Earnings and career length of professional Major League Soccer players in the United States 1
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#### Abstract

There are over 600 Major League Soccer (MLS) players in the USA. A collective bargaining agreement (CBA) sanctions the minimum earnings and benefits that players receive according to each Standard Players Agreement. This paper lists the earnings of MLS players by percentile, median, average, minimum and maximum as published in the 2017 and 2018 annual salary reports. It breaks down the data by defenders, midfielders, forwards and goalkeepers. It discusses how to use the data not only in US domestic settings but also touches on the consequences of international transfers. The labor market for soccer players is global.

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This paper discusses an analysis of earnings, and career lengths for Major League Soccer (MLS) Soccer players and the application of the data in personal injury, wrongful death and medical malpractice cases.

Assessing the future earnings of MLS professional soccer players is difficult. This paper discusses some reasonable approaches to issues that a damages analyst may encounter. First, the earnings typically depend on the soccer player's success, assessment of his qualities for a team by coaches and agents and the amount of money the clubs want to pay. Secondly, professional soccer careers are typically limited from only one to twenty years and can end suddenly by injury. <sup>i</sup> In soccer, where speed and endurance are crucial, many athletes leave the sport in their thirties when they lose their competitive edge. In certain positions, experience and tactical insight may help the player have a relatively long career. Such positions are central defender (Paolo Maldini) or goalkeeper (Gianluigi Buffon).<sup>ii</sup>

It is widely accepted that it is difficult to earn high wages in competitive sports. Only the very best earn the incomes that make them wealthy. We like to think of the highly paid athletes like Lebron James who earned more than 30 Million Dollars in 2017 and Cristiano Ronaldo who banked over 90 Million Dollars in 2017.<sup>iii</sup> This level of earnings is extremely rare as many athletes participate for free or even pay to be involved in sports. Only the elite, after years of training get paid for their craft.<sup>iv</sup>

Like the NFL, Major League Soccer has a Players Union (2003). Since it has been in existence,

Earnings and career length of professional Major League Soccer players in the United States 4 earnings and working conditions have significantly improved for the approximately 690 professional MLS players.<sup>v</sup>

The MLS has a Collective Bargaining Agreement (CBA) between Major League Soccer and Major League Soccer Players Union (February 1, 2015 – January 31, 2020). The agreement establishes rules including regarding rosters, wages, bonuses, 401K plan, insurance, physicals, vacation time, game schedule, grievance procedures, licensing and player movements.

### The Collective Bargaining agreement

Players have the option of joining or not joining the player's union.

The Collective Bargaining Agreement (CBA) establishes that each team has an eighteen to twenty-man senior roster (the "Senior Roster"). Players on the Senior Roster must be paid a base salary equal to or greater than the Senior Minimum Salary. Senior players (excluding bonuses and other incentive compensation) made more than \$67,499 in 2018.

Each Team has a Reserve Roster of up to eight additional Players. Roster slots 21-24: Up to four Players will be paid a base salary which is at least the Senior Minimum Salary; and Roster slots 25-28: Up to four players will be paid a base salary which is at least the Reserve Minimum Salary

The minimum salary (excluding bonuses and other incentive compensation) in 2018 for a 'Reserve Player's Contract' was \$54,500 per year. In addition, Reserve Players can earn bonuses for appearances on the first team of between \$500 or \$1,250. If a Reserve Player's Standard Player's Agreement (SPA) is extended beyond December 31 of the second year, he would be paid at least the Senior Minimum Salary.

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SPA's that pay a player a \$150,000 or less, provide for annual increases in base salary of not less than five percent (5%) per year. (Section 18.12)

In addition, regardless of whether the player makes contributions to the 401K plan, MLS will contribute 3.5% of the base salary to the plan within IRS limits to each player who enrolls.

In addition to a base salary there are 'options:' Players often have one or two contract years to play for a salary with the promised increases provided in the 2015 CBA. A player's option is an optional year at the end of a contract that can be applied at the player's or club's discretion. In such cases, the player has the right to exercise his option and lock in that optional salary as a guaranteed sum or reject the option on provided in the SPA. For instance, in 2015, prior to his option years, New England striker Juan Agudelo's base salary was \$400,000. The next year, still prior to his option years, that salary rose to \$425,000, an increase of \$25,000 or 6%. But in 2017, his first option year, it jumped \$50,000, to \$475,000—a 12% increase. In 2018, it jumped again, this time to \$575,000—a \$100,000 increase, or 21%.

If the player's option is declined by the club or he is out of contract, he can enter the MLS Re-Entry Draft. This is an annual event in which Major League Soccer teams select players who are out of contract or have had their options declined by their current teams.

