

Table 1. Major league baseball salaries, annual averages, 1970-96

Year	Average salary	Percent change	Median salary	Percent change	Median as percent of average
1970	\$ 29,303	-	\$21,750	-	74.2
1971	31,543	7.6	24,750	13.8	78.5
1972	34,092	8.1	27,000	9.1	79.2
1973	36,566	7.3	28,000	3.7	76.6
1974	40,839	11.7	30,000	7.1	73.5
1975	44,676	9.4	34,000	13.3	76.1
1976	51,501	15.3	40,000	17.6	77.7
1977	76,066	47.7	58,000	45.0	76.2
1978	99,876	31.3	68,000	17.4	68.1
1979	113,558	13.7	80,000	17.7	70.4
1980	143,756	26.6	95,000	18.8	66.1
1981	185,651	29.1	135,000	42.1	72.7
1982	241,497	30.1	170,900	25.9	70.8
1983	289,194	19.8	207,500	20.8	71.8
1984	329,408	14.1	229,750	10.7	69.7
1985	371,157	12.7	265,833	15.7	71.6
1986	412,520	11.1	275,000	.3	66.7
1987	412,454	-	235,000	-14.5	57.0
1988	438,729	6.4	235,000	-	53.8
1989	497,254	13.3	280,000	17.0	56.3
1990	597,537	20.2	350,000	25.0	58.6
1991	851,492	42.5	412,000	17.7	48.4
1992	1,028,667	20.8	392,000	-4.9	38.1
1993	1,116,353	8.5	371,500	-5.2	33.3
1994	1,168,263 ¹	4.4	450,000	21.1	38.5
1995	1,110,766 ¹	-4.9	275,000	-38.9	24.8
1996	1,119,981	.8	300,000	9.5	26.8

¹ Actual salary was less, because of the 1994-95 players' strike.

SOURCE: Average salary data are from the Major League Baseball Players Association. Median salary data for 1970-82 from MLBPA and for 1983-96 from Major League Baseball.

ment), and the owners wound up having to pay the affected players about \$280 million.¹⁰ The rate of salary increase also slowed in the 1993-96 period. This moderation was due, in great part, to the decline in national television revenues and other shortfalls associated with the 1994-95 players' strike.

Median salary refers to the level at which half the players earned more, and half earned less than the median. The data in table 1 show that player salaries have become polarized lately. Whereas for many years, median salaries were roughly two-thirds as high as average salaries, in recent years, averages have been two to four times higher than the medians. The reason for this is that clubs are signing a small number of very high-priced free agents and, thus, have less left over to pay the rest of the players. In the major leagues in 1994 for instance, 12 percent of the players accounted

for 54 percent of the payrolls.¹¹

It has become common in the 1990s for clubs to replace high-salaried fringe players with younger players from the farm system. The number of rookies increased significantly during this time. In a typical club, 20 percent of the players make 80 percent of the money—a kind of "Hollywoodization" of the work force, because the same wage disparity is found in the movie and television businesses. The stars make the big bucks. This has always been true. While exceptionally talented performers will usually get the biggest share of the pie, one of the reasons that unions have arisen in sports, as well as in traditional segments of the entertainment industry, is to bolster the economic fortunes of the little guy—the marginal players, equipment operators, stagehands—whose more modest talents make them vulnerable to replacement and wage exploitation.

Despite the success of the MLBPA in raising average salaries in baseball, the growth in recent years has resulted from a small portion of the ballplayers becoming extraordinarily rich, while marginal players have not shared the gains. In fact, some "mediocre" players have been shunted aside to make room for still lower-paid players, to offset the disproportionately large share of the payroll going to the handful of superstars. The good, but not spectacular, journeyman player is getting much less of the pie than in the past—and may not even be kept around for this smaller slice. Nor is the threat to journeymen veterans confined to baseball, as the same trend is noticeable in basketball and hockey. These two sports also provide huge contracts to a few players, so on a typical club, there are more players at, or near, the minimum salary level than in the past.