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## The Gender Wage Gap in Sports: Explaining the Pay Gap in Sports

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# **The Gender Wage Gap in Sports: Explaining the Pay Gap in Sports**

A Senior Project Submitted to  
The Division of Social Studies  
of Bard College

By

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## Introduction

The topic that I will talk about is the gender wage gap in sports. This project is a deep dive into what causes the gender wage gap in sports and how we can explain the gap in sports. I will look at professional sports, specifically the NBA and WNBA to help explain the gap. The men's league and the women's league are the two biggest professional basketball leagues in the United States. There are similarities but also differences that have to be examined in comparing the two organizations.

First, I will look at the history of the gender wage gap to give a better understanding of the past trends. There are two possible explanations to explain this gap and they center around discrimination. There are various discriminatory explanations and non-discriminatory explanations to explain the gap dating back into the early 1900's. However, these explanations are not clear-cut evidence that prove the gap is either caused by discrimination or not. The way to determine if discrimination can explain the gap is to measure productivity. It is very difficult to measure productivity in the labor market and therefore it is hard to test for discrimination. However, sports helps us because it allows us to measure productivity.

In terms of sports, basketball is the main sport that I will focus on when looking at the pay gap. When examining the NBA and the WNBA, it is important to look at the players' salaries, sources of revenue and the percentage of revenue given to the players. A deep comparison of the leagues is necessary in order to see the differences between the NBA and WNBA. Also, the way salaries are determined by looking at MRP is crucial because an individual's contribution to profits plays an enormous role on wages. The contribution to profit

and a player's salary should correlate. If their contribution to profit does not correlate to their salary then this looks like discrimination.

Monopsony exploitation is also a huge piece of wage differentials in the economy. In sports, which is a similar market to the rest of the economy, there are two sources that can explain why women are making far less than men. I arrive at the finding that these two sources are cultural devaluation and limited opportunities for women. The lower demand for labor, which represents the cultural devaluation in our society is evident in all markets. The work of women is not valued as much in society. Also, the lower elasticity of labor supply is due to women having fewer opportunities which allows employers to take advantage of women. When a group has limited options they are easier to exploit because they do not have strong negotiation power. Women do not have as much negotiation power, so they are the victims of monopsonistic exploitation.

There are policies that can create positive change and combat the exploitation that is occurring. There are childcare policies, equal opportunity policies, comparable worth policies and other government intervention. These policies can create more opportunities for women and increase demand for labor for women. Increasing elasticity of labor supply and increasing demand will help the earnings of women in the future.

Furthermore, looking into the future, there has to be awareness campaigns to help women's sports generate popularity in the public. The constant promotion and marketing of women athletes is a step in the right direction of helping the value of women's labor. In addition, in specific sports leagues such as the WNBA, they also have to focus on collective

bargaining and parts of the agreement in the future. This bargaining power is affected by their limited opportunities, but collective bargaining is beneficial to positive change. The NBA could also help the WNBA reach new levels with additional promotion campaigns. The sports industry is very important to examine because the sports world is a microcosm of the entire labor market.

# **Chapter 1: History of the Gender Wage Gap**

## **I. History of the Wage Gap**

The gender wage gap is the average difference between the wages for men and women who are working. The gender wage gap is an ongoing issue that has been talked about for a long time. There has been a ton of discussion about the topic and research done to either support or disprove it. However, the gender wage gap is an open debate and there is not a settled solution. There are many individuals who believe that the gender wage gap is a real phenomenon that exists in our society. These folks believe that biases exist that prohibit women from obtaining the same salary as men in this country. On the other hand, there are many people who believe that the wage gap is just a myth and that it is not a real thing. The individuals who do not believe in the gender wage gap feel that people deserve what they get paid and the gap is non-intentional. Clearly, there are two different sides of this phenomenon with opposing views and this has caused much frustration over whether there is discrimination evident or not.

The gender wage gap is very interesting when looking at its historical trends dating back to the 1950's. The annual gender earnings ratio is a very good indicator of the relationship between men and women's earnings. In terms of the ratio, from 1955 to 1975 there was a decrease in the ratio from 65% to 60% (where full-time working women are making less than men). However, there was a positive trend where there was an increase in the gender earnings ratio in 1981 to 1990 from 60% to 70% (Institute for Women's Policy Research 2018). There was



a slight increase in the 1990's where the ratio basically increased from 70% to just under 75%. This time period showed slow growth from women, but gradual progress. There was a plateau in the early 2000's where between 2003 and 2010 the ratio basically stayed the same around 77% (Institute for Women's Policy Research 2018). The gap has increased, decreased, plateaued and been altered in many ways going back to the 1950's. There has been an overall increase in the ratio, which is encouraging.

Blau and Kahn are able to explain these historical trends by their research. There are many factors that come into play such as labor force participation rate and continued increased/encouraged education for women. The increased education and furthering one's education plays into Title IX (Blau and Kahn 2016, 16). Title IX is an equal opportunity constitution where women are encouraged to continue their education to have equal opportunities that men have. An individual's sex should not prohibit or hinder them from obtaining higher levels of education (Blau and Kahn 2016, 16). The idea of putting an end to discrimination is the foundation of this law and promoting equality of both sexes.

Also, the pill played a major role in the gender wage gap as well and there was plenty of controversy over whether the pill should be allowed for women or not based on their age. However, the pill encourages later marriage and greater career investment. In this case, couples are not marrying too early and waiting for marriage tends to lead to a better match for an individual in addition to a higher quality marriage. The pill encouraged women's careers because it basically eliminated the risk of pregnancy. It is very difficult to fully invest in your career as a woman when you have responsibilities dealing with your kids. A woman who delays

their marriage can focus on her career and at the same time eventually find their right soulmate in the future.

There was a study done on college graduate women who married between the ages of 20 and 30 years old. This study showed that those individuals who were born from 1941 to 1949 ended up marrying before they were 23 years old 50% of the time. Individuals who were born from 1949 to 1957 were married 30% of the time before 23 years old (Goldin, Claudia and Katz 2002, 751). This 20% decrease is a huge decline in the percentage of marriages at this young age of 23 years old. The pill was able to allow people to have sex without commitments and not be tied down, therefore marriage could be delayed. This trend continued and in 1972 there were even less individuals who married a year out of college at 23 years of age and around this time many states changed their laws allowing the youth access to contraceptives (Goldin, Claudia and Katz 2002, 752). The timing of the pill had a massive impact on marriage timing.

The impact of the pill to college women employed as doctors and lawyers is on display. Professional careers require long-term investments, especially these careers such as dentists and physicians. According to columns 3 and 4 in the power of the pill diagram by Goldin, Claudia and Katz, research has shown that increased pill access has led to a rise in college women becoming doctors and lawyers. Individuals who were born before 1940 compared to those born in the mid -1950's experienced an increase from 1.2%-1.6% share of women in the fields of lawyers and doctors. There is a slightly higher increase from 1970 to 1990, which displayed a 1.7%-point increase (Goldin, Claudia and Katz 2002, 762). Basically, the use of contraceptives can help explain the increase in the age of one's first marriage, which leads to a

larger amount of women entering higher levels of schooling and ending up in professional careers.

In this country, full-time working women earn, on average, 78 cents to every \$1 that full-time working men earn (Institute for Women's Policy Research 2018). The gender wage gap goes even deeper when you divide it into specific races in the United States. Black women make just 64 cents for every \$1 white men make on average and the numbers are even more staggering when you examine Latina women. Latina women make on average, 56 cents for every \$1 white men make working full time (Institute for Women's Policy Research 2018). Additionally, women make up 70% of teachers across the U.S., but they make 87 cents to every \$1 that their male counterparts make on average. Furthermore, female lawyers make 83 cents to the dollar that men make on average and women who work retail sales make 70 cents to the dollar of men (Institute for Women's Policy Research 2018). Clearly, there is a significant gap in pay across the board for a variety of jobs and in all these cases women are earning far less than their male counterparts.

Overall, the gender wage gap has caused an open debate in regards to if there is in fact discrimination against women in the workplace or if in fact women are just less productive and earn less because they deserve less. There are two main sides to this debate and the side who argues that the workplace does not favor men argues that there are many factors that cause women to earn less.

## II. Non-Discriminatory Explanations

Wages are set in absence of discrimination and they are set solely based on productivity. Individuals who are more productive are the ones who will earn more because they are providing more to the company. These individuals who are more productive are the ones who the company can trust in order to help the firm grow and achieve its goals. Firms prioritize productivity and therefore potential earnings rely on how productive one is. Also, the major that one chooses plays an enormous role in their potential earnings in the workplace.

Women tend to choose majors in college that earn less than men. In terms of education, women are currently more educated than men and tend to receive more education. However, men tend to choose fields that have higher earning potential. These areas are more science and math heavy majors where men tend to have much more representation, whereas the most popular major for graduating women in 2016 was nursing (Stockwell 2017). Nursing has lower earning potential than STEM related majors, so men are more likely to make more money due to their major. Women choosing lower paying majors cannot be used as an argument for discrimination because they chose to pursue that path. This can help explain the difference in earnings because when one studies a less lucrative major, they will earn less in the future.

In addition, work hours and occupations are key factors. There are different skills obtained by men and women in part due to lower work hours among women. Women are working less than men typically, so they do not have the incentive to develop the same skills that men have gained. The skillset of an individual affects their wages and if you are not as skilled as somebody else than that other person will be the one who makes more money. The

company will choose the more skilled professional for the job position. The positions at the higher levels of a company are held by individuals who have obtained the most skills and therefore are the most qualified.

There are reasons why women work less than men. Women have household duties, so this ties into the idea of women being the dominant figure in the household. The woman is often the partner that specializes in the household production, which causes their work hours to decline because they are spending additional time away from work. These household duties are time consuming and take time away from potential work hours that men are able to obtain, which can help explain the pay gap. If an individual is working less than they will make less money, but if a person is working more than they will obviously be rewarded with more earnings. Overall hours of work for women are greatly affected by household responsibilities.

