**$207**
	1993	Anaheim Mighty Ducks	$50.00	$104	**$202**
	1993	Florida Panthers	$50.00	$67	**$163**
MLB	1961	Los Angeles Dodgers	$2.10	$178	**$694**
	1962	New York Mets	$1.80	$144	**$824**
	1969	Kansas City Royals	$5.50	$88	**$301**
	1969	Montreal Expos/ Washington Nationals	$12.50	$77	**$460**
	1977	Toronto Blue Jays	$7.00	$155	**$352**
	1977	Seattle Mariners	$6.25	$107	**$466**
	1993	Florida Marlins	$95.00	$123	**$256**
	1993	Colorado Rockies	$95.00	$184	**$371**
	1998	Arizona	$133.00§	NA	**$379**
	1998	Tampa Bay	$130.00§	NA	**$290**

Sources: USA Today, 21 October 1994; Financial World, 17 June 1997; Forbes, 2008 lists:
http://www.forbes.com/lists/2008/30/sportsmoney_nfl08_NFL-Team-Valuations_Value.html
http://www.forbes.com/lists/2008/32/nba08_NBA-Team-Valuations_Value.html
http://www.forbes.com/lists/2008/33/biz_baseball08_The-Business-Of-Baseball_Value.html
http://www.forbes.com/lists/2008/31/nhl08_NHL-Team-Valuations_Value.html

Topic 2. Strategies to obtain public money for private gain

Professional sport team owners and leagues use various strategies to obtain public funds to build stadiums and arenas. For example, they try to schedule votes on bond issues in political "off years," so that voter turnout will be light and in their favor. They recommend the formation of stadium taxing districts that encompass white suburbs, where they can count on support at the polls, even if inner city voters oppose subsidizing the wealthy. They set up "public support groups," to which they donate large amounts of money, usually 100 times more than opponents can raise, to fund sophisticated advertising campaigns.

Sportswriters whose jobs are to cover the teams are encouraged to write supportive stories, sports anchors on the local news talk about the benefits of the team or stadium, and sports radio talk show hosts hype the subsidies, even though they usually support conservative fiscal policies and are against public subsidies to poor people.

In addition to facility subsidies, team owners receive other public support. The federal government allows businesses to deduct 50 percent of the cost of game tickets and luxury suite leases as business expenses on their federal tax returns. For example, when a corporation in Colorado spends $200,000 on pro sport tickets, $100,000 is deductible. This saves the corporation about $44,000 on its federal and state taxes, so the ticket cost is about $156,000, with indirect government subsidies covering the rest. This is why businesses buy about 75 percent of all season tickets sold by top sport teams. Not only do they save on taxes while their executives and clients use company tickets to attend games, but they also help teams sell out their seats. This drives up ticket prices for local fans and decreases tax revenues, so cities cannot fund local programs for those who cannot afford tickets.

Topic 3. Athletes’ salaries and endorsements

Are pro athletes overpaid?

The answer to this question is no, but it needs qualification. The majority of pro athletes make less than $60,000 per year and enjoy little or no job security. They play on teams, in leagues, and in events that make little money. Only about 30 percent of the male athletes in the top professional team sports and a handful of men and women in golf and tennis make over $1 million per year. Of course, there are high profile, celebrity athletes who make obscene amounts of money, but they are the exception rather than the rule.

Certain commercial sports, along with a few other forms of entertainment, generate vast amounts of money today. Athletes and other entertainers are part of a media-based, global celebrity culture. When celebrity exists on a national or global level, its income-generating potential is huge.

Athlete-entertainers have incomes that reflect revenues generated. This is the reason players’ associations have made sure that salary caps are set so that athletes’ salaries make up between 40-60-percent of the gross revenues collected by team owners. Generally, athletes make big money when owners and promoters think they are worth it in terms of gate receipts and other revenues. Economic research clearly shows that athletes are not overpaid, and that superstars, with a couple of exceptions, “pay for” their own salaries by attracting new revenues for team owners. This is the reason the owners pay them as they do. The money is there. The question is who gets it: the owners or the players that people pay to watch?

Team owners know that spectators are attracted by star performers, and the best way to create stars in sports is by signing athletes to big-money contracts. The contracts generate massive media coverage, which serves as wonderful publicity for the team. Additionally, spectators often see money as an indicator of excellence, so they will pay to see a game played by highly paid athletes. Using big money to attract audiences also occurs in individual sports such as tennis, golf, and boxing. Sponsors and promoters know that big prize money attracts big-name athletes, and big-name athletes create spectator interest and television coverage. Interest and coverage mean profits for sponsors and promoters.