## Methodology

The source used to calculate 2017 and 2018 earnings is found in the 2018 Major League Soccer Players Association's salary guide. vii

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There are six hundred and ninety players listed in this guide with the current base salary in the first column and the annual average guaranteed compensation in the second column. The annual average guaranteed compensation number includes a player's base salary and all signing and guaranteed bonuses annualized over the term, including option years. Viii

Each of the calculation was performed by position.

**Results**The median wages, average wages, maximum, minimum, standard error and the percentage change

between 2017 and 2018 were calculated using the salaries listed in the guide by position.

All Players	2017	2018	Change %
Median Earnings	\$134,250	\$154,619	15%
Average earnings	\$326,061	\$376,671	16%
Maximum	\$7,167,500	\$7,115,556	-1%
Minimum	\$53,000	\$54,500	3%
Standard Error	\$28,908	\$28,453	-2%
Defenders			
Median Earnings of Defenders	\$123,700	\$146,250	18%
Average earnings Defenders	\$181,920	\$239,146	31%
Maximum Defenders	\$909,861	\$1,370,268	51%
Minimum Defenders	\$53,004	\$54,500	3%
Standard Error	\$10,861	\$15,798	45%
Midfielders			
Median Earnings of	\$170,000	\$200,000	18%
Midfielders			
Average earnings Midfielders	\$422,788	\$439,710	4%
Maximum Midfielders	\$7,167,500	\$6,500,000	-9%
Minimum Midfielders	\$53,000	\$54,500	3%
Standard Error	\$60,447	\$49,639	-18%
Forwards			
Median Earnings of Forwards	\$173,000	\$193,750	12%
Average earnings Forwards	\$530,031	\$608,359	15%
Maximum Forwards	\$7,115,556	\$7,115,556	0%
Minimum Forwards	\$53,000	\$54,500	3%
Standard Error	\$104,034	\$95,657	-8%

The  $10^{th}$ ,  $25^{th}$ ,  $50^{th}$ ,  $75^{th}$  and  $90^{th}$  percentile were calculated and the percentage change between 2017 and 2018.

All Players					
	10%	25%	50%	75%	90%
2017	\$54,075	\$68,379	\$133,500	\$272,583	\$617,000
2018	\$57,747	\$71,713	\$154,619	\$379,687	\$793,460
Change %	7%	5%	16%	39%	29%
2017	count	647			
2018	count	690			
Defenders					
	10%	25%	50%	75%	90%
2017	\$54,075	\$72,375	\$123,700	\$230,950	\$371,925
2018	\$57,747	\$71,531	\$146,250	\$300,000	\$617,733
Change %	7%	-1%	18%	30%	66%
2017	count	216			
2018	count	229			
Midfielders					
	10%	25%	50%	75%	90%
2017	\$54,253	\$73,625	\$170,000	\$375,500	\$791,250
2018	\$67,500	\$81,000	\$200,000	\$475,315	\$1,057,833
Change %	24%	10%	18%	27%	34%
2017	count	247			
2018	count	234			
Forwards					
	10%	25%	50%	75%	90%
2017	\$56,687	\$69,625	\$173,000	\$423,000	\$1,022,524
2018	\$60,102	\$83,000	\$193,750	\$623,341	\$1,454,927
Change %	6%	19%	12%	47%	42%
2017	count	117			
2018	count	144			
Goal Keepers					
<del>-</del>	10%	25%	50%	75%	90%
2017	\$53,004	\$65,004	\$84,515	\$150,750	\$259,515
2018	\$54,950	\$67,500	\$82,170	\$145,625	\$263,750
Change %	4%	4%	-3%	-3%	2%
2017	count	67			
2018	count	79			

The length of a soccer career varies a great deal. Berenschot, a Dutch Consulting Firm did research in the field of professional soccer to establish how much players earned, for how long and what kind of careers they achieved after their playing careers. They found that the average career lasted for 10.5 years. Many did not only play in the Netherlands but also in other countries. After their soccer careers, they often found it difficult to start new careers. Approximately 40% would stay active in the area of sports related professions, others could be found in "sales, transportation, services, manufacturing, government agencies and other fields."

## **Practical Applications**

Professional athletes can be victims in Personal Injury and Medical Malpractice cases. This paper tries to help develop reasonable approaches to calculate lost earning capacity of a disabled soccer player.

Below find two scenarios of lost earning capacity.