There was a study done by Bertrand, Goldin and Katz (2010) where they examined the earnings of MBA's who graduated from the University of Chicago's Booth School of Business between 1990-2006. This study showed that men who had been out of school for 1-16 years earned 33% more than women. Also, looking further down the line, men 10-16 years post-degree earned 82% more than their women counterparts (Blau and Kahn 2016, 21). However, the results can be viewed in many ways and Goldin brings up interesting points in her analysis. Goldin says that these results are consistent with her views on the high penalty to flexibility in some high wage occupations, including a convex return to current hours (Blau and Kahn 2016, 21). There are many high level jobs, especially business and law, that had high values on the inflexibility index and high elasticities of annual earnings with respect to weekly hours.

Women working less hard and fewer hours is a common theme that is out there.

Women tend to be less productive than men because they are not able to work as many hours. This ties into women having to take off time from work to be with their kids and are not as fully committed to work as their male counterparts. Men have more motivation to work and have their full focus on their job, whereas it is harder for women to be as productive with potentially a schedule where they work far less hours than men. There are many women who have children and take time off from work and so their weekly hours are lower than men's and this affects the gender pay gap. These factors, career-family tradeoffs, do in fact play a role in the pay gap.

Cody Cook, Rebecca Diamond, Jonathan Hall, John A. List and Paul Oyer examined the Uber driving industry. The Uber article provides some necessary insight on how gender based differences in preferences and constraints can lead to a gender pay gap. The typical male driver on Uber has more experience than the typical female and there are returns to experience. Men are higher on the learning curve, which leads to more money per hour for the male drivers than female drivers. Basically, the three main factors that are responsible for the pay gap in terms of Uber are a natural tendency to gain more experience, choices of different locations and driving faster (Cook, Diamond, Hall, List and Oyer 2019, 2). These are factors that men typically possess and it affects their earnings in a very positive way in the industry. Nearly half of the gap can be explained by men driving faster, over a third can be explained by on the job training (learning and gaining more experience) and the rest of the gap can be explained by choices in where to drive. In terms of choices of where to driver, men's willingness to put in more hours per week

allows them to learn more and gives them the knowledge to target the more profitable areas (Cook, Diamond, Hall, List and Oyer 2019, 4).

Women sort into different jobs by choice and this is not a discriminatory factor. There are many women who need a job that is flexible and they can mix or match their hours during specific weeks. The natural tendency of women to choose jobs that benefit their circumstances causes lower wages because they are not working as much and not learning as much due to a shortened schedule. Women are not able to gain as much on the job training, an example being Uber, and this causes them to earn less and not know the trends of the job (Cook, Diamond, Hall, List and Oyer 2019, 4). The additional training allows men to know where the profitable locations are and learning these trends greatly affects how much you make over time. Even in these jobs, like Uber, that allow for complete flexibility there is still a pay gap that arises from non-discriminatory factors. The continual rise of flexible work could be attractive to women, but they still will face a pay gap in this field just like the regular work force.

It is just not possible to be as fully focused and committed to your occupation when you are the primary caregiver to your children. Men are not missing or experiencing a reduction in their weekly hours because of time spent at home. Therefore, they have more of an incentive to be motivated on work and do not have to work less.

In addition, leaving the labor market might cause women to lose job relevant skills. Losing these job relevant skills hurts their wages and their chances of obtaining a higher quality job. When an individual leaves the labor market for a large amount of time it can potentially have an effect on their productivity when they are looking to rejoin the market. They become

less competitive in the labor force by potentially losing relevant skills after taking off time from work. This leads to a skill mismatch in the labor market, where your skills do not necessarily match an occupation's needs. The right talents and skillset are not applicable to the employers needs at a certain job position, which causes a low wage return on skills.

These are the main theoretical explanations supporting non-discrimination in the labor market that may lead to the gender wage gap. Basically to sum it up, household responsibilities, lower productivity theories and women choosing less lucrative majors are the main reasons for the pay gap. The work of economists such as Blau and Kahn, Goldin, Katz and others has provided us with key information to explain various theories.

### **III. Discriminatory Explanations**

On the other hand, there are specific stereotypes that help play a role in women not obtaining these higher paying jobs. In history, women are known to be the caregivers and the ones who take care of the household. Women are the individuals who are going to have kids and will have to stay at home to nurse them. It will take a long process to have these kids and raise them, as women are the primary caregivers, so they will have to take time off from work while men are the ones making the money for the family. These stereotypes have led to women being asked in interviews about their marital status and other personal questions which represent discrimination. An employer never asks men about their personal situations, in terms of if they have kids or if their married, which shows that the personal life of men has no impact on their potential earnings, whereas it plays a role for women.



There are biases that are entrenched in society and in our way of thinking that give men advantages over women. These ideas that men tend to be more productive than women are institutionalized and etched in our minds from history. The past has greatly affected the present day and has caused us to push women to the side and not give them an equal opportunity to show that they are just as productive, if not more productive than men. The lack of opportunities has caused women to fall behind men and these discriminator factors play a huge role in shaping our society.

Furthermore, Williams and Ceci (2015) explain discrimination against mothers and bring up the idea of statistical discrimination. In this case, statistical discrimination is when employers have perceptions of the average differences in productivity between mothers and non-mothers (Blau and Kahn 2016, 34). One perception is that men tend to be the primary wage earners in most families. Another one is that there is increased motivation for men to support the family and women may have the incentive to marry men with high earning potential. Basically, statistical discrimination is based on the fact that predicted results and predicted productivity of groups can cause various groups to be treated differently in the labor market.

Labor market discrimination is evident in our society and statistical discrimination is a representation of this type of discrimination. Also, taste-based discrimination is another form that helps explain unfair treatment in the market. Taste-based discrimination is when employers are showing unfair treatment towards minorities and even trying to avoid interactions with these people. The applicant's productivity is being ignored and pushed aside in this case. The groups being targeted are certain minority racial groups and women in general, which shows that there is a "taste" against disadvantaged groups (Blau and Kahn 2016, 27).

Becker's employer taste model predicts that in this case discrimination exists because employers do not want to employ these groups of people and will only do so if they are paid lower wages than the typical worker. This shows a wage discrimination because equally productive workers are being paid different wages.

Segregation arises in the market and leads to occupational crowding. Barbara R. Bergmann found that blacks with low levels of education are more concentrated in lower-skilled occupations than whites and are basically excluded from higher level jobs. Also, women's earnings are lower due to women being pushed into a large number of predominately female-dominated occupations (Bergmann, 61). There are groups being pushed away from these higher level occupations based on race, such as blacks and based on gender, such as women. In terms of white collar occupations, both blacks and women are mainly excluded from high-skilled managerial positions. However, in the lower-level jobs, such as low status service occupations, there is an over representation of blacks in this sector. In terms of women, a major dilemma is that the male-dominated jobs are typically the higher-level occupations where there are a vast majority of men, especially white men occupying these jobs and a sense of group crowding. Segregation can take the form of "glass ceiling" which is term that Blau and Kahn bring to the table.

Blau and Kahn discovered that there is a "glass ceiling." This term is referring to where women face barriers in entering the top levels of the labor market (Blau and Kahn 2016, 9). This is shown by the relatively large gender pay gap at the top of the distribution and at these higher levels the wage gap decreased slower over a 30-year time period (1980-2010) compared to other portions of the distribution. The two main data sets that were used in gathering the key

information by Blau and Kahn were the CPS (March Current Population Survey) and the PSID (Michigan Panel Study of Income Dynamics). In both of these data sets, PSID and the CPS, by 2010 women's relative pay at the top was much less compared to the bottom or the middle of the data distribution. In terms, of exact percentages, at the top it was 8-9% less than that at the middle or bottom in the PSID (Blau and Kahn 2016, 3). In the CPS women at the top experienced 6-11% less in relative pay when compared to the middle and bottom portions (Blau and Kahn 2016, 3). This information is important because it shows that the gender wage gap is currently larger at the top of the wage distribution and women at these higher positions are seeing slower decreases in pay gap relative to others who are lower in the distribution. This represents labor market segmentation.

The discrimination argument for explaining the gap is also a well-supported argument that has theoretical explanations to back up the claim. These reasons include occupational crowding, taste-based discrimination, implicit bias, statistical discrimination and labor market segmentation. There are clearly many economists that provide us with key information to support this side, which include Blau and Kahn, Bergmann and Gary Becker. Also, Marlene Kim's work was helpful in explaining implicit bias in order to support discrimination.

#### **IV. Unsettled**

The debate is currently unsettled and there is not a clear-cut solution to the cause of the gender wage gap. There are theoretical explanations for both sides arguing that there is discrimination evident in the labor market causing the gap and opposing explanations

supporting the non-discriminatory side. The hard thing to measure is productivity, and that would tell us a ton because if one group is more productive than they deserve higher wages. However, how can you exactly measure productivity in the workplace? The dilemma with this debate lies within productivity and measuring the various productivity levels of certain groups. It is just very difficult to measure productivity in the workplace because how can you track all the work that an individual is doing on the job and their impact on the company. A person could literally just sit in their office for eight hours and not complete any meaningful work, but there is now way to measure that those hours were not productive. There are not any specific indicators tracking an individual's progress and you cannot really compare workers to each other because there is not any clear-cut evidence showing productivity. Productivity is the key factor in determining if discrimination is prevalent or not because if two groups are just as productive but are receiving different wages you can show discrimination. The more productive group should be rewarded greater, so measuring these productivity levels is necessary to find evidence, which has been pretty difficult to accomplish. However, there is one area that measures productivity that may be able to help us determine if there is discrimination.

## **V. Sports Tells Us Something**

Sports can help us because within sports we can observe productivity. There are countless statistics from various matches/games that measure one's productivity in sports and this can help us compare production levels between different individuals. The great thing about sports is that every play is tracked and recorded as a statistic, which measures an individual's

performance. The performance of an athlete is constantly recorded through statistics and these statistics are updated every time an athlete competes in a new match or event. Therefore, there is a way to measure productivity and compare productivity levels through sports.