The unbelievable amount of money made by some athletes is warranted in economic terms, but it also raises interesting questions about values and priorities in our culture. With 20 percent of the world’s population facing poverty and hunger on a daily basis, with nearly billion people making less than $2 for a full day of work, do $180 million contracts for athletes make sense? Should a special tax be developed to limit what might be seen as “windfall profits” associated with new forms of media-generated celebrity made possible by global communications technology? Should a portion of the revenues generated by mega-entertainment sports be used to fund projects for lower-income people in the cities where teams play and where tax monies have been used to build stadiums as personal stages for athletes? Should teams be assessed a value-added tax on all revenues they collect, so that youth sports and high school sports can be saved or expanded? Are there any good reasons not to do these things? Building billion dollar stadiums for wealthy owners and athletes in cities where children don’t have sports programs seems incongruous to me.

I think it is time to add these questions to public discourse about the salaries of celebrities who now ride the wave of new forms of global media technology; as global celebrity culture expands and generates increasing amounts of money, we must ask and answer these questions.

How much do athletes make on endorsements?

Data on all forms of endorsements across different sports are hard to collect. Athletes can make great amounts of money on endorsements if they have the exposure, personalities, and images that lead people, especially people who have money to spend, to recognize, identify with, and trust them.

Of course, gender relations and race/ethnic relations clearly come into play in endorsements. For example, the "advertising value" of women athletes is thought to be low, except when they can endorse products purchased by other women. The advertising value of African American athletes usually depends on whether they can transcend color in the eyes of white consumers. If African American athletes present themselves in ways that create fear or anxiety in white consumers, or remind them of the racial divisions that still exist in the culture, their endorsement potential is low. Most black athletes who have endorsement contracts clearly know that disarming smiles are important, that sullen or sulky looks are out of bounds, that racial issues are to be avoided in public statements, and that certain behaviors or mistakes can quickly lead them to be "racialized," i.e., identified in terms of racial identity and one's behavior is associated with race-related concerns.

Athletes who are connected with specialized groups of consumers often have consistently lucrative endorsement contracts. For example, at 41 years old, U.S. Olympic medal-winning swimmer Dara Torres has many opportunities to endorse products and services used by 30-50 year old women.

Overall, endorsement income is for those few athletes with the traits and personas that advertisers think will resonate with consumers. But apart from those few athletes, endorsements seldom amount to relatively large amounts of money. Additionally, the economic recession that began in 2008 has reduced the number and amount of endorsement deals that companies make with athletes.

Do athletes' salaries affect ticket prices to sports events?

"There is no relationship whatsoever between ticket prices and owners' costs." This is the conclusion made by sport economists who explain that ticket prices and athlete salaries are primarily a function of the public demand for sports. Each goes up or down as the entertainment value of a sport goes up or down. When this occurs, it looks as if salaries are causing ticket prices to go up, but this is not the case.

For example, the basketball fan in 2009 was not paying $80 for a Cleveland Cavalier ticket because LeBron James was paid $14.4 million. The ticket price was $80 because that's what people were willing to pay to watch the Cavaliers. The ticket price would be the same if James were making $5 million per year, as long as people will pay that amount to see a game.

The people who control ticket prices are in the business of making money, and they will charge whatever they can get from spectators. This is the reason tickets to see football games played by the University of Notre Dame are about the same price as tickets for Chicago Bears games, even though Notre Dame "pays" (in scholarship dollars) its players less than 2-percent percent of what the Bears pay their players. Universities charge what the market will bear. In fact, ticket prices for big-time college football games have increased many times during the past fifty years, even though player costs have been tightly controlled and stayed much the same over that time. Professional teams price their tickets in the same way.

The economic reality of sports is that team owners and event promoters gladly would pay athletes less money if they could get away with it, but they will set ticket prices at whatever spectators are willing to pay. Athletes' salaries increase only when they have the power to force owners and promoters to give them a greater share of the expected gross revenues in sports. In fact, part of the reason the price of game tickets has gone up so much is that corporations buy large blocks of tickets for "business purposes." Because they can afford higher prices, the cost of tickets for everyone else is driven up. So the CEO and his five business associates using "company tickets" affect ticket prices; player salaries are the result of these increased prices, not the cause.

