Professional Sport Team Owners in US
Prove Socialism Can Work

Op-Ed
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We seem to be at a crossroads in our economic policy paradigm. We appear to be stuck between unbridled capitalism, bordering on feudalism, or the dreaded "S" word. But a look at America's sports leagues, which are among the strongest, most vibrant institutions in our economy, provides an enlightening example of what is possible when a governing body strikes the right balance. Sport franchises are worth billions and they earn billions in revenue, and provide good paying jobs to their employees. To create this dynamic economic model, these owners surprise, surprise, share the wealth!

These "capitalists" understand that in order to have a thriving, competitive marketplace, a winner take all "laissez faire" economic approach does not work. In order to support a 30-40 team league, owners understand that the wealthier markets must support the smaller, poorer markets. They also understand that to have competitive and entertaining games, the talent must be distributed evenly. As a result, they have strict rules and regulations governing the operation of their leagues.

To maintain these competitive and lucrative institutions, every sports league requires the teams to share the revenue from TV and advertising deals. They cap spending so that teams from poorer cities can compete for talent. They tax wealthy teams who spend more than the cap and distribute the money to the poorer teams. They structure the draft so that losing teams get the first shot at recruiting the best talent.

Additionally, they have strong unions for their players, which provide significant minimum salary and benefits. In essence, these owners, the most successful capitalist in the United States, know that without these rules and regulations the teams in the five or six largest markets, with the most resources, would dominate the leagues and result in many fewer teams and a less wealthy organization. In fact, a look back at the history of the leagues will demonstrate the struggles they faced before they instituted many of these reforms.

This should all lead to an analysis of the Multiplier Effect and Universal Basic Income positive impacts on poorer communities. That is, with a tax policy that draws revenue from the wealthiest one percent and distributes these proceeds to the neediest amongst us, the resultant consumer spending will benefit businesses and services in these traditionally underserved communities which should also incent businesses to invest in these communities because of the increased demand.

This discussion requires a much deeper dive into the impact of artificial intelligence and robotics on both blue- and white-collar jobs and how government intervention can provide a glidepath to a new equilibrium of available jobs to job seekers.

As we think about the future of western economic policy, we would be wise to look at how sport team owners maximize the success of all stakeholders by sharing the wealth.