There is not a concrete way to observe productivity in the workplace, so it is hard to generate clear proof of discrimination. In various U.S. sports, such as basketball and baseball, an individual's performance can be defined and then we can look at how they (the athletes) are compensated for their production. If an individual is a very productive player on the basketball court, then he/she deserves to be paid more because that person is producing at a high level. Discrimination can be observed when wage levels do not correlate to production. Obviously, there are other factors that come into play because revenue plays a vital role in how much a company can pay its workers. However, the total revenue and the percentage of the revenue that goes to the players should be equal among all leagues regardless of gender, and looking at the revenue distribution is a way to determine equality. The salaries of professional athletes across both genders will be examined and the statistics that these athletes produce in competition will allow us to connect salaries to performance. The correlation between total revenue, salaries and performance will be the focal points in determining if discrimination is prevalent.

## **Chapter 2: NBA and WNBA Comparison**

### **I. Salary Differences**

The NBA and the WNBA are two leagues with different average salaries. The salaries are much higher in the NBA, men's professional league, especially at the top compared the women's professional league. The best male players make upwards of \$30 million a year. The women's salaries for the 2018 season started at \$41,222 and capped at about \$115,000 (Black Enterprise 2018). Their average salary was \$77,878 (High Post Hoops 2018). However, the men's league has minimum salaries of about \$580,000, which is much higher than the maximum salary of a WNBA player (Black Enterprise 2018). The average NBA salary is slightly over \$7 million for the 2018-2019 NBA season (Black Enterprise 2018). This average salary is the highest among all sports in the United States.

The top five highest NBA salaries for the 2018-2019 season are Stephen Curry, \$34 million, LeBron James, \$33 million, Paul Millsap, \$31.3 million, Blake Griffin, \$29.7 million and Gordon Hayward who makes \$29.7 million as well (Black Enterprise 2018). Looking at the WNBA, the maximum salary is \$115,500, which is far less (Black Enterprise 2018). In this past WNBA season, 2018, the top WNBA salaries were much less in comparison to NBA. Angel McCoughtry's salary was \$115,500, Candace Parker also made \$115,500, Skylar Diggins-Smith made the max amount of \$115,500 too, Maya Moore's salary was \$113,000, Nneka Ogwumike received \$113,000 as well and Sylvia Fowles made \$111,180 (High Post Hoops 2018). Clearly,

the biggest stars and highest paid players in the WNBA are receiving a low six-figure salary if they are paid the maximum amount the league is willing to pay them.

In addition, the bonuses are far less for WNBA in terms of winning big awards and completing great achievements. The MVP of the league gets a \$15,000 bonus, winning a championship allows you to make \$10,500, all-stars make \$2,500 more and the Rookie of the Year gets a \$5,000 bonus (Black Enterprise 2018). The MVP of the league in 2017 was Sylvia Fowles and she made \$109,000. The MVP of the NBA in 2017 was Russell Westbrook and he made \$28.5 million. Leandro Barbosa was a player that was waived in July of 2017 by the Phoenix Suns and still made \$500,000 for the 2017-2018 NBA season. These earnings of \$500,000 by Barbosa is almost five times the amount Sylvia Fowles got paid in the WNBA as the MVP and Leandro Barbosa made this money even though he was waived (Black Enterprise 2018).

The leagues in Europe are the areas where some of the WNBA players actually play for a majority of the year because they can make more money overseas. These professional leagues in various countries generally pay women better than the WNBA and it gives these players incentive to try to play basketball overseas for a majority of the year. It is a league that is enhanced by the best American women joining these leagues, so it shows that the United States has such talented athletes, but they are not necessarily treated like it in the WNBA.

The changes over time are staggering in terms of the salaries for professional basketball players over the years. For the NBA, the salary cap continues to rise every year and this past year (2017-2018 season) the cap was \$99,093,000 (Basketball Reference 2019). The 1999-2000

season had a salary cap of \$34,000,000, five years later the salary cap was \$43,870,000 and the 2009-2010 season rose to a cap of \$57,700,000 (Basketball Reference 2019). There is a gradual increase in salary cap typically from year to year and this has had an enormous impact on the players, which is a huge reason why the biggest contracts in NBA history are currently being awarded to players. Steph Curry's huge contract and James Harden are the two who have signed multi-year deals in the \$200 million range, which has never been seen before. Steph's current contract is a 5 year, \$201 million deal. James Harden signed a 4 year extension for \$228 million (Basketball Reference 2019). These two individuals will not be the last players who sign a hefty deal in the \$200 million range and the money that players continue to make will only rise with the cap increasing year after year.

## **II. Key Differences Between NBA and WNBA**

There are some key differences between the NBA and the WNBA. The NBA season is a much longer season in terms of games played and time covered. The National Basketball Association (NBA) begins every October and concludes in June, when the playoffs end. Basically, the season lasts eight months, with the regular season being 82 games for each team and over 100 games for the teams that make it to the NBA finals.

The Golden State Warriors have been the team to beat in the NBA and have clearly been the best team in the league the past couple of seasons. The Warriors, just like every other team play 82 games every regular season but when you include the playoffs you can really see the full length of their season. The 2017-2018 NBA season was a season where the Warriors won



the NBA title and their record in the regular season was 58-24. In the playoffs the Warriors went 16-5, so that's an additional 21 games that they played (Basketball Reference 2019). The Golden State Warriors had a combined record of 74-29 and competed in 103 contests. The season before, 2016-2017, the Warriors also won the championship and in this season they had one of the best playoff runs of all time. They were able to go 16-1 in the playoffs after having a regular season record of 67-15 (Basketball Reference 2019). Their total record for the season was 83-16, so they just played under 100 games for the season. The NBA season is such a long season where every team plays at least 82 games and the winner of the league usually plays over 100 games.

On the other hand, the WNBA the season is a summer-based season starting in May and ending in September. This is a 4-month long season that contains a 34 game regular season and over 40 games if your team advances to the WNBA finals. The 2018 WNBA Champion Seattle Storm played a total of 42 games in 2018 including the playoffs. Their combined record of regular season and playoffs games was 32-10 (Basketball Reference 2019). In the WNBA finals, they swept the Washington Mystics 3-0, but if they were pushed to the brink, they would have played two more games because the playoff series is the best out of five games. Therefore, the maximum amount of games that the Storm could have played was 44 games that season. When comparing the WNBA season length to the men's professional league, this season is obviously much shorter than the NBA. There are 30 NBA teams compared to 12 teams in the women's professional league. Additionally, there are far less players in the league too. There are a total of 144 women in the league and the teams can only have a maximum of 12 players on their roster, whereas NBA teams have 15 players on each roster. The NBA is a league with 450 total

players who make up the 30 teams (Horowitz 2018). Additionally, the actual game time for each match is longer in the NBA, which has 48-minute long games and the WNBA has 40-minute games.

In addition, the odds of being drafted into the WNBA are worse compared to other sports. According to the NCAA's report in 2018, which examined data from the 2016-2017 season, only 0.9% of the draft eligible players were chosen by teams in the WNBA. This 0.9% is less than the NBA, 1.2%, the NFL, 1.6%, the M.L.S., 1.4% and the MLB, which is the highest at 9.5% (Horowitz 2018). Also, in the WNBA draft nothing is guaranteed for WNBA draft picks and there are even first round picks that are released by teams. This past season, the number 9 pick, Tori Jankoska, was waived by the Chicago Sky after her first game (Horowitz 2018). In the men's professional league all first round draft picks (1-30) have guaranteed contracts and have a place on the team.

Additionally, another key difference between the two leagues is shown in overall attendance. The average attendance for the WNBA in 2018 was 6,712 (Forbes 2018). The average NBA attendance for the 2017-2018 season was 17,987, which is about 11,000 higher than the women's league (NBA.com 2018). The attendance is crucial in regards to its impact on revenue generated because more tickets sold shows the amount of support the event is receiving. The demand is higher for NBA players and they have more opportunities compared to women.

All of these factors play affect relative earnings for male and female professional basketball players. The number of games, the number of people watching, length of game and willingness

of fans to spend on the sport all play a role in how much the actual players gain from the game. This is part of why the salary is higher for the NBA and these key differences are enormous in terms of their effect on wages.

### **III. Comparison of Revenue, Sales, Sources, Distribution**

The National Basketball Association is a large organization that generates millions of dollars in revenue every season. This revenue comes in a variety of ways and the league does a fantastic job in promoting the game and selling it to a wide-ranging fan-base. One major way in which the league generates money is through ticket sales and attendance, which was mentioned in the last section. The fans play such a crucial role because they are the ones who are buying products and paying to watch the entertainment that the NBA produces. The interest of the fans and the amount of fans nationwide, or even worldwide, effects the revenue because more fan interest leads to higher sales in merchandise and tickets. In addition, the number of games and length of the game impacts the revenue because the more time invested by fans leads to potentially more business by the fans. There are tons of items that are sold in various areas every night in the NBA and throughout the game a plethora of beverages, food and souvenirs are bought by the consumers. The WNBA is also an organization that generates revenue in similar ways and depends heavily on its fan-base for revenue. The ticket sales, merchandise sold, souvenirs and sponsors help the league generate money. The key distinguisher is that everything is in a smaller portion for the WNBA compared to the NBA. The

season is shorter, there are less tickets are sold, less merchandise is sold and the game is shorter in actual time than the men's league. Therefore, the revenue generated is far less for this league and there is not as much money to go around for the women. The breakdown of specific areas where money is generated for both leagues shows the key contributors to professional basketball.

ESPN pays the WNBA \$25 million per season for the right to publicly broadcast their games (Forbes 2018). WNBA teams have corporate sponsors who heavily impact them and help them earn a large sum of their revenue. The Connecticut Sun earn 40% of their revenue from sponsors and creative partnerships is an area where this league has been very successful. These sponsorships increase the Connecticut Sun's estimated revenue from \$4.95 million to \$8.24 million (Forbes 2018).

The league also sells subscriptions to League Pass and these subscriptions have increased by 40% in the past year (Forbes 2018). The other key revenue sources are merchandise sales, radio deals, TV deals, such as the one with ESPN and agreements with Tidal, FanDuel and Twitter. There is not an exact dollar amount that is pinpointed or determined for the league revenue generated but sources said that a "conservative figure" for WNBA league revenue is \$60 million (Forbes 2018).