Do big salaries influence the motivation of athletes?

The motivation of athletes is grounded in many different factors. But a central motive for most of them is a dedication to their sport and pride in their abilities. Money also is a motivator, it is doubtful that NBA players would be less motivated if their average annual salary was $3 million instead of $5 million.

Motivation is difficult to measure, but if we had motivation scores over the past fifty years in different sports, I doubt that we would see much variation with salary amounts. In fact, back in 1925 baseball player Ty Cobb complained that "most of the players are in the game for the money that's in it, not for the love of the game." Since 1925 some things have changed, and today's athletes train year-round, but motivation probably hasn't varied much from one generation of athletes to the next.

However, is it possible for athletes to lose their motivation when they think they should be making more money than they are? Similarly, do athletes whose salaries are a fraction of the salaries paid to superstars lose their motivation over time? Does NBA player Carmelo Anthony play less hard than Allen Iverson because he makes $90,000 less than Iverson does for each game they play? This question is especially important to ask, because salary disparities in some sports are becoming exceptionally wide.

Jay Coakley

Topic 4. Outposts in action: Beer and American football in England

In an analysis of the growth of American football in England, British sociologist Joe Maguire* has provided a classic example of the way transnational corporations and sport organizations often team up to promote their mutual interests in global capitalist expansion. During the 1980s, the executives at Anheuser Busch, the company that makes Budweiser beer, worked with the NFL to introduce American football to England, because they thought the association between Budweiser and football would improve the beer's image with British men. The link between beer drinking and masculinity is strong in England, and many British men learn to define a dark, heavy, barrel beer ("bitter") as more consistent with a strong, masculine image than a light, carbonated, foamy beer ("lager"). Because lager beers such as Budweiser were perceived as weak-similar to soft drinks-they were not the beers of choice among British men. Of course, their choices also were influenced by the relative quality of the beers and taste preferences among British beer drinkers.

At any rate, company executives knew they had to shed their product's image as a weak beer if they were to capture any of the beer market in England, or in most of Europe for that matter. And what better way to shake the image of a weak, "unmanly" beer than to connect Budweiser with a sport emphasizing toughness, the use of force, physical domination, playing with pain, throwing "bombs," "punishing the opposition," and carrying "injured warriors off the field"? The executives hoped that when British men saw a high-profile football warrior in full gear praising Budweiser in commercials, at least some of them would begin to believe that they could drink Budweiser without compromising their masculine identities.

The combined financial interests of Anheuser Busch, the NFL, and a major private television company in England spurred the introduction of American football in England during the early 1980s. In the decade that followed, American football, sponsored by Budweiser, was televised weekly in England, and Budweiser helped fund the formation of the "Budweiser League," initially consisting of 105 football teams, all trying to reach the postseason "Budweiser Bowl." In 1986 Anheuser Busch teamed up with TWA and American Express to sponsor the first "American Bowl," in which two NFL teams played an exhibition game in England; these games continued in the 1990s. Since the mid-1980s, the sponsorship of American football in England has become increasingly complicated (Maguire, 1990), but in the late 1990s, Budweiser remained a central sponsor of football television coverage and of a league of American football teams across England. Young men from middle-class backgrounds, especially those in colleges and universities, have become more interested in the American game. As football has become more trendy, more Budweiser has been sold in England, and young men are more likely to see lager as an appropriate beer for men to drink, especially when they watch football.

The Budweiser experience is not unique. Various sporting goods companies long have used similar strategies to promote products around the world. Internationally known golfers endorsed golf clubs long before golf became a commercialized television sport. Nike was very aware that if Michael Jordan played in the 1992 Summer Olympic Games and caught the world's attention, its market for sport shoes and clothing could expand dramatically. After all, there are over 2.4 billion feet in China, and those running Nike would like to see Air Jordans or one of its other shoe brands on every one of them.

We might be tempted to predict that in the future we could see sport events in which Nike athletes, playing in Nike shoes and clothing, using Nike equipment in a Nike facility, competing with one another in events covered by Nike announcers working for the Nike sport television network. But one of the things that keeps this from happening on a regular basis is corporate executives' knowledge that they can make more money if cities build stadiums and provide other public subsidies for teams and events; why pay for it yourself when you can convince the taxpayers to pay for it?

*Maguire, J. 1990. "More than a sporting touchdown: The making of American football in England, 1892-1990." *Sociology of Sport Journal* 7(3), 213–237.