The Greater Gold:

Understanding *Brand NFL* and the Economic Paradox of League Collectivism

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Andrew Brandt spent two decades in the front office of the Green Bay Packers, a "small market" franchise resembling more closely a second-tier English football side (Millwall, Notts County, etc.) than a corporate National Football League operation. The Packers are a community team, the only team publicly owned[1], and their stadium, Lambeau Field, stands in the middle of town as a slice of Rockwellian athletic Americana. But for all the adorations given this organizational underdog story, a fact remains: the Packers, at last estimate, are worth north of $4 billion. This value is established and protected by the league's capitalist class, a collection of thirty-two billionaire owners (and ownership groups) who utilize notions of Marxist collectivism to enrich themselves, while engaging those same concepts to impose a strict set of anti-labor regulations. These practices become systemically accepted, specifically by the NFL players, the league's definitive labor force, as they are executed in the name of "competitive balance."

When the NFL struggled, along with most sporting leagues, during the Covid epidemic, Brandt was asked how the league would survive. "Competitive balance" was his reply.

> Competitive balance is a mantra for all American professional sports leagues, and none more than the NFL. Since inception, the league has operated under the premise that it is only as strong as its weakest link and teams are partners toward the greater good (or **the greater gold**). Competitive balance is baked into the league's operations.

[1]The Packers hold non-profit status, and no individual shareholder is allowed to possess more than 4% of their stock. Because of their tax status, they are the only American sports franchise that releases a yearly balance sheet. For a more detailed look at the inner workings of the franchise, Ken Belson's excellent New York Times piece (August 12, 2022) is highly recommended: www.nytimes.com/2022/08/12/sports/football/green-bay-packers-shareholders-fans.html

A former NFL journeyman and current Distinguished Professor of American Literature and Culture at Oregon State University, Michael Oriard has written, in *Brand NFL: Making & Selling America's Favorite Sport* (University of North Carolina Press, 2007), a foundational text, presenting the history of the NFL as an economic narrative. If we understand, as Brandt wisely suggests, that "competitive balance" has been the driving competitive *and* economic force behind the league's unparalleled success in the sporting marketplace, Oriard's arguments serve as a manual for the machinations required to achieve and develop that force. "This story is necessarily about money, lots of money. Professional football has always been about money." (p. 3) Oriard is an English professor, not an economist, so it is understandable that he refrains from employing explicitly Marxist terminology in his excavation of the league's financial foundations, but one needs only a passing understanding of Marxist economic theory to identify its import in understanding the presiding ideologies of the NFL ownership.

The most compelling element of Oriard's text is its presentation of the central economic paradox required for the league to manufacture its notion of "competitive balance". The history of the sport is a labor battle continuum; with labor (the players) in a constant struggle to ascertain value of and receive appropriate renumeration for their work in the wake of ever-changing revenue models. Players are allocated a percentage of the league's total revenue, and with teams not being publicly traded companies, it is often difficult to acquire accurate revenue figures. In the spirit of Marx's *Capital*, the basic model is perhaps best displayed as a simple mathematical equation, understanding the league's essential bottom line as Total Revenue (TR), divided evenly amongst the thirty-two owners (RS), less 48% of said revenue disseminated amongst the players (L), equaling team profitability/surplus value (P).

$$(TR/RS) - L = P$$

Thus, if the NFL's total value were $3200, each team would be allocated $100. Players would then receive salaries at a combined total value of $48, leaving owners with $52 in surplus value, or profit.

What *is* the Total Revenue?