The NBA is a league that also thrives off of sponsorships. The NBA is trending upward in terms of how it is rising in terms of sponsorship revenue. This past season, 2017-2018, the NBA implemented jersey patches on the top of each team's uniforms of different companies. These jersey patch agreements with various sponsors have skyrocketed the revenue for the league

and have allowed the NBA to reach over \$1 billion in total sponsorship revenue for the first time ever. The sponsorship spending rose over 30% to \$1.12 billion (Sponsorship 2018). Twenty-one teams in the league have sold jersey sponsorships and that alone accounted for \$137 million this past year. This increase just from jersey sponsorships represents a 16% increase in the overall NBA sponsorship revenue (Sponsorship 2018). Clearly, the jersey patches were extremely beneficial for the NBA financially and represent the continual progress that the league has made in finding new ways to generate revenue and make the game bigger.

In addition, Nike has played an enormous role in helping the league reach new heights by paying the NBA more than double what Adidas used to pay for the right to supply gear/apparel to the league (Sponsorship 2018). Furthermore, a partnership with YouTube TV that was announced in March of 2018, has included presenting sponsorship of the NBA Finals that take place every June. This was the first time the league has sold presenting sponsorship of the finals. The growth in sponsorship revenue is evident when you look at the past 5 seasons starting with the 2013-2014 year. This season saw \$679 in sponsorship spending, the next season received \$739, the following year it rose to \$799, then jumped to \$861 in the 2016-2017 season and lastly rose to \$1.12 billion in the 2017-2018 campaign. There are various categories of companies that sponsor the NBA and it is very interesting to look at the break down to see who is the most involved with the league. Over the last ten years, insurance companies have been the most active in terms of sponsoring. State Farm is leader in this category and maintains its position as the most active company (Sponsorship 2018). Also, quick service restaurants have been a huge partner with the NBA being the third most active. In terms of other companies, media, sports apparel and Beer companies have partnered with the professional

basketball association. Papa John's, Comcast and Molson Coors have all just jumped into the top ten most active sponsor list with some big names such as McDonald's, Lexus and Adidas falling out (Sponsorship 2018).

#### **IV. How Salaries are Determined**

Salaries are a very huge topic for professional athletes. Are they getting paid what they are worth? Are they getting overpaid? How much exactly should an athlete get paid to compensate them for their production in their profession? There are many viewpoints on this topic and various opinions. If you ask owners and fans they will tell you that professional athletes are overpaid and there is no way that they should make the enormous amounts of money that they receive. However, many players feel that they are not being paid what they are worth and that owners are getting a bigger share of the money than they should. The labor supply elasticity, demand for labor and our cultural values all have an enormous impact on salaries in sports, which is a microcosm of the economy.

Economists such as Davenport and Scully have sided with players in terms of salaries. Their earlier studies showed that the labor market restrictions have led to exploitation of players. These labor market restrictions center around the "reserve clause" which limited mobility for players and didn't allow them to fully maximize their worth. However, the removal of these restrictions has led to players receiving closer to their true value according to studies by Cassing and Douglas, Raimondo and Sommers and Quinton. Firstly, you have to understand labor market mobility in order to analyze the relationship between salaries and marginal

revenue product. Looking at the past, prior to 1970, professional athletes in all three major sports faced restrictions on their mobility. This was the case because the typical contract would have a “reserve clause” that heavily limited the athlete from having control to separate from their employer for their professional career (Scott, Long and Somppi 1985, 50). This system with the reserve clause gave team owners monopsony power. The team owners would have the upper hand because players would either have to bargain with their current team or leave the sport, so their decisions would have to go directly through the owners. These restriction laws are limiting the mobility of the players and affecting their labor supply elasticity. Labor supply elasticity is a major factor in exploitation and groups, such as women, with less elasticity of labor supply are exploited at higher rates. Individuals with limited mobility are easier to exploit.

Furthermore, prior to 1976, professional basketball players faced restrictions. Their mobility was halted and they were not able to maneuver under their own control, however this changed in February of 1976. They instituted a “right of first refusal” that eliminated the option clause that bound a player to his team following the year of their contract expiration starting in 1980 (Scott, Long and Somppi 1985, 51). Basically, since 1980, NBA players have had freedom to sell their labor services and players signing contracts after 1980 have seen values that more closely reflect their value. The true value of a player in regards to their impact on their team is what players want to receive back in terms of their financial rewards.

Finding the relationship between individual performance and team success is crucial in determining a player’s value. The relationship is a production function where shooting and rebounding are combined to produce output such as victories. The team’s success is measured as team winning percentage. The inputs are measured as shooting percentage, free throw

percentage, rebounds, assists and fouls (Scott, Long, Somppi 1985, 52). It is essential to quantify the relationship between team success and team revenue in order to estimate the MRP. The demand for labor is equal to the marginal revenue of product and this relates to cultural values. The demand for labor is affected by our cultural values and that is impacted by the market size. This relates to the gender wage gap because the MRP is lower for women and this greatly affects their earnings.

In a competitive labor market, workers are paid by their marginal revenue product (MRP), so finding a professional athlete's MRP is essential in determining if they are overpaid or underpaid. An individual's MRP was computed using their statistics in Scott, Long and Somppi's experiment. According to Scott, Long and Somppi's experiment, an individual player who grabs 500 rebounds in a season contributes \$141,000 to the team's revenue and 500 assists in a season contributes \$201,000 to a team's revenue. This also calculates negatives, such as a player who fouls 200 times in a season detracts from the team's revenue by \$137,400 (Scott, Long and Somppi 1985, 55). In addition, it is hard to measure defensive statistics, but they are accounted for as well. A player who plays 100% of the time is responsible for 20% of the revenue lost. These are estimates and basically the defensive side of the floor is tracked in terms of playing time. There are not statistics kept such as rebounds given up, shots made by or assists handed out by the opposing player that they were guarding which can adjust the MRP. Therefore, the playing time adjustment comes into play and you are responsible for one-fifth of the damage done by other team for you playing time. Additionally, a player has a free throw MRP of \$196,650 if they shoot 75% from the free throw line and shoot 20% of the team's total free throws (Scott, Long and Somppi 1985, 55). Also, a player's shooting percentage and the



total amount of shots they take can be determined as a value that contributes to the team's revenue.

The MRP is very important and it relates to the gender pay gap because an individual's expected contribution to profits can be determined by their marginal revenue product. An individual will most likely get their true salary if they have more opportunities and have a higher labor demand, so they are valued. If a group is experiencing cultural devaluation and has less opportunities than they are less likely to receive their true earnings from employers because of the limited options available to them.

A huge issue is that the NBA pays its players about 50% of the revenue, whereas the WNBA pays its players less than 25% of the revenue (Forbes 2018). If the WNBA paid its players like the NBA, then the average salary would rise to about \$191,083 (Forbes 2018).

The NBA gives its best veterans a "supermax" salary that's equal to 35% of the league salary cap. If the WNBA followed suit and split its revenue the way the men's league has done then the ten most productive players in the women's league would make as high as \$991,669 (Sylvia Fowles) and as low as Chelsea Gray, \$542,459 (Forbes 2018). The amount of money that these women would be earning would be enormously higher than their current salaries. This would start to make the two leagues comparable in terms of treating their players similarly.

## V. Looking at MRP Through Baseball

There is an article called, "Are Baseball Players Paid their Marginal Products?" by Don M. MacDonald and Morgan O. Reynolds. This article is heavily focused on a professional baseball player's contribution to their clubs revenues and therefore finding their marginal revenue product, similarly to the article by Scott, Long and Somppi. Analyzing a player's pay per performance is what this article focuses on and gives us some more in-depth research on how wages should be determined for professional athletes. A professional baseball player's market worth is defined by, "the amount of team revenue produced by his contribution to attracting paying fans to see and hear the team compete" (MacDonald and Reynolds 1994, 445). Scully (1974) was the first to get into estimation of MRP and develop monopsony exploitation. There has been modification by various other authors since Scully's first model and this has led to the various calculations of the MRP for athletes among sports in order to figure out their worth.

It is necessary to examine a player's contribution to their team's performance variables and how these variables effect the team's winning percentage, in addition to how winning percentage effects revenue. These factors have to be examined to determine specific results for each player. The effect of the player's statistics on their team's winning percentage and how that influences the team's revenue is very important. There are certain variables that may mean more to a player's MRP such as mean runs. In baseball the most important thing on offense is to score runs, so getting on base is your number one priority. It is determined that the most productive players score the most runs and this is done in many ways such as getting on base regularly, stealing many bases or hitting the ball hard in order to get home-runs or

extra-base hits. Every run score helps raise the team's winning percentage and according to the experiment done by MacDonald and Reynolds, it raises the percentage by 0.5343 and raising the winning percentage effects the team revenue. A point increase in winning percentage raises the team revenue by \$27,217 (MacDonald and Reynolds 1994, 447). The reason why mean runs scored is probably the best offensive indicator of a player's production because it includes all of the key offensive stats such as hits, batting percentage bases stolen and walks. These areas really give you a great indication of a player's game and total offensive impact.

