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# How My NFL Contract Isn't Me

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As summer begins to wind down, a sports fan's fancy turns to football. The NFL season has started but only after the 2011 lockout was settled.


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A lock-out is work stoppage imposed by the owners after the expiration of the collective bargaining agreement. A collective bargaining agreement is made by the players and owners. The agreement is written into all contracts, and it creates two-part contracts for the unionized professional athlete.

Part 1 of the contract is the collectively bargained union mandated basic contract that includes minimum salary and benefits that become the basis for every player's or union member's contract.

Part 2 is the negotiated part of the contract, and this is where contracts become complex as negotiations pit player versus owner. Because of a contract's complexity many players hire agents, with the intention of the agent having the best interest of the player in mind.

The negotiated portion of the contract could include any increased base pay over the league-imposed minimum or any "incentives" or performance-based clause. Players desire performance clauses in their contracts that are easily obtainable, whereas, owners want performance clauses that are challenging or difficult to meet.

An "incentive" or performance-based clause is simply a pay bonus for meeting a production or performance quota. For example, if a running back rushes for 1,200 or 1,500 yards, he could receive a $100,000 bonus payment. This would be similar to a car salesperson who is paid on draw plus commission. Another important portion of part 2 of the contract is the contract duration.

Players and owners also have to agree on the length of the contract. From the owner's perspective a long-term contract locks a player into a fixed pay structure.

From the player's perspective a multi-year deal provides a player with stability, such as allowing a player to become a community member or allowing the player's children to remain in the same school during their tenure.

However, NFL player contracts are not guaranteed, so the complex negotiation process could all be for naught if the owner terminates the contract. This was the singular point that owners refused to negotiate during the 2011 lockout.

The power of a non-guaranteed contract allows an owner to cut (or fire) a player without cause. For example, if a player signs a 10 year $50,000,000 contract, that pays the player $5,000,000 yearly, an owner could cut the player in year two and not be legally responsible for the remaining $45,000,000.

A non-guaranteed contract provides an owner the ability to cut players who under perform. This leads us to Osi Umenyiora.

Umenyiora is a defensive end for the New York Giants who, simply put, over-performed his contract and wanted to renegotiate, but Giants co-owners Steve Tisch and John Mara refused, leaving Umenyiora no choice but to boycott or sit out practice.

The Giants and Umenyiora eventually began to negotiate, but Tisch and Mara would only negotiate when Umenyiora returned to camp. The entire story became moot when Umenyiora injured himself in camp and the Giants' owners decided to hedge their investment and keep Umenyiora on contract.

The point of the story is that non-guaranteed contracts are a hammer that NFL owners use at their discretion. As a labor economist I look for similarities and differences in how professional athletes are compensated and how people in other professions are paid.

I wonder how workers in professions other than professional sports would feel if they could be terminated without cause.

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## Georgia Southern sets fundraising record

BUSINESS IN SAVANNAH

STATESBORO — Georgia Southern University's "A Day for Southern" set a new record Sept. 13 by raising $1,403,062.

This marks the 14th year in a row the campaign has raised more than $1 million. Last year, it raised more than $1.3 million. The previous record was set in 2008 when the one day fundraising campaign brought in $1,401,739.

Volunteers spent the day calling on businesses around Statesboro and Bulloch County. The money raised also includes donations from Georgia Southern University students, faculty and staff.

This is the 38th year of the campaign, which was founded by a group of local businessmen who wanted a way to give back to Georgia Southern.

The donations provide scholarships and cultural programs not covered by state funds.