J.C. Tretter, current President of the National Football League Players Association (NFLPA), the union representing the interests of all players, has recently acknowledged the defining of Total Revenue as remaining a "major area of contention" in collective bargaining negotiations between union leadership and the team owners. Tretter used a blog post on the union's website to establish a firm definition of the term:

> In short, when bargaining for a system in which the players get a share of defined revenues, we want to include as many revenue streams into the total revenue pie as possible and the clubs want to include less…Generally speaking, the 2020 CBA – building off the 2011 CBA – defines revenues ("All Revenues" or "AR") as everything football related in three general categories: television/broadcast, sponsorships and local revenues. Some examples of this are: all television deals, ticket sales, concessions, league sponsorships, local media deals and yes, even gambling revenues are included as part of our share of revenue. (Tretter 2021)

The NFL has an exceedingly complicated revenue structure. They have national broadcasting contracts with Amazon, NBC, ESPN, Fox and CBS. They also have a broadcasting contract to air

their "Sunday Ticket" package with YouTube TV. They have a host of league-wide sponsorship deals, ranging from Bud Light being "the official light beer of the NFL" to Apple Music replacing Pepsi as "the official sponsor of the Super Bowl Halftime Show" at a rumored value of $50M a year.[2] Each team also has club-specific revenue streams, which include team sponsorships, in-stadium vendor sales, etc. To equitably "split the pie," the union must first accurately "define the pie" and this has proven difficult.

Revenue Sharing

The most important figure in league history, according to Oriard, is its longest-serving commissioner, Pete Rozelle. Rozelle was named to the position in January 1960, elected to the role only after the owners failed to reach consensus on twenty-three separate ballots. He would serve until his retirement in 1989. Rozelle's tenure would come to be defined by three trailblazing economic concepts. First, the league could only thrive *as a league* with a unified television model. This meant that the teams would be packaged as a whole (collectivism) and sold to the networks as a single unit. Second, the revenues generated from those sales must be shared equally amongst the participating teams (also collectivism) to prevent small-market franchises from struggling to compete due to lack of resources. Third, because such a model would be in strict violation of existing antitrust legislation, the American government must be aggressively lobbied to achieve these ends.

Oriard rightfully frames the game's transition from gridiron battle to television product as its watershed moment. The NFL game – the action on the field, viewed by those in the stadium - had

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[2] This information is widely reported but these specific details/figures come Kurt Badenhausen's piece for Sportico entitled "NFL Remains Sponsorship Champ With $1.9B During 2022 Season." It was published on February 6, 2023.

been the league's primary commodity, but it would soon be replaced as the economic nexus by its role as an entertainment commodity.[3] Oriard details the coalitions required for that initial contract:

> Through its alliances with Madison Avenue, Wall Street, and the TV networks in its new neighborhood, the NFL fully escapes its low-rent roots to become a Fifth Avenue sort of operation and the model for every major professional sports organization. The foundation for that model – what journalist David Harris has termed 'League Think,' the principle that individual interests were best served by sharing, not competing financially – began with the first leaguewide network television contract negotiated by Rozelle. (p. 12)

Rozelle's attempt to build a collective amongst the ownership group was an argument for the strength of the whole as more important than the success of its individual parts. The Chicago Bears and New York Giants would continue being competitive rivals on the gridiron, while no longer being competitors in a capitalist marketplace. This dialectic was not only revolutionary in the sporting world, but a radical departure in American business practice. Oriard continues:

> In 1961 Rozelle persuaded the most powerful major market owners – the Mara family in New York, George Halas in Chicago, and Dan Reeves in Los Angeles – that short-term sacrifice would pay long-term dividends. Sharing television revenue meant rough parity and financial stability throughout the league. More important, the new commissioner

[3] Rozelle's beliefs have borne out in ways no one could have ever expected, with the NFL becoming the most profitable product in television history, by a significant margin. A Michael Schneider December 22, 2022 piece in Variety detailed that the four top television programs of 2022 were, in order, NFL Sunday Night Football (NBC), NFL Thursday Night Football (Fox/NFL), NFL Monday Night Football (ESPN) and NFL Thursday Night Football (NFL/Amazon).