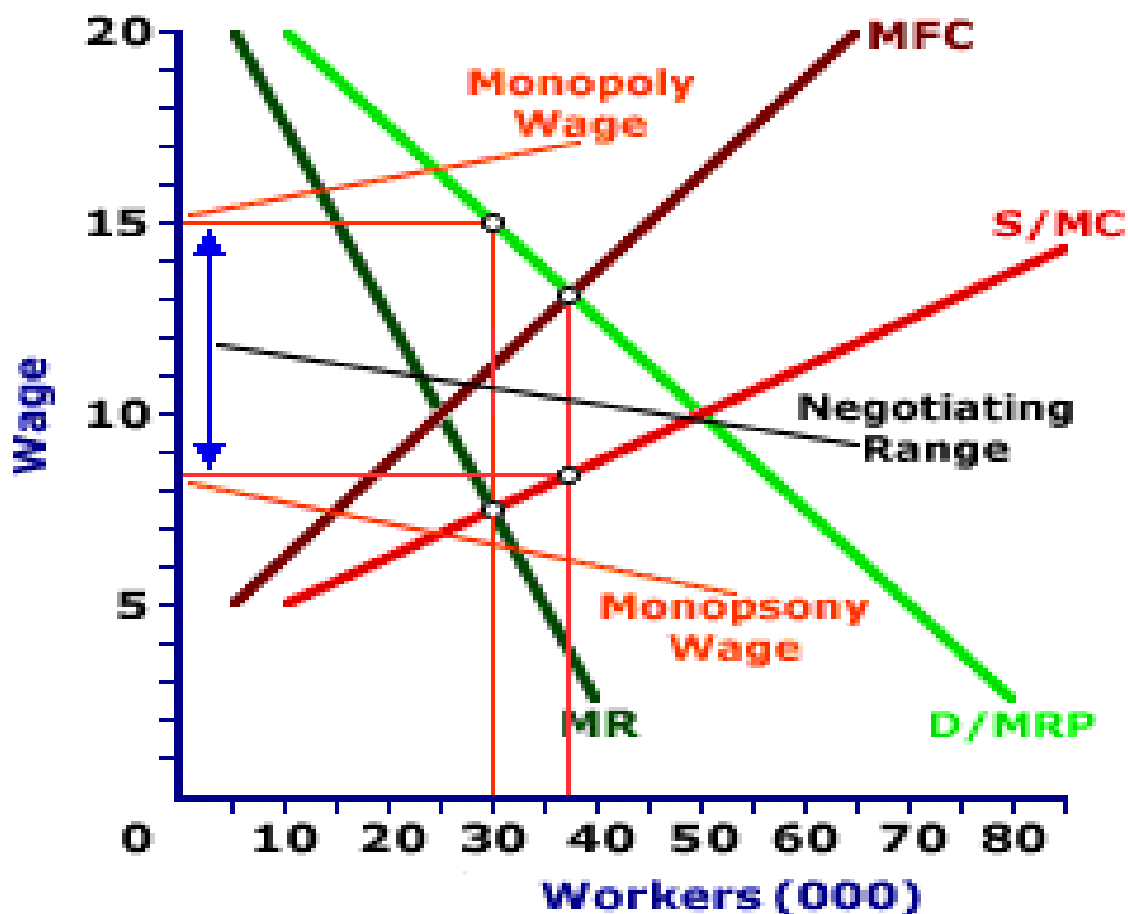
On the other hand, Scully (1974) argues that slugging percentage is the best indicator to judge a player's offensive performance. Also, others who are not in agreement that means runs scored is the best indicator, point out that RBI hitters are undervalued when looking at runs scored. However, it is shown that the leaders in RBI's are individuals who score many runs (MacDonald and Reynolds 1994, 448). These players are bringing in runs with hits, but are also scoring a ton of runs so their run total is usually very high.

There is a superstar model and this is the case because superstars are treated differently. "Fans may find a home run by Juan Gonzales (the 1992-1993 home run leader) more satisfying than a home run by an obscure rookie" (MacDonald and Reynolds 1994, 452). "Salary differences between first and second rank performers heavily exaggerate talent differences, that is, returns to talent are convex (MacDonald and Reynolds 1994, 453)." This confirms the superstar model.

Furthermore, some other key results from their findings is that under the free agency regime, veteran or experienced players are paid in line with their estimated MRP. However,

younger players tend to be paid less than their MRP and therefore are not being paid the amount that they are worth. Also, the results showed that senior pitchers are overpaid, but there isn't a concrete reason for why this is the case (MacDonald and Reynolds 1994, 453). The thinking is that there could be a customer premium for pitchers, which is why they are generally paid more. This is evidence that professional sports are looking to pay MRP and how this data shows that organizations may fall short of rewarding a player for his/her production or even overpay individuals based on their actual performance. These findings, when examining NBA players and even this study about baseball players, are essential in determining if discrimination is a possible factor for the pay differential. The fact that some groups of individuals are getting paid more than they are truly worth while others are not receiving wages that they deserve looks like unfair treatment. The unfair treatment can help explain the gender wage gap.

Figure 1: Monopsony Exploitation



(Amosweb.com)

Individuals with a lower demand for labor and fewer opportunities; less elasticity of labor supply will receive lower wages because they are limited in terms of options. They are less likely to leave their job because they do not have options, so they are not able to negotiate as well in order to get higher wages. When you have more options you can negotiate better, but when you have less options you don't have strong negotiation power. Employers will offer employees lower wages with fewer options.

## VI. Monopsony Power in the Labor Market

The elasticity of labor supply is lower for women and this affects their wages. When monopsony exploitation occurs exploited groups receive lower wages and they have less negotiation power because of limited opportunities (See Figure 1). Workers are paid less than their MRP, which is called monopsonistic exploitation. There is a negatively sloped marginal revenue of product curve and this shows the effect of the demand/MRP. The exploited groups, women, are offered lower wages and receive less for their work.

The elasticity of labor supply to the firm does differ between men and women employees. The fact that we don't have perfectly competitive markets and limited mobility for workers which makes their supply less elastic leads to differential in outcomes for various groups (Ransom and Oaxaca, 268). Imperfect competition is examined in a case by Joan Robinson, which could provide an example of discrimination. There is a situation with a monopolistic employer, so there is a single employer labor market, of men and women that are equally productive. If the labor supply of elasticity is less for women a profit-maximizing employer would offer women lower wages after equating the employment costs of men and women. "In this case it is profitable for employers to engage in wage discrimination, paying higher wages to the group with the higher elasticity of supply" (Ransom and Oaxaca, 268). A study was done which focused on the estimation of a labor supply curve to an individual firm, taking advantage of the differences in wages and separation rates across different job titles. The study does find that there are differences in labor supply elasticity to the firm between the two sexes. "This difference is consistent with the profit-maximizing discrimination against

women workers” (Ransom and Oaxaca, 269). In Ransom and Oaxaca’s framework they estimate the labor supply elasticity to the firm by estimating the elasticity of the separation rate with respect to the wage (Ransom and Oaxaca, 271). Their empirical approach depends on the dynamic labor supply being upward sloping and that separation elasticity has a negative correlation to the recruitment elasticity. Bhaskar, Manning and To’s (2002) duopsony model is pretty consistent with this approach by Ransom and Oaxaca. However, the second part of their approach is not necessarily entirely true. The correlation of firms in the sense of one firm’s separations being another firm’s recruits is not a clear-cut fact. However, the framework by Burdett-Mortensen-Manning does provide information stating that there is a correlation between the recruitment and the separation elasticities, so there is definitely support of this claim.

The owners play a huge role and have a massive amount of power in professional sports. “In professional sports, clubs are organized into leagues that function as cartels to protect the monopoly franchises and the territorial rights of the owners” (Adams and Brock, 723). They make the enormous decisions in terms of running the league, salary decisions, television deals and player movement. They have power to restrict entry and the owners vote on the entry of new teams into the league. The owners collectively come up with these decisions through meetings and continuous dialogue between each other.

In addition, control over the player market is an area where owners have used power in restricting players for their own benefit. The Players Association is an organization that looks out for the players and has their best interests. This association called for freedom, so “free agency” for the players in order for them to find the best possible destination financially. The

free agency concept goes against the laws that owners had previously established which limited player movement. The arrival of free agency through collective bargaining really angered the owners. Free agency effected the elasticity of labor supply by increasing the opportunities for the players. A salary explosion could occur with competition among team for certain players and so the owners had plans to counteract this possibility. "To keep the lid on a potential salary explosion, baseball owners collusively refrained from making bona fide offers to veteran players who had become eligible for "free agency" status" (Adams and Brock, 725).

Leagues exercising monopoly power to limit entry is very common in the sports industry. There are steps an organization has to take to enter the league, such as voting sessions by members currently in the league. The overwhelming majority of the current teams in the league have to vote the potentially new club into the league. The terms and fees to enter the league are all controlled by individuals in the league, so they have all the control. In terms of the owners specifically, they hold many rights such as territorial rights. The territorial rights allow the owner to avoid direct competition in the club's home city. The owner of the club gets to control all broadcasts and scheduled games in their city without any other teams violating their space.

Revenue sharing is a big topic as well and this causes teams to act collectively. "Thus teams act collectively as a monopoly in fixing the price charged for national broadcasting rights" (Adams and Brock, 729). The team revenues experienced great increases with the national television rights fees rising. In terms of the graph, this means that prices would rise towards the monopoly wage and further away from the monopsony wage (See Figure 1). The monopsony



wage is lower because employers are trying to offer lower wages, but an increase in wages shows a rise closer to the monopoly wage.

The Player cartel includes fighting for competition that works in their favor financially and one example of this is free agency, which was mentioned earlier. Manipulating the country's antitrust laws has been a strategy used by the players in their attempt to gain power in the market. This antitrust action against owners is a strategy that has boded well for the players in allowing them to gain some ground on the owners. The actions by the players has led to some positive results, "their threat of antitrust action succeeded in producing a new collective bargaining more to the players' liking" (Adams and Brock, 733). The players were able to force the owners' cartel to negotiate with them and fought "to determine the terms of their employment" (Adams and Brock, 731). Furthermore, NBA players sued owners under the Sherman Act stating that the owners are demonstrating illegal restraint of competition through the NBA draft, the reserve clause and uniform player contract.

The players gaining power is evident across various professional sports. Hockey players have had success in antitrust actions against owners when they used these threats to "compel the owners to contribute more revenues from broadcasting to player pensions" (Adams and Brock, 733). Clearly, players are pushing and trying to force their way to equal rights in their eyes by putting pressure on owners. The antitrust action is the main way that players have fought back against the higher authority in professional sports.

The players have been able to threaten the power of owners, but have not been able to threaten the owners' ultimate power of controlling a franchise. The players have made strides

to bargain and force the owners to hear them out or else the players will take extreme action against the owners. However, the key to monopoly power and profits in sports is to have control of team franchises, which is the area where players have never seriously challenged owners.