#### Scenario 1

Sam Soccer is a player who got permanently disabled from soccer at age 29 in a motor vehicle accident (MVA) during the off-season in November 2018. After a successful college career he started his professional career at age 24 at Scoresome FC in 2013 and played there for 2 years. His earnings during that period were in the 10<sup>th</sup> percentile of defenders, around \$50,000 per year. He subsequently played for one year in Belgium where he had a contract that paid him 65,000 Euro's in 2015. FC Greatfood did not renew his contract and he went back to the USA where he did not play professionally for less than one year. A year ago, at age 28 he signed a four-year contract with Neverlost FC. In 2017

Earnings and career length of professional Major League Soccer players in the United States 9 he earned \$80,000. In 2018 he earned \$84,000, between the 25<sup>th</sup> percentile and the median earnings of defenders. He has one more year on the contract and an option for one more. He was not sure if he would have declined the option. He felt that he could have had another 4 years in the MLS as an experienced defender earning more than he did at Neverlost FC though he started in approximately only one third of the games.

**Evaluation.** Sam Soccer started rather late as a professional. His earnings have been consistent over the years in the 10<sup>th</sup> percentile. Since he is a mature player, there is no expectation to make a big jump in income. It is reasonable for him to expect that, if not for the accident, he could have played another 4 seasons. If he would receive a 5% wage increase for each of the next 4 years, he could have earned \$380,153 in the MLS if he had not been disabled for soccer. This calculation excludes the value of fringe benefits.

Scenario 1		
Year	Growth	Wage
2019	5%	\$88,200
2020	5%	\$92,610
2021	5%	\$97,241
2022	5%	\$102,103
Total		\$380,153

#### Scenario 2

Soccer at the highest level is very international. Players from all over the world play in the MLS and players leave the MLS to play all over the world. This may add additional complications when assessing the value of damages.

Antonio Attacker is a 24-year-old forward who was disabled in an MVA in early November of 2018. He went through the US national youth team's system up to age 23. A German club signed him with a two-year youth contract at age 19 after he played one year for an American University for his

Earnings and career length of professional Major League Soccer players in the United States Freshmen year. Players that sign a youth contract typically play on a under-age 23 team (U23) where the focus is still on development. The contract lengths are mostly one to three years. Beatsall FC in the MLS asked him to return at age 21 and he signed a six-year contract that guaranteed him \$85,000 for the first year, \$105,000 for the second, \$147,000 for the third year, \$200,000 in the fourth and \$245,000 in the fifth year. The sixth year was an option for \$250,000. He played on loan in the United Soccer League (USL) during the first year that he came back to the states and made quite a splash. \* He scored 20 goals in 30 appearances. The next two seasons he played very successfully in the MLS and even played four games for the US National Senior Team. Now before his fourth season, a famous club in the English Premier League (EPL) showed interest and there was talk of a \$4.5Million transfer for a 5-year deal to this EPL club when Antonio, now 24, broke his back in a horrible MVA. xi The transfer would have taken place in July 2019. This would have meant he would have played approximately half the season in the MLS before transferring. If not for the accident, the agent and Antonio would have received each 10% of the transfer amount or \$450,000. xii The remainder of the money goes to Beatsall FC to buy out his contract. His salary would have been \$800,000 per year before bonuses in the five-year deal.

Evaluation. Assuming Antonio would have had a normal work life expectancy (10.5 years) as a soccer player, he would have been approximately in the middle of his career. In other words, the accident made him lose 5 times \$800,000 in wages and \$450,000 in a one-time fee.

He further cannot play half of his season for the MLS team where he would have earned another \$100,000 for the first six months.

It is probable that he would end his soccer career at the EPL club. However, many players end their careers in their home countries and add another one or two years. If we assume that he would be

Earnings and career length of professional Major League Soccer players in the United States 11 earning at least the median of the wages paid for forwards, he could have earned another two times \$193,750 or \$387,500.

It is reasonable to assess Antonio's lost earning capacity related to the accident to be between \$4,550,000 and \$4,937,500 excluding the value of fringe benefits. This is excluding bonuses and the amount of money he can earn from merchandising, like for example, shirt sales. This is very lucrative for famous players such as Neymar and Messi. We can only speculate whether Antonio's name would have been a great brand.

#### **Conclusions**

In the case of injuries to MLS Soccer players the economic damages can be serious. The median wages of 'all players' are more than \$150,000 per year. The median salaries of 'midfielders' and 'forwards' are close to \$200,000 per year while the median wages of goal keepers are only around \$80,000. Very few players, only the top 5%, earn more than a million dollars per year. The top earners in the MLS make over \$6 million per year.