> understood that, because the NFL could never have franchises everywhere, viewers willing to turn on pro football every week in much of the country would have to be fans of the league, not just the New York Giants or Los Angeles Rams. (p. 12)

Here, Oriard also points to an element often ignored: the NFL's national television contract and revenue sharing structure would create a national network of league fans, not just pockets of individual team fans in their respective markets. (In many ways, this establishes a fan base collective, unified in their support of the sport writ large, as opposed to individual team units.) But there was a significant hitch. It was illegal, a violation of antitrust law, and a $10 million lawsuit was filed by the rival AFL[4]. Rozelle established a league presence on Washington D.C.'s (in)famous K Street and began efforts on Capitol Hill. His "lobbying won congressional approval of the Sports Broadcasting Act in 1961 and secured the future of the NFL." (p. 12) When one comes to understand the popularity of the NFL in the United States, it is impossible to ignore that its success, like much economic success achieved in this country, was wholly dependent on "the game being rigged" in favor of the billionaire class. This is very much, as Sal Paolantonio titled his terrific NFL tome, "how football explains America."[5]

What is a *Professional* Football Player?

Some of the more revelatory passages of Oriard's work involve his analysis of the constantly evolving relationship between professional football player and professional football supporter. (A secondary study could be done on the value of spectatorial labor in the NFL economy.)

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[4] The AFL, or American Football League, would ultimately merge with the NFL at the end of the decade as they no longer had a pathway to financial stability.

[5] Paolantonio's book also discussed, at length, the importance of the league's relationship with television. But sadly, it avoided any serious discussion of the league's prevailing economic structures.

Until the professionalization of football, the game was only played at the collegiate level, defined by the pageantry and "rah rah spirit" that's associated with cheering on a side with which one has a personal attachment. Professional football players would soon be perceived as "mercenaries instead of loyal sons of their alma mater" (p. 2-3) and that changing perception presupposed an economic component. Suddenly, the fan became acutely aware of the money earned to play a sport that had previously been played for pride alone. When Joe Namath signed for $427,000 out of college, he was marked as "grotesquely overpaid." (p. 4) Salaries became the story and owners understood and exploited this shift.

> Unlike other forms of popular entertainment, NFL football is *real* – the players actually do what they appear to be doing – yet at the same time it is a creation of the media, and it generates some of the most powerful fantasies in our culture. The actuality of football is the source of its cultural power, but media-made images of that reality are all that most fans know. (Oriard p. 14)

Owners understood, from the very establishment of football as a professional game, that presenting it as an entertainment product on television enabled them to treat the labor force as a combination of athlete and entertainer, with the latter enabling a language of dehumanization. To put it into television terminology, the owners did not want Joe Namath associated with Caroll O'Connor, a blue-collar character actor. They wanted Namath to be associated with Archie Bunker, a fictional entity. If football players were viewed as something other than men performing a labor task, aligned with the working-class people consuming the sport, owners could maintain an economic upper hand. David Harvey, in his teaching on *Capital*, suggests that this linguistic approach

persists in occupational environments, as we continue referring to human employees as "human resources" and laborers as "the labor supply." Players have spent the sixty years since the game's transition to television product fighting against these perceptions.[6] Oriard dissects this discrepancy:

> NFL players were not workers but well-paid professionals, in a profession more exclusive than the American Medical Association or the American Bar Association. Doctors and lawyers never went on strike. But doctors and lawyers, engineers and professors, enjoyed all of the freedoms that the players demanded. Football players qualified as neither "workers" nor "professionals" in the common understanding of those terms, nor were the yet viewed simply as "entertainers"…but as "heroes." (p. 66)

Oriard focuses his study on three contractual elements – free agency, the salary cap, and the franchise tag – and rightfully identifies them as defining the league's economic inequity. Oriard attempts to reconcile notions of player labor and player value, while illustrating the clever maneuvers undertaken by the sport's billionaire owners to maintain their control over the capitalist product that is football, the game and television show. But his attempts lack a certain theoretical strength that might have been provided by direct citation of *Capital*, or one of many available Marxist theoretical texts.

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[6] Harvey discusses this issue on his podcast series "Reading Marx's Capital," specifically Class 10 on Chapters 16-24, published on August 24, 2008.