Stephen F. Ross also gives us some insight on competition laws and monopolistic exploitation by sports teams and leagues. The viewpoint held by Ross in summary is that having a more aggressive and determined enforcement of established principles of competition law will benefit sports fans and consumers. In the sports industry clubs and organizations are able to exercise economic power which leads to consumer exploitation and low product quality that stems from an “insufficient allocation of resources” (Ross, 569). There are ways to counteract these actions and economic power exercised by sports leagues in order to change the notion of one dominant power controlling everything in the league.

Looking back at Ransom and Oaxaca’s work, their study is based on data from a regional grocery retailer. The various store positions are broken down and wages of various positions are analyzed in the store. The average wages for each worker within each job title along with the separation rate for the job, separated by gender. There is a great level of job segregation in this data by job title and this job segregation is not beneficial for women. At this employer, job segregation hurts women because they tend to have lower paying jobs and there is limited mobility, so the limited movement between job titles keeps women in these female dominated positions. In addition, this is very important because the monopsony power could explain the wage differences in the industry through the gender differences in elasticity of labor supply.

This study relates to the gender wage gap, especially in sports, because one of the sources causing wage differentials is the limited opportunities for women and having fewer opportunities allows employers to take advantage. The lack of opportunities and limited mobility hurts the negotiation power of the group because they do not have a strong alternative option, which keeps them stuck in the same spot. On the other hand, the group with more opportunities will have better negotiation power because they have additional options to explore if they feel that their current occupation is not the most suitable for them.

## **VII. Support for Theory Using Salary History**

The professional sports industry is very unique in that it allows us the opportunity for labor market research (Kahn 2000, 75). Sports owners have monopsony power over players and are able to limit the mobility of players by reducing their choices. The idea of economists testing whether or not monopsony lowers worker pay is evident in Kahn's writing. Sports labor markets are very important because "sports labor markets can be seen as a laboratory for observing whether economic propositions at least have a chance of being true" (Kahn 2000, 76).

Monopsony is evident in sports and can be shown by actions of the league when it faced competition according to Kahn. A source of evidence on monopsony in sports is the rise and fall of rival leagues. There were many professional baseball leagues forming in the late 1800's up until the early 1900's, which posed a threat to Major League Baseball. The emergence of these leagues caused the league at the time to protect itself by instituting a reserve clause in 1879.

This reserve clause required players to stay with the team that originally acquired their rights under contract (Kahn 2000, 76). This led to owners having more power over the players, which caused salaries to fall. In 1882, a new league emerged called the American Association and it created competition with the National League (the regular league at the time). The players had lower salaries mainly because of the reserve clause, but with the emergence of this rival league, the American Association, salaries started to increase from 1882-1891. The average salary for baseball players in the league rose from \$1375 in 1882 to \$3500 in 1891 (Kahn 2000, 77). The rise in salaries could explain that the monopsony power of the owners lessened but it is certainly not concrete evidence.

There was another baseball merger shortly after and this merger greatly impacted players' salaries. The first year of the merger saw players' salaries on average falling to \$2,400 from \$3,500 the year before. Furthermore, in 1893 the average salary fell down to \$1,800 and the owners made a new salary policy where the maximum a player could get paid was \$2,400 (Kahn 2000, 77).

The competition by these rival leagues led to early experiences that possibly showed the impact of monopsony in this labor market. However, Kahn took this experiment even further and included other sports such as professional basketball and hockey. The multitude of sports can give us a better understanding of monopsony power in the labor market.

In terms of professional basketball, there was a league called the American Basketball Association (ABA) which provided competition in the labor market. The arrival of this league and others allow us to see the impact of rival leagues on player salaries in the sports industry.

The ABA's existence, especially in the early 1970's led to NBA players quickly becoming the highest paid individuals across major sports (Kahn 2000, 79). The arrival of the World Hockey Association in 1971, sparked the rise in the salaries for NHL (National Hockey League) players to the point where they made more than professional baseball and football players (Kahn 2000, 79). However, it is also important to examine the changes in the popularity of the sport because that could have an impact on the relative increase in salaries for basketball and hockey players during the time. The tremendous rise in salaries is not consistent with the revenues during that time and could not explain the huge jump in salaries. On the other hand, the rival competition is consistent with effects of the new competition. In addition to the rival basketball and hockey leagues, there was an emergence of a professional football league challenging the NFL called the USFL. The importance of the new competition is stated when Kahn says, "The faster growth of NFL salaries during the 1982-85 period despite worse attendance and television revenue increases again suggests the importance of the USFL" (Kahn 2000, 80).

These shifts in salaries are hard to explain without appealing to the theory of monopsony. Monopsonistic exploitation during the 1980's across basketball, football and hockey appears to be the case when examining various studies.

The portion of revenue that the players in the NBA and the WNBA receive is very different. The WNBA players receive 20.4% of the league revenue, whereas NBA players receive 50% of the revenue (Forbes 2018). The two leagues pay their players so differently with almost a 30% difference in revenue given to the players. The difference in pay comes from two sources which are culture devaluation of women and fewer opportunities. The demand of labor for women is lower than men and their elasticity of labor supply is lower as well. These sources of

the differences in pay between the sexes in the sports industry is very similar to the rest of the world. In the labor market women receive lower earnings and these two sources, cultural devaluation of women and fewer opportunities, are primary reasons for the earnings differential. The sports market is a good representation of the rest of the world when you examine its trends and issues. This can explain monopsony power because the percentage of revenue given to the players in the women's league would not be as low if women had more negotiating power. However, with the limited options available to women they do not have the negotiating power that men have in their league and cannot bargain as well. The negotiating power of an individual is greatly affected by their options, so these lack of options are really hurting women's ability to fight for higher wages.

## **Chapter 3: Proposed Policies to Address or Alleviate**

### **I. Summary of Expected Effects of Proposed Policies**

The sports market is obviously different from the labor market and is composed of different individuals. There are professional athletes that make up the sports market, whereas you have professional doctors, lawyers, teachers, etc. that make up the rest of the labor force. There are different types of professionals, but these markets all have similar factors that play a role in affecting the earnings of people in these markets. Therefore, the sports market is a microcosm of the labor market and a good representation of the economy even though it is not exactly the same as the typical workplace. This is why examining the sports economy is very helpful and gives us essential information on the role of women and men in an economy because similar factors in the sports world are evident in the broader economy. The two main sources, which are cultural devaluation and fewer opportunities for women play an enormous role in the wage gap in sports, but also are alive in the typical work place. The potential solutions for attacking these issues of cultural devaluation and limited opportunities are examined in various policies that aim to increase demand for women's labor and increase the labor supply elasticity for women. In the grand scheme of things, these two sources are holding women back in regards to receiving equal pay to men across the economy. The next step is to address these two issues that are hindering women and alleviate the differential of earnings that are alive in society. There are comparable worth policies, childcare policies, equal opportunity policies and much more than focus on ways to create equal opportunities for women in addition to eliminating the stereotypes that devalue women's labor. If there are more options for women and a higher demand of labor than it will certainly narrow the gender

pay gap in sports, but also in the economy as a whole. The NBA is valued much more than the WNBA and there are more opportunities within the league, which means that there has to be action taken to reduce this huge differential. In the workplace there is a sense of needing men in higher positions and valuing their work more, so this has to be further examined in order to create positive change in sports and the whole economy.

There have been proposed policies to try to eliminate the gender pay gap. An effort to address or alleviate the gap is a step forward in trying to find a solution to this dilemma. One proposed policy is the comparable worth policy, which is brought up by Gary Solon and George Johnson. The comparable worth policy is an effort to reduce discrimination and make sure that workers are paid for their work, so non-discriminatory factors cannot be the cause of wage differentials. The difference in pay could be that employers are just paying women lower wages even though they are equally if not more productive. This would represent discrimination and here is where the comparable worth policy would come into play. There are pros and cons with every potential policy and that is no different with the comparable worth policy.

The comparable worth movement is a policy that is attractive because “the observed negative relationship between wage rates and femaleness of an occupation reflects an undervaluation by society of WJs to MJs” (Johnson and Solon, 1117). Primarily women’s jobs typically paying less than primarily male jobs has caused concern in the judicial and political arenas and the CW policy aims to tackle this problem. This requires research to be done to determine how much certain jobs are valued and a way to determine a job’s worth. The CW policy would make employers pay employees what they deserve and eliminate illegitimate determinants of pay.



Johnson and Solon's empirical findings give us some basic knowledge that many individuals assumed in terms of jobs that have more females tend to pay lower wages and that men make more money relative to females for doing similar jobs. This difference in pay could be a result of many different factors such as maybe men have higher earning average characteristics like longer average work experience than women in that occupation (Johnson and Solon, 1118). Also, another reason for the differential could be that employers are just paying women less in that occupation even though they are just as productive. This reason represents discrimination and if this is true than the comparable worth policy would come into play. In addition, another reason that may explain the differential is the fact that men work for higher paying firms and this could actually represent discrimination too. The reason why men working for higher paying firms could be discriminatory towards women is because employers could have used discriminatory practices when hiring workers.

Nevertheless, the potential impact of the CW is crucial when examining firms. The CW would require equal pay for work of comparable value only within firms (Johnson and Solon, 1121). The comparable worth policy does not cover wage differences between firms, so inter-industry differences in wages are unaffected. The comparable worth policy's inability to alter pay differences between firms in the same industry is an issue.

In addition, Blau and Kahn, as well as other studies found that most of the pay differences within occupations are mostly interfirm, not intrafirm. This means that the differences are happening mostly between two or more firms instead of looking within the specific firm. The CW policy only applies to intrafirm pay differences, which represents the limitation of the CW.

The direct effects of the comparable worth policy would be consistent with its limitations. The effects of the policy would be that the gender gap shrinks (Johnson and Solon, 1123). However, there is only a very small effect on the gap and these results do not represent a strong potential impact by the potential CW policy.

This policy has limitations that do not allow it really affect the gender pay gap and eliminate the potential discrimination. The policy is certainly a step in the right direction because it strives for the correct goal and talks about the roots of the problem. The findings of this article also allow us to think deeper about possible solutions to reducing the pay gap.

The WNBA is a market that is dominated by females and this represents a market where women are receiving low wages for work. On the other hand, the men's league is experiencing much higher wages for their work and this market, as said before, is a small representation of the economy as a whole. The possible factors hindering women in the work force are holding back women in the sports world and policies have to address the issues preventing women from getting higher wages.

