

National Foundation for American Policy

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Research: Increased Revenues in NBA and MLB Help Illustrate Benefits of Globalization

NBA Champion San Antonio Spurs Aided by Immigration; Foreign-Born Talent Has Increased in the NBA and Major League Baseball

Arlington, Va. – The 2014 NBA champion San Antonio Spurs are an example of how successful American enterprises today combine native-born and foreign-born talent to compete at the highest level, according to a new report released by the National Foundation for American Policy (NFAP), an Arlington, Va.-based policy research group.

The report, “Immigrant Contributions in the NBA and Major League Baseball,” is available at www.nfap.com.

The San Antonio Spurs led the league with 7 foreign-born players, according to the NBA. Moreover, data on Wins Produced, compiled by BoxScore Geek, indicate the foreign-born players on the Spurs were responsible for 32 of the team’s league-leading 62 wins in 2013-14. The leading win producer among foreign-born players was Marco Belinelli, from Italy, with 6.7 wins produced, followed by Manu Ginobili, born in Argentina, with 6 wins produced, with important contributions also from Patty Mills (Australia, 5 wins), Tiago Splitter (Brazil, 4 wins), Boris Diaw (France, 3.8 wins), Tony Parker (France, 3.6 wins), and Cory Joseph (Canada, 2.8 wins).

None of this is to argue that only the foreign-born players contributed to the San Antonio Spurs compiling the NBA’s best record and the league championship. The team’s two most important players were native-born Kawhi Leonard and Tim Duncan, who was born in the U.S. Virgin Islands and is considered a U.S. citizen by birth. But the combination of foreign-born and native-born talent proved highly successful.

The San Antonio Spurs are part of a larger trend of globalization in the NBA. In the 2013-14 season, the National Basketball Association (NBA) set a record with 90 international players, representing 20 percent of the players on the opening-night NBA rosters, compared to 21 international players (and 5 percent of rosters) in 1992.

Professional baseball started blending foreign-born players with native-born talent earlier than the NBA. On the 2014 Major League Baseball (MLB) opening-day roster there were 213 foreign-born players, representing 25 percent of the total, an increase of 2 percentage points from an NFAP analysis of MLB rosters performed in 2006. Leading foreign-born baseball players include 2013 American League MVP Miguel Cabrera (Venezuela), 2013 World Series MVP David Ortiz (Dominican Republic) and Texas Rangers pitcher Yu Darvish (Japan).

NBA revenues have increased substantially over the past 30 years. In the 1982-83 season, NBA revenues were \$118 million, compared to \$4.6 billion for the league’s 30 teams in the 2012-13 season, according to *Forbes*. Similarly, revenues for Major League Baseball rose from \$1.4 billion

in 1995 to over \$8 billion in 2013, reports *Forbes*. And there is no evidence the entry of foreign-born talent has lowered the wages of NBA or Major League Baseball players, who have been enjoying record salary levels.

If the National Basketball Association and Major League Baseball had hired more foreign-born players and it resulted in an inferior product, then that would likely be reflected in league revenues. Both leagues rely on the voluntary purchases of tickets (and TV viewership) by consumers, who appear to be fine with foreign-born players on their favorite teams. Revenue figures indicate, it can be argued, that globalization and the ability to hire talent from around the world has benefited the leagues by enhancing the quality of play and attracting new fans and revenues. Being open to talented individuals without regard to their place of birth and combining their abilities with native-born athletes has not been bad for business.

“NBA and Major League Baseball teams, like all employers, seek out employees that will make their companies better able to compete,” said Stuart Anderson, executive director, National Foundation for American Policy, and former head of policy and counselor to the Commissioner of the INS (August 2001 to January 2003). “But just like it would make little sense for technology companies to refrain from hiring any of the 71 percent of electrical engineering graduate students who are international students at U.S. universities, it also would be poor business practice for any NBA or MLB team to eliminate foreign-born talent from its potential labor pool if it wants to compete at the highest level.”

The report includes a complete list of foreign-born players on NBA and MLB rosters.

About the National Foundation for American Policy

Established in the Fall 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) non-profit, non-partisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, former U.S. Senator and Energy Secretary Spencer Abraham and other prominent individuals. Over the past 24 months, NFAP's research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post*, and other major media outlets. The organization's reports can be found at www.nfap.com.

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