Free Agency

Oriard examines the labor strikes and stoppages that plagued the sport in the decades preceding free agency, the bargained right of players to be able to choose their competitive destination, as opposed to being placed into indentured servitude by the club drafting them out of college. These work stoppages establish a worker's narrative, with players attempting to establish the value of their labor while total revenues were expanding exponentially.

In 1968 and 1970, briefs labor stoppages were quashed quickly by owners, who threatened "scab" participation in the sport. Having not yet established a commanding presence on television, or creating the player notoriety that would come as a result, the owners understood their leverage and utilized it. In 1974 the players struck for two months prior to the start of the season, but refused to miss a game, instead agreeing to pursue their quest for free agency in the courts. (The courts would not even hear the arguments for almost three years.) In 1982, the NFLPA argued the players were entitled to 55% of total revenue. This was the first labor stoppage to leak into the season, and it did so to almost comical effect. The NFLPA staged non-league exhibition games with its talent. (No one attended.) The television networks aired Canadian football games. (No one watched.) The strike ended when players revolted against their own union, demanding leadership be fired, and insisting on compromise and a return to the field. The season was shortened from sixteen games to nine, with the players accepting mild salary increases, and the union would now, for the first time, receive copies of each league contract.[7]

[7] Prior to 1982, the NFLPA had to simply take the word of their players at face value, and rumors persisted that some teams would pay their top players substantially more money in return for that player lying to the union regarding the total value of their deal.

With former player Gene Upshaw now leading the NFLPA after the previous regime's dismissal, the players instigated the sport's most demanding work stoppage in 1987. The players wanted free agency and despite a proliferation of picket line crossers amongst their union during this five-year period and countless court battles later, their dream was realized.

> On the day in 1993 that the NFLPA and the Management Council agreed on the free agency plan, Gene Upshaw exulted, "For the first time, we're the partners of the owners." One interested observer, an attorney for the baseball players' union, said that free agency meant "citizenship." Upshaw's words recalled Ed Garvey's defiant (and erroneous) statement after the 1974 strike collapsed, that the players had not truly lost because "this was a strike for recognition," and the owners "would have to deal with the union from now on." (p. 143)

The Salary Cap

In *Capital*, Marx writes of co-operations as "a new productive power" but also criticizes the notion, arguing, "When the worker co-operates in a planned way with others, he strips off the fetters of his individuality and develops the capabilities of his species." (Marx p. 447) This notion of de-individualization is the essential economic imperative of the salary cap.

With the dawning of free agency in 1993 came the invention of "the cap" in 1994. Owners understood that the ability for players to negotiate contracts with every club in the league could give the more valuable clubs an unfair competitive advantage. If Philadelphia's Reggie White, the premier figure of the initial free agency argument, allowed his skills to be available on the open

market, certainly the teams in New York and Chicago would have more money to offer him than the teams in Kansas City and Cleveland. A salary cap, or a restriction on the total money allowed to be spent on total player wages by each club, would eliminate this financial advantage. Oriard contextualizes the cap:

> For the NFL, the salary cap has been an unalloyed blessing…owners benefit from the public perception of harmonious relations with players, instead of the unseemly spectacle of millionaires fighting billionaires for yet more money. And with rosters changing each season through free agency, the cap ensures that no team can remain dominant for long. (p. 145)

But Oriard's limited discussion of the salary cap, its implementation and recurrence, is where his book lacks proper analytical depth. This is an inherently arbitrary consideration. The NFL does not exist without its labor talent, proven by both the television attempt to promote the Canadian game in 1982 and the failed use of scabs in 1987. Salary caps are, much like their own revenue sharing, an attempt by ownership to engage in a Marxist co-operative, but now as a restrictive (instead of inclusive) measure. Just as the league would evenly disperse the revenue generated from national television contracts and rights deals among the owners, now the owners would evenly disperse wages among their players, without consideration for the value of an individual laborer. The competitive argument is simple: if every team spends the same amount of money on their labor, no team can be at a competitive advantage financially.