Marlene Kim has brought up many ideas to address and alleviate the issue. One of the solutions that Kim brings forth is to enforce existing equal opportunity statutes. "In a cross-country analysis, Doris Weichselbaumer and Rudolf Winter-Ebmer (2007) find that laws mandating equal treatment in workplaces reduce the gender wage gap" (Kim 2013, 279). The action of really enforcing existing laws is vital in causing change because there are laws in place such as Title VII of the 1964 Civil Rights Act in the U.S. that mandates non-discrimination in the workplace and when it has been heavily enforced it has been successful. In addition, affirmative

action has to be taken in terms of taking steps to such as recruiting minority workers and publicizing the availability of job openings more successfully to less represented workers. There can also be programs that mentor or train the workers so that they can become more comfortable at the job. A greater representation of minority workers can be achieved with affirmative actions taken by companies that give a strong effort to hire underrepresented workers (Kim 2013, 279). A stronger effort to include workers that typically have low representation in a certain sector will definitely create change and diversity in the market. The diversity and intermixing of women and minority groups will be a step in the right direction in regards to equal treatment.

Family-friendly policies that allow women to have a family and a job. There are other countries who have these policies in place and in these areas the labor participation rate among women is higher. However, family-friendly policies should not reinforce the gender division, so part-time work should be available in higher paying fields (Kim 2013, 280). There should not just be part-time work available in lower paid female-dominated occupations. Also, there should a system where both parents have to take alternating periods of paid parental leave, so there isn't just paid parental leave for women which reinforces the gender division.

Paternity leave can have a multitude of great effects for men and women. A paid parental leave can create a closer bond between a father and his child because of the increased time that the two have together. It is vital to have a strong bond with your children and that helps strengthen the entire family. The ability for men to take time off also increases their participation in the household so the household duties are not female dominated. Women are able to take time off as well with paid leave policies, but they help raise the labor participation

rate for females in general. The promotion of equality is the main goal of policies that allow paid paternity or maternity leave.

In terms of expanding on family-friendly policies, there was strong action taken when The Family and Medical Leave Act of 1993 mandated that eligible workers are allowed up to 12 weeks of unpaid leave for illness of a child, their own illness, birth or adoption or acquiring a foster child (Blau and Kahn 2016, 45). Also, workers are entitled to their jobs when they come back from their leave. This is the foundation of the policy, however firms can voluntarily require paid leave or even more time off than a 12 week period if they choose to do so. Parental leave policies are beneficial because they make firms invest in these policies, so women's relative wages are going to rise because parental leave is more likely to occur for women.

However, there are potential downfalls of maternity leave policies. They might encourage labor force withdrawal for longer periods of time than a woman might have normally taken if the policy wasn't implemented. If a woman is out of the labor force for a longer period of time than she is not gaining as much experience and this lack of experience could hurt in the long run. In addition, it could also cause women to have fewer opportunities in the economy because it may cost more to hire women, so employers may discriminate against them. Research has shown the effect of The Family and Medical Leave Act of 1993 has been small, with a little positive effect on employment but no effect on wages (Blau and Kahn 2016, 45).

In the WNBA, parental leave plays a far less role but it still can arise as an issue. There are women who could become pregnant in the summer during the WNBA season and have to

miss games, so that could affect their earnings. In 2011, the WNBA had a maternity leave policy that allows players to make half of their salary for the time that they miss due to their pregnancy (HuffPost 2011). There is still the losing out of all potential earnings due to pregnancy in the WNBA, but this is at least an effort to support women. The WNBA is supportive and there are far less incidents of women in the WNBA having issues with their employers about taking time off compared to the corporate industry or rest of the market. However, this issue is still in play and very much alive in every industry.

Unionization is another key factor in potentially alleviating the issue. Unionized workers tend to earn more than non-unionized workers and in public sector jobs the wage premium is higher among women. Women belonging to unions can reduce the gender pay gap and in general, unionization is vital because these workers earn ten to thirty percent more than workers that are not in unions (Kim 2013, 281). Collective bargaining agreements play a huge role for unionization and its relationship in narrowing the gap. The reason that this is the case is because collective bargaining agreements usually include ways to aid groups that have faced discrimination and strive towards equality. When these agreements strive towards equality by implementing laws against discrimination it provides a positive effect for the gender pay gap in terms of narrowing the difference.

An issue that unions face is that they have been under attack. Congressional republicans have “right to work” laws that attack collective bargaining. In right-to-work states workers in general, regardless if they are in a union or not, earn less than workers in states that don’t have these laws. In addition, in 2011-2012 there more than 12 states passed laws that restricted collective bargaining rights from public employees (Economic Policy Institute 2017). Workers

are also harassed and threatened during the union election process, which is an effort to reduce union membership. The laws and efforts against unions has caused a decrease in union members and according to the Bureau of Labor Statistics union membership was down to 6.4% of private sector workers in 2016 (Economic Policy Institute 2017).

In regards to sports, collective bargaining is great for communication and letting both sides share their opinions on a multitude of issues. The NBA has a strong players union that is very vocal about issues in sports. The players union is constantly trying to support the players and always has in mind the best interest of the players. The union representing the players is called the National Basketball Players Association, NBPA, and the President of this union is a current NBA player named Chris Paul (NBPA 2018). The WNBA also has a union called the WNBPA, Women's National Basketball Players Association that was formed in November of 1998 (WNBPA 2019). They are similar to the NBPA because they fight for their players rights and always try their best to look out for the players, especially if they feel that they is unfair treatment. The players association and the WNBA work together and negotiate the terms of the CBA. Also, the players association makes sure that the WNBA follows the rules under the CBA and each team follows suit in meeting their obligations (WNBPA 2019). The negotiated rules are rules that are enforced so that the league can run fairly and smoothly. The unions, both in the men's and women's league, are extremely beneficial to the players and they benefit in all areas because of these unions. Salaries are higher because of these unions and how they negotiate to make sure that the players are making as much as they can. If the union did not exist then the players would certainly be taken advantage of in much stronger ways.

In addition, another way of reducing that gap could be to prohibit pay secrecy, which is evident in some states. There has been research done that shows women in the same state received higher wages after these pay secrecy laws were outlawed (Kim 2013, 281). Therefore, if every state followed suit and adopted these laws then this could cause a positive effect for the gap. The states that have outlawed pay secrecy are Vermont, Michigan, California, Illinois, Maine and Colorado, so sharing information about their salaries is allowed and employers cannot retaliate against employees for sharing these details.

Pay transparency is important because it helps eliminate uncertainty and gives workers more information about what similar workers are earning in the workplace. This is very helpful so individuals can know if they are being paid differently from their peers, whereas a person could never know that they are being paid less than a similar worker if their earnings are just kept a secret. Pay secrecy doesn't have much of an impact on the sports market because the salaries of athletes are pretty well known by everybody, however, discussing salaries more often and putting more attention on individuals earnings in sports helps massively. In order for women's basketball to expect change in their salaries they need to constantly bring up these issues that are salary related and not just keep quiet or step back. This is similar to the labor market in terms of individuals needing to make their voices heard and continuous dialogue will not allow for pay secrecy. When women express their concerns about their wages in all markets it brings attention to the issue, which helps their cause.

Furthermore, another key factor is using government regulation to prevent exploitation and create more competition. In terms of ways to move forward, "the direction that most

countries seem to be moving in, however, is to use settled principles of competition law ... as a useful and meaningful constraint on the abuses of economic power in sports” (Ross, 570).

In a non-competitive market where there are barriers to entry it really affects the consumers and their choices. An example would be looking at Chicago sports fans and their options in the sports market for various teams. The hockey fans, as well as football fans in Chicago, have no teams to replace the Blackhawks and the Bears in the market, so they are bound to show loyalty these teams. The fan loyalty would not necessarily be the case if there was territorial competition and there was another professional football team in the NFL in the city of Chicago. Also, in regards to hockey, there would be a different level of fan support if the NFL added a team in Chicago besides the Blackhawks.

There however are obstacles to using government intervention in countering the economic power that leagues have in the sports industry. One of the main issues is that government regulation is not desirable because government administration is not best suited to handle the necessary tasks. “Determining proper labour-market rules that combine the public interest in efficient allocation of players with the stronger public interest in industrial peace, in a format outside of collective bargaining, is also extremely problematic” (Ross, 572). There is not a great probability of regulatory success.

It seems that the best way to handle the monopoly power would be to form agreements among the dominant league’s clubs in terms of holding them to standard of reasonableness. This would mean “that agreements which appear to have anti-competitive effects must be justified as reasonably necessary to achieve some legitimate welfare- or consumer-enhancing



goal” (Ross, 573). This standard arises from the Common Law of Restraint of Trade, which laid down the groundwork for common law concepts. The common law judges protect the public interest in competition by looking out for legitimate interests. In terms of the players, any law that limits players from seeking multiple employers who are fighting for their services is illegal under the common law. A way to provide a legitimate constraint on the large amount of power exercised by dominant sports leagues is why the competition laws are necessary and aim to provide a more level system. When there is an absence of these laws sports leagues are able to exercise their power and take advantage of consumers and the players. The American Sherman Act and the EU Treaty are other documents that provide important constraints on power. The consumers’ welfare would be much better if there was league regulation and sports organizations could not own territorial rights that include television rights. A form of effective government regulation and reducing monopolistic exploitation is the direction to veer towards in an effort to see positive change.