According to the Dutch consulting firm Berenschot, the median number of years that players play professionally is 10.5 years. Though many have shorter careers. Sometimes injuries cause talent to end their careers early such as Ryan Mason of Hull City, Clayton Zane of Anderlecht or David Busst of Aston Villa. Few have extremely long lucrative careers like Giangluigi Buffon who, at the time of the writing of this paper, is defending the goal for Paris Saint Germain (PSG) at age 41 or Paolo Maldini who retired as a defender at age 41.xiii

Many soccer players play in several countries. A quick review of transfermarkt.com shows that US

Men National Team players spent several years in foreign leagues (e.g., Jozy Altidore, Michael Bradley
and Clint Dempsey). Many of the MLS players come from foreign leagues (e.g., Bastian

Schweinsteiger, David Villa and Pele van Anholt).xiv

It is advisable to obtain as much information from soccer experts in the field to get enough information to make an educated assessment of the probable soccer career an injured player would have achieved if not for the injury. Information can be obtained not only from coaches, agents and soccer administrators but also sports physiologists and the medical staff of clubs where players may have performed.

Players typically have Standard Player's Agreements that indicate what their earnings and fringe benefits are. There are minimum earnings in the MLS CBA. Players and their agents typically receive more money if their contract is bought by another, often foreign, club. If the player's contract has ended, or the option is not picked up, the player can go into the reentry draft or try to get signed by a foreign club.

The calculated losses are only related to the earning capacity playing soccer. The athlete can pursue other career paths after finishing his soccer career. Many of the American players in the MLS have bachelor's degrees and have alternative opportunities in the marketplace. Yet, many others have trouble finding satisfactory employment after their careers.

i Marc Bailey (2014, August 15). What do footballers do when they retire? *Telegraph*. Retrieved from <a href="https://www.telegraph.co.uk/men/active/11028666/What-do-footballers-do-when-they-retire.html">https://www.telegraph.co.uk/men/active/11028666/What-do-footballers-do-when-they-retire.html</a>, Soccer players that play in their forties are exceptions. Most of them retire in their 30s according to the British Professional Football Association (PFA), the average retirement age is 35.6.

Kent Ninimiya (n.d.). How long is the average career of an NFL player. *Livestrong.com*. <a href="https://www.livestrong.com/article/15527-long-average-career-nfl-player/">https://www.livestrong.com/article/15527-long-average-career-nfl-player/</a>, According to the NFL Players Association, careers span on average 3.3 years

Ian McCourt (2014, February 16). Sochi 2014: Winter Olympics – day nine as it happened. *The Guardian*. Retrieved from https://www.theguardian.com/sport/2014/feb/16/sochi-2014-winter-olympics-day-nine-live

ii Transfermarkt GmbH & Co. KG 2000-2019 (n.d.). Retrieved from https://www.transfermarkt.com

iii Kurt Badenhousen (2017, June 17). Ronaldo, LeBron top the world's highest-paid athletes of 2017. Forbes.

 $Retrieved\ from\ https://www.forbes.com/sites/kurtbadenhausen/2017/06/07/ronaldo-lebron-top-the-worlds-highest-paid-athletes-of-2017/\#6405246b4a1c$ 

iv NCAA Research, *Estimated probability of competing in professional athletics*. 1.4% of NCAA participants goes to major pro. Retrieved from <a href="http://www.ncaa.org/about/resources/research/estimated-probability-competing-professional-athletics">http://www.ncaa.org/about/resources/research/estimated-probability-competing-professional-athletics</a>

MLS Players Association. Retrieved from https://mlsplayers.org/resources/cba

vi Terrance D. Brennan (2018, May 12). Update, MLS Contract Options [weblog comment]. Https://medium.com/@terryblaw/update-mls-contract-options-be3748caf735, accessed 2/7/2019

vii 2018-2019 MLS Salary Report (September 15, 2018). Retrieved from https://mlsplayers.org/resources/salary-guide viii MLS Player Association, Download the current collective player agreement. <a href="https://mlsplayers.org/resources/cba">https://mlsplayers.org/resources/cba</a>,

ix Drs. Jochem Poelman, et. al.(2014), Een succesvolle overstap, de voorbereiding van profvoetballers op een maatschappelijke loopbaan [PDF file] Berenschot

x The United Soccer League is the professional soccer organization that is a tier below the Major League Soccer. It has two professional leagues including the 'The Championship' and the 'USL1.' Below that the organization sanctions two developmental leagues including the 'USL2' and the 'Y-League.' Retrieved from USLsoccer.com

xi The Premier League is the top level of the English football league system. Contested by 20 clubs, it operates on a system of promotion and relegation with the English Football League.

xii Nederlandse Omroep Stichting. *De geheimen van de voetbal transfer* (n.d.) [video file] https://lab.nos.nl/projects/voetbaltransfers/deal

xiii Transfermarkt GmbH & Co. KG 2000-2019. Retrieved from https://www.transfermarkt.com,

xiv Transfermarkt GmbH & Co. KG 2000-2019. Retrieved from https://www.transfermarkt.com,