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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. 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 professional athlete.

The negotiated portion of the contract allows 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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