## II. Policies that Increase the Cultural Valuation of Women

Policies that increase valuation of women are essential because the cultural devaluation of women is a source of the differences in pay between the sexes. Gender norms play a huge role in the cultural devaluation of women in society and the fact that the demand for labor of women is not as high compared to men. The policies that try to erase or lessen those social norms are policies that can increase the valuation of women. If women are viewed as equals in terms of individuals who can attribute the same amount to success in the labor force as men then their demand will certainly rise. The natural viewpoint of men being the harder-working individuals who are the breadwinners for the family is what drives the thinking of many in the economy. The role of women in society is not appreciated enough and women are looked at as followers, not leaders. Many employers are looking for leaders who can create positive change in their company and if women are not viewed as leaders then how are they going to be hired? Women are leaders and have been successful in leadership roles throughout history; however, men have typically been the ones to obtain the highest positions. There has never been a female president, which is crazy considering how many intelligent women are qualified to be president of this country. The demand for women work is not very high and that can change through learning about women's history and heavily enforcing equality laws, which I previously mentioned. In our country we need to be more open and get rid of past stereotypes that are holding society back from becoming a better place, which can be done through constant learning and raising awareness to this issue. The constant dialogues about unfair treatment and the devaluation of women will certainly push society in the right direction and strict law enforcement has to follow to enforce the value of women. There are laws in place to

aid women and create equal opportunity, but if those laws are strictly enforced then there will not be much change.

In addition, a way to help in increase the demand for women labor and combat cultural devaluation is to put an intense amount of effort into awareness campaigns. Raising awareness of women in sports and their league would be very beneficial to helping the audience. There are far more commercials and advertisements supporting men's basketball than there are for women's basketball. If people see more women basketball players on their television screen and more information about the WNBA then they are more likely to check out the product. However, if their marketing campaign is limited it hurts the league's notoriety. There are plenty of people who do not really know when the WNBA season is played and have no idea when the prime-time games are being played. The lack of awareness is a key component that hurts the league and efforts to fix this can help create a positive change in the performance of the league.

The NBA could actually help the WNBA with funding towards programs to raise awareness to women's basketball across the country. The NBA is an organization that has connections overseas and outreach programs that stem out to various countries to Africa and India. The NBA has been very successful promoting its brand and if they made a serious effort to help the WNBA promote their brand that could possibly attract more fans to the women's league. A partnership between the NBA and WNBA would show that men truly support their fellow women athletes, even though I'm sure many of them already do, but this would be a great step forward in expanding the WNBA.

### **III. Policies Improving Opportunities for Women**

Improving opportunities for women is also a key source in the pay differences between men and women. There are more opportunities for men to obtain jobs, whereas these opportunities seem limited for women. The limited opportunities cause women to have less labor supply elasticity, which has a negative effect on wages (See Figure 1). A way to create opportunities for women could potentially reduce the pay gap because it would lead to a higher percentage of women in the labor force and more women in higher positions. There are many women who face difficulties being in the labor force because of certain circumstances that men do not have to face, therefore giving men an advantage. There could be training services, programs that organizations create that make sure women are represented strongly. If there are various methods or techniques that companies instill into their organization that benefit women, it could really create change.

There needs to be something done that increases the incentive for women to join the labor force instead of policies/laws that make it more difficult for them to join. The goal should be to create policies that allow additional opportunities for women in the workplace and eliminate possible discrimination against female applicants. Additionally, a way to create more opportunities for women is to create better state supported childcare programs that help women instead of making it more difficult for them to work. If there were more affordable childcare programs that allowed women to go to work and feel comfortable about their child's safety. There are obstacles permitting women from feeling comfortable joining the labor force

and they need a path that allows them to manage the tremendous load of having to balance their life and work.

Furthermore, if there are more attractive part-time working options it would immensely help the labor participation rate of women. Women often have time finding paid work that gives them the appropriate flexibility that they need in order to balance family time and work time. The labor force participation rate would certainly increase if there were more attractive part-time working options for women instead of low-paying part-time work. There needs to be many more part-time jobs with flexible working schedules that allow women to have achieve a good balance between family and work, which is lacking in society. The appealing part-time options would definitely give women more incentive to join the labor force. Married women joining the labor force at a higher rate would be a huge step in reducing the gap because of how they have traditionally took time off and been convinced to be caregivers.

In terms of the sports market the opportunities are limited as well for women. There are far less teams in the WNBA and less players as well. The league has less games, the playoffs are shorter and the game-time is shorter compared to the men's league. The lack of opportunities for women is on full display in the sports industry because men have many more options as far as teams to possible destinations. The lack of opportunities is something that is causing a negative impact on the league and even though the league has been growing/expanding its still a league that doesn't have teams in many well-known sports cities. The women's league does not have teams in various cities such as Miami, Philadelphia, Detroit, San Antonio, Denver, Houston and Milwaukee. The NBA has teams in these areas, which create additional opportunities for male players to be a part of the league, whereas there are limited spots in the

WNBA due to fewer cities having teams. Another limitation is the lack of games and the season being much shorter. There are not nearly as many games being played, which hurts the players earning potential because the less you play, the less you make.

I touched on this a little bit before, but women have to go overseas or obtain another job if they play in the WNBA because most of the time they are not making enough money to support themselves. This relates to the limited opportunities that they have here in the United States and it is much different from men in the NBA who make far more than enough so that they do not need to have another job. There is also another professional league in the United States for men to try to join, the G-League, and even though these players do not make nearly as much as in the NBA it is still another option to play at a high level. Women do not even have this option of playing in another professional league in the United States, so the spots are extremely limited for female professional basketball players.

## Conclusion

There have been gender wage gap issues dating back until the 1950's. The pay differential is something that can be explained in two main ways, either discriminatory explanations or non-discriminatory explanations. The discriminatory explanations for the gap include occupational crowding, statistical discrimination and taste-based discrimination. On the other hand, the non-discriminatory explanations include women choosing less lucrative majors, household obligations and women being less productive. There are different theories to support these two differing sides that have been researched by various individuals including Blau and Kahn, Barbara Bergmann, Goldin, Marlene Kim and Ross. These individuals help us explain the gap and give us possible reasons why the gap is still evident today.

Sports is so important and helps us explain the gender wage gap in ways that we could not when examining the labor market. The sports industry is special because it allows us to measure productivity. Measuring productivity allows us to see if discrimination is occurring or not because an individual's wages are supposed to correspond to productivity. If the productivity levels of an individual don't align with their wages than you can make a case for possible discrimination and unfair treatment. It is so difficult and almost impossible to measure productivity in the regular labor force, but it is much easier in sports through statistics. The great things about sports is that there are thousands of statistics recorded every year and progress is consistently tracked of each athlete. Therefore, you can compare individuals through statistics and actually see who is more productive in the industry.

We can actually measure an individual's marginal revenue product of labor in sports, which is how salaries are determined. In the workplace we cannot truly measure this because there aren't any clear cut statistics accounting for how productive each person is in the office. The player's contribution to profits is the amount that he/she should get paid and if their salary reflects a different value than discrimination could be a possible factor explaining this difference. Discrimination could possibly explain player's salary being different from their true value.

Furthermore, when examining our findings, we are able to find that monopsony plays an enormous role in the earnings of women. We can see that women do not have a ton of negotiating power because their options are limited, which hurts their chances of getting higher wages. Employers know that women are limited and therefore can take advantage of this by offering them lower wages knowing that they do not have strong negotiation power. The main source relating to monopsony power has to do with women having less elasticity of labor supply and so they have fewer opportunities. In order to fix this issue, there needs to be policies that increase elasticity of labor supply and create more opportunities for women.

The other main issue is cultural devaluation. This relates to the difference in pay between the sexes because the demand for labor for women's work is lower. A world in which we could increase the demand for labor in regards to women could eliminate the notion of cultural devaluation. The fact that the demand is lower means that work is not valued and if your work is not valued than your earnings will reflect it. The two main sources of the wage differential comes down to cultural devaluation and limited opportunities for women.



The possible solutions for these dilemmas are explained through various policies. One of the key policies is the comparable worth policy, which tries to aim for earning what you deserve. A person's wages should reflect their work and there should not be unfair factors that lower the wages of certain people. The elimination of discrimination and earning your fair share is the goal of this policy. There were obviously issues with the policy, but its intention is a positive impact on what the future is trying to accomplish.

In addition, childcare policies and policies that do not punish women from taking care of their children. There are potential policies that strive for equality in terms of splitting up household time with the children so that women are not the only ones taking time off to support their kids. This is very important because allowing individuals to take care of their family without penalty provides security that people strive to obtain when working. It also shows that your company cares about you when they help you through difficult situations. Also, when there are policies that strive for equality in terms of men and women both taking off time from work to support their kids, it shows that firms are moving past stereotypical thinking.

Programs implemented in the labor force that target more women is a step in the right direction of reducing the gap. This helps include women more in the labor force instead of pushing them out constantly from higher paying fields. These programs that target more women are encouraging equality in the market instead of crowding them out, which is a form of discrimination. Also, when a group is targeted and encouraged to work it makes them feel more appreciated, which can correlate to higher levels of productivity. An individual would want to work harder for a firm that appreciates and values them as a part of the company.

In addition, eliminating pay secrecy is a way that could create positive change. The open dialogue about salaries of various individuals and not hiding anything is very important if there is going to be any form of change. There are employees that have been working in the same company for years and have been making less money than others who are doing the same exact work as them without even knowing. There is unfair treatment happening in firms and it is possible that employees have no idea that this is going on because they are unaware of the salaries of their fellow workers. However, with open dialogue this unfair treatment can be addressed and nobody will be blindsided. All of these policies are ways that companies to grow in the future and help women in the labor market, which is important to reducing the pay gap in all markets.

The future of the sports industry can certainly be affected by policies that strive for equality but there also needs to be additional steps to cause real change. The promotion of the league and awareness campaigns are huge in the spreading of the game to various cultures that even extend beyond the United States. This awareness and selling of the league to the general public in an aggressive way would certainly attract more viewers to the WNBA. There definitely is not a strong enough marketing campaign for the women's league and their stars are not really well-known as opposed to NBA stars. The best players in the NBA are extremely popular and everybody knows of them, however many people do not know much about the best players in the WNBA. There are constant advertisements with NBA stars promoting different products on various commercials and so their faces start to become familiar with the general public. The public needs to see more and learn more about the best that WNBA has to offer because this will help people get familiar with the league. There have to be organizations willing

to help the WNBA take this step in making the league more popular across the country or at least show strong support of the women's league. A few NBA players have been outspoken about the value of the WNBA but further action to push the league to new heights will most likely have to be done in a collective effort. When two leagues work together it can be very powerful.

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