Language drives economic conversation. The salary cap is a *forced* co-operative, which Marx described as workers, "Being independent of each other, the workers are isolated. They enter into relations with the capitalist, but not with each other." (Marx p. 551) When a coach or General Manager is announced to have signed a contract worth $5 million a season, the media and fan reaction to that figure is a shrug emoji. That is money considered to be traveling directly from the pockets of ownership to the pockets of these individuals. When a player is signed to a contract at the same value, it is met with intense scrutiny because that figure is part of the "cap whole" and has a direct correlation to the team's ability to field a competitive product.

Oriard fails to connect his own theoretical dots as it pertains to the relationship between the player and the supporter. The salary cap enables the supporter to view and discuss a player not as being "valued at X amount" but instead as being valued in context of their "cap hit," or the percentage of the team's overall labor wages that player consumes. Therefore, players are discussed not in regard to their individual value, but instead in regard to their value in relationship to the whole of the owner-established co-operative. In many ways, the players are relegated to Marx's notion of "piece work," responsible for manufacturing only their financial responsibility when it comes to production of the NFL commodity, with a player weighing at 11% of the team's cap expected to provide more labor value than a player weighing 3%.

And again, with the invention of the phrase "cap casualty," the language established conveys a tone of dehumanization. These are players nearing the ends of their contracts who are no longer deemed worthy of absorbing the percentage of the cap they are expected to devour. This is not to say the player no longer has competitive value, only that the player's competitive value is no longer

commensurate with their economic impact. Again, Oriard might have benefited from acknowledging the ramifications of the salary cap in terms of Marxist piece work.

Oriard fails to ask the pertinent questions required to reveal the inequity of the salary cap. Why are only the wages of the players capped? There is no limit as to how many coaches a team can employ or how much money those coaches can be paid. Do coaches not provide a significant competitive advantage? Does a talented General Manager not provide a competitive advantage? After all, this is the individual tasked with identifying the playing talent and attributing a price tag to that talent? Why are GMs and their administrative counterparts not also capped?

The Franchise Tag

Free agency is not entirely free, and the franchise tag's emergency in 1995 is perhaps the most bewildering allowance of the NFLPA. The tag allows teams to keep a player from entering free agency by offering them a one-year, guaranteed contract at the mean value of the five highest paid players at that particular position. Oriard addresses the inequity of the tag:

> Such details are nearly meaningless to outsiders but profoundly meaningful to the players affected. While free agency seems to mostly benefit stars, those designated "franchise" or "transition" players – not allowed to change teams, but compensated at the level of their highest-paid peers – can be particularly frustrated by their inability to capitalize on free-market bidding. The highest-salaries players sometimes become the most vulnerable to being released in order to create room under the salary cap for new free-agent signings. Upshaw has repeatedly had to argue this is fair. (p. 147)

The NFL is a dangerous sport, and a player's availability is almost always teetering on the precarious. Players want multi-year deals with large financial guarantees. A $20 million dollar payment for a single year of labor may seem extravagant to the outsider, but it is relatively minor in comparison to those with guarantees at twice that figure on a contract two or three years longer. The franchise tag provides short-term financial security at the risk of long-term survival in the sport.

The Final Whistle

Michael Oriard concludes *Brand NFL* with something of a warning: "For the National Football League to hold onto its enormous audience, NFL football – the game on the field and men who play it – must continue to matter." (p. 257)

The paradox of the league's economic structure – a Marxist collective to protect the interests of the capitalist, billionaire, ownership class at the expense of the game's labor force, the players – will likely ensure the game continues to matter. "Competitive balance" means thirty-two fan bases and millions of fans believing, every year, their team has an opportunity to win a championship. And as the value of live television events only continues to increase, the NFL's revenues will do the same. Oriard's book, while lacking in critical insight at crucial economic intervals, is still the finest historical analysis of the NFL's inequitable relationship between those who *are* the game, and those who *own* the game.

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